Family Business Succession Planning in South Africa: A Daughter's Perspective

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ABSTRACT

Family businesses make significant contributions to various economies across the globe. This study highlights the importance of succession planning in small, medium sized and large family businesses. As such, they face a challenge on succession when the owner needs to pass over the managerial powers to another family member. The phenomenon has the potential to bring down the business if proper measures are not instituted throughout the process. The situation is complicated when the successors are women who are traditionally viewed as incapable of handling senior positions in the family business. To enable the success of a woman successor, there must be a cordial relationship between the owner, the successor, and the other family members. Given the crucial role that family businesses play in the South African economy, it is necessary that the succession issues are researched and measures developed to avert disputes.

This study researches the various factors that affect succession in family businesses. The findings help in widening the understanding of the dynamics involved when determining the possible successor of the business. They will successfully influence policy-making processes, add to the existing business knowledge, educate people on the business succession matters and make practical recommendations for actions that families can take to improve their chances of a successful succession and thereby ensure the sustainability of the family business for future generations.

The quantitative study used a cross-sectional research design to collect primary data using online questionnaires. The sample was identified using convenience total sampling and snowball technique. The data was then analysed using IBM SPSS Statistics 95, t-Test, and Regression Analysis. The results confirmed a relationship between a cordial parent-daughter relationship and a smooth transition. This implies that it is necessary for a parent to cultivate a cordial relationship between family members to prevent the collapse of the family business. The study also revealed that there is no relationship between daughter gender factors in succession planning as the literature review had suggested.

Keywords: parent-daughter relationship, family business, succession, family relationship

DECLARATION

I, Palesa Ruth Nonkwelo, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Management in the Field of Entrepreneurship at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Palesa Ruth Nonkwelo

Signed at Johannesburg

On the ......29 day of May 2019.

DEDICATION

To my loving husband Nceba Nonkwelo; this effort would not have been possible without your love, support and sacrifice. To my daughter, Bontle Nonkwelo, thank for your patience and understanding.

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1 INTRODUCTION

Family businesses play a pivotal role in the South African economy and, indeed, in most economies across the globe (Casillas & Moreno, 2007). Most owner-managers face many challenges with one of them being noted, as succession planning. Family businesses barely survive after the first generation, something which represents a great loss in both skills and wealth transfer and mitigating chances of economic growth (Agarwal, Kumar & D'Souza, 2016). Daughters are not always considered the natural successor, since they are mostly seen as less capable when considering the position of the successor as compared to the sons (Cassidy & McGrath, 2014).

Succession is one of the most discussed topics in family business research (Kubíček & Machek, 2018). In spite of, the changing professional and family roles of women and the growing number of female CEOs worldwide, published works in the body of literature have relatively little to say on the role of gender in succession (Kubíček & Machek, 2018).

Therefore, the paper is premised on a research proposal that assesses the succession planning challenges faced by parents with daughters in the family business, in preparing them to take over the business after the first generation; and if there is a need to consider other strategic and structural requirements within the succession planning.

1.1 Theoretical background to the study

Although it is now commonly recognised that small businesses make a huge contribution to many economies globally, it is not so commonly known that the majority of small businesses are also family businesses (O'Neill & Cromie, 1998). There is a fair amount of large multi-national family-controlled businesses, but an overwhelming majority of family businesses are small or medium-sized (Bjuggren & Sund, 2000; Longenecker, Moore, Petty & Palich, 2006).

Family businesses have been in existence and in operation for centuries (Benavidos-Velascos, Quintana-García & Guzmán-Parra, 2013). Regardless of this, researchers have only been interested in them since the 1980's; before that, they were not taken into consideration (Benavides-Velasco et al., 2013; Bird, Welsch, Astrachan & Pistrui, 2002). It seems the sudden interest in the study of family business was incited by an appearance by the 1983 special issue of *Organisational Dynamics* (Melin, Nordqvist & Sharma, 2014), an issue that increased awareness of the topic in the research community, and provided ideas for future research (Wilson, Whitmoyer, Pieper, Astrachan, Hair & Sarstedt, 2014). Shortly, after this issue in October 1988, family business research was stimulated (Lansberg, 2001 cited in Sharma, Chrisman & Gersick, 2012). The last 30 years has observed an obvious increase of published journals and articles on family business (Wilson et al., 2014) with 4 021 published in this century (2000s) (Sharma, 2015).

Historically, gender has influenced processes and relationships within the family business. Gender issues have a potential of hindering knowledge transfer to daughters and create conflicts within the family which can negatively affect the overall succession performance (Glover, 2014). Daughter succession in a family business may face challenges since daughters are not always considered natural successors. Daughters are not customarily socialised into the family businesses (Byrne & Fattoum, 2014; Glover, 2014); which poses difficulties for them to gain experience they later need to identify with the family business and which is essential for them to take over the family business (Martin, 2001; Hogg & Abrams, 2006).

1.2 Context of the study

The study is contextualised in South Africa, where 60% of listed businesses on the Johannesburg Stock Exchange (JSE) are family businesses (Rabenowitz, Botha, Rossini, Du Preez, Geach & Goodall, 2018). Family businesses have been making a positive contribution towards the South African economy for the last 300 years (Van der Merwe, 1998). The fostering of family businesses in South Africa has been referred to as a crucial aspect in the stimulation of the economy (Venter, Kruger & Urban, 2010). They further state that Family Businesses make up 90% of all businesses in the world and are recognised as significant economic drivers in both developed and developing countries as they play huge roles in advancing the economies of different countries (Hjorth, 2016).

A study conducted by the Family Firm Institute (2016) provide comprehensive research on Family Businesses, emphasising that family-owned businesses account for 80% of all firms in America whereby these firms contribute 50% of the country's Gross Domestic Product (Family Firm Institute, 2016). In South Africa, Family Businesses contribute 50% of the country's growth and the number of families that are involved in family-owned businesses in the country make up for 80% of all businesses in South Africa (Rabenowitz et al., 2018).

The impact and quantity of family businesses is expected to grow in the future. The rapid growth is due to the number of many large corporation rationalisations, and the rising job creation incapability. These issues present opportunities for family businesses to add to further economic growth in South Africa (Maas & Van der Merwe, 2005). For the reason that family businesses play such a pivotal role to the South African economy, their survival is extremely important (Maas & Van der Merwe, 2005).

In South Africa, only one in four family businesses survive into the second generation and only one in ten, makes it into the third generation. One of the main reasons explaining the high failure rates for first and second-generation family businesses, is their inability to manage the complex and emotion-laden process of ownership and management succession from one generation to the next (Bareither & Reischl, 2003; Venter, 2003; Ibrahim & Ellis, 2004; Lee, 2006). Many family-owned businesses lack strategies regarding succession planning.

Hjorth (2016), says that the fast growth of family businesses in South Africa results from the South African government developing initiatives that aim at supporting small and medium-sized enterprises (SMEs). However, there is still not enough research that adequately explains the contribution that Family Businesses make to the socio-economic growth of South Africa and consequently, there is also little information known to give the necessary conditions for successful Family Businesses. The main areas of concern in the area of family businesses include succession, conflict of interest within families, and insularity (Daspit, Holt, Chrisman, & Long, 2016).

According to Rabenowitz et. al. (2018), other problems in the line of family business include lack of sustainability of family-owned businesses, and intergenerational changes. This paper focuses on a literature review of the issue of family business succession in South Africa from the perspective of a parent to a daughter. However, South Africa is run by a mixed legal system that comprises English law, Roman-Dutch law, statutes and precedents. These rules are commonly applied in the field of succession and generally, the rules do not discriminate against women when it comes to a succession of family businesses, therefore, the rules and challenges that apply in passing on a business from a parent to a son apply to passing the business from a parent to a daughter (Campopiano, De Massis, Rinaldi & Sciascia, 2017).

In Canada, a large percentage of the economic activity is determined by those involved in the management and ownership of family businesses (Leach, Ball & Duncan, 2003). The majority of United States -based family-owned businesses do not survive to the second generation, and only 3% of family-owned businesses make it past a third generation. Successful succession is reported to be critical to securing the family business across generations and to ensuring family harmony (Gilding, Gregory & Cosson, 2013).

1.3 Problem statement

1.3.1 *Main problem statement*

Traditionally, there are specific and exceptional challenges for daughters with ambition for the highest leadership role within their family's business. There is a gender-based inclination that gives preferentiality to sons over daughters as leadership heirs (Allen & Langowitz, 2003; Miller, Steier & Le Breton-Miller, 2003), regardless of experience, character or interest to lead. Consequently, daughters are found to be disadvantaged in gaining crucial experience, training, and social support to take up the top role as they grow up (Astrachan & Whiteside, 1990; Cromie & O'Sullivan, 1999; Estess, 2001; Martin, 2001; Nelton, 1997 & Sherman, 2002 cited by Constantinidis & Nelson, 2009; Haberman & Danes, 2007).

1.3.2 *Sub-problem*

There are insufficient studies in South Africa and Africa that focus on family business succession planning when the daughter is the potential successor, the nature of the relationship between a parent and daughter as well as the impact the business context has on succession planning. Most research on this topic has been conducted on large non-South African family businesses (Venter, 2015). Although, it has been established that gender influences processes and relationships within family businesses (Jimenez-Martinez, 2009), the issue of how gender influences succession processes remain understudied (Glover, 2014; Ip & Jacobs, 2006).

1.4 Research purpose, research question and aims of the study

The purpose of the research is to contribute and add to current literature by deepening understanding on relationships between family members, the relationship between parent and daughter and the business context the family business operates in and how these may impact succession planning when a daughter is the potential successor, in the South African.

1.4.1 *Research question*

What are some of the challenges in succession planning in family businesses in South Africa, when the potential successor is a daughter?

- ***Sub-Question 1*****:** To what extent does the business context impact the effectiveness of successful succession planning for daughters in the family business in South Africa.
- ***Sub-Question 2*****:** To what extent does the daughter gender factors affect the succession planning of family businesses, in South Africa. South Africa.
- ***Sub-Question 3:*** What is the relationship between family members and succession planning in the family businesses in
- ***Sub-Question 4:*** What effect does the parent-daughter relationship have on the effectiveness of succession planning.

1.4.2 *Research aim and outline*

The research aims at offering a thorough introduction and defining background that takes into consideration family member relations, the business environment and the female aspect of family business succession in South Africa.

1.5 Conceptual/theoretical definition of terms

The adopted definitions for the purpose of this research are listed below in order to establish a common understanding of the theory.

1.5.1 *Family business*

Also known as family enterprise and family firm. Family business are the most popular form of enterprise in the world. They are simply defined as companies managed by members of a single family (Barry, 1975 cited in Getz, Carlsen & Morrison, 2004). This is the adopted definition for the sake of this research.

Family businesses form 50 % of the United States of America (USA) gross domestic product and employment prospects. In Germany, family businesses are responsible for 66% of GDP and 80% employment, 50% GDP in the United Kingdom (UK) and 85,4% in China. The majority of businesses in most developing countries are family businesses (Liu, 2013).

1.5.2 ***Succession planning***

Succession planning refers to planning a business handover. Family business succession is the handover of assets as well as ownership, business leadership and management to the next generation (Spielmann, 1994 cited by Fritsch, 2017). It is the transfer of the business from one generation to the next (Venter, Urban, Beder, Oosthuizen, Reddy & Venter, 2015). Successful succession is critical to securing the family business across generations and to ensuring family harmony (Gilding, Gregory & Cosson, 2013).

Venters (2003) suggests that activities in the succession process of a family business followed this sequence:

- Pre-planning phase
- Planning of succession - ownership succession and management succession
- Manage founder's departure (Venter, 2003)

1.5.3 *Daughter gender factors*

The research focuses on the daughter's (gender) factors that impacts succession planning. It has been found that gender factors can influence processes and relationships within family businesses (Jimenez-Martinez, 2009). Daughter gender factors highlight the features possessed by a daughter, being female, and how their gender influences the manner in which they are socialised and considered. Gender bias may result from attributing more competence to male successors, with a total disregard of whether they are qualified for the position or have a will to take over the family business (Glover, 2014).

1.5.4 *Family member relationships (Intra-family relations)*

Family member relationship refers to the personal relationship between parent (father or mother) and the successor (daughter). For the purpose of the research, family member relationships and intra-family factors are used interchangeably. De Massis, Chua and Chrisman (2008), developed a model that depicts factors preventing intra-family succession. These factors are individual, relation, context and financial factors. Figure 1 illustrates how the succession process could be affected (De Massis, Chua & Chrisman, 2008).

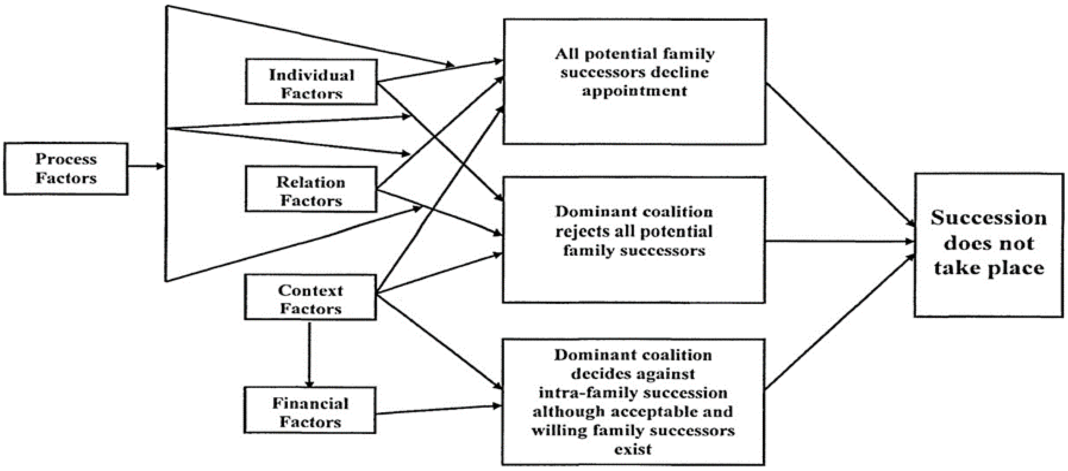

Figure 1-1: A model of the factors preventing intra-family succession in the family firm.

Source: De Massis et al. (2008, p. 186)

1.5.5 *Business context actors*

The business context refers to the nature of the family business and how inducive the family business environment is in accommodating the daughter as a successor to their owner-parent. Erikson's conceptualisation of entrepreneurial capital in the business context (2002), suggested that there should be no separation between the owner-manager together with generation-capital components and the culture, managerial style, organisation, performance and social-capital activities of the family business (Erikson, 2002). Daughters are not customarily socialised into the family business (Byrne & Fattoum, 2014; Glover, 2014), which poses difficulties for them to gain the experience they need to identify with the family business and which is essential for them to later take over the family business (Martin, 2001; Hogg & Abrams, 2006).

1.5.6 *Parent - daughter relationship*

Refers to the nature of the relationship between the parent (mother or father) and daughter(successor) and how the relationship between the two-impact succession planning. If business-owner and daughter relationship is not cordial, there is a likelihood that the parent will sell the business (Ratten, Dana, & Ramadani, 2017).

For the purpose of this study parent-daughter relationship, business-owner and daughter relationship, owner-manager-daughter relationship and parent and daughter relationship are used interchangeably.

1.6 Assumptions

The assumptions of this research study included:

- The respondents found the items on the questionnaire easy to understand.
- The respondents provided relevant data in response to the proposed hypotheses of the research study.

1.7 Contribution of the study

Doing research is much more than following a prescribed process to collect data; certainly, surely it is also about the researcher´s dream of “adding value out of the insights and understandings they arrive at” (Corbin & Strauss, 2008, p.15). Given the importance of family businesses to the South African economy, it is also vital that the challenges facing these businesses are identified and researched (Venter, Van Der Merwe & Farrington, 2012).

1.7.1 ***Contribution to the body of knowledge***

The contribution of this study to family business entrepreneurship literature is in identifying and highlighting the challenges faced by parents with daughters as potential successors in succession planning within family-owned businesses in the developing country context of South Africa. The research help in shedding light on how the female gender could be disadvantaged in the family succession planning. Research focused on daughters could help prepare women to face the challenges that await them when they join their family businesses (Vera & Dean, 2005). The study adds to the body of knowledge where a deficiency in the family business literature exists; where daughters are possible successors. Gender can be used to revisit and revise existing scholarship, either as a focal point of research or through the development of secondary, but serviceable variables or contextual frames.

1.7.2 ***<u>Contribution to business context (business value)</u>***

The relevance of the research is in addressing the practical challenges facing family businesses that can be ascertained. According to Zahra and Sharma (2004, p. 337), "the ultimate aim of researching family businesses is to inform, lead, enrich and guide managerial practice". It also enables most of the family owner-managers in South Africa to ensure the inclusion of their daughters in the decision- making processes of the business with the aim of guaranteeing the survival and successful transition of businesses into the second generation (Thurman & Nason, 2016). The focus on daughters could help them face challenges that await them when they join or take the leadership role in their family businesses, which makes it very important from a management point of view (Vera & Dean, 2005). This study may benefit small businesses by providing lessons learned on ensuring organisational sustainability (Chesley, 2017).

1.7.3 ***<u>Contribution to influencing public policy</u>***

In growing family businesses that are being transferred from generation to generation, policies that will aid entrepreneurial activities to keep individuals employed, to entice people to choose entrepreneurship through or within the family business in South Africa, in contribution towards increasing job creation.

Further research on family business and succession challenges can assist governments in designing relevant programmes to support start-up entrepreneurs by establishing a business environment where hurdles hindrances are restrained and where aspiring entrepreneurs and development is encouraged (Iannarelli, Iannarelli & Mischel, 2006). Youth entrepreneurship and succession challenges, need to concentrate on investigating gender-based variables in family businesses in South Africa (Iannarelli, Iannarelli & Mischel, 2006).

Family wrangles associated with business succession disrupts the normal operations of the business which leads to significant losses and potential closure. Since these family businesses are significant economic drivers in South Africa, there is a need to establish frameworks to guide the succession phases. The legal and legislative environment should ensure equity and equality among genders when distributing leadership positions in a family business. When there exist regulations, the transition will be smooth which will largely benefit the economy.

1.7.4 ***Contribution in teaching***

The modern education systems have instilled skills, knowledge and expertise in management which has significantly boosted the confidence of the women to fight for leadership positions in family businesses (Thurman & Nason, 2016). In light of this, the study serves as a further contribution to family business literature and teachings to further encourage and support women in taking over as successors, owners and managers of their family business and to encourage parents to see their daughters as suitable heirs.

1.8 Research outline

Chapter 1 has provided the context of the study, theoretical background of the study, problem statement, contribution of the study to (literature, business context and policy), definitions of key terms and assumptions of the study. The second chapter presents the literature review on daughter succession planning within a family business in South Africa, which outlines the definitions of the ideas, the basic concepts, and the determination of issues for the research. There is an illustration of the general approaches based on their contribution to the business with the inclusion of both the internal and external aspects (Daspit et al., 2016). The research hypotheses and conceptual framework of the research are also introduced.

Chapter 3 discusses the research methodology and design, research instrument utilised for data collection, a representation of the population sample as well as an indication of how the data was analysed and interpreted for the research. The presentation of the empirical results from the study is reported in Chapter 4. Chapter 5 presents the analysis and discussion of the research empirical findings. The conclusions, implications, recommendations and areas for further research are presented in Chapter 6.

2 LITERATURE REVIEW

2.1 Introduction

Research shows that only about 30% of family businesses survive to the second generation while less than 14% make it beyond that (Xi, Kraus, Filser & Kellermanns, 2015). In South Africa, to be specific, only one out of four family businesses survive into the second generation (Zellweger, 2017). This failure has led to a big effect on the social and economic cost of South Africa, considering that most businesses in the country are family owned. The failure relates to the inability to manage the complex process of ownership and management from the founder, who in this case is the parent, to the successor, who in this case is the daughter (Mokhber, Gi Gi, Abdul Rasid, Vakilbashi, Mohd I, & Woon Seng, 2017).

Family business studies have progressed over time. In the 1980s, focus was mainly on succession issues (Sharma et al., 2012; Farrington, 2016; Zahra & Sharma, 2004) which had mostly practical applications for family business stakeholders (Wilson et al., 2014). Succession remained a dominant theme, from 1996 through to 2003 when a variety of other topics started getting research attention (Zahra & Sharma, 2004; Sharma et al., 2003).

Succession in the family business often comes with a few changes in the manner of doing business. This could be because of the change in the thought process between the stalwarts of the business and the new generation taking over (Blignaut, 2016). Often the younger generation looks to bring in a change to match the market place by modernising the facilities of the business (Blignaut, 2016). Also, the family business inheritance often depends on the relationship that exists between the parent and the son (Blignaut, 2016), which naturally can be expected to be extended in the case of a daughter too. Without proper planning, some issues that are detrimental to the future of the company may arise, which could be difficult to alleviate in the longer run.

Family businesses are managed differently from non-family enterprises and succession is an inevitable step that requires meticulous planning. Several theories have been forwarded to explain how these entities work. The systems theory posits that being independent entities, family and business will always influence each other, whereas in the agency theory, the family members are the principals while the CEO takes on the agent role. The field theory suggests that family members interested in working in the business align their careers with the enterprise's activities while the Bernelli Entrepreneurial Model strongly suggests that children brought up in family businesses master entrepreneurship skills faster and better. Succession thus takes into account the strengths of different family members in relation to the external business environment with the females being chosen for HR positions while males take on the top leadership. Furthermore, these matters are discussed within the family to prevent wrangles.

This literature review commences with a literature background on entrepreneurship theories and resumes by discussing the family business in South Africa and how they compare to other countries, then succession planning of family business, followed by a discussion about the theories that explain family business with the aim of contextualising the study. The theories include the system theory (Barrett, 2014), agency theory (Barrett, 2014), field theory (Riordan & Riordan, 1993; Kjellman, 2014), Erikson's conceptualisation theory (Erikson, 2002), as well as Bernelli's entrepreneurial model (Mischel & Iannarelli, 2011).

2.2 Literature background of entrepreneurial theories

One of the universally accepted entrepreneurship theories is the economic theory by Richard Cantillon (1680-1734). According to Cantillon, an entrepreneur is an agent who buys the means of production and then combines them in order to come up with a new product. He further classified economic agents into three categories, that is, hirelings, entrepreneurs, and land owners. Of the three agents, Cantillon felt that the entrepreneur is the most powerful since he or she connects producers with consumers (Boutillier & Uzunidis, 2014; Brown & Thornton, 2014). This theory is closely related to family businesses because they connect producers with their customers. An example of such is when a family owns a supermarket where they sell a variety of products. The supermarket will be buying commodities from the producers and then selling them at a profit to the consumers, hence connecting the two agents. Resource based theory is also another common theory of entrepreneurship. According to the theory, an entrepreneur is one who uses the available resources to solve a problem (Hitt, Ireland, Camp, & Sexton, 2017). Therefore, when a daughter takes over the family business, she needs to utilise the available resources to ensure that the business performs as well as expected. Another common entrepreneurship theory is the sociological one which states that entrepreneurship is also affected by the social context (Ma, 2015). Factors like a good social network and a desire for a good life will make one venture into entrepreneurship. Therefore, there is a need for good family relations so as to ensure effective succession planning.

Succession is an inevitable step in the lifecycle of a family business. Planning for it guarantees a smoother transition in leadership, which encourages stability in the business, continued economic prosperity, and job security for the workers. It also minimises feuds between various family relations as families are most vulnerable during the succession period (Phikiso & Tengeh, 2017).

In this study, the factors describing the theoretical dimensions of management succession planning, perceived suitability of the prospective successor and the expected outcome of the succession were extracted (Venter, Ellis, & Van der Merwe 2009). The study also looked at the relationship between parents and the daughter, as well as the impact of the family business context. Different theories and models are also discussed in relation to guiding the succession process of family businesses in South Africa.

2.3 Literature background of family business

2.3.1 *Economic overview and comparison.*

The main differences between a family business and other types of organisations is that family businesses are intimately and complexly interwoven with the family's intimate private financial matters, family relations and legacy issues the family faces or is dealing with (Venter et al., 2015). Family members have a lifetime position and equity in the business. For some family members becoming part of the family business is a direct route to entrepreneurship and for others, their basic participation unavoidably becomes a career option. For children being part of a family business not only creates opportunities and has a potential of great wealth but also gives them a sense of pride and belonging (Venter et al., 2015).

Family businesses in the USA account for 80 % of all businesses in the States and are responsible for more than 50 % of the country's GDP (Family Enterprise USA, 2019); this is in comparison with family businesses in Europe, which make up 60-70% of the businesses and contribute 45-65% of the entire continent's Gross National Product (European Family Business, 2012). In Germany, family businesses constitute 79% of all businesses and these businesses create jobs for more than 44% of the country's population (Krenek, 2017). In India, Italy and Latin American countries, family businesses make up 90-98% of all businesses and they cater for 80% of employment (The Economic Times, 2018; AIDAF, n.d; Khan, 2018). Most businesses begin from the support of family members and this is common in developing economies that cannot fully rely on financial support from their governments. Family businesses are often a substitution of lack of regulation by financial markets. In South Africa, estimates show that 80% of all businesses are family owned and 60% of these companies are listed in the JSE (Hjorth, 2016).

2.3.2 *Planning for succession*

According to Thurman and Nason (2016), succession is a deliberate and planned effort by an organisation to ensure that the continuity of leadership in an organisation in primary positions retains and develops intellectual and knowledge capital for the future and encourages the advancement of individuals. However, maintaining family businesses from the parent to the daughter faces one of the biggest challenges in South Africa. This can be seen from the research that states that approximately 66 % of a successful parent to daughter family-owned business survives the transfer of the business to the second generation and only 13 % survive through the third generation (Steiger, Duller & Hiebl, 2015).

Succession planning in the United Kingdom is also an ongoing challenge; the issue is often raised, pointing out on various aspects of family development and growth. Compared to South Africa, the UK draws a distinction between ownership transition whereby the daughter, being the successor, buys the business of the parent and management transition, whereby the daughter takes over the business. However, most of the succession planning in the UK involves management transition, the same as in South Africa.

According to Akani (2015), succession planning in Nigeria is not much different from that of South Africa, the only difference comes in where Nigeria has most of its laws following the traditional way of doing things and women are not considered to make the best successors in terms of family businesses; most parents believe that their sons should take the mantle of family businesses. This is different from South Africa whose laws allow an equal succession of rights.

2.3.3 *Managing succession*

According to Butler (2017), as family businesses grow older and become bigger, succession comes into the picture and parents pass on their blessings to their daughters to conduct the businesses. However, in as much as people would want to assume that most family businesses have a succession plan, most of them do not have. In South Africa, only 17 % of these family businesses have legalised succession plans which have been discussed and implemented. Research shows that the figure has not gone up in the recent past. According to the survey, 68 % of daughters who owned their parent's businesses believed that their business strategies aligned with those that were previously used by their parents, but anecdotal evidence shows that to be false (Ghee, Ibrahim & Abdul-Halim, 2015).

In the UK, on the other hand, strategic formation and decision making in the family can be a problem because of the conflicting interests between the daughter, the parents and the business itself (Burns, 2016). In the UK, family members who support women succession have these women having strong political influence in the family business. The women act as mediators and enablers in maintaining communication channels and ensuring any conflicts are solved well. These women also help in strategy formulation and ensure the succession planning is clear. However, in the UK, different family generations need different succession plans and strategies (Burns, 2016).

2.3.4 *Pitfalls of family businesses succession*

Family business successions face a number of challenges, which are not common in non-family businesses because problems are passed on from one family generation to the next. Problems occur due to the difference between different personal goals and the difference between generations of different daughters. These differences require to be clarified before they cause conflicts, which could lead to the destruction of the family business (Gilding, Gregory & Cosson, 2015). An example of this is the Gucci family-owned business, which was some time ago a very big family business and later was faced by family chaos caused by differences among family members, conflicts and lawsuits (Zellweger, 2017).

The common potentially harmful risks are caused by conflicts with daughters-in-law and shareholding. The need for maintaining family ties reduces the ability of family members to maintain other strong social ties (Ward, 2016). The most challenging issue is that of compensation. Another challenge that could face succession is that the parents could have been poor planners, making it hard for them to articulate their vision to their potential successors, who are their daughters. These pitfalls differ with those of other countries such as the UK whereby a succession of family businesses leads to complexity in interpersonal and group dynamics, marital problems, and ownership dispersion issues, especially in a case where the daughter is the successor and the sons, feel as though they are not respected, as they would expect (Hytti, Alsos, Heinonen & Ljunggren, 2017).

In Nigeria, the conflicts and challenges arising are mostly related to the traditional beliefs that sons and daughters should not possess similar rights when it comes to a succession of family businesses (Emerole, 2015). The Nigerians believe in the traditional laws where sons are meant to handle all big responsibilities and where they are believed to have more rights than girls. Therefore, modern Nigerian families could face discrimination for allowing their daughters to be their successors (Ogbechie & Anetor, 2015).

2.3.5 *Financial and legal regulations*

According to Neubauer and Lank (2016), family owner-managers in South Africa agree that compliance with the set regulations is a huge challenge and this affects the business and its succession. The owners of these businesses also state that financial incentives from the government meant to support such businesses are insufficient and furthermore, the owners do not have enough money to meet the regulations of the business (Neubauer & Lank, 2016). This becomes a problem even during succession because the successors, who are the daughters, have to deal with the problems once the business is passed to them (Ramadani & Hoy, 2015).

In the UK, financial relations between the parent and the daughter are often complex and faced with many uncertainties. Sharing the liabilities of the business between the parent and the daughter and sometimes splitting the assets, could be challenging (Sarbah & Xiao, 2015). From a regulatory perspective, the parent, who is the owner-manager, owns both the business and the personal property; this makes the separation between the parent and the daughter complicated, especially in cases where there is more than one daughter.

This paper gives an abstract, introduction and literature review on family business succession planning in South Africa, from the perspective of a parent with a daughter. However, more research still needs to be done giving comprehensive results of succession planning in South Africa and comparison of the succession planning between South Africa and other countries, both within Africa and without.

2.4 Business context factors

Researches reveal that successors in non-family businesses often take some time to adjust and he/she usually try to put forward his/her supremacy to prove their legitimacy and expose the change of power from the earlier times (Ashcraft, 1999; Gephart, 1991). On the other hand, family firms need to act on the legacy of the business, with a vision that is consistent with it (Poza & Messer, 2001). Therefore, the time required for a smooth family business succession is generally more, due to the complexity of the actions related to the change of managerial controls (De Massis et al., 2008).

Mentoring by parents is not always supported, since parents already play multiple roles in their children’s lives (Bork, 1986; Nelton, 1986; Ward, 1987), but it also comes highly recommended as it is the only way of ensuring that the owners' knowledge gets passed on to the successor (Danco, 1982).

Family businesses, like any other business, faces obstacles in the ever-changing competitive commercial/economic environment. Therefore, successors are chosen, based on their personal traits, as well as experience in the business environment. The cues that are preferred in the successor are accountability, creativity, innovation and professionalism to ensure the survival of a business (Phikiso & Tengeh, 2017).

Moreover, the sustenance of a business relies on its acquisition of both financial and non-financial resources. The chosen successor therefore has to take on the role of an entrepreneur and ensure that the family enterprise has access to entrepreneurial capital which encompasses cultural, economic, human, social and symbolic capital (Stringfellow & Shaw, 2009). Combining all these different types of capital, Erikson (2002) defined entrepreneurial capital as a function of entrepreneurial competence/proficiency and commitment to the business enterprise. The relationship between these aspects is multiplicative in nature rather than additive, such that for development to be achieved, both factors have to be actively present as they stimulate performance and entrepreneurial growth. The occurrence of one factor does not yield much benefit for the business. Specifically, the occurrence of entrepreneurial competence alone does not create much value for the business. On the other hand, the presence of commitment without competence does not only have zero value for a firm, but it can also lead to the loss of resources i.e. the various forms of capital and wastage of valuable time (Erikson, 2002).

Erikson (2002) and Stringfellow and Shaw (2009) further suggest that human and social capital are the most valuable forms of capital that an entrepreneur should possess. They should therefore have remarkable academic backgrounds and achievement, appropriate skills and adequate entrepreneurial experience in the real business world for them to be confident in making relevant decisions that will oversee the survival and advancement of the enterprises. Stringfellow and Shaw (2009) further highlight that the academic achievement has a greater correlation to entrepreneurship, compared to the personal skills and previous employment experience. The social capital on the other hand includes the networks both within and without the firm from which valuable information that aid in the growth and expansion of the business can be obtained. With entrepreneurial competence and these invaluable forms of capital, an entrepreneur can easily identify opportunities in the external economic environment and take advantage of them to bring about enormous benefits for their firms (Erikson, 2002).

Entrepreneurial capital is part of the intellectual competence of a firm which encompasses other forms of capital, including human, relational, structural, trust and renewal capital (Cesaroni, Del Baldo, Demartini & Paoloni, 2015). With entrepreneurial competence and these invaluable forms of capital, an entrepreneur can easily identify opportunities in the external economic environment and take advantage of them to bring about enormous benefits for their firms (Erikson, 2002). Given the role of Entrepreneurial capital in guaranteeing the future of an enterprise, Erikson (2002) further describes it "…as the present value of the future entrepreneurial behavior" (Erikson, 2002, p. 278). It thus focuses on pursuing opportunities without minding the firm's current resources (Erikson, 2002).

In the family business, entrepreneurial capital has three implications. First, the chosen successor (agent) has to demonstrate his competence and motivation to propel the firm forward to the principals (family) (Erikson, 2002) . Secondly, as an investor, making decisions on behalf of the family, the entrepreneurial capital of the successor enables him to have a positive influence on his team who subsequently become innovative, drive the organisation's growth and who are flexible in adjusting to the changing market environment and the resultant challenges (Cesaroni et al., 2015). Specifically, the staff become independent, proactive, aggressive decision makers and risk takers. Proactivity places the firm at a strategic position for growth through the identification of opportunities and implementation of new ventures to improve the firm. Aggressiveness gives the employees the zeal to be competitive with the intention of outdoing their rivals in the market. It is enabled by the freedom given, which allows them to be creative by developing business concepts and apply them in the work responsibilities through self-direction and avoiding being hindered by internal constraints. These two factors are ingredients of an organisation's success and growth. Also, since the successor picks a highly talented team, the firm holds much confidence in its employees' propositions and thus takes risks for them. The successor commits the business' resources to facilitate the implementation of these concepts, in spite of the uncertainty of the outcomes (Cesaroni et al., 2015).

Lastly, the entrepreneurial capital injected into the family business by the chosen successor enables the firm to maintain good relationships with external stakeholders. It accommodates good sales management with the customers while the firm maintains an effective supplies management by collaborating with supplies. These harmonious relationships are not only financially profitable, but also elevate the profile of the family business strategies (Cesaroni et al., 2015).

It is important to point out that family businesses are more likely to do better than non-family businesses when the founder and family members are in chief executive officer positions (Anderson & Reeb, 2003).

2.4.1 *Field theory*

The field theory views family business participation as a trending behaviour that exists in a complex social set-up (Riordan & Riordan, 1993) and examines the complexities noted during succession planning. The field theory explains why relatives choose to participate in the family business and how they interact. It describes Kurt Lewin's social system as the main influence for participation. Lewin indicates that action and change are achieved in the present and thus the personal decisions are influenced by the experiences and aspirations for the future (Kjellman, 2014).

The theory speaks about finding out the psychological factors related to the family member's inclination towards a business owned by the household, and the cause of participation in it (Riordan & Riordan, 1993). The study explores the reasons behind this behavioural aspect of the family successor, in order to understand their perspective towards the business, which may lead to finding the future direction that the business would be taking. The understanding of the field theory also focuses on the socio-economic factors as well as internal factors that are crucial in forming the entrepreneurs' perception (Zahra, 2004). A successful family business will attract the participation of the family members who will work towards its excellence (Kjellman, 2014). Anders (2014) concludes that the theory enhances the understanding of how family businesses work and family members could use it to pass on information during succession across generations (Anders, 2014).

The theory highlights valid facts but then, goes beyond the required variables for this research.

For any form of business activity to be successful, there is a need for a conducive environment which will enhance its growth (Motwani, 2016). Succession being one of the many business activities, several factors should be considered so that it is done in an effective manner. For instance, all the family members must agree who the successor of the business is, this is to avoid disagreements in future. Additionally, the successor should have adequate knowledge of the business so that it is well managed.

Hypothesis 1**(H1):** *An enabling business context has a positive impact on the effectiveness of the succession planning.*

2.5 Daughter gender factors

Gender is commonly posed as an issue that affects women only. Female leaders are considered in reference to the masculine norm (Nelson & Constantinidis, 2009). Gender plays a central role in the succession of family business. Gender dynamics have a potential of blocking knowledge transfer to daughters (Glover, 2014). In case of a daughter taking over a family business, the situation and challenges are not much different from the case of a son taking over a business (Tucker, Santos-Concejero & Collins, 2013). Young daughters are also as much exposed to the family business from an early age as their brothers, therefore, start developing the skills that are necessary to handle the rigours of business. However, succession in the family business has its own set of challenges, irrespective of the gender of the successor.

A particular role conflict that generally occurs is that of linking being “daddy’s little girl” and a businesswoman - seldom being regarded a potential successor (Vera & Dean, 2005). Gender bias may result from ascribing more competence to male successors, often independent of their actual qualification and willingness to take over the family business (Glover, 2014). Males have been preferred for the top leadership positions, such as the CEO, as they are associated with increases in the business income. Females are appointed to the positions of personnel management as they are considered better than the males for such roles (Coffman, 2014).

In successions where parents choose daughters as successors, the transition is almost always peaceful due to low competition as compared to when a son is chosen to succeed his parent. The latter is characterised by conflict and competition between father and son or heir and other sons (Coffman, 2014).

2.5.1 *African aspect of the extended family on daughter succession*

In Africa and South Africa, in particular, the extended family is a major cultural practice related to the daughter or wife factors (Mathambo & Gibbs, 2009). In the case of an extended family, there are more than three generations who relate to a family, and each member consider him/herself as part of the family business (Makiwane, Gumede, Makoae, & Vawda, 2017). While families are changing so that they are able to manoeuvre through conflict while the owner of a business are alive, complexity arises upon their death (Prior, 2012). If such a family had son, succession might be easier. However, if the surviving children are women, the extended family creates chaos, where male relatives such as uncles, brothers and male cousins make the arguments that succession cannot be given to women according to the African culture. Aunts and grandmothers find themselves in support of their male counterparts and spouses, as dictated by most African cultures (Tengeh & Phikiso, 2019). Sometimes, conflicts might escalate to the extent of legal interventions.

2.5.2 *5+5+5 Bernelli Entrepreneurial Learning (BEL) model*

The Bernelli Entrepreneurial Learning Method is developed from over two decades of family business research. It establishes an outline to produce entrepreneurial leaders amongst them those who will use the learnt skills to start their own ventures while some will grow companies (Mischel & Iannarelli, 2011). When children make a choice to be involved in the family enterprise, find work outside the family firm, or run their own business, they employ this gathered knowledge and skills to guide their choices and guide their leadership styles (Mischel & Iannarelli, 2011; Asieba & Nmadu, 2018).

Research suggests that being exposed to family business provides a continuous learning experience to children as they grow. The Bernelli 5+5+5 Model of Entrepreneurial Learning presents the concept that children have the ability to master entrepreneurial structured knowledge recognised in the family business model through adulthood by simulating what they are exposed to (Mischel & Iannarelli, 2011).

BEL is a 5+5+5 model suggesting five skills, stages, and steps that children encounter. The skills are personal initiative, leadership, social skills, handling of money, and marketing while the stages are exposure to business, hands-on experience, technical expertise, leadership, and formal professional training. All five stages of entrepreneurial development make available a perfect lens to inspect the parent-daughter succession within family businesses in South Africa (Mischel & Iannarelli, 2011). The five steps taught by parents are continuity, business problem identification and solving, networking with entrepreneurs and advisors, mobilising resources and learning from each experience.

a. ***5 Skills***

The personal initiative in regards to the five skills group represents the ability to know how and where to check for opportunities. Further, the leadership skills characterise the ability to make efficient and accurate decisions when needed, especially under stressful conditions. The social skills are the ability to understand people in the organisation. Additionally, the handling money skills represent the ability to manage business or organisation assets. Finally, marketing skills epitomise the ability to learn how to sell the company ideas, as well as to attract customers (Iannarelli & Mischel, 2008).

b. ***5 Stages***

Regarding the five encountered stages, children in a family business must get exposed to the business. They must be actively involved in the business to gain hands-on experiences. They should, also, gain external experience of aspects related to the business and formally enter into a business setting where they get leadership opportunities (Iannarelli & Mischel, 2008).

c. *5 Steps*

For the five steps, children should have continuity where they are guided through the five stages while focusing on the five skills. They should undergo the problem-solution stage where they are exposed to problems at first and provided with options to solve this problem later. It is important that they meet and greet business role models by, for example, going on business trips to set an example of the enterprise. Moreover, they need to create networks with various stakeholders related to the business. Finally, they need to recap their experience through support, encouragement, and engagement at the individual level (Iannarelli & Mischel, 2008).

While the 5+5+5 Bernelli Entrepreneurial Learning (5+5+5 BEL) Model offers a comprehensive and fitting lens to observe parent-daughter succession, it disregards character qualities as a means of predicting entrepreneurial conduct. Personality determinants in entrepreneurship studies have been unsuccessful in being convincing predictors of entrepreneurial behaviour (Kubíček & Machek, 2018) and have been inconclusive in suggesting that we should focus more on the life experiences that affect an individual’s later insights as they relate to entrepreneurship and more specifically, those developed from entrepreneurship teachings (Mischel & Iannarelli, 2011).

Children from business families learn these cues better than others (Asieba & Nmadu, 2018). To conclude, Asieba and Nmadu (2018) suggest that children growing up in families running enterprises are more entrepreneurial due to continued exposure to the business environment, compared to those brought up in regular families (Asieba & Nmadu, 2018).

Therefore, there is no close relationship between succession planning and the chances of daughters being successful successors in family businesses in South Africa. Daughter factors represent the hindering factors, for example, how their gender influences how they are socialised and treated, being “daddy’s little girl”, gender, and softness that makes them seldom regarded as potential successors (Vera & Dean, 2005). When provided with the necessary knowledge and skills, any person regardless of gender, can become a successful successor in family.

Hypothesis 2*(H2)*: *There is a negative relationship between daughter factors and the likelihood of daughters as successful successors in family businesses in South Africa.*

2.6 Intra-family relationship factors

The willingness of the successor to take over the business has an important influence on both the satisfaction with the succession process and the profitability of the business (Venter, Boshoff & Maas, 2005).

Numerous factors have been linked to the reasons why succession planning and successor training could possibly lead to a demise of a family firm (Lansberg & Astrachan,1994 cited in d'Amboise & Muldowney, 1988; Hershon, 1975). The literature suggests that should planning and training be delayed, a business owners decease or incapability to work might unexpectedly deprive the family firm of key decision-making assets, such as strategic intelligence regarding the markets in which the business operates, product offerings, and vital employee details; as well as crucial business networks with suppliers, clients, and funding sources (Levie & Lichtenstein, 2009). The effect of the family relationships has a potential of both enabling and impeding succession planning and training. Management succession challenges can be made difficult by family affairs and the transferring of the business (Ward, 1987; Handler & Kram, 1988). Presumed family coherence has a positive effect on the extent of the family businesses perpetuity planning (Breton-Miller, Steier & Miller, 2004).

The choice a parent makes in selecting a successor is often interpreted as favouritism and can cause sibling conflicts between brothers and sisters which can result in setbacks and complications of the succession transition (Friedman, 1991). Families in which members reciprocally support each other and have a great mutual working relationship are the most likely to successfully pass on the business to the next generation (Friedman, 1991). Since family firms are usually in business for a long time, they have the advantage of developing successors from an early age; formally through school holiday internships, after school duties, as well as casually, over dinner conversations regarding the family business (Rosenblatt, 1985).

The success of a family business relies on the existence of peaceful relationships between family members. These relationships are usually affected during the succession period and thus planning for the succession and discussing it openly reduces the occurrence of family feuds. The chosen successor should not only have business acumen but should also demonstrate the dedication to family, ensuring that positive relations are maintained (Vincent, Embugus, Idoko & Idika, 2017). Harmonious existence post succession effectively predicts a satisfying and happy life within the family network and subsequently, the maximisation of profits, growth and expansion of business enterprises (Vincent et al., 2017).

Most individuals in the family find it difficult to communicate with their relatives about matters of succession but at some point, the issue has to be discussed. Communication is usually critical during these periods because, if done ineffectively, it ruins the relationship between family members (Phikiso & Tengeh, 2017). Cooper, Kidwell and Eddleston's (2013) work addresses the possible challenges that family member employees grapple with when making role shifts between their family roles and their work roles (Cooper et al., 2013).

2.6.1 *Systems theory*

The Singerian system of inquiry (Churchman, 1979), which has its general basis on the system theory, allows a focus on the interrelation between the individual, family members, and organisational systems, which existing studies have shown to be vital in studying family businesses (Miller & Rice, 1967; McWhinney, 1984; McWhinney,1986 cited by Dumas, 1989).

The management of family business is always analysed through the lenses of systems theory as stated in Von Schlippe and Frank (2013), although a previous article by Taguiri and Davis (1996) on intersecting structures in family businesses has been dominant in the way scholars view the family business, a profounder comprehensive grasp of systems in family firms is warranted (Von Schlippe & Frank, 2013; Taguiri & Davis, 1996). The system theory sees the world from the dimension of the interrelationship of objects (Davies, 2018). The family-owned businesses also operate like systems and this is mostly envisioned as a relatively closed set of interactions which exist between the participants. When a family decides to open and run a business, there is the creation of an open system which predominates and emphasises the interaction between the family and the business (Miller & Rice, 2013).

The system theory perceives the family and business as independent systems that merge at some point. The theory diagrammatically represents family businesses as two overlapping circles as they influence and affect each other (see figure: 2-1), (Barrett, 2014). According to Barrett (2014), the family may positively or negatively affect the family business. Negative influence can be seen in the firm's HR practices while positive influence is observed in the co- ordination among the entrepreneurs to elevate the business (Barrett, 2014).

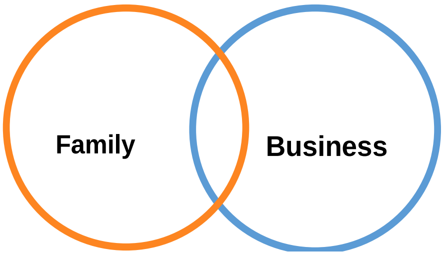

Figure 2-1: Systems Theory in Family Business

Source: *Barrett (2014, p. 168)*

The depiction of family and business as being the only correlates in the system was heavily criticised as it ignored other influencing factors (Barrett, 2014). The model was then modified into three circles that take into account all the external factors that play a role in the succession of business and try to analyse it from the family perspective (Davies, 2018).

In order to understand the complete concept of succession, the systems theory proposes the conception of a three-circle theory (see figure 3), thus forming the basis of it (Davies, 2018). The three circles represent the three pillars of the business and consist of the Family, Business, and Ownership (Davis & Tagiuri, 1982, cited by Buuren, 2009). The three circles analyse the role of each of the pillar in determining the structure of the family business, and the ownership issues. The systems theory also analyses the role of the other family members, who may be participating in the business, and the extent of their influence or their ambition over the ownership issues (Miller & Rice, 2013).

The modification of the model from two into three circles introduced family system theory into the agency theory, with a new dimension of ownership (Barrett, 2014).

In business, relationships between the major shareholders matters a lot. When the family members have a bad relationship, chances are that every person will be doing things for his or her benefit only. There will be many disputes in such a family, hence resulting in division. Such businesses do not perform as expected. On the other hand, when family members have a good relationship, they work as a team as opposed to everyone's individual interests (Motwani, 2016). Therefore, when making important decisions such as implementation of new strategies, the best possible approach will be used. Additionally, everyone will be contented when the successors of the business are chosen.

***Hypothesis 3*(H3):** *A positive relationship between the family members has a positive impact on the effectiveness of the succession planning*

H3a: *There is a positive relationship between intra-family cohesion (factor 1) and succession planning.*

H3b: *There is a positive relationship between intra-family adaptability (factor 2) and succession planning.*

2.7 Succession planning

2.7.1 *Agency theory*

The agency theory focuses on the introduction of both the ownership and family business succession circle (Neubauer & Lank, 2016). The theory also points to the inherent conflict of interest which may exist between the owner-managers and their succession plan. Further to that, the theory is mostly used in explaining the manner in which most of the female gender are disadvantaged by their male counterparts in the succession plan and the conflict therein (Neubauer & Lank, 2016).

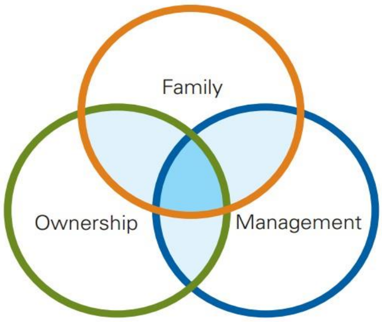

Figure 2-2: Three Circle Theory (Agency Theory)

Source: *Barrett (2014, p. 169)*

The agency theory, widely applied in corporate governance, introduces the concept of principal and agents where the CEO is the agent while the owners are the principals. The theory supposes that there is always conflict between these two entities that it attempts to resolve. The typical manager-owner conflict arises when a third party manages the family business. The role of the family (the principal one) is to influence the manager to meet the goals of the family business which may result in that manager's self-interests ultimately leading to conflict (Barrett, 2014). In adopting the theory, several instances of management threats that may arise in case of family succession feuding can be avoided. However, the fact that agencies can become a threat is often ignored (Schulze, Lubatkin, Dino & Buchholtz, 2001).

The agency theory was further refined into the behavioural agency theory (BAM) and the stewardship theory (Woodman, 2017). BAM focuses on the minimisation of risks and losses by controlling the behaviour of the agents who may be risk averse, neutral or risk seeking, depending on the business situation. Stewardship theory, on the other hand, encourages the integration of the role agents and principals for harmonious working within the business. This concept is especially important in family business where both the principal and the agents may be drawn from the family and it is important that they have a harmonious existence (Barrett, 2014; Kumeto, 2015).

Woodman (2017) concludes that potential successors choose careers that align with their family business with the hope of participating in it in the future. Alternatively, observing the challenges in the business may also prompt them to take different paths that may involve working elsewhere (Woodman, 2017). Kumeto (2015) also adds that the agents in the family business make decisions that will minimise losses to protect the family's wealth (Kumeto, 2015).

2.8 Parent-daughter relationship

According to Kubíček and Machek (2018), the relationship between the business owner and the daughter plays a crucial role in a successful transition. Historically, daughters have been neglected during family business succession. Thurman and Nason (2016) highlight the difficulties that this group of individuals undergo especially when the parent fails to support them. As such, it is necessary that the daughter maintains a cordial relationship with the parent to significantly increase her chance of acquiring the leadership of the family business (Mussolino, Cicellin, Pezzill, Consiglio, & Martinez, 2019).

Traditional and cultural beliefs have been the biggest hindrances for daughters to succeed their parents in managing the family business (Thurman & Nason, 2016). Women have always been viewed as weak with no ability and competence to run a business (Kubíček & Machek, 2018). The beliefs have negatively influenced the succession of the businesses by the daughters (Mishkin, 2017). In some extreme cases, parents prefer selling the family business as opposed to allowing the daughters to manage them. However, Ratten, Dana, and Ramadani (2017) have shown that the dynamics of business management are changing. Daughters who have been raised in families with family businesses are increasingly taking up business positions(Mussolino et al., 2019) . The modern education systems have instilled skills, knowledge and expertise in management which has significantly boosted the confidence of the women to fight for leadership positions in family businesses (Thurman & Nason, 2016).

When choosing "in-laws" as successors, conflicting opinions in the literature indicated that they may or may not be included (Desai, J. (2008). Syms (1994) cited by Desai (2008) research observed that they are not typically nominated whereas Fiegener & Prince's (1994) cited by Desai (2008), observation is that family members through marriage, may be considered as successors.

Although there is a growing occurrence of gender neutrality in western family firms, Indian family firms in South Africa for instance, predominantly go along with the tradition of primogeniture (Desai, J. (2008). It has repetitively been demonstrated that Indian women who work for their family firms will at all times prioritise their family responsibilities, putting the business second. Thus, the potential successors gender plays a crucial role in Indian family businesses (Sharma & Rao, 2000).

It is important to note that the issue of marriage of daughter into another family moderates the daughter-parent relationship in terms of business succession. Parents feel rather insecure succeeding their businesses to their daughters, considering they will be under the control of a different family. Parents want the business to remain clear of external influence, and therefore, they would most likely consider marriage as a major threat to business successions involving daughters. The resilience of the daughters in such situations maintains a positive and cordial relationship with parents (Mussolino et al., 2019).

If the parent-daughter relationship is not cordial, there is a likelihood that the parent will sell the business (Ratten, Dana, & Ramadani, 2017). This highlights the need to ensure that the women are trained on best approaches to managing a business. When the daughter shows superior skills and expertise, there is an improved chance that the parent will leave the business to her (Thurman & Nason, 2016). According to Mussolino, Cicellin, Pezzill, Consiglio, and Martinez (2019), there is a need for anyone who takes over the family business to ensure that they have the necessary skills to make decisions on behalf of the family. The successor should ensure that they positively influence the growth and development of the business (Kubíček & Machek, 2018). As such, daughters are obliged to ensure that they get the ideal management skills before asking to succeed their parents in the management of the family business.

***Hypothesis 4* (H4):** *A positive parent - daughter relationship positively impacts the effectiveness of the succession planning.*

2.9 Conceptual framework of hypotheses

The conceptual framework below (Figure 2.3) illustrates the relationships between the business context, daughter-gender factors, intra-family relationships, parent-daughter relationship and succession planning. The conceptualization of the relationships demonstrated in the framework is informed by the discussions from theoretical review presented above focusing on the effects of the business context, daughter-gender factors, intra-family relationships, parent-daughter relationship on succession planning. A conceptual framework is a collection of concepts in which each concept plays a vital role (Jabareen, 2009). The conceptual framework portrays the direct effects of each of the independent variables on succession planning. According to Miles and Huberman (1994), a conceptual framework "lays out the key factors, constructs, or variables, and presumes relationships among them" (p. 440).

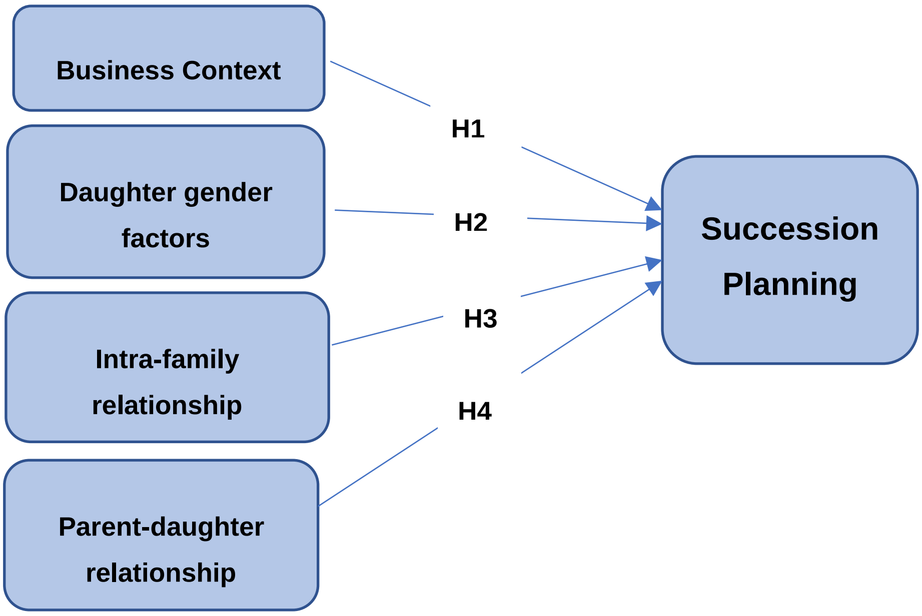

Figure 2-3: Conceptual Framework of Hypotheses

(**Source**: own work)

2.10 Conclusion of literature review

Succession planning is a company's way of embracing the future. Transition is a fact of life for all businesses. Chief executives retire or move to other companies, division leaders get promotions and companies get sold or merge with other businesses (Fitts, Weeks & Rowe, 2012). But for family businesses, transition can be more complicated and have wider ranging impact. The implications for the business are obvious: a smooth and successful transition can ensure that the company will continue to be viable into the future. When planning a transition, family business leaders must also consider the interests of various family members. A mishandled transition, whether to the next generation or to new owners from outside the family, can cause fractures in a family that could take years to repair and the discord can undermine the deal and cause disastrous problems within the company (Fitts, Weeks & Rowe, 2012). One of the most important elements of any family business transition is putting together the right team of advisers (Fitts, Weeks & Rowe, 2012). Any company planning for change needs a team with specialised skills and experience that is able to balance family goals with the business needs. (Fitts et al., 2012).

The process of ownership transfer from parent to the daughters needs to take all these theories into the account. The study sought to answer the primary research objective of finding out the challenges of succession planning in the family business, and the effect of prior planning in preventing them.

3 RESEARCH METHODOLOGY

3.1 Introduction

Methodology is “a way of thinking about and studying social phenomena” (Corbin & Strauss, 2008, p.1). Put differently, research is a different way of thinking, and does not always make use of proposed skills (Kumar, 2014). Additionally, the researcher’s responsibilities are seen as interrogating that which is being observed, making sense of, studying and explaining it and concluding with the aim of enhancing the data base and the researcher´s personal research skills (Kumar, 2014).

The research methodology for this study is discussed in this section. The section focuses on the research paradigm and design, population and sampling frame, methods of data collection and analysis. The research instrument used to gather primary data is specified. Lastly, the validity and reliability tests of the research, limitations of the study and ethical considerations are discussed.

3.2 Research methodology /paradigm

This study was grounded on a quantitative approach, based on a positivism paradigm. Positivism is a thought system, developed in the early 1800s by Auguste Comte, it stresses empirical data, reasoning, and scientific practice ideologies to account for social phenomena (Comte, 1880 cited by Nardi 2018). The approach was best suited for the research since the positivist paradigm adopts a deductive approach to research and employs quantitative research methods to test hypotheses and theory (Guba, 1990). Furthermore, in 2001, Schwandt suggested that scientific knowledge was more representative of truth than that derived from metaphysical speculation (Schwandt, 2001, p.199), which is what this study aimed to achieve.

The assumption of this approach is that the research relies on statistical scientific evidence to uncover the factual nature of how the general public operates. In this case specifically, the study makes use of quantitative methods, based on a structured research instrument to measure how succession planning in the family business is affected when a daughter is potentially on the succession line.

The study's ontological location is that of realism, where objective reality is assumed to be independent from the observer (Guba, 1990). Within the positivism paradigm, objective reality is steered by natural laws and positivism research objectives to determine these laws (Guba, 1990). This study takes an objectivist epistemological position where the researcher takes a detached non-interactive part (Guba, 1990). The study identifies variables of family business succession planning, evaluates and examines their mutual relationships to validate, approve or disprove objective knowledge of how they relate.

3.3 Research design

The research made use of a cross-sectional research design that represents a snapshot of a single block of time (Cooper & Schindler, 2014) through a quantitative approach to collect primary data by means of an online survey questionnaire; to assess the encounters of daughters as successors of family businesses in South Africa. The online survey approach was best suited for this study, given that it was able to reach the maximum number of respondents in the shortest time. (Kuratko, Hornsby & Naffziger, 1997; Stefanovic, Prokic, Rankovič, 2010; Vik & McElwee, 2011).

Although family business studies have generally made use of a theoretical and qualitative approach in previous times, in the form of in-depth interviews and case study investigations (Vera & Dean, 2005; Bizri, 2016; Dias & Davila, 2018), as well as article reviews (Nelson & Constantinidis, 2017), ultimately, the quantitative research design assisted in measuring what was covered by the literature review and was also selected since it has become widely used in family business studies (Zahrani, Nikmaram & Latifi, 2014; Phikiso & Tengeh, 2017; Naldi, Chirico, Kellermanns, & Campopiano, 2015; Williams, Zorn, Crook & Combs, 2013; Chiswell, 2018; Ramadani, & Hoy, 2015; De Massis, Sieger, Chua & Vismara, 2016).

The advantages of the online questionnaire include the convenience factor in that it could reach a large population, at different locations throughout South Africa, in the least amount of time and required minimum resources. This assisted in minimising time constraints and avoided logistical challenges. The disadvantages of the online questionnaires were that responses were not timeous. Respondents did not stick to timelines. A common disadvantage is that people generally feel no obligation to respond to questionnaires and usually ignore them.

3.3.1 *Type of research*

This research is an exploratory research that integrates descriptive and inferential analysis to gain comprehensions and to discover the nature, intensity and consequences of relationships between variables (Bryman & Bell, 2017).

- ***Rationale for type of research***

The Cross-sectional Research Design represents a snapshot of a single point of time (Cooper & Schindler, 2014) is was best suited for this research, considering time constraints associated with the attainment of a Master of Management Degree. It similarly permits generalisation to be made between variables:

- The relationship between the business context factors and succession planning.
- The relationship between daughter gender factors and succession planning.
- The relationship between the intra-family relationship and succession planning.
- The relationship between the parent-daughter and succession planning.

3.4 Population and sample

3.4.1 *Population*

The total population and sampling frame for this research study was small, medium and large sustainable enterprises in South Africa. The target population was from any business industry in all provinces of South Africa. The population included Whites, African blacks, Indians and

Coloureds of all ages and all education levels. The unit of analysis is the business owner of the selected small, medium and large family firm.

The initial contact list of 400 sustainable family businesses was obtained and gathered from recommendations of the Family Business Association of Southern Africa (FABASA) and the Social Chain Network Procurement Portal (SCNET) (company index) and made up of databases from The Durban Chamber of Commerce & Industry and BlackPages), family businesses owned by friends and relatives as well as referrals and recommendations by those already identified (FABASA, 2018; SCNET, 2018).

3.4.2 *Sampling frame*

The sampling frame is a complete gathered database from which the actual sample is drawn (Cooper & Schindler, 2014).

The unit of analysis for this study was the family business where the parent / entrepreneur/ owner-manager/ business-owner has a daughter or daughters, in South Africa. All of the individuals surveyed owned a family business. The study focused on the perspective of the parent (mother or father) being the business-owner and the successor being the daughter because family, ownership as well as decision-making obligations are commonly passed down from the business owner to the successor, making the two vital to the succession procedure. The outlooks of other participants play a crucial role, however including them would have been beyond the bounds of this research. Only family businesses were selected for the study.

3.4.3 *Sample and sampling method*

The study used non-probability sampling techniques because of the number of identified family businesses, namely, convenience total sampling and referrals by means of respondent to other family businesses and friends and relatives with family businesses.

Sampling involves choosing representative elements of a population from which empirical analysis can be conducted and make deductions about the entire population (Cooper &

Schindler, 2014). The target sample size was 400 respondents of the chosen population. The compiled contact list consisted of family business owners from all nine provinces of South Africa and all of them were sent the survey to complete. A total of 400 questionnaires were distributed online via Qualtrics and via an email invitation consisting of the survey link. Of the 400 surveys distributed, 376 were started and attempted. After data cleaning, 210 of the 376 were fully completed and useful; giving the study a 56%. Each questionnaire was accompanied by a consent letter and promise of full confidentiality and safety.

Table 3-1 below presents the final number of respondents sampled.

Table 3-1: Sampling of respondents

Description of respondent type,	Number sampled
Family business founder/owner with a daughter/s of small, medium, large family businesses in South Africa	210

(**Source**: own work)

Table 3-2 below presents a summary of the description of the survey characteristics.

Table 3-2: Survey summary

Details	Description
Population	small, medium, large family businesses in South Africa
Sample size	210
Geographical location	South Africa
Respondents	Family business founders and owners with a daughter/s.

(**Source**: own work)

The sampling ratios are low but satisfactory for the statistical analysis to be performed. A minimum sample size of 100 is suggested for Factor Analysis (Gorsuch, 1983). A sample size greater than 100 is recommended to conduct multiple regression analysis (Hair, 2010) that will be mainly used for this research.

3.5 The research instrument

The research made use of a self-completion quantitative study and a seven-point Likert scale questionnaire measuring from the following ranges: *Strongly Disagree, Disagree, Somewhat Disagree, Neither Agree or Disagree, Somewhat Agree, Agree and Strongly Agree.* Self-completion questionnaires are convenient in that; they allow for the respondent to complete the questionnaire at their convenience and they remove the interviewer effects; making the respondent unaffected by the presence or influence of the researcher. In self-completion surveys, questions are asked consistently, thereby enhancing reliability (Bryman & Bell, 2017). Disadvantages of the self-completion questionnaire is that the participants are unable to clarify questions with the researcher as they complete the survey, complex questions may be challenging for respondents to comprehend and they generally have low response rates (Bryman & Bell, 2017).

The instrument was adapted from Maciel, De la Garza Ramos, Aguilar and Reyna (2015), which was utilized by Lansberg and Astrachan (1994), who had adopted the FACES questionnaire developed by Olson (1986). The questionnaire is widely used in family business research as adapted in studies by Lee (2006); and Kaunda and Nkhoma (2013). It is a reliable prior used instrument that measures family business succession that addressed family relations within family businesses. The instrument was modified to ensure reliability, and consistency with the literature (see Appendix A) and was accompanied by a cover letter (see Appendix B).

Table 3-3 below shows the sections of the measurement instrument. The questionnaire was divided into six sections, each part measured or addressed a specific issue in the research as follows:

Table 3-3: Measurement instrument

Section	Description of construct/variables/items	Sourced from	Prior Validity and Reliability issues
A	Demographics	Guided by literature	Not applicable
B	Measured the daughter gender factors	Adapted from the literature review	Not applicable

C	Measured the intra-family member relationship	Maciel et al. (2015); Lansberg and Astrachan (1994)	scales lack discriminant and convergent validity (Edman, Cole & Howard, 1990)
D	Measured the parent - daughter relationship	Maciel et al., (2015); Lansberg and Astrachan (1994)	Population limitation, Population limitation
E	Measured the business context factors	Maciel et al., (2015); Lansberg and Astrachan (1994_	sample bias of overrepresented firms
F	Measured succession planning	Maciel et al., (2015); Lansberg and Astrachan (1994)	Population limitation

(**Source**: own work)

The questionnaire was distributed to entrepreneurs and owner-managers of family businesses, specifically those with daughters in South Africa. All prior validity and reliability issues were resolved (Olson, 2011).

3.6 Procedure for data collection

Data was collected between November 2018 and January 2019. The survey was sent to 400 family business owners via an anonymous link from Qualtrics and direct emails including the link to the survey. The respondents were asked to rate each question between a scale of 1-7, in terms of their agreement with the accompanying statement. Completion reminders were sent weekly.

3.6.1 *Building the participants contact list:*

Membership for the Social Chain network (SCNET) company index, which allowed access to the databases was acquired by the researcher. The SCNET company index consisted of databases from Blackpages, the Durban Chamber of Commerce and Industry as well as the Business Directory. The researcher was then able to select the family business section under the company index tab, to obtain the listed family businesses.

An introductory e-mail comprising of a brief profile of the researcher and describing the research topic and it's aims was sent to the Family Business Association on Southern Africa

(FABASA). The researcher received email responses from FABASA with recommended individuals to get in touch with in obtaining contacts and to receive further advise in building the database.

Family and friends who own family businesses were included in the researchers mailing list as well as to their recommended references.

3.6.2 *Survey consent and cover letter*

A consent form (see Appendix C) and cover letter (see Appendix B) was attached to every survey for the respondents' reference. The consent letter was to be accepted prior to commencing with the survey and the cover letter could be accessed via a link, forming part of the e-mail introducing the researcher and the research topic.

Participants were informed that they could obtain a copy of the research once it was completed.

3.7 Data capturing and cleaning

The quality of the analysis depends on the quality of the data. Bad data could potentially affect other assumptions and could lead to erroneous parameters (Osbourne, 2013). Data cleaning is critical to the validity of quantitative methods.

3.7.1 *Data capturing*

Data of the targeted sample of 400 respondents was primarily captured and collected through Qualtrics. The participants email addresses were loaded onto the Qualtrics platform and reminder messages were sent weekly.

3.7.2 *Data cleaning*

The collected responses were exported from Qualtrics to *IBM SPSS Statistics 25* and data cleaning was performed before performing empirical analyses. Incomplete and partially completed questionnaires were discarded. Trivial columns that contained for example; participants email addresses and time stamps of when the questionnaire was completed, were removed, as they added no value to the overall study and findings.

The researcher commenced data exploration to confirm that the data is suitable for analysis as itemised below.

1. Redundant identifiers in the dataset were removed.
2. Variable types were examined to ensure that they are the mandatory numerical and categorical data types for inferential statistics analysis (Field, 2009).
3. The researcher reclassified some data that were submitted as belonging to another category to fit into listed categories where applicable.

The researcher ran the demographics data, and realised that the demographic question on provinces (*In which South African Province does your business mainly operate?*) (see Appendix A) cascaded into individual columns, probably due to the way the question was asked in the survey. We merged the provinces columns.

When commencing with the data analysis, the researcher had to reverse code variable Q11.9 (*The family does things together*). We transformed and recoded it into the same variables.

3.7.2.1 Missing values

There were no missing values. All questions were made compulsory. Respondents could not skip questions.

3.7.2.2 Data coding and reshaping

Data was coded by the researcher in the following manner:

1. Data was recoded from text to numbers.
2. Code variables with acronyms rather than questions for ease of analysis.

3.8 Data analysis and interpretation

Data analysis was performed using *IBM SPSS Statistics 25*. The empirical data was analysed using quantitative analysis, which uses the syntax of mathematical operations to investigate the properties of data (Walliman, 2005). Quantitative data is analysed statistically. Data analysis encompasses the compilation and interpretation of the data collected. Meta-analysis combines the results of several studies that address a set of related research hypotheses (Schmidt & Hunter 2014). This is used in an attempt to overcome the problem of reduced statistical power due to the sample size; with the aim of ensuring a more accurate data analysis

Firstly, the gathered data was tested for normality. Descriptive statistics were applied to assist in summarising data and to check the distribution of data (Vatcheva, Lee, McCormick & Rahbar, 2016) in reference to the sample. Mean, standard deviation, spread and distribution of variables was run on every independent variable and the dependent variable. The empirical data was analysed from exploratory factor analysis, as it has been applied in many quantitative studies on succession planning as a data reduction approach to reduce the number of variables (Frels & Onwuegbuzie, 2013) and enable interpretation (Nelson & Constantinidis, 2009). The association between the daughter, intra-family relationships, the business context and parent-daughter relationship were analysed using correlation analysis before estimating the regression model. The results from descriptive analysis of the data are presented in Tables and Figures. In addition, multiple regression analysis and correlation analysis of the model variables was conducted.

3.8.1 *Descriptive statistics*

3.8.1.1 Definition

Descriptive statistics illustrate the understanding of the attributes that the data set is made up of, it summarises the sample and measure (Field, 2013).

3.8.1.2 Purpose

• Descriptive statistics are utilised to repurpose quantitative insights throughout a data set.

• All descriptive statistics, namely the; kurtosis, skewness, mean, median, mode as well as standard deviation,) are measured on central tendency or the level of variations and spread (Field, 2013).

• Measures of central tendency explain the central positioning of how the data set is distributed. Typically, you would analyse the rate of recurrence of every data point within the distribution and explain it by means of; the mean, median or mode, measure the most repeated or frequent patterns of the data set being analysed (Field, 2013).

• Measures of variability, analyse the distribution coverage. Absolute deviation, Range, quartiles and variance are all exemplars of measures of variability (Investopedia, 2017).

3.8.1.3 Types of descriptive statistics

- ***Mean*** - the measured average throughout the distribution of the data set. It is achieved through calculating all the values within a specific variable and dividing the total by the overall number of observations (N) in that variable field. It is crucial in statistical tests such as the t-test (Field, 2013).

- ***Median*** - the observation number that falls precisely at the central point of the variable distribution when all observations are organized sequentially from the lowest to highest. When two observations share a center point (in a distribution where the number cases are even), the average result of the calculated two observations indicates the median (Field, 2013).

- ***Mode*** – refers to the observation that appears most regularly in a data set (Field, 2013).

- ***Range*** - the difference between the minimum value and maximum value within the variable. Can be stated in the output, but in other in software programs the specific lowest and highest values are reported (Field, 2013).

- ***Standard deviation*** - The standard deviation is the most common calculation of dispersion in statistics. It measures the spread of observations around the mean and describes the extent the values in a data set are distributed around the mean. The greater the standard deviation, the more spread out the observations will be (Field, 2013).

- ***Variance*** - the average of the squared differences between data points and the mean. The variance is a way to describe to what degree a distribution is spread out. It is also the standard deviation squared (Field, 2013).

- ***Skewness*** - measures the intensity and direction of symmetry or asymmetry of the distribution. A regular or proportioned distribution has a skewness of zero (0). Although, in reality, ordinary distributions are difficult to acquire. Thus, a distribution could either be positively skewed (skew rightward; longer tail towards the right; shown by a positive value) or negatively skewed (skew leftward; longer tail towards the left; with a negative value) (Field, 2013).
- ***Kurtosis*** - measures in what manner distribution peaks is and the weight (light or heavy) of the tails of the distribution. It aims to understand the amount of the distribution located in the tails. In statistics, a kurtosis value of zero (0) is considered a normal distribution is pronounced to be mesokurtic. A leptokurtic distribution is a positive kurtosis value that means that the tails are heavier than a normal distribution (with a higher, more acute "peak"). A negative kurtosis value is observed when the tails are less dense than a normal distribution, and it is known to be platykurtic (with a smaller, flatter "peak") (Investopedia, 2017).

3.8.2 *Exploratory factor analysis*

The exploratory factor analysis (EFA) (Lawley & Maxwell, 1971 cited by Frank, Kessler, Rusch, Suess–Reyes, & Weismeier–Sammer, 2017).) is utilized to trim down data to a smaller set summary variable. It is exercised to identify the composition of the association between the variable and the respondent.

Varimax rotation (Kaiser, 1958 cited by Frank et al., 2017) was selected over Oblique and

Promax. Varimax was used to simplify the column of the factor matrix so that the factor extracts are undoubtedly related and that there is no separation between the variables.

3.8.3 *Measurement model validation through CFA*

The research made use of existing measurement models for Family Business Succession Planning. Confirmatory Factor Analysis (CFA) will be performed to validate the different measurement models. Factor Analysis is a multivariate procedure that tries to find the underlying variables within a latent construct (Field, 2013). CFA is different from Exploratory Factor Analysis (EFA) since it confirms previously tested hypotheses while an EFA investigates factor loadings of variables that have not been tested in the past (Field, 2013).

For the CFA, the researcher performed the followings steps, as proposed by Suhr (2011).

1. Test Assumptions:

    - The variables must be continuous in that they must be interval or ratio data (Laerd Statistics (LS), 2013).

    - There must be linearity between variables. Linearity is tested through Pearson's correlation coefficients or a matrix scatterplot (LS, 2013).

    - Sampling adequacy is crucial (LS, 2013). It is measured by means of the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy for the overall data set; and (2) the KMO measure for every variable (LS, 2013). Commonly, a sample size between 5x and 10x where x signifies the quantity of variables per factor, is satisfactory (LS, 2013).

    - The factors ought to be suitable for data reduction, this can be established through Bartlett's test of sphericity (LS, 2013).

    - The data must not display substantial outliers and this can be tested by means of component scores which are 3 standard deviations from the mean (LS, 2013).

2. Relevant research theory and literature to support model specification (Suhr, 2011).
3. Specifying a measurement model (Suhr, 2011).
4. Data Collection (Suhr, 2011).
5. Conduct preliminary Descriptive Analysis: missing data, collinearity and data (Suhr, 2011).
6. Estimate parameters within the model (Suhr, 2011).
7. Measure the goodness of model fit (Suhr, 2011).
    a. Chi-squared should be closest to zero (Hu & Bentley, 1999)
    b. Mean Square Error of Approximation (RMSEA) has to be < 0.06 for best fit (Kenny, Kaniskan, & McCoach, 2015).
    c. The Comparative Fit Index (CFI) has to be equivalent to or greater than 0.90 (HOE, 2008).
    d. Goodness of Fit Index (GFI), (Non-normed Fit Index) NNFI, Tucker-Lewis Index (TLI), Relative Fit Index (RFI) and Adjusted Goodness-of-fit Index (AGF) are incremental fit indexes and must be greater than 0.90 for the model goodness fit (Jamali, Boroujeni, Rahimi & Samadi, 2017).
8. Presentation and interpretation of results (Suhr, 2011).

3.9 Validity and reliability of research

Reliability refers to the confidence that the measuring instrument will bring back and generate the same result when repeated on the same sample (Gaur & Gaur, 2006). To enforce this, the researcher therefore made use of validity and reliability tests of the research instruments before introducing the questionnaire to a wider sample of potential respondents.

This was achieved by conducting a pilot study in order to determine the levels of reliability and validity of the research instruments that were adopted in the study. The pilot study was conducted at the 10% level of significance of the 400 proposed sample population, meaning that a total of 40 respondents were invited to participate. The pilot study helped reveal research design errors as well as improper control of environmental conditions (Cooper & Schindler, 2014). The study was also used to trial how well the potential respondents understood the questionnaire before it was distributed to a wider population sample.

3.9.1 *External validity*

Validity test estimates the degree to which the researcher is measuring what he intends to measure (Cooper & Schindler, 2014). This research related to family businesses and estimated the relationship between the daughter, the relationship between family members the contextual business factors and parent-daughter relationship. The results highlight the family business succession planning findings when daughters are likely successors, in South Africa.

3.9.2 *Internal validity*

Internal validity in the research could be threatened by factors, such as, history, maturation, selection, instrumentation, statistical regression and experimental mortality, while testing the causal relationships between constructs (Cooper & Schindler, 2014). It applies to multiple-indicator measures to guarantee that when there is aggregation of indicators – the indicators are not related to the same thing, meaning they are there are reciprocally exclusive and jointly exhaustive (Bryman & Bell, 2017).

3.9.3 *Reliability*

Reliability depends on the notion that there is some uniformity or standardisation in what is being measured, and that methods need to consistently capture what is being explored (O’Leary, 2004). It also estimates the accuracy and precision of measurement scales (Cooper & Schindler, 2014).

The research instrument was adapted from an established instrument which proved reliability of the scales in previous studies. Reliability tests were also conducted using the Cronbach's alpha when all the data had been collected, cleaned and captured. This was done prior to the final data analysis.

3.10 Ethical considerations

Ethical considerations were addressed as follows:

- Respondents were reassured of the voluntary choice to participate in the study or not to take part (see *Appendix B-cover letter*)
- All responses from the study were strictly confidential (See *Appendix B- cover letter*)
- A consent form (*see Appendix C*) was given to the participants, which described the nature of the research and how participation in the study would affect them.
- The study did not request participants to supply any identifying information that could be traced to the respondent, such as names of the respondent or that of the business venture or business location.
- a letter of ethical approval to conduct this research from Wits Business School was presented to all respondents and copies were provided upon request.
- Participants were notified through the consent form that the research data would be stored for five years for further analysis and destroyed thereafter.

3.11 Conclusion

Chapter 3 presented the research methods that were employed in this study. The study was grounded on a quantitative approach, based on a positivism paradigm. The research is an exploratory research with descriptive and inferential analysis. The target population was daughters from family-based businesses in all provinces of South Africa. The self-completion seven-point Likert scale research instrument was used to gather data from family business owners with daughters who are their potential successors. It used non-probability sampling techniques, namely convenience total sampling and referrals. The collected responses were exported from Qualtrics to IBM SPSS Statistics 25 and data cleaning was performed before performing empirical analysis.

Data was analysed using descriptive (mean, mode, median, SD, range, variance, skewness, kurtosis), exploratory data analysis (factor analysis) and inferential analysis (regression, t-test) in SPSS. Validity and reliability tests showed that the instrument was strong and ethical considerations were made and addressed.

Chapter 4 presents the empirical findings of the data.

4 PRESENTATION OF RESULTS

4.1 Introduction

This chapter presents and describes the empirical findings from the research results.

The demographics of the respondents and family businesses of the sample for the study are presented. Secondly, the results of the descriptive analysis are presented. The third part presents reliability and exploratory factor analysis of the business context, daughter gender factors, family member relationship, parent-daughter relationship, and succession planning scales. Then the fourth part presents multiple linear regression analysis of the different relationships hypothesised in the conceptual framework presented in Chapter 2.

4.2 Data transformation and cleaning

Data was cleaned as follows:

1. Exported raw data from Qualtrics portal to SPSS.
2. Deleted html tags and Qualtrics meta data (e.g. respondents email addresses and time stamps)
3. Imported data into SPSS and converted .csv file into .sav file
4. Transformed the data from text to numbers.
5. Removed empty fields of responses.

Data coding:

Seven-point Likert scale code: Strongly Disagree=1, Somewhat Disagree=2, Disagree=3, Neither Disagree nor Agree=4, Somewhat Agree=5, agree=6, and Strongly agree = 7.

4.3 Missing value analysis

Missing value analysis suggests that when variables correlate for a great deal of case within a file, and a random value is missing, one can substitute it with approximations that surpass the mean (Field, 2013). The researcher structured the survey to demand a response for every question. All questions were obligatory and had to be answered to allow moving on to the next question.

Figure 4-1 shows the missing value analysis and displays that there were no missing values.

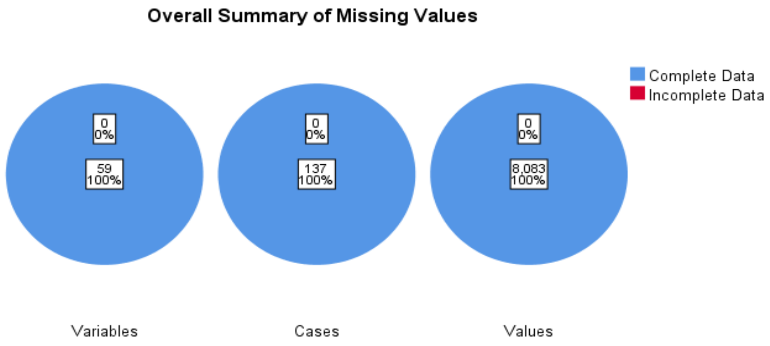

Figure 4-1: Missing value analysis

Source: primary data

4.4 Demographic profile of respondents

This sub-section presents the demographics of the study's 210 respondents which includes gender, age, level of education, population group, business classification, number of employees, ownership structure and number of years in business.

4.4.1 *Gender distribution*

Figure 4.2 shows the gender distribution of the respondents is summarised below.

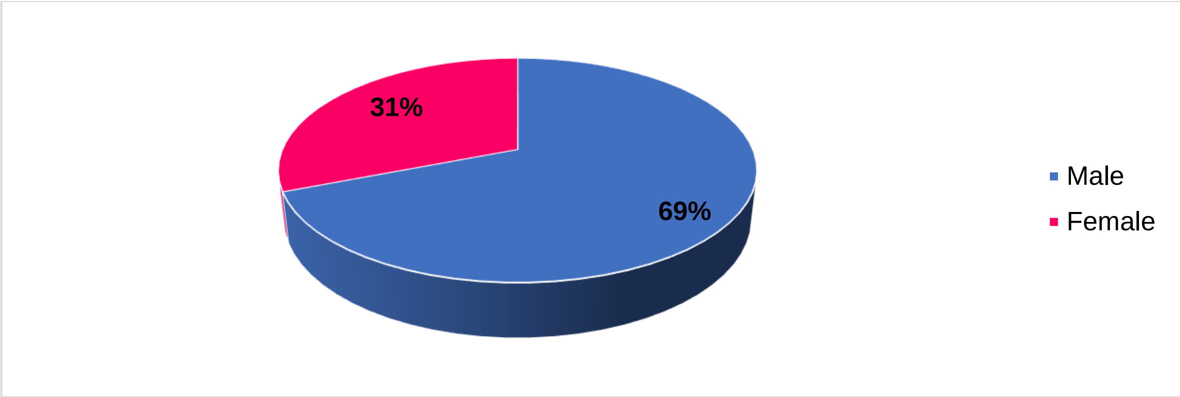

Figure 4-2: Respondent gender
Source: primary data

Most of the respondents were male, with (69%) of them completing the survey, while (31%) of them were female.

4.4.2 *Age distribution*

Figure 4-3 shows the age distribution of the respondents in the sample.

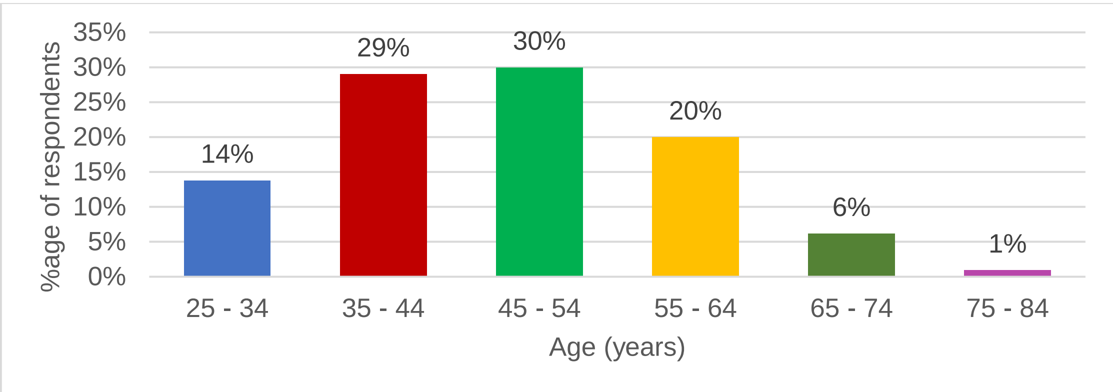

Figure 4-3: Respondent age
Source: primary data

It can be noted that 14% of the respondents were 25 – 34 years old, 29% were 35 – 44 years with the highest proportion being 45 – 54 years old (30%). Only 1% of the respondents were between the ages 75-84.

4.4.3 *Level of education*

Figure 4-4 below presents the highest level of education achieved by the participants.

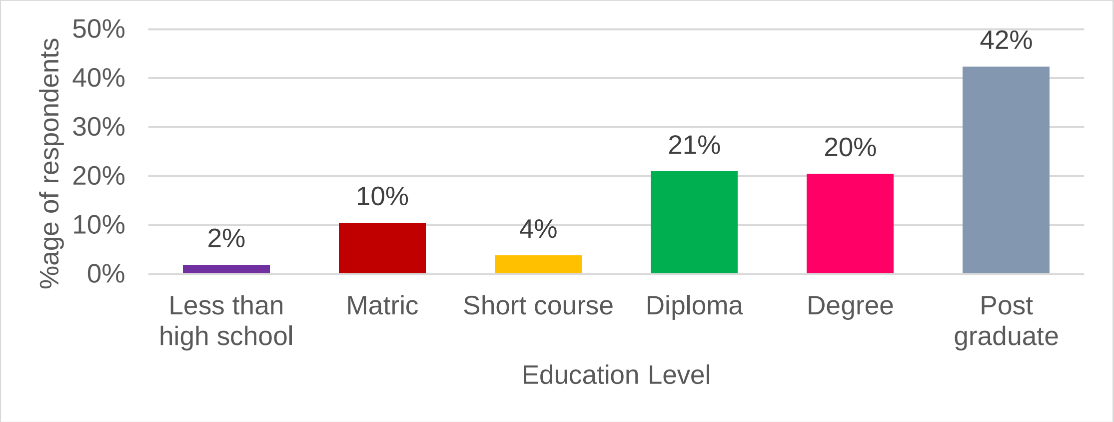

Figure 4-4: Education Level
Source: primary data

Figure 4-4 above shows that 2% of the respondents had less than a high school education, while 10% had a matric and 4% had completed a short course. 20% of the participants had completed a degree with 42% holding a post-graduate qualification.

Table A-1 (see Appendix E) displays that most of the respondents (62.9 %) had at least a degree as their highest level of education as shown by 62.9% (represented by a combination of Degrees, Post Graduates, (Master's degrees and Doctorates) of the sample. Only 1.90 % had less than high school as their highest level of education. The table also showed that 1,90 % had a Doctorate as their highest level of education.

4.4.4 *Race distribution*

Figure 4-5 below shows the race distribution group of the respondents.

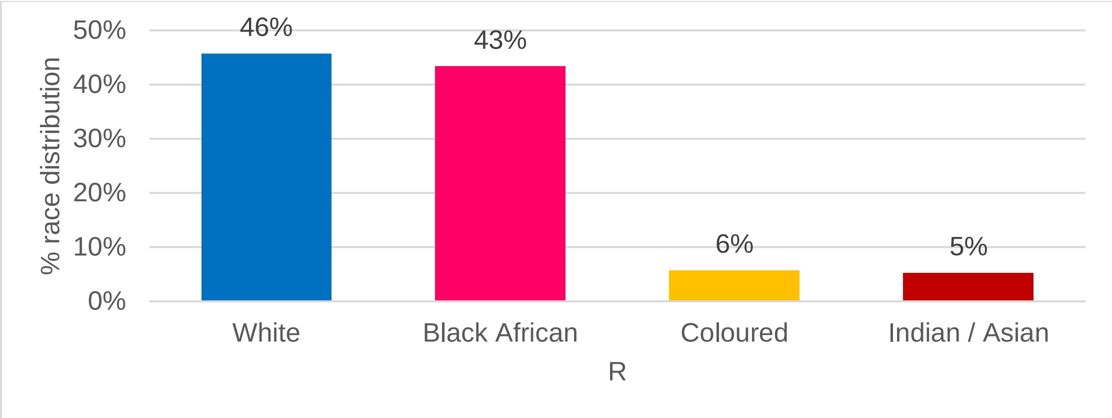

Figure 4-5: Respondent race distribution

Source: primary data

Whites (46%) was the highest represented race group followed by Black Africans at 43%. Coloureds and Indians were recorded at 6% and 5%, respectively.

Table 4-1: Cross-tabulation of gender, age, ethnicity and level of education

	Less than high school	**Matric**	**Short course**	**Diploma**	**Degree**	**Post graduate**	**Master's degree**	**Doctorate**	**Total**
Male	4	15	5	29	28	26	34	4	145
Female	0	7	3	15	15	9	16	0	65
Black African	2	7	3	16	23	18	20	2	91
Coloured	1	4	0	4	1	1	1	0	12
Indian / Asian	0	0	0	3	3	2	3	0	11
White	1	11	5	21	16	14	26	2	96
Total	8	44	16	88	86	70	100	8	
Pearson Chi-Square Tests		**Chi-square**	**Df**	**Sig.**					
	Gender	4.743	7	.691a					
	Ethnicity	20.608	21	.483a, b					

Table 4-2 above shows the distribution and association of gender and ethnicity across all levels of education. Males (69%) dominated all educational levels with the highest figures as compared to their female (31%) counterpart. The majority of the respondents were white at 46% and the least being Indians at 5%. The black African and whites attained the highest levels of education. The whites proved to be more highly educated than all the population groups, with the highest number of post graduate and master's degrees. Both gender (c^2= 4.743; p= 0.691) and ethnicity (c^2= 20.608; p=0.483a, b) are not significantly associated to the level of education as the probability values corresponding to the chi-square are greater than 0.05.

4.4.5 *Ownership structure*

Figure 4-6 below presents the ownership structure of the business was established.

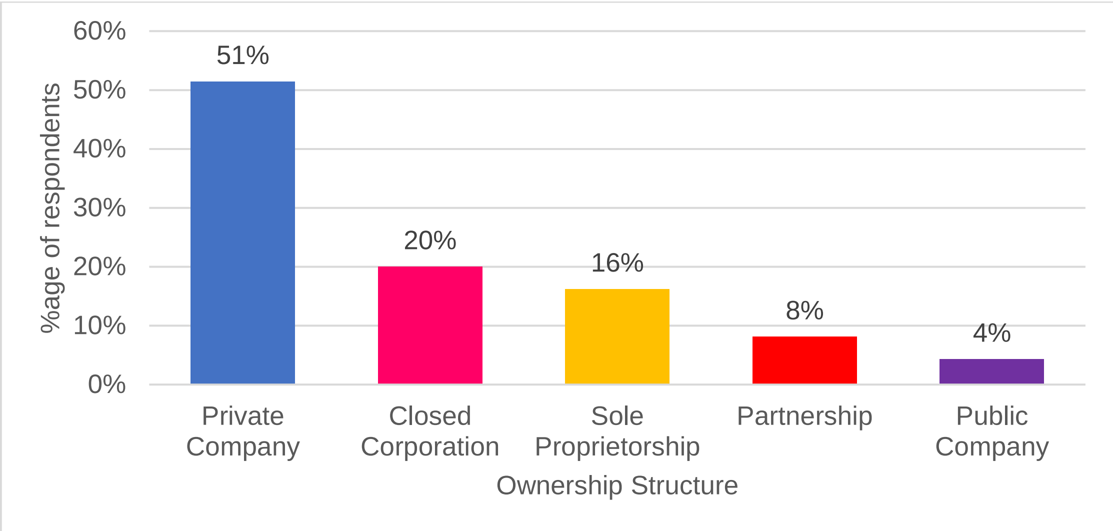

Figure 4-6: Ownership structure

Source: primary data

More than half of the businesses were private companies (51%), 20% were closed corporations, 16% sole proprietorships, 8% partnerships and 4% public companies.

Table 4-2, additionally shows owner-managership structure and assesses it against gender and ethnicity. We identified more males from the Private Company (84) as compared to females (24). Females registered the highest number under the sole proprietorship. On average, males dominate in all business categories or sectors (145 males versus 65 females). A large number of the Whites own private companies, rather than sole proprietorships, closed corporations and partnerships in comparison to blacks. Gender (0.005*) and ethnicity (.027*, b, c) matter when it comes to the nature of the business, as they are significantly associated to business ownership.

Table 4-2: Cross tabulation of ownership structure and gender

	Sole Proprietorship (1 owner)	Closed Corporation (1 to 10 owners)	Partnership (2 to 20 owners)	Private Company (1 to 50 owners)	Public Company	Total
Male	16	25	12	84	8	145
Female	18	17	5	24	1	65
Black African	18	21	7	41	4	91
Coloured	6	2	2	1	1	12
Indian / Asian	1	3	1	6	0	11
White	9	16	7	60	4	96
Total	68	84	34	216	18	
Pearson Chi-Square Tests		**Chi-square**	**df**	**Sig.**		
	Gender	15.003	4	**.005***		
	Ethnicity	23.109	12	**.027*, b, c**		
* The Chi-square statistic is significant at the .05 level.						

Ownership structure was assessed against gender and ethnicity. We identified more males from the Private Company (84) as compared to females (24). Females registered the highest number under the sole proprietorship. On average, males dominate in all business categories or sectors (145 males versus 65 female participants). A large number of the Whites own private companies, rather than sole proprietorships, closed corporations and partnerships in comparison to blacks. Gender (0.005*) and ethnicity (.027*, b, c) matter when it comes to the nature of the business, as they are significantly associated to business ownership.

4.4.6 *Number of years in business*

Figure 4-7 shows the number of years that the businesses had been paying salaries and/ or wages.

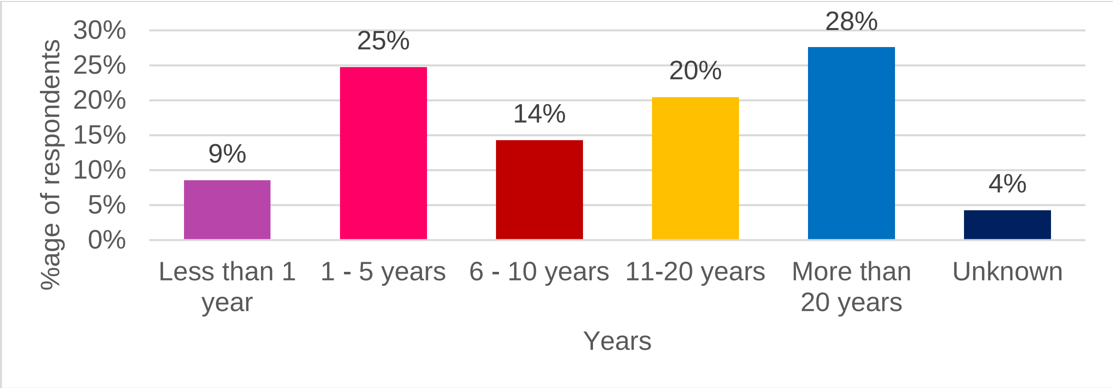

Figure 4-7: Number of years that the business had been paying salaries and/or wages

Source: primary data

The businesses had been in business for a long time with 28% of the respondents having been paying salaries and/or wages for more than 20 years. 25% for 1-5 years and 20% for 11-20 years. 14% of the businesses have been in operation for 6-10 years and only 9% have been in operating for less than one year.

Table 4-3: Cross-tabulation of number of years in business and age

Age group	**Duration in Business**					
	1 - 5 years	**6 - 10 years**	**11-20 years**	**more than 20 years**	**less than 1 year**	**Total**
18 - 24	0	0	0	0	0	0
25 - 34	15	3	4	2	4	28
35 - 44	19	8	11	12	8	58
45 - 54	12	11	15	22	3	63
55 - 64	5	7	8	15	3	38
65 - 74	1	1	4	6	0	12
75 - 84	0	0	1	1	0	2
85 or older	0	0	0	0	0	0
Total	52	30	43	58	18	
Pearson Chi-Square Tests	**Age group**	**Chi-square**	**df**	**Sig.**		
		34.307	20	.024*, b, c		
*** The Chi-square statistic is significant at the .05 level.**						

Table 4-3 displays the relationship between age of business owner and the number of years their business has been in operation. Age group determines the duration individuals have been in business. It makes sense that the18-24 age group have not been in business for a long time. The economically active groups that tend to have a better duration in business that is 25 to 55. The chi-square value confirms that age group is associated with the duration in business as the corresponding probability value (0,024) is less than 0.05.

4.4.7 *Province business operates*

Figure 4-8 shows the province/s in which the businesses operate.

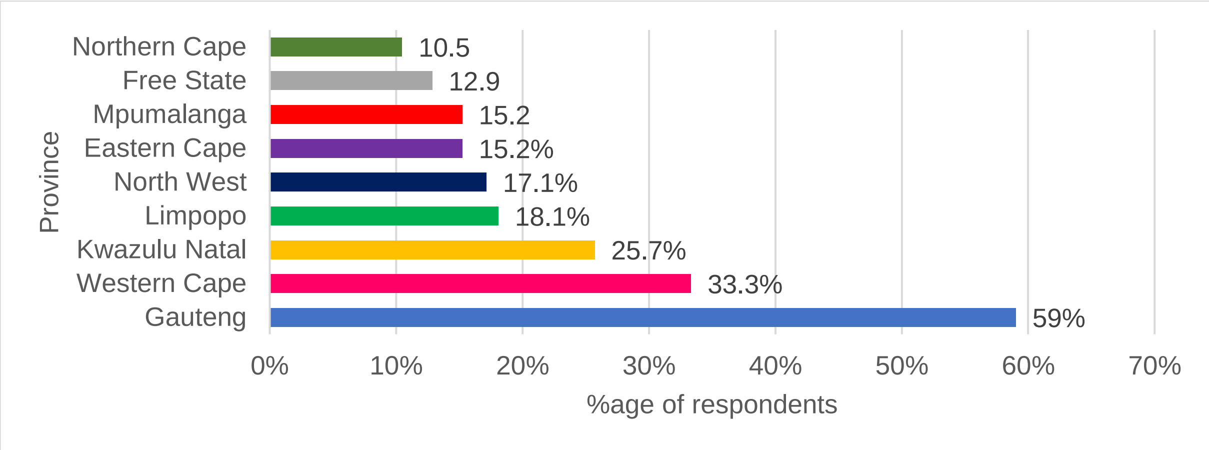

Figure 4-8: Province in which Business Operates

Source: primary data

More than half of the respondents (59%) were operating in Gauteng followed by Western Cape (33.3%). The least popular province was Northern cape with only 10.5% respondents. Some respondents have businesses operating in more than one province and made multiple selections in this category. The individual province tables and charts can be found in Appendix E; these display the number of selections per province. The Gauteng, Western Cape and Kwazulu Natal provinces recorded 124, 70 and 54 selections respectively; the high numbers in these provinces are a result of them being home to the three major economic and financial metropolitan cities in South Africa, namely Johannesburg, Cape Town and Durban, correspondingly (Borchert, 2018). The Northern Cape province was selected 22 times.

4.4.8 *Business classification*

Table 4-4 shows the different business sectors the respondents operated in are displayed below.

Table 4-4: Business Classification

Business classification	Frequency	%
Environmental, Agriculture, Hunting, Forestry and Fishing	10	4.76%
Mining and Quarrying	5	2.38%
Manufacturing	24	11.43%
Electricity, Oil, Coal, Gas & Water Supply	5	2.38%
Construction	29	13.81%
Wholesale & Retail Trade	26	12.38%
Personal & Household Goods	3	1.43%
Transport, Warehousing, Postal	4	1.90%
Information Technology and Telecommunications	12	5.71%
Financial Inter-mediation and Insurance services	13	6.19%
Real Estate, Rental Services	6	2.86%
Professional, Scientific and Technical services	17	8.10%
Administrative and Support services	5	2.38%
Public Administration and Safety	1	0.48%
Education and Training	10	4.76%
Community, Social, Health and Personal Services	2	0.95%
Tourism, Hospitality, Accommodation and Food Services	15	7.14%
Television, Media Production and Music	1	0.48%
Advertising and Marketing	8	3.81%
Hair and Beauty	4	1.90%
Other	10	4.76%
Total	210	100.00%

The results show that the main priority business sectors were in Construction (13.81 %) with Wholesale and Retail trade (12.38%) a very close second, manufacturing (11.43 %), Professional, Scientific and Technical Services (8.10 %), and Tourism, Hospitality, Accommodation and Food Services (7.14 %). The least represented business sectors were Public Administration and Safety as well as Television, Media Production and Music, both sectors at (0.48%).

4.4.9 *Number of employees*

Figure 4-9 summarises the number of people working for the participating organizations.

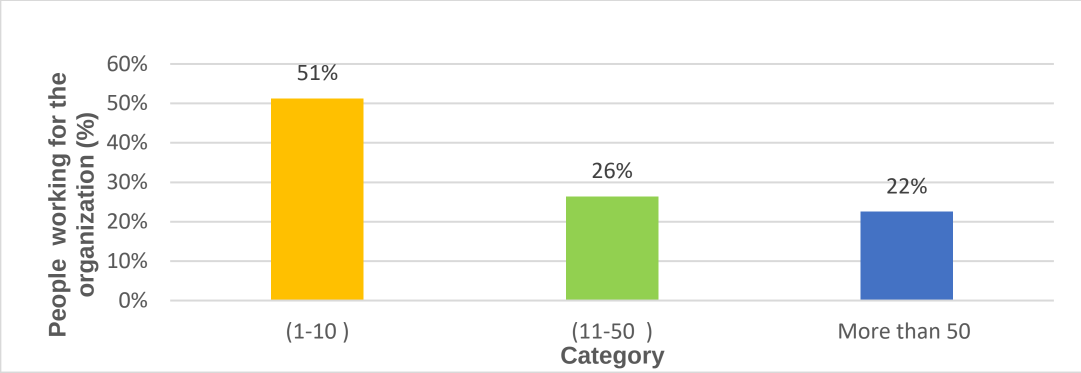

Figure 4-9: Number of employees
Source: primary data

51% of surveyed businesses employed between 1-10 individuals excluding themselves. 26% employ 11-50 and 22% employ more than 50 people.

Table A-2 (see Appendix E) illustrates that of the 210 participating businesses 107 had 1-10 employees hiring an average of 4.02 persons, 55 hired 11- 50 individuals with an average of 25.04 staff members and more than 47 of the firms had more than 50 employees with a minimum of 60 and a maximum of 35000 employees.

4.4.10 *Non-parametric Kendall Coefficients of Concordance*

Table 4-5 presents the Kendall Coefficient of Concordance.

Table 4-5: Kendall Coefficient of Concordance

Constructs	N	Kendall's Wa	Chi-Square	df	Asymp. Sig.
Daughter gender	210	0.14	88.04	3.00	0.00
Family member relationship	210	0.29	862.89	14.00	0.00
Owner manager daughter	210	0.47	593.71	6.00	0.00
Business context	210	0.31	260.72	4.00	0.00
Succession planning	210	0.13	210.13	8.00	0.00

The Kendall coefficient of concordance evaluates whether the participants were in total agreement or not. As a rule of thumb if the coefficient is equal to 1, then there is total agreement and a meandering value indicates a mixture of views. Daughter gender indicates that participants had different views with Kendall’s Wa value of 0.14 approximately equal to zero. Family member relationship indicated also a lack of agreement from participants with a value (0.290) meandering between zero and one. Owner manager and daughter showed some element of total agreement with a value of (0.47) which is approximately equal to one. On business context, participants showed some trend of agreement with a value of 0.31. Succession planning was regarded differently with a value of 0.13.

4.5 Exploratory factor analysis

Since the researcher’s instrument is configured in a unique manner, it is necessary to perform an EFA to ascertain the underlying data patterns and achieve dimension reduction as factors. In order to do an EFA, three tests have to be passed. The first test is the determinant test.

This section presents the findings of the exploratory factor analysis. Determinant is positive definite and non-zero with a value of 2.042E-5 thus passes the EFA requirements test.

4.5.1 *Factor loadings*

The explanatory factor analysis as a data reduction approach was implemented to select the best questions that explain a certain construct very well. The choice of cut-off may depend on the ease of interpretation including how complex variables are being handled. As a rule of thumb, using an alpha level of .01 (two-tailed), a rotated factor loading for a sample size of at least 300 would need to be at least .32 to be considered statistically meaningful (Tabachnick & Fidell, 2007). A factor loading of .32 gives us approximately 10% of the overlapping variance % overlapping variance = (Factor loading)2. Some studies go as low as 0.3 but 0.4 is the norm.

Table 4-6 shows the Factor loadings on each of the factors:

Table 4-6: Factor loadings

Factor Loadings		Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
Daughter Gender Factors	Q10_1	**0.90**				
	Q10_2	**0.68**				
	Q10_3	**0.94**				
	Q10_4	0.47				
Family member relationship	Q11_1	0.55				
	Q11_3	**0.78**				
	Q11_4	**0.70**				
	Q11_8	**0.68**				
	Q11_6		**0.68**			
	Q11_7		**0.75**			
	Q11_9		0.56			
	Q11_13			0.59		
	Q11_14			**0.90**		
	Q11_15			**0.63**		
	Q11_11				0.59	
	Q11_12				**0.93**	
	Q11_2					
	Q11_5					
	Q11_10	0.47				
Owner- Manager and Daughter relationship	Q12_1	**0.66**	**0.65**			
	Q12_2	**0.75**				
	Q12_3		0.54			
	Q12_4					
	Q12_5			0.58		
	Q12_7			0.54		
	Q12_6					
Business context factors	Q13_3	**0.69**				
	Q13_4	**0.64**				

	Q13_5	**0.99**				
	Q13_2		**1.00**			
Succession Planning	Q14_5	**0.72**				
	Q14_6	**0.83**				
	Q14_7	0.56				
	Q14_2		**0.88**			
	Q14_3		0.57			
	Q14_9		0.57			
	Q14_8			**0.90**		
	Q14_1				**0.96**	

The table above shows factor loadings of different items under the major constructs of the study. Their sums of squares within each factor are the eigenvalues (components' variances). Loadings are coefficients in linear combination predicting a variable by the (standardised) components.

As a rule of thumb, researchers recognize loadings which are greater than 0.04. The explanatory power of each item is determined by its factor loading, e.g. the factor loadings highlighted in red in table 4.6 represents the questions for each variable that was not suitable based on their loading values. Although their rotated factor loading was above 0.32, the difference was insignificant and thus not considered statistically meaningful (Tabachnick & Fidell, 2007). Factor loadings which are 0.65 and above are excellent in terms of explanatory power (Tabachnick & Fidell, 2007). Two major colours were used to demarcate the strength of explanatory power of individual factor loadings. The red colour shows factors which are good but not excellent as are those in black colour. The items were divided into five major constructs which are daughter gender, family member relationship, owner manager and daughter relationship, business context factors and succession planning.

On daughter gender factors all the loadings were recorded in factor one, out of four items, three items namely (Q10_1, Q10_2 and Q10_3) recorded the highest loadings and constitute the explanatory power of daughter gender factors. Only item 10_4 recorded a loading below 0.65. Factors Q10_1 and Q10_3 (0.90 and 0.94 respectively) are excellent, Q10_2 (0.68) is very good whilst Q10_4 falls under the fair category. Q10_3 highly correlated with 10_1, modification indices were added to improve the model, after two interventions the model worked properly. The rest of the suggested questions are appropriate.

Family member relationship was assessed using 15 items, all the 15 items were examined for their explanatory factor power, and five factor loadings were considered. Only two items were excluded as their explanatory strength were contradicting the general assumption that is they had loadings less than 0.40 instead of greater than. Thirteen items were considered to calculate the aggregated score of family member relationship for further analysis. Out of 13, eight items were excellent with factor loadings greater than 0.65 (indicated in black). Family member relationship had several items justified by the explanatory factor analysis as compared to other constructs.

Parent and daughter relationship was assessed using seven major items. Q12_1 and Q12_2 recorded excellent loading and determine most of the explanatory strength. The other five items including Q12_3, Q12_5 and Q12_6 also recorded better loadings, and three items were excluded because of their weak explanatory power.

Business context was measured by only four factors, and the factors proved to be excellent in explanatory strength with loading exceeding 0.60. The last major construct was succession planning with eight items. Five items out of eight proved to be more relevant in explaining succession planning.

In general, explanatory factor analysis was a relevant statistical procedure for selecting the items with most explanatory strength (Tabachnick & Fidell, 2007), as shown the table above. The selection criteria formed the basis of all the other investigations or procedures in the study as only key items were assessed. The regression analysis used the aggregated scores of the items selected from the explanatory factor analysis.

Succession planning retained eight items with good and very good loadings.

Exploratory factor analysis of the independent variables resulted in six factors explaining 64.8% of variance in the initial items. The items were as shown below;

- Intra-Family relationship (Intra-family Cohesion) Factor 1
- Daughter factors
- Intra-Family relationship (Intra-family adaptability) Factor 2
- Business Context
- Parent and daughter relationship
- Intra-Family relationship Factor 3

The items loaded highly onto their respective factors. It can be noted that the original intra-family relationship was split into three sub-factors namely; Intra-family cohesion, Intra-family adaptability (factor 2) and intra-family relationship (factor 3). Daughter factors construct retained all the items that were in the hypothesised construct. The Business Context construct retained one construct after the removal of a number of items.

The explanatory factor analysis as a data reduction approach was implemented to select the best questions that explain a certain construct very well. The choice of cut-off may depend on the ease of interpretation including how complex variables are being handled. As a rule of thumb, using an alpha level of .6 (two-tailed), a rotated factor loading for a sample size of at least 300 would need to be at least .32 to be considered statistically meaningful (Tabachnick & Fidell, 2007). A factor loading of .32 gives us approximately 10% of the overlapping variance % overlapping variance = (Factor loading)2. Some studies go as low as 0.3 but 0.4 is the norm.

4.5.2 *Kaiser-Meyer-Olkin and Bartlett's test*

As can be seen in Table 4-7, the KMO Measure of Sampling Adequacy is 0.808 is above 0.7 thus the data passes the test.

The Bartlett's test of Sphericity is statistically significant with a p-value (Sig) of 0.00 thus the data passes the test and approves the relevance of explanatory analysis based of the sample size used. The KMO calculated value (0.808) indicate that the sample size was excellent and the Bartlett's Test confirms the same with a corresponding probability value to the chi-square which is less than 0.05.

Table 4-7 : Kaiser-Meyer-Olkin and Bartlett's Test

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.808
Bartlett's Test of Sphericity	Approx. Chi-Square	2172.427
	df	210
	Sig.	.000

The Principal components Analysis algorithm was used to perform the dimension reduction process of the exploratory factor analysis. Table 4-8 below presents the results.

Table 4-8: Communalities

Factor extraction was achieved by using PCA method which implies that the initial eigenvalues for all the variables was 1.00 and they were extracted at different values. The principal component analysis algorithm extracted 6 constructs which had an eigenvalue greater than 1 and the total variance explained by the constructs was 65.95%.

Communalities		
	Initial	Extraction
Daughter Gender Factors - Children in the family are loved equally	1.000	.774
Daughter Gender Factors - Daughter/s are seen as suitable successors	1.000	.732
Daughter Gender Factors - Children in the family are treated the same	1.000	.782
Daughter Gender Factors - Daughter has been actively exposed to the business	1.000	.554
Family Member Relationship - Family members have difficulty thinking of things to do together	1.000	.675
Family Member Relationship - Family members feel closer to people outside the family than to each other	1.000	.670
Family Member Relationship - Family members avoid each other	1.000	.672
Family Member Relationship - The family does things together	1.000	.566
Family Member Relationship - In the family, everyone goes his or her own way	1.000	.477
Family Member Relationship - It's easy for all family members to express their opinions	1.000	.602
Family Member Relationship - Each family member has input into major family decisions	1.000	.741
Business owner and daughter Relationship - I have a trusting, warm and mutually supportive relationship with my daughter	1.000	.764
Business owner and daughter Relationship - My daughter readily acknowledges my achievements	1.000	.627
Business owner and daughter Relationship - It is easy for me and my daughter to express our opinions to each other	1.000	.617
Business owner and daughter Relationship - My daughter and I, are flexible in how we handle our differences	1.000	.537
Family Member Relationship - Family members discuss problems and feel good about the solutions	1.000	.713
Family Member Relationship - The family tries new ways of dealing with problems	1.000	.610
Family Member Relationship - The family is flexible about sharing responsibilities	1.000	.631
Business Context Factors - The business has an official succession plan	1.000	.687
Business Context Factors - Business takes/will take steps to improve goal clarity and to increase skill proficiency of current and future leader	1.000	.616
Business Context Factors - The succession plan is integrated with the businesses strategic planning process	1.000	.803
Extraction Method: Principal Component Analysis.		

Table 4-9: Total Variance Explained

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.163	29.346	29.346	6.163	29.346	29.346
2	2.438	11.610	40.956	2.438	11.610	40.956
3	2.181	10.387	51.344	2.181	10.387	51.344
4	1.679	7.996	59.340	1.679	7.996	59.340
5	1.389	6.613	65.953	1.389	6.613	65.953
6	.932	4.439	70.392			
7	.827	3.939	74.331			
8	.724	3.447	77.778			
9	.609	2.898	80.676			
10	.569	2.708	83.384			
11	.553	2.634	86.018			
12	.466	2.217	88.235			
13	.418	1.989	90.224			
14	.369	1.758	91.982			
15	.334	1.591	93.573			
16	.307	1.460	95.033			
17	.261	1.241	96.274			
18	.253	1.206	97.480			
19	.209	.994	98.474			
20	.192	.913	99.388			
21	.129	.612	100.000			

The scree plot (Figure 4-10) below is a diagrammatic representation of the 6 constructs extracted as shown in Table 4-10.

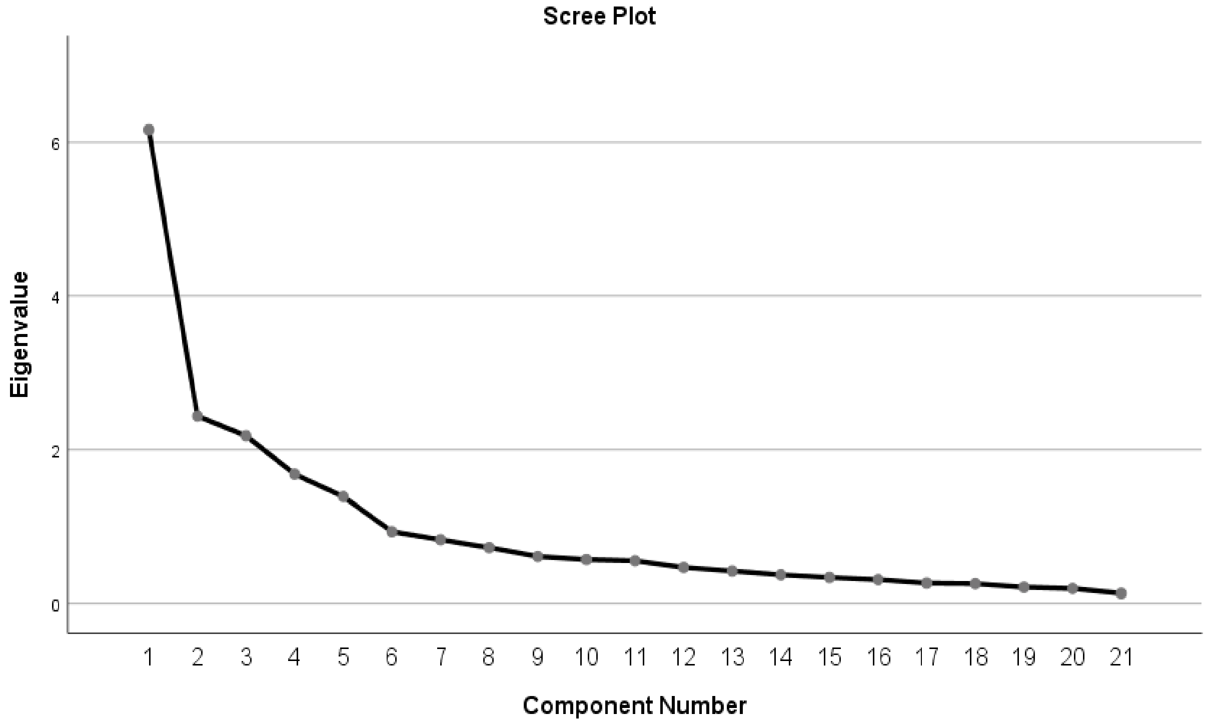

Figure 4-10: Principal Component Analysis
Source: primary data

Table 4-10 below displays the rotated components matrix below which shows the 6 extracted constructs and their constituent variables, sorted according to strength of the construct with regards to intra-constituent correlations. The constructs are arranged in descending order from left to right.

Table 4-10: Rotated Component Matrix

Rotated Component Matrix[a]					
	Component				
	1	2	3	4	5
Family Member Relationship - Each family member has input into major family decisions	.821				
Family Member Relationship - Family members discuss problems and feel good about the solutions	.782				
Family Member Relationship - It's easy for all family members to express their opinions	.709				
Family Member Relationship - The family tries new ways of dealing with problems	.651				
Family Member Relationship - The family is flexible about sharing responsibilities	.634				

Family Member Relationship - Family members have difficulty thinking of things to do together		.793			
Family Member Relationship - Family members feel closer to people outside the family than to each other		.769			
Family Member Relationship - Family members avoid each other		.746			
Family Member Relationship - In the family, everyone goes his or her own way		.649			
Family Member Relationship - The family does things together		.608			
Daughter gender Factors - Children in the family are treated the same			.856		
Daughter gender Factors - Children in the family are loved equally			.844		
Daughter gender Factors - Daughter/s are seen as suitable successors			.823		
Daughter gender Factors - Daughter has been actively exposed to the business			.703		
Business Context Factors - The succession plan is integrated with the businesses strategic planning process				.885	
Business Context Factors - The business has an official succession plan				.819	
Business Context Factors - Business takes/will take steps to improve goal clarity and to increase skill proficiency of current and future leader				.777	
Business owner and daughter Relationship - I have a trusting, warm and mutually supportive relationship with my daughter					.813
Business owner and daughter Relationship - My daughter readily acknowledges my achievements					.750
Business owner and daughter Relationship - It is easy for me and my daughter to express our opinions to each other					.749
Business owner and daughter Relationship - My daughter and I, are flexible in how we handle our differences					.603
Extraction Method: Principal Component Analysis. **Rotation Method: Varimax with Kaiser Normalization.** **a. Rotation converged in 6 iterations.**					

4.6 Reliability of the scales

Cronbach's Alpha was calculated to measure the reliability of the scale for the constructs that were retained after conducting factor analysis (Cronbach, 1951). The results are shown below in figure 4-14. The table presents the results of raw and standardised values of the Cronbach coefficient Alpha.

Now that EFA has reduced dimensions for us, it is necessary to check for internal consistency and reliability of our constructs using Cronbach's Alpha. A good Alpha value is above 0.7

As can be seen from the reliability results below, all the constructs have shown strong reliability as they all have Alpha values greater than 0.7.

Reliability was also assessed per construct*. Daughter gender factors* and *parent-daughter relationship* measured by four and five items respectively, recorded the highest reliability values of (0.841). Succession planning had a sound internal good consistency level of (0.781). Intra-family cohesion relationship measured at (0.821) while intra-family adaptability measured at (0.840) revealing a good reliability. The results also showed good reliability for the business context construct (3 items, α = 0.804).

The following tables below show the Cronbach Alpha scores for independent vs the dependent variable:

4.6.1 Reliability statistics for intra-family cohesion

Table 4-11 shows the reliability statistics for intra-family cohesion.

Table 4-11: Reliability statistics for intra-family cohesion

Reliability Statistics	
Cronbach's Alpha	N of Items
.821	5

4.6.2 *Reliability statistics for daughter gender factors*

Table 4-12 below shows the reliability statistics for daughter gender factors.

Table 4-12: Reliability statistics for daughter gender factors

Reliability Statistics	
Cronbach's Alpha	N of Items
.841	4

RELIABILITY /VARIABLES=Q10_1 Q10_2 Q10_3 Q10_4 /SCALE ('ALL VARIABLES') ALL /MODEL=ALPHA.

4.6.3 *Reliability statistics for parent-daughter factors*

Table 4-13 below shows the reliability statistics for parent-daughter factors.

Table 4-13: Reliable statistics for parent-daughter factors

Reliability Statistics	
Cronbach's Alpha	N of Items
.841	4

4.6.4 *Reliable statistics for intra-family adaptability*

Table 4-14 below shows the reliability statistics for intra-family adaptability.

Table 4-14: Reliable statistics for intra-family adaptability

Reliability Statistics	
Cronbach's Alpha	N of Items
.840	3

4.6.5 *Reliability statistics for the business context factors*

Table 4-15 above shows the reliability statistics for business context factors

Table 4-15: Reliability statistics for the business context factors

Reliability Statistics	
Cronbach's Alpha	N of Items
.804	3

4.6.6 *Reliability statistics for intra-family factor 3 (construct 6)*

Table 4-16 below shows results for intra-family factor 3

Table 4-16: Reliability statistics for family relationship factor 3 (construct 6)

Reliability Statistics	
Cronbach's Alpha	N of Items
.711	3

Although the type of details utilised in the questionnaire were individualised, the FACES questionnaire; adapted from Soto Maciel et al., (2015) and Lansberg and Astrachan, (1994) is forms part of a small number of statistically reliable and valid measures of family behaviour obtainable (Green, Kolevzon, & Vosler, 1985; Olson, 1986; Olson et al., 1988). The measure quantifying (Factor 1) intra-family cohesion (α = 0.821) utilised in the study consisted of five items adapted from the research instrument (see Appendix A). The scale measuring (Factor 2) intra-family adaptability (α= 0.840) was composed of three items (see Appendix A).

The results revealed that there was an acceptable reliability level for Succession Planning(SP) (9 items, α = 0.781), Intra-Family cohesion (IFC)(Factor 1) (5 items, α = 0.821), Daughter gender factors(DGF) (4 items, α = 0.841), Business Context factors (BCF) (3 items, α = 0.804) and Intra-Family adaptability (IFA) (Factor 2) (3 items, α = 0.840) since the alpha values were greater than or equal to 0.8. Parent-daughter relationship displayed good reliability at (0.841). On the other hand, there was a poor and unacceptable reliability for Intra-Family relationship Factor 3 (3 items, α = 0.711).

Summated scale was computed for all the constructs except for Intra-Family relationship (Factor 3) which had an unacceptable reliability level (< 0.5).

4.7 Correlations of the scale items

The relationship between the family business succession planning constructs were investigated using the correlation analysis. Family member factors and daughter gender factors are significantly correlated. Parent-daughter relationship and daughter gender factors are significantly correlated. Succession planning is significantly correlated to family member, parent-daughter and business context. Business context and parent-daughter are also positively correlated. Summated scale was computed for all the constructs except for Intra-Family relationship (Factor 3) which had an unacceptable reliability level (< 0.5) and contained factors that related to growth and stability of the business enterprises, which did not add value to the overall research. The descriptive statistics and Pearson’s Correlations for the constructs is shown in the Table 4-17 and Table 4-18 below.

Table 4-17 shows the descriptive statistics.

Table 4-17: Descriptive statistics

Descriptive Statistics			
	Mean	Std. Deviation	N
Succession Planning	4.674603174603178	1.047457071418471	210
Intra-family cohesion	2.8095	1.27572	210
Daughter gender factors	5.6111	1.48699	210
Parent-daughter relationship	6.1619	.70166	210
Intra-family adaptability	5.3635	1.13690	210
Business Context factors	4.8317	1.44811	210

Pearson's correlation of the scale items is depicted in table 4-18 below.

Table 4-18: Pearson's Correlation of the scale items

Correlations							
		Succession planning	Intra-family cohesion	Daughter gender	Parent-daughter	Intra-family adaptability	Business context
Pearson Correlation	Succession planning	1.000	.113	.065	.135	.174	.374
	Intra-family cohesion	.113	1.000	-.268	-.452	-.473	-.130
	Daughter gender	.065	-.268	1.000	.225	.246	.130
	Parent-daughter	.135	-.452	.225	1.000	.379	.128
	Intra-family adaptability	.174	-.473	.246	.379	1.000	.339
	Business context	.374	-.130	.130	.128	.339	1.000
Sig. (1-tailed)	Succession Planning	.	.051	.174	.026	.006	.000
	Intra-family cohesion	.051	.	.000	.000	.000	.030
	Daughter gender	.174	.000	.	.001	.000	.030
	Parent-daughter	.026	.000	.001	.	.000	.032
	Intra-family adaptability	.006	.000	.000	.000	.	.000
	Business context	.000	.030	.030	.032	.000	.

N	Succession Planning	210	210	210	210	210	210
	Intra-family cohesion	210	210	210	210	210	210
	Daughter gender	210	210	210	210	210	210
	Parent-daughter	210	210	210	210	210	210
	Intra-family adaptability	210	210	210	210	210	210
	Business context	210	210	210	210	210	210

Table 4-18 above illustrates that the constructs have a linear relationship with each other. Low correlation coefficients are preferred to avoid suffering from multicollinearity.

4.7.1 *T-Tests*

Table 4-19 below shows the findings for the T-Tests. The T-test was used to determine significant difference amongst the means of the constructs, that could be related in certain characteristics (Anderson, Sweeney, Williams, Camm, & Cochran, 2017).

Table 4-19: T-tests

Constructs	**t**	**df**	**Sig. (2-tailed)**	**Mean Difference**	**95%Confidence Interval of the Difference**	
					Lower	Upper
Daughter gender factors	55.838	209	0.00	22.73333	21.9307	23.5359
Family member relationship	127.819	209	0.00	57.28095	56.3975	58.1644
Parent-daughter relationship	123.281	209	0.00	24.31429	23.9255	24.7031
Business context	48.352	209	0.00	14.49524	13.9042	15.0862
Success planning	56.367	209	0.00	37.49524	36.1839	38.8066

The major constructs of family business succession planning were subjected to a T test. The null hypothesis assumes that the perception of participants is similar to all the aspects of business succession. The significant values corresponding to the t values are all significant as they are less than 0.05. The notion that the perceptions of respondents concerning succession issues in South Africa are the same is rejected. Results shows that there is variability when it comes to succession issues in South Africa, especially considering the daughter perspective.

4.8 Analysis of the scales

4.8.1 *Descriptive analysis of the scales*

The descriptive analyses result for daughter factors, family member relation, parent and daughter relationship, business context and succession planning scales are presented in table 4-22 below.

Table 4-20: Descriptive analysis of daughter factors, family member relation, owner daughter relation, business context and succession planning scale

	N	Mean	Std. Error of Mean	Skewness	Std. Error of Skewness	Kurtosis	Std. Error of Kurtosis	Range
Daughter factors	210	22.7333	0.40713	-1.527	0.168	1.703	0.334	24
Intra-Family relationship	210	67.6571	0.50514	-0.32	0.168	0.908	0.334	47
Owner daughter relation	210	39.319	0.24598	-0.796	0.168	1.404	0.334	21
Business context	210	22.619	0.36576	-0.374	0.168	-0.139	0.334	28
Succession planning	210	42.0714	0.65053	-0.564	0.168	-0.216	0.334	44

Table 4-20 above shows a summary of descriptive statistics for the major constructs calculated based on the aggregated scores. Family member relationship had the mean (67.6571) greater than all the other constructs. Daughter factors and business context are in the same range (22.733 and 22.619 respectively). Parent and daughter relationship and succession planning are also in the same range (39.319 and 42.0714 respectively). All the distributions are negatively skewed which is also indicated by the frequency figures in figure 4-9 below.

The frequency distribution figures evaluate if all the constructs are normally distributed which is the major assumption of the regression analysis. Developing frequency tables for variables concurrently is a good technique to commence analysing the variables in hypotheses (Nardi, 2018). From the output above, all the distributions are approximately normal which positively affects the normality assumption.

4.8.2 *Daughter gender factors*

Table 4-21 below illustrates the scale item frequencies for daughter gender factors.

Table 4-21: Scale item frequencies for daughter gender factors

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
Children in the family are loved equally	3.33%	4.29%	3.33%	2.38%	1.90%	20.48%	64.29%
Daughter/s are seen as suitable successors	6.19%	5.24%	4.29%	8.10%	8.10%	21.43%	46.67%
Children in the family are treated the same	4.76%	5.71%	3.33%	2.86%	4.29%	22.38%	56.67%
Daughter has been actively exposed to the business	6.67%	9.52%	4.29%	10.48%	13.33%	25.24%	30.48%

4.8.3 *Intra-family member relationship*

Table 4-22 below illustrates the scale item frequencies for intra-family member relationships.

Table 4-22: Scale item frequencies of intra-family member relationship

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
It is easier for family members to discuss problems with people outside the family than with each other	18.57%	26.67%	8.10%	5.71%	14.29%	20.00%	6.67%

There are frequent family gatherings	1.90%	6.19%	5.24%	5.24%	19.05%	48.10%	14.29%
Family members have difficulty thinking of things to do together	20.00%	32.86%	12.38%	9.05%	12.86%	10.48%	2.38%
Family members feel closer to people outside the family than to each other	25.71%	31.43%	8.57%	7.14%	10.48%	13.33%	3.33%
Family members go along with what the family decides to do	1.43%	8.57%	7.14%	13.33%	18.57%	40.00%	10.95%
Family members like to spend their free time with each other	1.43%	7.62%	7.62%	12.86%	20.95%	38.10%	11.43%
Family members share interests and hobbies	4.29%	10.95%	12.38%	13.33%	23.33%	30.00%	5.71%
Family members avoid each other	41.43%	28.10%	7.62%	12.38%	6.67%	3.81%	0.00%
The family does things together	1.43%	3.33%	6.19%	9.52%	17.62%	42.38%	19.52%
In the family, everyone goes his or her own way	18.57%	29.52%	10.95%	12.38%	14.76%	9.52%	4.29%
It's easy for all family members to express their opinions	0.95%	3.81%	5.71%	2.38%	14.29%	44.76%	28.10%
Each family member has input into major family decisions	1.43%	2.86%	7.14%	8.10%	23.81%	36.67%	20.00%
Family members discuss problems and feel good about the solutions	0.48%	3.81%	2.86%	11.90%	19.52%	47.14%	14.29%
The family tries new ways of dealing with problems	0.48%	3.81%	6.19%	10.00%	24.76%	41.90%	12.86%
The family is flexible about sharing responsibilities	2.38%	4.76%	5.24%	6.67%	21.90%	44.76%	14.29%

4.8.4 *Parent - daughter relationship*

Table 4-23 below illustrates the scale item frequencies for the parent-daughter relationship.

Table 4-23: Scale item frequencies parent - daughter relationship

	Strongly disagree	Disagree	Somewhat disagree	Neither agree/ nor disagree	Somewhat agree	Agree	Strongly agree
I have a trusting, warm and mutually supportive relationship with my daughter	0.48%	0.48%	0.95%	2.38%	3.33%	38.10%	54.29%

My daughter readily acknowledges my achievements	0.95%	0.48%	0.95%	4.29%	6.67%	44.29%	42.38%
It is easy for me and my daughter to express our opinions to each other	0.48%	0.00%	1.43%	3.81%	13.33%	47.14%	33.81%
My daughter and I, are afraid to speak our minds to each other	34.76%	34.76%	10.00%	6.19%	3.33%	7.62%	3.33%
My daughter and I, are flexible in how we handle our differences	0.48%	2.38%	1.43%	9.52%	15.24%	51.90%	19.05%
I readily acknowledge my daughters' achievements	0.95%	0.00%	0.00%	2.86%	3.33%	29.52%	63.33%
I allow my daughter to learn from her own mistakes	1.43%	1.43%	2.86%	0.00%	13.81%	44.76%	35.71%

4.8.5 *Business context factors*

Table 4-24 below illustrates the scale item frequencies for business context factors.

Table 4-24: Scale item frequencies Business Context factors

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
If my daughter decides not to join the family business, family members will be very disappointed	24.76%	31.90%	6.67%	17.14%	7.62%	8.10%	3.81%
Family dynamics are separated from business issues	2.86%	8.10%	7.14%	10.00%	10.95%	40.00%	20.95%
The business has an official succession plan	12.38%	17.62%	7.14%	15.24%	13.81%	23.81%	10.00%
Business takes/will take steps to improve goal clarity and to increase skill proficiency of current and future leader	1.43%	4.29%	2.38%	10.00%	19.05%	39.05%	23.81%
The succession plan is integrated with the businesses strategic planning process	4.29%	11.90%	4.76%	14.29%	19.05%	30.48%	15.24%

4.8.6 *Succession planning*

Table 4-25 below illustrates the scale item frequencies for succession planning.

Table 4-25: Scale item frequencies succession planning

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
Family members play a role in the family business succession planning	8.47%	14.81%	7.41%	16.93%	18.52%	33.86%	11.11%
I want my daughter to take over the family business	4.23%	14.29%	4.76%	29.63%	15.34%	25.40%	17.46%
I am committed to the business continuing as a family legacy	3.70%	9.52%	3.70%	16.93%	13.76%	33.33%	30.16%
Succession has not been explicitly planned in the family business	8.47%	15.34%	4.23%	15.87%	20.63%	35.98%	10.58%
I have played an active part in training and coaching my daughter	2.65%	6.88%	2.65%	19.58%	22.75%	34.92%	21.69%
I have exposed my daughter to various aspects of the business	1.59%	8.47%	4.76%	12.70%	21.16%	41.27%	21.16%
My daughter will/has worked her way up in the business	10.05%	9.52%	4.76%	32.28%	11.64%	25.93%	16.93%
Explicit selection criteria have been developed for identifying my daughter as the best successor for the family business	14.29%	21.69%	6.88%	33.86%	13.76%	12.70%	7.94%
My daughter has been/will be specifically trained to take over management of the firm.	12.70%	12.70%	3.70%	30.16%	11.64%	25.40%	14.81%

4.9 Graphical frequency distributions

This section displays the variable distributions; business context factors, daughter gender factors, intra-family cohesion, intra-family adaptability and parent-daughter relationship. On visually inspecting the distributions and the descriptive statistics, the researcher deduces that there are no critical violations.

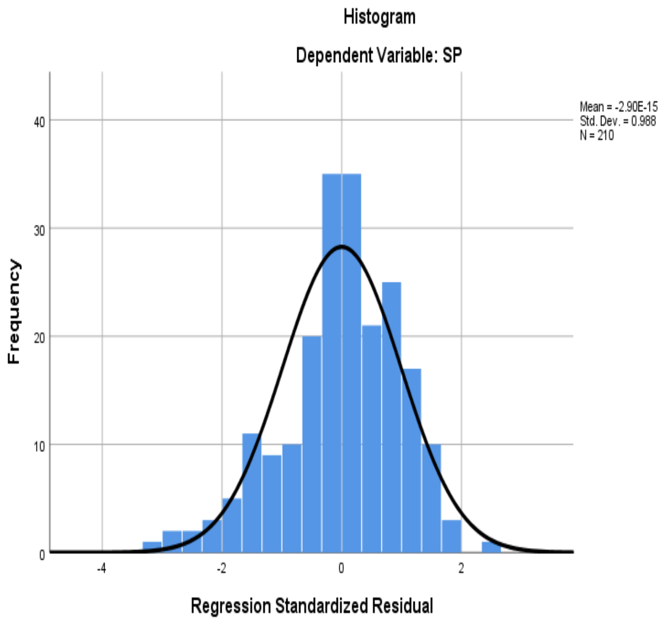

Figure 4-11: Histogram
Source: primary data

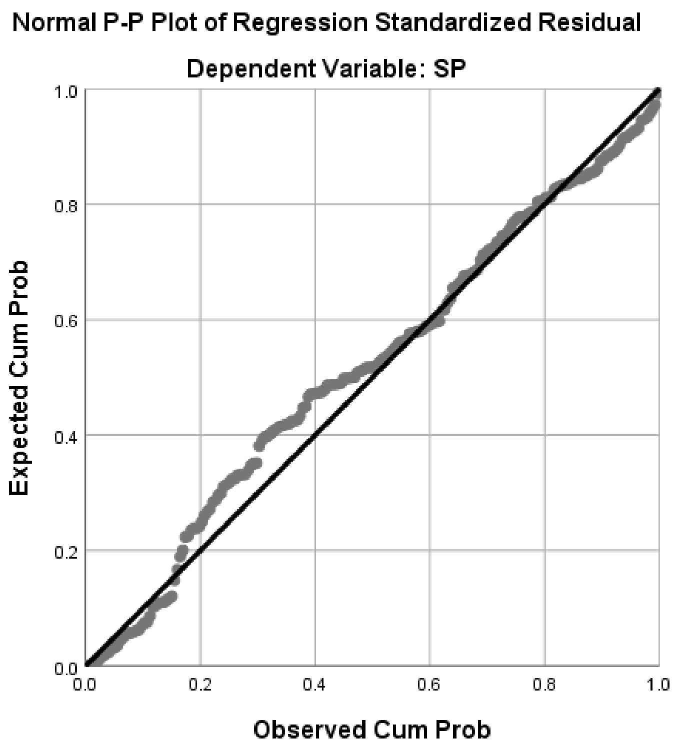

Figure 4-12: P-Plot of regression

Source: primary data

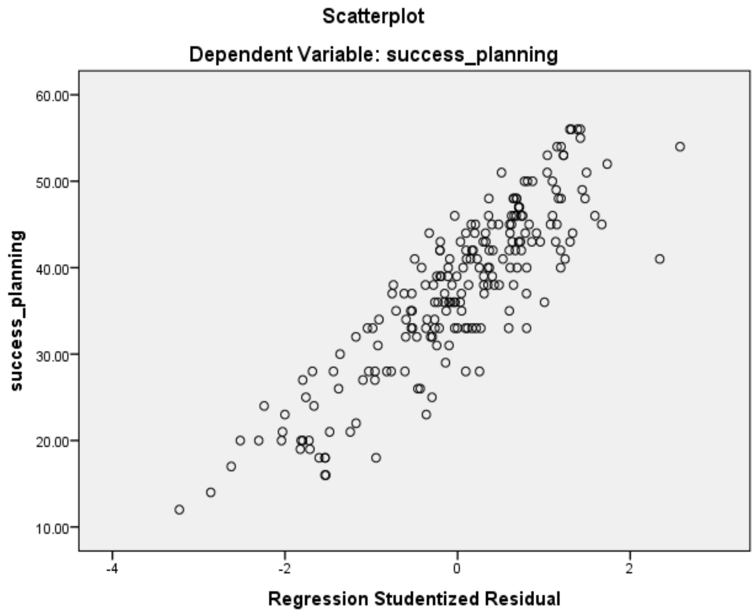

Figure 4-13: Scatterplot

Source: primary data

The regression diagnostics are reported in figure 4-11, figure 4-12 and figure 4-13 above.

The goodness of fit of the model was investigated using the above plot histogram of residuals, probability plot and scatter plot of residuals. Histograms assess if the normality assumption is not being violated (Chambers,2017); as indicated above, the regression standardised residuals are approximately normally distributed. When data is continuous or interval/ratio measures, histograms as well as frequency curves are best for visually displaying univariate data. Histograms are comparable to bar charts, only their bars are adjacent and touch each other to demonstrate the continuous nature of the measure (Nardi, 2018). The expected cumulated probability values are following a defined pattern. The regression standardised residuals (scatter plot) exhibit a certain pattern.

4.10 Validity of the scales

To validate the model to be used for inferential statistics the CFA method was used.

Model used:

C1	Intra-family relationship	=	Q11.3, Q11.4, Q11.8, Q11.9, Q11.10
C2	Daughter gender factors	=	Q10.3, Q10.1, Q10.2, Q10.4
C3	Parent-daughter relationship	=	Q12.1, Q12.2, Q12.3, Q12.5, Q12.6
C4	Intra-family adaptability	=	Q11.14, Q11.13, Q11.15
C5	Business Context	=	Q13.5, Q13. 3, Q13. 4
C6	Intra-family 3	=	Q12.1, Q11.2

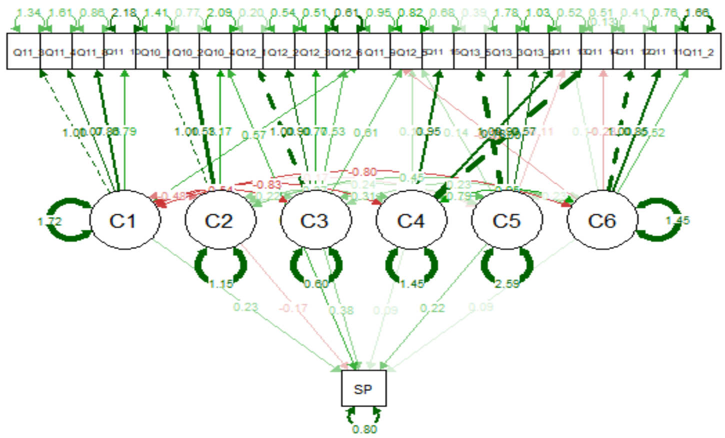

Figure 4-14: Succession Planning Confirmatory Factor Analysis Framework

Source: primary data

C1= intra-family cohesion
C2= daughter gender factors
C3= parent-daughter relationship
C4= intra-family adaptability
C5= business context
SP= Succession planning

The confirmatory factor analysis model above Figure 4-14 shows the relationship between all the constructs with its constituent indicators.

4.10.1 *Fit indices*

Below are the fit indices. Fit indices measure the goodness of model fit (Suhr, 2011).

- ***CFI*** = 0.937

The Comparative Fit Index (CFI) must be to be equivalent to or greater than 0.90 (HOE, 200 8). The CFI is greater than 0.90 with a value of 0.937, indicating a good fit.

- ***IFI*** = 0.938

Incremental Fit Index (IFI) measures for the model goodness fit and must be greater or equa l to ≥ 0.90, making 0.938 a good fit.

- ***RMSEA*** = 0.055

The mean square error of approximation (RMSEA) needs to be < 0.06 for best fit (Kenny, Kaniskan, & McCoach, 2015). 0.055 is less than 0.06 and represents a good fit.

- ***SRMR*** = 0.055

The standardized root mean square residual was ran and a value of 0.055 was found; a value less than 0.08 serves as a rule-of-thumb of adequate fit. SRMR is a common measure for fit indexes and is used to describe structural equation models (Taasoobshirazi & Wang, 2016).

4.10.2 *Confirmatory factor analysis results*

The below tables present the confirmatory Factor Analysis findings:

Table 4-26: Factor Analysis

	Intra-family Cohesion	**Daughter gender factors**	**Parent-daughter relationship**	**Intra-family adaptability**	**Business context factors**	**Succession planning**

Intra-family Cohesion	1.000					
Daughter gender	0.348	1.000				
Parent-daughter	0.539	0.263	1.000			
Intra-family adaptability	0.555	0.272	0.341	1.000		
Business context	0.064	0.130	0.013	0.391	1.000	
Succession planning	0.568	0.330	0.247	0.657	0.124	1.000

Table 4-27: Composite reliability

Composite reliability
Computed composite reliability = 0.9434976

Lavaan 0.6-3 converged normally after 66 iterations.

Number of free parameters	66

Number of observations	210

Table 4-28: Optimization

Optimization method	NLMINB

Estimator	**ML**
Model Fit Test Statistic	305.215
Degrees of freedom	187
P-value (Chi - square)	0.000

a. ***Model test baseline model:***

Table 4-29 displays the model test baseline model.

Table 4-29: Baseline model test

Minimum Function Test Statistic	2093.864
Degrees of freedom	231
P-value	0.000

b. *User model versus baseline model:*

Table 4-30 displays the user model versus baseline model.

Table 4-30: User model vs baseline model

Comparative Fit Index (CFI)	0.937
Tucker-Lewis Index (TLI)	0.922

c. *Loglikelihood and information criteria:*

The below table 4-31 shows the loglikelihood and information criteria:

Table 4-31: Loglikehood and information

Loglikelihood user model (H0)	7197.433
Loglikelihood unrestricted model (H1)	7044.825

Number of free parameters	66
Akaike (AIC)	14526.865
Bayesian (BIC)	14747.774
Sample-size adjusted Bayesian (BIC)	14538.649

d. *Root mean square error of approximation:*

Table 4-32 below shows the root mean square error of approximation.

Table 4-32: Root mean square error of approximation

RMSEA	0.055
90 Percent Confidence Interval	0.043 0.066
P-value RMSEA <= 0.05	0.230

e. *Standardised root mean square residual:*

Table 4-33 shows the standardised root mean square residual.

Table 4-33: Standardised root mean square residual

SRMR	0.055

f. *Parameter estimates:*

Table 4-34 shows the parameter estimates.

Table 4-34: Parameter estimates

Information	Expected
Information saturated (h1) model	Structured
Standard Errors	Standard

g. *Latent variables:*

Latent variables are shown in Table 4-35 below.

Table 4-35: Latent Variables

	Estimate	Std.Err	z-value	P(>|z|)	Std.lv	Std.all
Intra-family cohesion =~						
Q11_3	1.000			1.310	0.750	
Q11_4	1.075	0.106	10.103	0.000	1.409	0.746
Q11_8	0.851	0.082	10.332	0.000	1.115	0.765
Q11_9	0.572	0.083	6.905	0.000	0.750	0.547
Q11_10	0.785	0.102	7.731	0.000	1.029	0.571
Daughter gender factors =~						
Q10_1	1.000			1.039	0.650	
Q10_2	1.627	0.201	8.113	0.000	1.690	0.908
Q10_4	1.188	0.150	7.931	0.000	1.234	0.645
Parent-daughter =~						
Q12_1	1.000			0.768		0.858
Q12_2	0.902	0.094	9.553	0.000	0.693	0.682
Q12_3	0.794	0.087	9.163	0.000	0.610	0.654
Q12_5	0.631	0.108	5.839	0.000	0.484	0.432
Q12_6	0.536	0.083	6.426	0.000	0.412	0.468
Intra-family Adaptability =~						
Q11_14	1.000			1.205	0.953	
Q11_13	0.775	0.110	7.070	0.000	0.934	0.766
Q11_15	0.950	0.109	8.716	0.000	1.145	0.810
Business Context =~						
Q13_5	1.000			1.662	0.963	
Q13_3	0.846	0.081	10.437	0.000	1.406	0.715
Q13_4	0.538	0.056	9.549	0.000	0.893	0.654

C6 =~						
Q11_12	1.000			1.202		0.882
Q11_11	0.852	0.082	10.346	0.000	1.024	0.763
Q11_2	0.520	0.087	5.986	0.000	0.625	0.436
Q11_13	0.118	0.102	1.155	0.248	0.142	0.117
Business Context =~						
Q12_5	0.142	0.046	3.066	0.002	0.236	0.211
Intra-family Adaptability =~						
Q12_5	0.181	0.072	2.498	0.012	0.218	0.195
Family relationship factor 3 =~						
Q11_14	-0.232	0.108	-2.151	0.031	-0.279	-0.220
Business Context =~						
Q11_13	-0.103	0.043	-2.408	0.016	-0.171	-0.140
Family relationship factor 3 =~						
Q11_9	-0.284	0.083	-3.432	0.001	-0.341	-0.249

h. ***Covariances:***

Table 4-36 displays the covariances.

Table 4-36: Covariances

	Estimate	**Std.Err**	**z-value**	**P(>|z|)**	**Std.lv**	**Std.all**
Q11_13 ~~						
Q11_12	0.132	0.068	1.946	0.052	0.132	0.283
Intra-family cohesion ~~						
Daughter gender ~	-0.458	0.128	-3.590	0.000	-0.336	-0.336
Parent-daughter	-0.539	0.099	-5.462	0.000	-0.536	-0.536
Intra-family Adaptability	-0.832	0.172	-4.823	0.000	-0.527	-0.527
Business Context	-0.138	0.171	-0.809	0.419	-0.063	-0.063
Family relationship factor 3	-0.803	0.152	-5.282	0.000	-0.510	-0.510
Daughter gender =~						
Parent-daughter	0.210	0.070	2.982	0.003	0.263	0.263
Intra-family Adaptability	0.341	0.116	2.945	0.003	0.272	0.272
Business Context	0.225	0.136	1.657	0.097	0.130	0.130
Family relationship factor 3	0.412	0.114	3.613	0.000	0.330	0.330
Parent-daughter ~~						
Intra-family Adaptability	0.316	0.085	3.734	0.000	0.341	0.341
Business Context	-0.016	0.100	-0.159	0.873	-0.013	-0.013 0.253
Family relationship factor 3	0.234	0.079	2.968	0.003	0.253	
Intra-family Adaptability ~~						
Business Context	0.781	0.174	4.500	0.000	0.390	0.390
Family relationship factor 3	0.949	0.190	4.986	0.000	0.655	0.655
Business Context ~~						

Family relationship factor 3	0.235	0.156	1.503	0.133	0.118	0.118

i. ***Variances:***

Table 4- 37 below show the variances.

Table 4-37: Variances

	Std.all	Estimate	Std.Err	z-value	P(>|z|)	Std.lv
Q11_3	1.339	0.169	7.917	0.000	1.339	0.438
Q11_4	1.581	0.198	7.965	0.000	1.581	0.443
Q11_8	0.883	0.115	7.686	0.000	0.883	0.415
Q11_9	0.944	0.105	8.951	0.000	0.944	0.501
Q11_10	2.192	0.234	9.385	0.000	2.192	0.674
Q10_1	1.478	0.178	8.303	0.000	1.478	0.578
Q10_2	0.607	0.272	2.232	0.026	0.607	0.175
Q10_4	2.134	0.255	8.361	0.000	2.134	0.583
Q12_1	0.211	0.045	4.677	0.000	0.211	0.263
Q12_2	0.551	0.066	8.391	0.000	0.551	0.535
Q12_3	0.496	0.057	8.677	0.000	0.496	0.572
Q12_5	0.806	0.085	9.534	0.000	0.806	0.643
Q12_6	0.604	0.062	9.694	0.000	0.604	0.781
Q11_14	0.508	0.089	5.734	0.000	0.508	0.318
Q11_13	0.521	0.072	7.193	0.000	0.521	0.351
Q11_15	0.689	0.096	7.204	0.000	0.689	0.344
Q13_5	0.219	0.186	1.172	0.241	0.219	0.073
Q13_3	1.890	0.229	8.256	0.000	1.890	0.489
Q13_4	1.070	0.118	9.033	0.000	1.070	0.573
Q11_12	0.414	0.113	3.665	0.000	0.414	0.223
Q11_11	0.754	0.108	6.997	0.000	0.754	0.419
Q11_2	1.665	0.170	9.820	0.000	1.665	0.810
Intra-family cohesion	1.717	0.289	5.946	0.000	1.000	1.000
Daughter gender factors	1.079	0.229	4.715	0.000	1.000	1.000
Parent-daughter relationship	0.589	0.085	6.907	0.000	1.000	1.000
Intra-family adaptability	1.452	0.303	4.798	0.000	1.000	1.000
Business Context	2.762	0.344	8.024	0.000	1.000	1.000
Family relationship factor 3	1.445	0.206	7.013	0.000	1.000	1.000

4.11 Inferential statistics - hypothesis testing

For the hypothesis test, the researcher used linear regression to test the effect of the different constructs on succession planning as a composite variable (SP). Since the researcher chose to analyse the collected data using linear regression, part of the process involved checking to make sure that the data could actually be analysed using linear regression.

To use linear regression, the data should satisfy six assumptions that are required for linear regression to give a valid result.

Assumptions of regressions

1. The dependent variable was measured at the **continuous** level (i.e., they are either **interval** or **ratio** variables).
2. There ought to be a linear relationship between the independent and dependent variables (Pearson's correlation) - each hypothesis test produced a correlation table and all independent variables had a linear relationship with the respective dependent variable.
3. There should be independence of observations, which you can easily check using the Durbin-Watson statistic. The Durbin-Watson statistic test is utilised in determining successive correlations between errors in regression models. It precisely tests if adjoining residuals are correlated; this is beneficial in evaluating the assumption of independent errors (Field, 2013). The Durbin Watson test was performed for all the hypothesis tests and there was independence of observations. All the Durbin Watson statistics were between 1.5 and 2.5
4. There were no significant outliers in the dataset.
5. Your data needs to show homoscedasticity. The variance around the regression line is the same for all values of the predictor/independent variables. This is also known as homogeneity of variance. The assumption was checked using scatter plot between residuals and predicted or independent variables.
6. The residuals (errors) of the regression line were approximately normally distributed for all hypothesis tests.

All the assumptions were satisfied in the hypothesis tests. Below are the results of the hypothesis test.

4.12 Testing the hypotheses

Figure 4-15 below illustrates a recapitulation and adaptation of the hypothesised conceptual framework, showing how business context (H1), daughter factors (H2), Intra-family relationship factors (broken into three factors; factor1 (H3a), factor2 (H3b), with factor3 being left out), parent and daughter relationship (H4) affect succession planning. This section presents results that test the relationships hypothesised in the conceptual framework. For the multiple linear regression analysis, the dependent variable was succession planning, which was factored into three factors as indicated in Sub-section 4.5.1 above. For empirical analysis, this study estimated regression models for each hypothesised relationship.

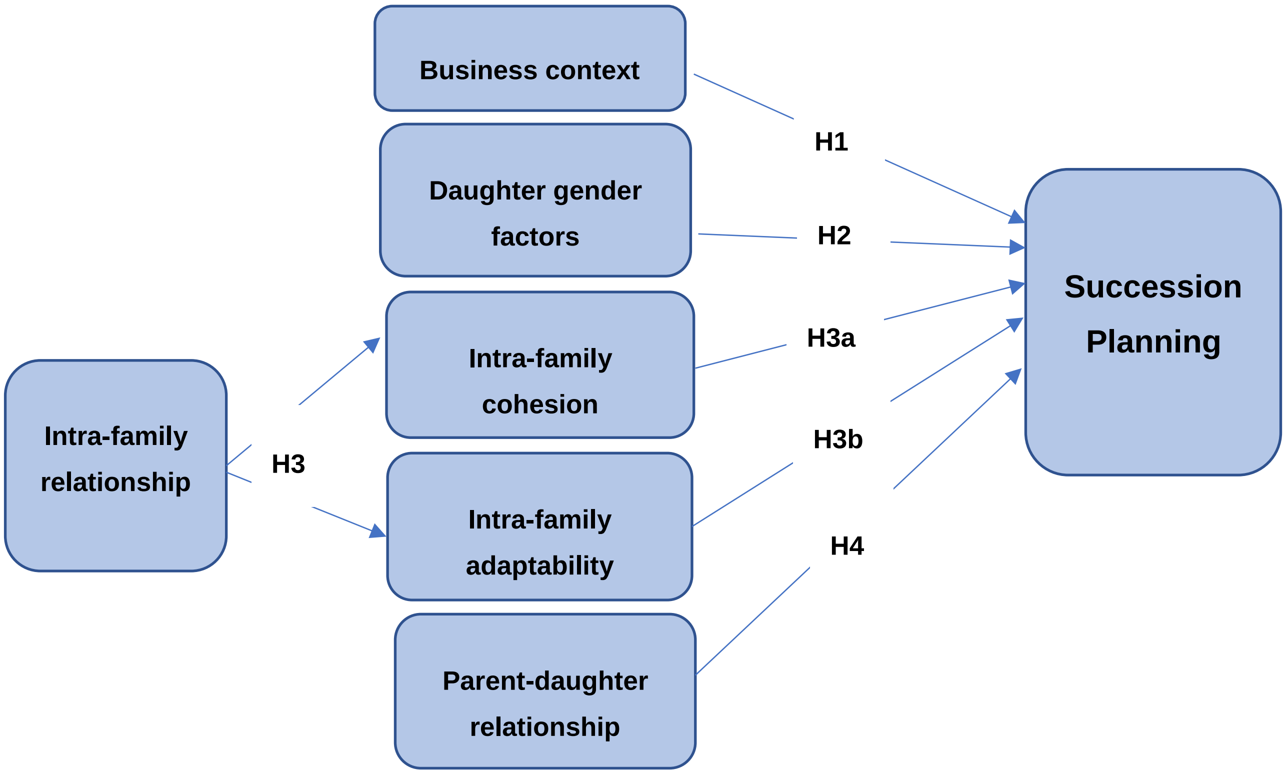

Figure 4-15: Adapted conceptual framework

(Source: primary data**)**

Multiple linear regression with succession planning as the dependent variable and each of; Parent-daughter relationship, Business Context, Daughter factors, Intra-Family relationship

(Factor1 and Factor2) as independent variables was conducted to assess the hypotheses. Table 4-38 displays the results below:

Table 4-38: Model Summary

Model Summary[b]					
Model 1	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Durbin-Watson**
1	.459[a]	.211	.191	.941918767005	1.934
a. Predictors: (Constant), Parent-daughter relationship, Business Context, Daughter factors, Intra-Family cohesion, Intra-Family adaptability					
b. Dependent Variable: Succession Planning					

In table 4-38 above, model summary results revealed that Parent and daughter relationship, Business Context, Daughter factors, Intra-Family cohesion (predictor variable1), Intra-Family adaptability (predictor variable 2), Intra-Family relationship (predictor variable 3) explain 21.1% of variance in succession planning as indicated by an r-square on 0.211.

Table 4-39 below shows The Analysis of Variance (ANOVA) results testing the significance of the model.

Table 4-39: ANOVA

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	48.317	5	9.663	10.892	.000[b]
	Residual	180.991	204	0.887		
	Total	229.308	209			
a. Dependent Variable: Succession Planning						
b. Predictors: (Constant), Parent-daughter relationship, Business context factors, Daughter gender factors, Intra-Family cohesion, Intra-Family adaptability						
a. Dependent Variable: SP **b. Predictors: (Constant), C5, C3, C2, C1, C4**						

ANOVA commands the dependent variable to be interval/ratio, a dichotomy, or an ordinal measure with intervals that seem to be equivalent, to allow the mean and variance calculation Nardi,2018). A p-value of 0.00, which is less than 0.5, indicates that the model was significant. This suggests that at least one of the independent variables was significant in forecasting succession planning. The Coefficients table 4-40 below shows the specific variables that are significant in predicting succession planning.

Table 4-40: Coefficients

Coefficients[a]									
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**	**Collinearity Statistics**	
		B	**Std. Error**	**Beta**			**Tolerance**	**VIF**
1	**(Constant)**	.418	.809		.517	.606		
	Business Context	.249	.048	.344	5.185	.000	.881	1.135
	Daughter factors	.022	.046	.031	.478	.633	.899	1.112
	Intra-Family cohesion	.251	.062	.305	4.031	.000	.675	1.482
	Intra-Family adaptability	.119	.070	.129	1.690	.093	.665	1.503
	Parent-daughter relationship	.258	.107	.173	2.413	.017	.754	1.327
a. Dependent Variable: Succession Planning								

The p-value column of table 4-40 above indicates the significant level. In this case, we were using a standard measure of 0.05, which means anything less than 0.05 was considered to be significant.

The regression analysis evaluates how different factors affects the succession planning in South Africa. The model computes the coefficients values and the probability values. The daughter gender factor was not significant at 95% level of significance as 0.633 is greater than 0.05. It was noted that intra-family cohesion, parent-daughter relationship and the business context really matter when it comes to succession planning, considering the daughter perspective, their corresponding probability values to the p- values are significant (0.000, 0.000, 0.017 respectively). The model can be summarised as follows;

The regression equation is:

Succession Planning = *0.418 + 0.305*Intra-family cohesion + 0.173*parent-daughter relationship + 0.344*business context*.

Business context has the biggest effect on Succession Planning compared Intra-family cohesion and parent-daughter relationship.

4.12.1 *Relationship between the business context and succession planning*

This section presents results for hypotheses 1 as restated below.

Hypothesis 1: *An enabling business context has a positive impact on the effectiveness of the succession planning.*

Null hypothesis*: There is no positive relationship between the business context and succession planning.*

Alternative Hypothesis: *There is a positive relationship between the business context and succession planning.*

From the regression results above, the researcher found that there is a strong and positive relationship between enabling business context and the effectiveness of the succession planning.

This relationship has the largest influence on Succession Planning compared the other factors.

Table 4-41: Coefficients for the business context

Coefficients[a]								
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**	**Collinearity Statistics**	
		B	**Std. Error**	**Beta**			**Tolerance**	**VIF**
1	**(Constant)**	.418	.809		.517	.606		
	Business Context	.249	.048	.344	5.185	.000	.881	1.135
a. Dependent Variable: Succession Planning								

Table 4-41 above illustrate that there is a positive and significant relationship between business context (B = 0.249, β = 0.344, t-value = 5.185, p-value =0.000 < 0.05) and succession planning. The relationship is positive since the coefficient of business context was greater than zero and is significant because the p-value was less than 0.05.

Null hypothesis: *There is no relationship between business context and succession planning.*

This means that the null hypothesis is rejected and it is concluded that there is a positive relationship between business context and succession planning.

4.12.2 *Relationship between daughter gender factors and succession planning*

This section presents results for hypotheses 2 as restated below.

Hypothesis 2: *There is a negative relationship between daughter factors and the likelihood of daughters as successful successors in family businesses in South Africa.*

Table 4-42: Coefficients for daughter gender factors

Coefficients^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.418	.809		.517	.606		
	Daughter gender factors	.022	.046	.031	.478	.633	.899	1.112
a. Dependent Variable: Succession Planning								

Table 4-42; the coefficients table above show that there is no significant relationship between Daughter gender factors (B = 0.022, β = 0.031, t-value = 0.478, p-value =0.633 > 0.05) and succession planning.

Null Hypothesis (H0): *There is no relationship between daughter gender factors and succession planning.*

From the results above of the regression test, the researcher concluded that there is a positive relationship between Succession Planning and daughter gender factors but the relationship is not statistically significant as shown by the Sig value of 0.633. This means that the null hypothesis is accepted.

Alternative Hypothesis: There is a relationship between daughter gender factors and succession planning.

4.12.3 *Relationship between intra-family factors and succession planning*

This section presents results for hypotheses 3(3a and 3b) as restated below.

Hypothesis 3: *A positive relationship between the family members has a positive impact on the effectiveness of the succession planning*

The alternative hypothesis is split into two parts since intra-family factors has two sub-constructs namely; intra-family cohesion and intra-family adaptability.

***Hypothesis 3a**: There is a positive relationship between intra-family cohesion and succession planning.*

Null Hypothesis: There is no relationship between Succession planning and intra-family cohesion.

Alternative Hypothesis: There is a relationship between Succession planning and intra-family cohesion.

From the results above of the regression test, the researcher concluded that there is a positive relationship between Succession planning and intra-family cohesion but the relationship is not statistically significant as shown by the Sig value of 0.093

Table 4-43: Coefficients for intra-family cohesion

Coefficients[a]								
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**	**Collinearity Statistics**	
		B	**Std. Error**	**Beta**			**Tolerance**	**VIF**
1	**(Constant)**	.418	.809		.517	.606		
	Intra Family cohesion	.251	.062	.305	4.031	.000	.675	1.482
a. Dependent Variable: Succession Planning								

Table 4-43 above show that there is a negative and significant relationship between Intra-family factor 1 (B = -0.251, β = -0.305, t-value = 4.031, p-value =0.000 < 0.05) and succession planning. The relationship is negative since the coefficient of Intra-family cohesion was less than zero and is significant because the p-value was less than 0.05.

***Null hypothesis**: There is no relationship between intra-family factors and succession planning.*

Therefore, the null hypothesis is rejected, and it is concluded that there is a negative relationship between intra-family cohesion and succession planning.

***Hypothesis 3b**: There is a positive relationship between intra-family adaptability and succession planning.*

Table 4-44: Coefficients for intra-family adaptability

Coefficients[a]								
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**	**Collinearity Statistics**	
		B	**Std. Error**	**Beta**			**Toleranc e**	**VIF**
1	**(Constant)**	.418	.809		.517	.606		
	Intra Family adaptability	.119	.070	.129	1.690	.0.93	.665	1.503
a. Dependent Variable: Succession Planning								

Table 4-44 above shows that there is no significant relationship between Intra-family adaptability (B = 0.119, β = 0.129, t-value = 1.690, p-value = .093 > 0.05) and succession planning. The relationship is not significant since the p-value was greater than 0.05.

***Null hypothesis**: There is no relationship between intra-family factors and succession planning.*

Thus, for intra-family adaptability, the null hypothesis is accepted.

4.12.4 *Relationship between parent-daughter relationship and succession planning*

This section presents results for hypotheses 4 as restated below.

***H4**: Parent and daughter relationship has a positive impact on the effectiveness of the succession planning.*

Table 4-45: Coefficients for parent-daughter relationship

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.418	.809		.517	.606		
	Parent-daughter relationship	.258	.107	.173	2.413	.017	.754	1.327
a. Dependent Variable: Succession Planning								

Table 4-45 above shows that there is a positive and significant relationship between Parent-daughter relationship (B = 0.258, β = 0.173, t-value = 2.413, p-value =0.017 < 0.05) and succession planning. The relationship is positive since the coefficient of Parent and daughter relationship was greater than zero and is significant because the p-value was less than 0.05.

Null hypothesis: *There is no relationship between parent - daughter relationship and succession planning.*

The null hypothesis is rejected and it is concluded that there is a positive relationship between Parent and daughter relationship and succession planning.

Alternative Hypothesis: *There is a relationship between the parent - daughter relationship and succession planning.*

From the regression results above the researcher found that the parent-daughter relationship has a positive impact on the effectiveness of the succession planning.

4.13 Summary of the results

Descriptive statistics and cross-tabulations were utilized to describe the study sample and to identify associations between variables. Reliability was tested using Cronbach's Coefficient Alpha test and the study was found to be reliable with Alpha scores greater than 0.8 from all tested variables except for parent-daughter relationship that showed results below the recommended 0.749 at 0.615.

The exploratory factor analysis was used to investigate if some of the variables can be grouped together into specific factors. Intra-family relationship was broken up into 3 factors; 2 factors (intra-family cohesion(factor1), intra-family adaptability(factor2) of which were adopted into the rest of the research and 1 factor (factor 3) that was not relevant for the study.

Table 4-46 summarises the results of the empirical research of the data collected. Each hypothesis was tested and the observations are reported below. The significant business succession factors linked to daughters are as follows: an enabling business context, intra-family adaptability, and parent-daughter relationship. Intra-family cohesion and daughter factors were not significant aspects of succession plans.

Table 4-46: Summary of the hypothesis findings

	Hypothesis	Supported or not Supported
H1	An enabling business context has a positive impact on the effectiveness of the succession planning.	Supported ($p < 0.05$)
H2	There is a negative relationship between daughter factors and the likelihood of daughters as successful successors in family businesses in South Africa.	Not Supported ($p > 0.05$)
H3a	There is a positive relationship between intra-family cohesion and succession planning.	Not-supported ($p > 0.05$)
H3b	There is a positive relationship between intra-family adaptability (and succession planning.	Supported ($p<0.05$)
H4	Parent and daughter relationship has a positive impact on the effectiveness of the succession planning	Supported ($p<0.05$)

4.14 Conclusion

The descriptive statistics offered a good account of the data. The selected items had high reliability of explaining succession planning based on the Cronbach's alpha test, except for the parent-daughter construct. The results of the exploratory data analysis have shown that not all items or questions for each variable were important. Therefore, the grouping of items was done, based on how best they explained each construct to finally make specific factors used in the analysis. The results of the inferential statistics were successful in addressing the study hypotheses.

The results seemed to support Hypothesis 1 that an enabling business context is positively associated with the effectiveness of a succession plan. For hypothesis 2, the results did not support the idea that daughter factors positively relate to business succession for daughters. In other words, daughter factors played a significant role in hindering the likelihood of 'daughters' being successful business successors in a family. Hypothesis 3 was supported to show that family cohesion affected business succession plans to some extent. Finally, hypothesis 4 was supported to show the importance of parent-daughter relationship in family business succession planning. Based on the results, enabling business context, intra-family adaptability, and parent-daughter relationship are the significant constructs of family business succession while intra-family cohesion and daughter factors are not important constructs of succession plans for daughter in the family business.

5 DISCUSSION OF THE RESULTS

This chapter discusses and explains the empirical findings of the study that were presented in Chapter 4. The hypothesised relationships between the independent and dependant variables were tested using the conceptual framework. Model Summary[b] tested the relationship of business context, Intra-family cohesion and adaptability, daughter factors and parent-daughter relationship to the quality of the relationship between the owner-manager and successor and to the business context of the family firm in relation to succession planning. The chapter discusses the descriptive statistics of the sample. It then examines the reliability tests performed on all of the scales. The outcomes from the exploratory factor analysis are then discussed and explained, together with the final factors used in the multiple regression analysis. The last discussion part explains empirical results from the multiple regression analyses used to test the hypothesised conceptual framework of the study.

The discussions presented in the research are compared with findings from literature, some of which have been discussed in the literature review of Chapter 2.

5.1 Introduction

This chapter offers explanations of the findings in the previous chapters of this research paper, particularly information from the literature review as well as the findings of data presentation, as given in chapter 4 of this research paper. The chapter critically breaks down and analyses all the information as presented in the preceding chapters of this study. It takes a disciplined and formal approach to data analysis, tackling a specific factor in every sub-section of this chapter.

The first sub-section takes an in-depth look at the demographic information presented in the paper. Demographic information is information regarding people, and in this case, the respondents of the study questionnaires. This section offers a critical look into the demographic information provided, breaking down factors such as the respondents' total numbers, the age bracket of the respondents, their gender, race, level of academic education, length of running their businesses, type of family business and the number of employees they have employed. The sub-section delves into all the particulars concerning the people interviewed for this research paper and takes a look at whether these demographic factors had an influence or a bias on the final findings of the research. This demographic information is important in giving a clear view of how data was collected and the target population for data collection.

Sub-section 5.5 of this chapter takes us back to the literature review part of this research. It addresses and discusses the research problem with regards to hypothesis 1 as given in the literature review. It also examines the research problem vis-a-vis the research question 1 and hypothesis 1 of this study. The next section 5.6, thereafter observes the findings of hypothesis 2, while hypothesis 3 and 4, are discussed in sections 5.7 and 5.8 respectively. The chapter concludes with a comprehensive summary of the discussions as provided in all the sub-sections as it seeks to fully comprehend and give a transparent interpretation of the study findings.

5.2 Demographic profile of respondents

The demographic information relates to information relevant to the people (Hovy, 2015) which in this case, refers to the respondents of the questionnaires handed out for data collection. The demographic profile of the respondents covered certain aspects such as the total sample size, the age distribution of the respondents, their various levels of education, the ethnicity of the respondents, gender of the respondents as well as owner-managership structures as regards both gender and ethnic groups. This sub-section breaks down the demographic information and provides reasons as to why the particular demographic statistics were crucial to the findings of this research.

5.2.1 *Population sample*

The research had a total sample size of 400 with 210 respondents giving complete and usable responses, however, the research paradigms covered were sufficient to offer useful findings. The figures and percentages given in the preceding sections were based on the number of business owners with daughters from any age group, race, business industry and gender, in South Africa who delivered their answers, 210 respondents in total.

5.2.2 *Gender*

There were 145 male respondents compared to only 45 female respondents. The gender differences in the number of females and male business owners is not surprising and is a reflection of the continuous struggle for women's empowerment, and is a reason for the numerous attempts and government policies enforced to stimulate and bring about gender equality in South Africa. These policies are enforced through the Promotion of Equality and Prevention of Unfair Discrimination Act, 4 of 2000 (PEPUDA) which is a national legislation commanded by section 9(4) of the South African Constitution, affording it exclusive constitutional standing. The Act acknowledges the necessity to attend to systemic discrimination and particularly strives to overcome social and economic discriminations, as well as the Employment Equity Act, 55 of 1998 (EEA). (Commission for Employment Equity Annual Report 2016/17, 2017).

Gender is a crucial aspect, considering that women represent about 50% of the world population (Venter, et al., 2015; Herrington, Kew & Mwanga, 2017). GEM has steadily reported a larger number of males versus females in entrepreneurship participation (Venter, et al., 2015; Herrington, Kew & Mwanga, 2017). A greater input from more female respondents would have been a lot more comprehensive from a research point of view but that being said, this fact did not affect the study result and the research paradigms covered were sufficient to offer useful findings.

5.2.3 *Age distribution*

Different age groups have different levels of involvement in entrepreneurship (Venter, et al., 2015). The age groups 25-34 years and 35- 44 years together made up close to 50% of all entrepreneurs. (Venter et al., 2015), this might be due to the fact that after a certain age and being economically involved for a number of years has assisted them in accumulating other resources that are critical to an entrepreneur's capital, such as networks, personal savings and access to financial resources (Herrington, Kew & Mwanga, 2017). Age distribution for the respondents was as follows: 14% for respondents between the ages of 25 and 34, 29% for respondents between 35 to 44 years of age, 30% for respondents aged 45 to 54 and 20% for respondents between 55 and 64 years. There has been an unswerving growth in entrepreneurial participation among the 45–54-year age group. In 2016, GEM reported this group to the most entrepreneurially active, at 28% of all early stage entrepreneurial participation (Herrington, Kew & Mwanga, 2017).

The research question deals with business succession, therefore the age group in focus had to be the individuals in the age brackets mature enough and financially able to run and sustain a business over a number of years. The demographic information on this particular aspect matched the projected expectations of the research. The majority of respondents were expected to be in the range between 35 years and 64 years which is actually the national projection for most business owners (Von Broembsen, Wood & Herrington, 2005). As expected, the majority of the respondents belonged to this age group and they were able to provide insight based on their experiences in running a business and they were also better equipped to handle the question of family business succession since the majority of them are both business owners who have been running their family businesses for some time, and are parents to at least one daughter.

5.2.4 *Level of education*

Women in South Africa tend to have achieved a lower educational level which makes them less likely to pursue entrepreneurial opportunities that require certain skills and qualifications (Venter et al., 2015). Males dominated all educational levels with highest figures as compared to their female counterpart. Females recorded 16 master's degrees compared to the male 34. All four of the Doctorates in the study were held by males.

The GEM South Africa 2015–2016 Report reveals that 67% of early-state entrepreneurs attained a secondary education level qualification (Herrington & Kew, 2016). Only 2% of the respondents had an education level lower than high school, 10% of the respondents attained matriculation level education, 4% of the respondents did a short course programme while the rest totaling 83% had either a diploma, a degree or a postgraduate education. From the latter group 43 respondents had a degree, 44 had a diploma, 35 respondents managed to attain a postgraduate education, while 50 of them had a masters and only four had a PhD. The latter group was our main focus group for this particular demographic. The reason being that it was more likely for individuals with a higher level of education to identifying economic and entrepreneurial opportunities and venture into entrepreneurship at some point in their lives. This is also owing to the fact that most of them have full-blown fulfilling careers and have the financial ability to start their own business.

This target group was essential in providing useful insights from a knowledge-based point of view and not just from assumptions drawn from the community or from popular cultural practices or the normal trends in society. This is a group that would be able to provide objective and knowledge-oriented responses that would guide the findings of this research.

5.2.5 *Population groups*

The percentage of African Blacks involved in early stage entrepreneurial activity has increased while Whites have the highest participation ratio in established business ownership (Herrington, Kew & Mwanga, 2017). Ethnic groups also formed a key demographic for this research. Johannesburg, and South Africa as a whole, being a very cosmopolitan society with people of different races and cultures, the ethnic groups present in the country form a key component of this research. 46% of the respondents were White while 43% were black African. The rest were Coloured at 6% and people of Asian or Indian origin at 5%. This demographic is not surprising given that White people come second to African blacks in population. The indigenous Black people, are the major ethnic groups in South Africa (Adams, Van de Vijver & De Bruin, 2012). This piece of data was crucial for research as it was used in tandem with other data parameters to form comprehensive findings as we shall see in the subsequent parts of this chapter.

5.2.6 *Business classification*

In terms of the type of business or industry; something to consider is, 'How would the type of business and industry affect girls and impact on their abilities to succeed their parents?'. Parents might also be reluctant to prepare, socialise and even anticipate their daughters taking over their business that are in industries which are known to have unfavourable working conditions for females and are generally understood to be male-dominated industries. Most of South African females operate within the crafts, hawking, personal and retail industries, while their male counterparts are involved in more technical disciplines such as engineering, ICT within manufacturing and high-technology industries (Venter et al., 2015).

When equality of outcomes is promoted, it is crucial to keep in mind that equivalent results are likely to be realized without attending to those parts of society that enable discrimination. Such as, a female could occupy the same job position with the same responsibilities as her male colleague, however to acquire the said work, she may have had to adapt to manlike working arrangements which might not take into account her other unpaid obligations, in relation to maternity and domestic household tasks. With regards to gender bias, reasonable fundamental common social norms need to be altered, while in some cases alterations must be enforced to contain diversities. Therefore, substantive equality ought to encompass more than equality of outcomes.

5.2.7 *Province business operates*

There are more businesses in urban areas versus rural areas, which explains the number of responses in the major and financial provinces; Gauteng with more than half the respondents of the study (59%) and Western Cape at 33%, in comparison to much fewer respondents in rural or outlying Provinces such as the Free Sate with 13% and Northern Cape at 10%.

In some rural areas of South Africa, females are still seen as unequal, weaker and less capable than their male counterparts, especially in important work or perceived male dominated industries as discussed in 5.2.6 above. This would affect daughters being seen as potential successors by their parents.

In section 3.6.2 (Data cleaning) the researcher assumed the findings cascaded into individual tables due to an error in how the question was asked. Further statistical measures revealed that the question structuring on the survey allowed for multiple selection allowing other business owners to make more than one selection of the province their business operates in. The results reflected that some business owners had family businesses operating in multiple provinces in South Africa.

5.2.8 *Ownership structure*

Ownership structures gives us insight on the size and framework of the business. More than half of the businesses surveyed were private companies (51%), revealing that private company structures might be popular with family businesses for the reason that their Memorandum of Incorporation (MOI) forbids them from offering any of its securities to the public, consequently keeping them safe and protected within the family entity. Another reason for private companies might be that with a limitless number of shareholders permitted by this type of company, every family member in the business has a potential of being a shareholder (Venter, et al., 2015). 20% were closed corporations, also popular, probably due to the fact that they afforded the benefits of a company, including being a legal entity, enjoying limited liability, as well as perpetual succession (Venter et al., 2015), that will allow the business to continue and remain within the family even if a member retires or deceases.

Close corporations require fewer accounting requirements, are flexible and inexpensive to establish (Venter et al., 2015), they are a good alternative when a business is small or medium, owned by a family member and with little capital outlay in the beginning. Sole proprietorships at 16%, are not a surprising option for individual entrepreneurs or business owners who are at the beginning and development stages of their start-up businesses and employ few or no employees. Public companies were the least popular at 4%, this might be due to the fact that they allow shares to be offered to the public and that shareholders have no pre-emptive rights. The findings also reported 8% partnerships.

5.2.9 *Number of employees*

A high number of employees is sign of a sustainable and growing business and even the firms with a smaller number of employees in the beginning will hire more employees as their businesses grow and require more resources. This implies that a sustainable family business that stays in operation for a number of years has the potential to create and maintain employment opportunities in South Africa.

In the category of 1-10 employees, there is an average employee number of 4,02 and a maximum of 10 employees, from 107 surveyed businesses. From 55 of the responding firms, on average the 11-50 category saw an average of 25 employees in the business and a maximum of 48. The last category (more than 50) recorded a minimum of 60 and maximum of 35000 employees from the participating family businesses. The 0.00 minimum reading for 1-10 employees in table A-2 (see Appendix E) could be due to the fact that the respondents were required to list the number of employees excluding themselves. Some entrepreneurs or business owners who are in very early days of their small businesses or sole proprietorships work alone and do everything themselves and some outsource certain services while working at growing their business.

5.2.10 *Ownership structure*

The last aspect to be examined was the owner-managership structure. Although this information is not strictly demographic information in the real sense of the word, it was vital to the research in terms of providing a clear picture of what to expect in terms of owner-managership and how this compares to the study question at hand. For instance, the demographic information shows that a majority of the businesses are owned by males, 145 of the respondents to be precise, while female respondents who owned a business were only 65. This raises the critical question of gender imbalance in terms of owner-managership and also raises the question of whether business succession by members of the weaker gender has been affected by the very fact that the majority of businesses are owned by male individuals. Will succession by daughters have been much higher if more women owned businesses?

5.2.11 *Conclusion of the demographic analysis*

The results concerning the demographic attributes of the respondents met the prior planned expectations for the most part. The education level demographic, and the numbers showing ethnicity matched the initial expectations of the research. However, three aspects from the results obtained differed from the planned outlooks. The data concerning the sample size turned out to be smaller than expected. The research had budgeted for a maximum of 400 respondents but only got 210 responses. The gender imbalance in terms of the final responses was also not anticipated. The research expected at least 50% of the returned and completed questionnaires to be from the female gender, but only 65 women responded to the query under study.

5.3 Reliability of the scales

The reliability tests to this study were conducted using Cronbach's alpha co-efficient and they were also based on input from Lansberg and Astrachan (1994) and Kaunda and Nkhoma (2013). Soto Maciel et al. (2015) adopted the questionnaire that Lansberg and Astrachan (1994) adapted from the widely used FACES questionnaire, that was developed and extensively tested by Olson and his collaborators (Olson, 1988).

The reliability evaluation was conducted on two levels; the overall reliability of data items, and the reliability of the key factors to the study. The acceptable standard of reliable data using this method is a score of 0.749 (Cronbach's alpha) and above. Any score lower than this value means that the data was unreliable and should not be relevant to the research findings.

The key factors to the study such as daughter/gender factors, intra-family relations, business context, succession planning, parent-daughter relationships were also put to the test to determine their reliability. Intra-family relations and succession planning were particularly singled out as very important to a family business (Kaunda & Nkhoma, 2013). The results presented in table 4-14, show that daughter gender factors, which had four data items reviewed, had a score of 0.841, thus passing the reliability test. Succession planning had a score of 0.781 with 9 data items evaluated. Business context attained a reliability score of 0.804 and intra-family relations cohesion scored of 0.821. Parent-daughter relationship data items attained a desired measure of reliability scoring 0.841.

5.4 Testing for validity

The factors examined were mainly intra-family relations, business context, and parent-daughter relationship.

5.4.1 *External validity*

These factors were grouped into a set of questions which were given to the respondents. All the questions were evaluated for validity. The questions regarding business context all had a validity score of over 0.64 with question 13.2 scoring the highest with a validity score of 1.00. The impact of family cohesion and variables of succession is important (Lansberg and Astrachan, 1994), and intra-family relationship questions registered varied results on the validity test. Eight questions in this section scored 0.63 and above with Q 11.14 at 0.90. Daughter gender factor questions and responses were found to be the most valid, with all the questions recording a score of higher than 0.800.

5.4.2 *Internal validity*

Bartlett's test was employed to evaluate and validate the choice of sample size. The resultant value of 0.809 showed the sample size was valid and usable. Some questions were also selected and scrutinised with a view of providing valid data to be used in explanation of the key factors. Questions with a valid data score of 0.66 to 1.00 were selected. A threat to internal validity could be that the sample was drawn from several businesses in different and unrelated industries, which meant that it would be impossible to hold the environmental forces constant, thus threatening internal validity.

5.5 Hypothesis 1- Business context factors

***Sub-Question 1*:**	***Hypothesis 1*(H1):**
To what extent does the business context impact the effectiveness of successful succession planning for daughters in the family business in South Africa?	An enabling business context has a positive impact on the effectiveness of the succession planning.

The first hypothesis predicted that an enabling business context has a positive impact on the effectiveness of the succession planning. This relationship was supported by Model Summary[b]. A statistically significant main effect was found for an enabling business context on succession planning, estimate values (t-value = 5.185, p-value =0.000 < 0.05).

Asieba and Nmadu (2018) intimate that children raised in a family that owns and runs a business entity are much more likely to acquire important business acumen and skills (Asieba & Nmadu, 2018). The learning process and the first-hand business experience gained from this interaction eliminates gender bias in the succession of the business. Succession and hand-over to the next generation is therefore based purely on merit and the management skills of an individual, regardless of gender (Phikiso & Tengeh, 2017).

5.5.1 *Comparison to literature*

The analysed data from chapter 4 supports this hypothesis. The data shows that there is indeed a significant impact which is greater than the set benchmark of 0.05 for a positive outcome. This therefore gives sufficient statistical evidence that indeed a conducive business landscape has a positive impact on the efficacy of passing on the business to the next of kin. Business is an essential activity in any community. An excerpt from a part of the literature suggests that only a few businesses, approximately 30% of businesses, progress to the next generation (Xi et al., 2015). The data from this research regarding the number of years that businesses have been in existence in South Africa reveals that most businesses are in the 1-5-year margin and never get to go beyond 20 – 30 years. Only 28% of businesses have been in existence for over 20 years, a figure which corresponds to the 30% given by the literature review (Xi et al., 2015). The longevity of a business opens room for the son or the daughter to inherit the firm.

5.6 Hypothesis 2 - Daughter gender factors

***Sub-Question 2*:**	***Hypothesis* (H2):**
To what extent does the daughter gender factors affect the succession planning of family businesses, in South Africa. South Africa?	There is a negative relationship between daughter factors and the likelihood of daughters as successful successors in family businesses in South Africa.

Hypothesis 2 predicted that there is a negative relationship between succession planning and the likelihood of daughters as successful successors in family businesses in South Africa. This hypothesis was supported by Model Summary[b].

This succession issue brings us to our second hypothesis regarding daughters taking over the business. Hypothesis 2 asserts that there is a negative connection between succession schemes and the probability of daughters being merited heirs to family businesses. The research found major differences between the data analysed and the proposals of the second hypothesis. For instance, the scale item frequency for daughter gender factors in chapter four found that a high percentage of respondents was in agreement that daughters do make worthy and suitable successors. 21.43% of respondents were in agreement, while 46.67% strongly agreed that daughters do make great successors. This shows that daughters are considered able to handle a business entity. Only a mere 5% were in disagreement. The research findings contradict the theory brought forward in the second hypothesis. The statistics in chapter four resulted in a null hypothesis with a value of 0.663 thus indicating that daughters can indeed become heir to any corporation and in this case, to their family's business (Mokhber et al., 2017). Gender equality and equity attitudes in the family involves family consideration of gender equivalent and fair treatment in terms of women and men; sons and daughters.

5.6.1 *Comparison to literature*

Analysis of the study results compared to some of the literature as pertains to this particular hypothesis shows a convergent view. Vera and Dean (2005) say that women are not regarded as conceivable heirs. Another literary piece observes that men are given top priority in terms of executive positions while the women are reserved to minor roles (Coffman, 2014).

These views both portray the societal malalignment concerning the role of the women and daughters in the community, a view which is at best skewed and wrongly moulded by societal expectations and norms. The scientific end product from the collected data and analysis of the same reveals that this view is far from the truth, and that women, like their male counterparts, are able to accede to the top seat of a business empire.

5.7 Hypothesis 3a and 3b – Intra-family cohesion and intra-family adaptability

***Sub-Question 3*:**	***Hypothesis* (H3):**
What is the relationship between family members and succession planning in the family businesses in South Africa?	A positive relationship between the family members has a positive impact on the effectiveness of the succession planning.
	***Hypothesis* (H3a):**
	There is a positive relationship between intra-family cohesion (factor 1) and succession planning.
	***Hypothesis* (H3b):**
	There is a positive relationship between intra-family adaptability (factor 2) and succession planning.

Hypothesis 3 postulated that a positive relationship between the family members has a positive impact on the effectiveness of the succession planning, meaning that family cohesion would be positively associated with the success of the succession process in the family business. Model Summary[b] supported this hypothesis. There was a statistically noteworthy main effect for a positive intra-family relationship on the quality of the owner-manager and successor relationship.

The third hypothesis suggested that good family relations resulted in a positive outcome as regards the succession of a family business. The hypothesis proposes that a cohesive family unit will have much more success in creating, planning for and implementing a successful business take-over plan. Communication between family members also greatly contributes to the alleviation of messy and cut-throat succession disputes among family members (Phikiso & Tengeh, 2017). Family cohesion was found to have a positive impact with a p-value of 0.000 as per the statistics. From the total respondents questioned 33.86% agreed that indeed family relations dictate successful business take-over, while 11.2% strongly agreed. This makes up a percentage of about 45% of respondents that agree with the proposition given in hypothesis 3. As regards gender balance and equality, the numbers clearly exhibit that there is equal treatment of children from all genders (Tucker, Santos-Concejero & Collins, 2013). The data depicts that 64.29% of respondents strongly agreed and 20.48% agreed that children were loved equally, regardless of whether they were male or female. It also shows equal treatment of children despite which gender they belonged to with 56.67% of respondents strongly agreeing that children were treated the same way and 22.38% of respondents supporting the same notion.

5.7.1 *Comparison to literature*

The research verdicts in this section were shown to match most of the literature as provided in the review of past information. Family cohesion was seen to have a positive effect on business. A harmonious family environment positively affects the degree of business continuity. (Bretton-Miller et al., 2004). The research verdicts in this section were shown to match most of the literature, as provided in the review of past information. The literature also supports the research outcomes as exhibited by Friedman (1991) when he says that families in which members work in tandem and as one unit are more probable to effect transition. Harmonious family relations also greatly contributed to the development of the business and profitability (Vincent et al., 2017). This is reiterated by Motwani (2016) who says that when family members have a good relationship, they tend to work as a team and this eventually bodes well for the overall success of the business due to the fact the family unit is pulling in one direction and can consolidate resources which are then used to further or benefit the family business.

5.8 Hypothesis 4- Parent-daughter relationship

***Sub-Question 4*:**	***Hypothesis* (H4):**
What effect does the parent-daughter relationship have on the effectiveness of succession planning.	The parent - daughter relationship has a positive impact on the effectiveness of the succession planning.

There is a positive quality of relationship between the parent-daughter relationship, in succession planning. Hypothesis 4 states that parent-daughter relationship has a positive impact on the effectiveness of the succession planning. This relationship was supported by Model Summary[b]. With a collinearity figure of 0.751 out of 1, the statistics show that the two variables are indeed co-related. This means that the bond between a business owner and the daughter does have an influence on the succession planning of the business. The relationship between owner and daughter pre-determines a business succession planning, with most owners preferring a next of kin to take over (Dunn, 1999). This is further supported by the results in the coefficients section where analysis of the two variables resulted in a p-value of 0.017 which is less than 0.05 thus indicating a positive hypothesis. Most respondents agreed to having a good relationship with their daughters with 38.10% agreeing and 54.29% strongly agreeing.

5.8.1 *Comparison to literature*

The findings regarding this hypothesis correspond to the literature given in chapter two of this research. In particular, the field theory as explained in the literature review, examines the complexities of family interaction and their impact on business succession. The theory enhances the understanding of how family members could use family inter-relations to aid the success of a business across a number of generations (Anders, 2014). This inter-relation specifically includes the bond that exists between business owners and their daughters. Blignaut (2016) reiterates this when he says that family business inheritance depends on the relationship that exists between the parent and his child. The parent in this case is the business owner and the child; the daughter or daughters. Succession has also been shown clearly in chapter two to be a deliberate and planned effort to guarantee business continuity (Thurman & Nason, 2016). Most family businesses with successful parent-daughter relationships survive the transfer of business to the next generation (Steiger, Duller & Hiebl, 2015).

5.9 Conclusion

Some cohesion to the literature review as deliberated in chapter two of this research was found to correspond to some of the data collected and analysed in this research. Hypothesis 1 regarding an enabling business and the effectiveness of a succession plan was found to have sufficient statistical support and resulted in a positive hypothesis. The assumptions of hypothesis 2 were found to have no statistical significance and was therefore declared obsolete. Hypothesis 3 that advanced the importance of family cohesion and business succession was found to have a somewhat significant statistical support although some of the intra-family paradigms still presented a complex analytical situation with some of the findings resulting in a null hypothesis. Hypothesis 4 proved that there indeed is a confirmed relationship between parent-daughter relationship and succession planning.

The analysis of the exploratory factor analysis results for deciding on the appropriate number of factors was based on the Eigenvalues tables and the scree plot test. We examined the scree plot of eigenvalues to help determine the number of components to retain. The proportions of variation explained by each of the scale items and scree plots for Intra-family relationship scale showed that it factored into three factors. The rotated component matrix which represents the rotated factor patterned was used to determine final factor loadings and it supported the three-factor solution.

Factor 1(Intra-family cohesion) consisted of scale items that relate to family cohesion i.e. relations, how the family interacts and; factor 2 (Intra-family adaptability) consisted of scale items that related to intra-family flexibility and how well the family adapts to situations it faces within the family dynamic and the family business; and factor 3 which was left out of the final results consisted of scales that consisted of factors that related to growth and stability of the business enterprises, which did not add value to the overall research. As a result, the conceptual framework was modified accordingly in Chapter 4, following the testing of the hypotheses. It is important to mention that a relationship exists between cohesion and adaptability, since the two factors were derived from one factor (Intra-family relationship). Their connection may be that adaptability only affects family relations, parent and daughter relationships and the business context when the Intra-family relations within the family business are either high or low on cohesiveness.

Unambiguously, these results show that the business context acts have an influence on the Intra-family cohesion and adaptability on succession planning. These findings support the model summary results motivating Hypotheses 1, 2, 3 and 4. Family relationships between all family members and parents to their daughters, cohesion and adaptability all play an important role in determining the extent of succession planning. The study highlights that the business context plays a crucial role in facilitating an enabling environment for decisions to be made that affect both the family members and the business similarly.

6 CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS

6.1 Introduction

The final chapter puts forward the, implications, recommendations and conclusions of the study. The key outcomes and conclusions from the empirical assessments are discussed in summary. The limitations of the research are also presented, as well as suggestions for further research.

6.2 Conclusions of the study

The majority of family businesses do not operate past the first generation due to conflicts associated with succession. If the business owner fails to apply the right leadership techniques, the family members will fight for the top position which creates animosity, thus a disharmonious working environment. The problem is particularly compounded when the potential successor is a daughter to the business owner. Traditionally, women are considered unsuitable to take leadership positions which makes the sons of the business owner demand the managerial position at the expense of the daughter. While this is a normal occurrence in South Africa, the women have progressively gained some levels of equality and freedom to lead and they are significantly represented in all spheres of life.

There are important gaps in the family business succession literature. It is clear from the research findings that the three main parameters affecting family business succession, that is; intra-family relations, business context and parent-daughter relationship (Chirau, 2014), have been comprehensively addressed in the research paper. Data from the 210 respondents, who had different demographic qualities and attributes to avoid research bias, was analysed and conclusive results obtained from the data. The research findings have also been presented in the form of charts, figures and graphs.

The findings indicate that the majority of the respondents from the sample given, agreed that indeed, daughter factors did not play a major role in determining the successor of a business. Even though it is apparent that gender bias when it comes to company succession still exists, the figures are not significant enough to merit a clear trend and raise an issue that would necessitate intervention and programmes to address the phenomenon. Evidently, the research answers show that professionalism is a valued characteristic for any person interested in managing the business. The fascination of the individual with the prospect of administering such an organisation is also key in deciding whether one will be afforded the role and not a person's gender orientation (Venter, Boshoff & Maas, 2005). It was clear from the findings that merit and business management skills and, in some cases, the relationship between parent and daughter, as well as the interest of the individual to lead the company are the factors that mainly contributed to the succession of the family business and not the fact that one is male or female.

The business scene also plays a vital role in determining a streamlined transition. Exposure of the would-be successors to business processes from an early age gives the successors a distinct advantage over their counterparts who typically would have no real exposure to business management (Asieba & Nmadu, 2018). Individuals with the desired traits, attitude and who showed the competence to take the family business to new heights are more probable to succeed smoothly and offer a stable and steady environment during the transition period as compared to those who had no prior familiarity (Erikson, 2002).

Family cohesion also stood out, according to the research findings, as a factor that contributed to the effectiveness of family business succession. Families that were generally found to be at ease with each other, open to consultations and those that spent time together were more likely to collectively agree on a successor or a succession plan. The pulling together of a family as well as its solidity had a vital implication in determining the continuity of the family enterprise (Rosplock, 2013). An assumption would be that families that were disjointed and dysfunctional at best, were seen to be more likely to have succession struggles. These families were also likely to choose a daughter as the successor to their family business due to sibling rivalry and competition among the sons or the father to take control of the family firm.

In the future, the government should put in place measures to ensure that family businesses succeed beyond their first generation. This can be achieved through legislation where progressive and accommodating policies are enacted. There should be gender equality when distributing leadership positions in a family business, as females need to secure a spot at the table and on the potential successor list, society and men in general are affected (Nelson & Constantinidis, 2009).

6.3 Implications of the study

6.3.1 *Impact upon society*

This study's input for social change include contributing to social stability and continuous economic growth (Chesley, 2017) and possibly assist in the development of policies which can ensure they are accorded the same rights as their male counterparts (Thurman & Nason, 2016). As presented in Chapter 4, businesses that start off small can potentially grow and become sustainable firms and as more businesses grow, the more employees they require and hire. The longer they remain in operation, the greater their potential to create and maintain employment opportunities which assist in curbing the high unemployment and under-employment rates in South Africa.

According to Mussolino, Cicellin, Pezzill, Consiglio, and Martinez (2019), there is a need for anyone who takes over the family business to ensure that they have the necessary skills to make decisions on behalf of the family. The successor should ensure that they positively influence the growth and development of the business (Kubíček & Machek, 2018). As such, daughters are obliged to ensure that they get the ideal management skills before asking to succeed their parents in the management of the family business. When the society adopts this culture, it will be easy for them to improve the acceptability of daughters to succeed their parent in running the family business. This will change the dynamics of the business and improve their survival rate globally.

6.3.1.1 Influencing public attitudes

Gender is a social construct that determines expectations of what males and females are and what different and individual roles they can and should perform (Nelson & Costandinis, 2017).

The historic belief of the normative assumption of the son (specifically the oldest son) assuming family business control in the next generation, is being challenged by the majority of the respondents who want their daughters to become the successors in their respective family businesses. The systematic and cultural forces that are challenged are those including China's historic one child policy and the Islamic refusal of wealth transfer to female children. Support for gender equality principles is driving change in family business succession planning (Nelson & Costandinis, 2017).

A socially constructed view of gender changes its point of view as well as our understanding of the attitudes and behaviours of potential successors, their parents as well as the understanding, attitudes and behaviours of the society at large. The suggestions that women are as equal and capable as their male counterparts and as capable as leaders is becoming a norm, but still a view that is not comfortable, easy and acceptable to everyone. The aim of this study, as discussed in earlier chapters, was to interrogate further, add, concur or change this observation.

The findings of this study will improve the traditional perception that daughters lack leadership skills necessary to lead in a family business. According to Rabenowitz, et al. (2018), the public attitude towards family-business is skewed to favour men. However, women have increasingly obtained leadership positions in family businesses which has helped in going against the societal beliefs. This study adds into the existing literature to show that the involvement of daughters in the succession of family business is an idea that will help to resolve family conflicts and enhance progress beyond the first generation.

6.3.1.2 Affecting quality of life

The intra-personal relationship between parents and their children all carry gender implications that are displayed in the dynamics of business succession for the family and the business, regardless of the different genders of the family members (Nelson & Costandinis, 2017). Unlocking succession opportunities to women increases the likelihoods of family business survival as heirs will be nominated according to their ability, skill and know-how, instead of their gender.

Extreme high levels of unemployment and underemployment among the youth of South Africa's is one of the country's most grave social challenge. Youth unemployment has seen an upsurge since 2008, increasing from 32.7% in 2008 to 36.1% in 2011, and persisting between 35% and 37% in succeeding years (Herrington, Kew & Mwanga, 2017). Family businesses being passed on from generation to generation will bring about business sustainability and job security and can contribute in reducing the unemployment rates.

This study will improve the quality of life for business people in South Africa by minimising succession conflicts thus improving profitability. These findings highlight the need for relatives to have a cordial relationship with each other to guarantee a smooth transition. If this recommendation is implemented, the level of conflicts in the society will significantly reduce which will directly translate to peace and improved quality of life.

6.4 Recommendations

6.4.1 *Research recommendations*

Research recommendations for future research papers would be the inclusion of more female respondents in reports that require a gender sensitive input. In this research, for example, input from more females during data collection would have been a big plus and would have provided much more comprehensive insights into the study phenomenon. It is a lot easier for women to give a true picture of the situation than their male counterparts especially regarding gender-sensitive topics. Another recommendation would be the provision of enhanced research resources to enable the researcher to use a bigger sample size in the study. The sample is more likely it is to reflect the whole population when it is larger (Field, 2013). A representative sample of 210 respondents used to represent a population of 55 million may not provide the complete reflection of the state of affairs, and the scientific information is the basis upon which relevant research findings are obtained (Schwandt, 2001).

Conducting a study that not only targets the parents to the daughters but the daughters themselves could also provide an insight into the succession planning process and might expose details that could not be captured by this research. Running the research data to identify and investigate the responses within different industries can allow the researcher to determine whether succession planning is impacted by the industry the family business is in, such as, if business owners are in more male gendered industry, work, management practices and products; they may not see their daughters as potential successors. Including other family members can also be beneficial in predicting if they see their relatives, siblings, daughters or partners as likely successors.

6.4.2 *Policy-level recommendations*

Clear policy guidelines regarding family business succession are uncommon to find, because of the nature of family businesses. Most family businesses are run by the founder or a member of the family, this makes it hard to dictate policy issues in the privately-run business, unlike public and state corporations which have clear succession rules. The research recommends the adoption of formal guidelines regarding business succession instead of leaving the succession issue to be handled by a handful of family members (Akani, 2015). The use of an independent body that is impartial and transparent (Anders, 2014) might also be a good policy in dealing with family business succession matters and might result in more daughters who merit being at the helm of more businesses.

Insubstantial job-creating capacity has brought about chronically high unemployment which contributes immensely to the country's persistent poverty and inequality. Youth unemployment is at over 65%. It is most crucial and vital for South Africa's policy makers to make a strong commitment to growing the economy.

A conducive environment for small and medium-sized enterprises must be fostered and supported, in view of the fact that they contribute so much to employment (Herrington, Kew & Mwanga, 2017)**.** In many developing economies, small businesses have been shown to contribute substantially to job creation, economic growth and more equal income distribution. As stated in the literature review, family businesses form a great part of small businesses in South Africa where 60% of listed businesses on the Johannesburg Stock Exchange (JSE) are family businesses (Rabenowitz et al., 2018), and their longevity and being passed on from generation to generation could ensure job stability for many. Succession planning plays an important role in that it ensures a smooth handover and successor preparedness for this handover of the business can ensure business continuity.

The findings by this study are significant in informing the relevant legislative bodies of the problems associated with leadership transition in family businesses (Asieba & Nmadu, 2018). If there are policy regulations, the transition will be guided by a legal framework which will significantly reduce disputes.

6.4.3 *Economic and commercial impact*

Women continue to be underrepresented at decision-making levels. Women sit at 20.7% at top management level, in the private sector, and at 30.8% in the public sector. Men are similarly over-represented at decision-making levels in both the public (60.7%) and the private sector (68.5%), and this is evident in all provinces. Insignificant upsurges in female presence at decision-making levels between 2014 to 2016 show that there continues to be a lack of opportunities for women at the highest management levels, which in turn, reflects systemic inequality and indirect discrimination (Herrington, Kew & Mwanga, 2017).

Furthermore, trends reveal that White males are dominant at senior positions throughout the sectors in the South Africa, particularly in the private sector. The Commission for Employment Equity 2016/17 data shows that there is a majority of over 76.3% male representation in the private sector, in comparison to 73.3% at provincial level and 62.6% in nationally. Women are not well represented in the public sector and this might play a hand in policies in place that are decided upon by mostly men (Commission for Employment Equity Annual Report, 2014; 2016). These results are in agreement with the research findings that showed that Whites at 46% were the highest represented population group, followed by Black Africans (43%), Coloured at 5% and Indian (5%), indicating that Whites are still dominant in business ownership in South Africa. Females at 45% shows that female are underrepresented in business ownership and senior management.

The data also displays that the sectors that desperately need transformation by gender and race the agricultural sector, which have a significant number of White males in ownership and decision-making positions at (72,6% improved from 72% in 2015/2016); retail and motor trade/repair service at 62.7%, a reduction from 64% in 2015/2016); wholesale and trade came in at 59% White males sitting in decision making positions (a decline from 59.8% in 2015/16) with mining and quarrying at 56.3% (2015/16 was 59.9%). (Commission for Employment Equity Annual Report 2016/17, 2017). In concurrence, the results from the study reported that Wholesale and Retail trade (12.38%) came a very close second under business classification of those family businesses surveyed.

Family business continues as a dominant organisational form globally (Daspit, Chrisman, Sharma, Pearson & Long, 2017), and since at the heart of this is families that are made up of not only males but females as well; Hjorth (2016) states that family-owned businesses have significant contributions towards promoting wealth creation, creating jobs, and boosting social development (Hjorth, 2016).

The implementation of the recommendations in this study will significantly increase the survival rate of family businesses. In most cases, family wrangles that characterise succession leads to failure of the business due to poor management practices (Rosplock, 2013). Additionally, this study will empower the women in the society by highlighting their ability to succeed in management roles.

6.5 Limitations of the study

The main limitation is that the topic was chosen based on the framework that gives priority to family business owners with daughters. It may, therefore, limit the chances of the research including other generational challenges during and after the transitional process. The other problem is noted in the research is limited to three variables, namely, family, business and personal indicators. An example of the problem may be argued within the scope of business where there are little or no extensive details offered about other financial factors such as the financial challenges, tax challenges, and the legal challenges.

The other issue pertains to the female leadership theory which is not spoken on from the general comparison of men and women but viewed as an aspect of female leadership and its distinct components. The last problem is that their male counterparts may also face the challenges faced by the female successor in the family business in South Africa. However, the research generalises the challenges for females and neglects to differentiate whether the challenges may exist in either genders or only to the females who form the basis of the argument.

Some respondents did not commit on completing the questionnaires in due time. Some were reluctant to participate, due to not seeing value in the research being conducted. This had a potential of affecting the research, in that a sizeable population is necessary to eliminate any inconsistencies and get thorough insight on challenges faced by the parent-owner with daughter/s in South African family businesses and to make sound findings and certain conclusions that will add value to the research.

Time constraints, accessibility and approachability along with dishonesty and ambiguity of those completing questionnaires were some potential weaknesses, limitations and threats identified in the chosen research methodology and sample population. This posed a potential threat in the credibility of the data collected and a potential threat of not having enough responses which could have made it difficult to analyse and report the findings.

Because the focus of this study was the impact of family relationships on succession variables, we deliberately chose to sample family firms owned by male and/or female parents of wide-ranging age groups, academic level and of any race, in any business industry and in every South African province; in an attempt to reduce the impact of bias on the results and to have a broad outcome. A broader study scope, especially regarding the sample size, would have been more appropriate given that the research aimed to examine the research phenomenon in respect to the whole nation, therefore a slightly bigger respondent representation would have been desired, but time constraints and individuals’ unwillingness to participate were the limiting factor in that respect.

6.6 Suggestions for further research

The research on family business succession planning in South Africa, focusing on owner-managers with daughters could be broadened by undertaking studies and approaches covered and suggested below:

1. Future studies should seek to gather data from both business owners and potential successors *(*Lansberg & Astrachan, 2013*).*
2. An opportunity lies in a study focused on family members relations other than parent and daughter i.e. other interpersonal relationships such as, siblings' relationships, parent to each other and relations between other family members involved in the family business.
3. Future research could target and incorporate the input of more female respondents regarding gender-specific issues.
4. Further research can include more effective data integrity procedures to provide more accurate data and improve the transparency and quality of the overall research.
5. The study scope can be broadened accordingly so that other factors affecting family business succession can be compared alongside the daughter perspective.
6. The same study could be conducted making use of the qualitative method, to interview and gain insight of succession planning from both the parent and the daughter.
7. Research giving comprehensive results of succession planning in South Africa and comparison of the succession planning between South Africa and other countries, both within Africa and without.
8. Further research could explore how business issues influence family relationships, and how the results thereof affect succession planning.
9. There is a potential research topic in only targeting those family businesses that have a designated daughter successor.
10. a) Future research should focus on children of different ages to examine their exposure to the family business and to test how that enhances their entrepreneurial insight.
    b) Observational studies could study the same children over some period to observe their entrepreneurial choices with time.

11. Other studies could examine relatives and spouses who are exposed to the family business and how that exposure affects their entrepreneurial thinking and choices (Mischel & Iannarelli, 2008).
12. Future research study in an African and/or South African context where the issue of a daughter being married into another family moderates how the relationship of daughters to family business works.
13. Further research addressing the aspect of the African extended family where the discussion is beyond nucleus-aunties, grannies and uncles etc. where the surviving potential successor is a daughter.

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APPENDIX A - RESEARCH INSTRUMENT

Adapted from Soto Maciel et al., (2015); Lansberg and Astrachan (1994) and Kaunda and Nkhoma (2013); and is modified accordingly to be consistent with the literature review.

Family Business Succession Planning in South Africa: daughter perspective

Range	Scale
Strongly Disagree	1
Disagree	2
Somewhat Disagree	3
Neither Agree or Disagree	4
Somewhat Agree	5
Agree	6
Strongly Agree	7

Demographic Data

The following questions are for statistical purposes only. They are solely to help us analyse the data from the survey. In no way will you be identified with your answers.

What industry best describes the classification of your business?

 Environmental, Agriculture, Hunting, Forestry and Fishing
 Mining and Quarrying
 Manufacturing
 Electricity, Oil, Gas & Water Supply
 Construction
 Wholesale & Retail Trade; Motor Vehicles Repairs, Motor Cycles and
Personal & Household Goods
 Transport, Storage and Communication
 Financial Inter-mediation, Insurance, Real Estate and Business Services
 Community, Social, Health and Personal Services
 Tourism, Hospitality, Hotel and Restaurants

What form of ownership structure best describes the classification of your business?

 Sole Proprietorship (1 owner)
 Closed Corporation (1 to 10 owners)
 Partnership (2 to 20 owners)
 Private Company (1 to 50 owners)
 Other

In which South African Province does your business mainly operate?

 Gauteng
 North West
 Mpumalanga
 Kwazulu/Natal
 Western Cape
 Eastern Cape

- Northern Cape
- Free State

How long has this business been paying salaries and wages for?

- 1 to 5 years
- 6 to 10 years
- More than 10 years

Not counting the owners, how many people are currently working for this business?

- 1-10
- 11-50
- More than 50

Would you be willing to indicate the range that best describes your age?

- Below 18
- 18-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65-99

What is your gender?

- Male
- Female

What is the highest level of education you have completed?

- Not Completed Secondary Education
- Completed Secondary Education
- Tertiary Education

Please indicate the race group that best describes you?

- Black African
- Coloured
- Indian / Asian
- White

Daughter gender factors	**1**	**2**	**3**	**4**	**5**	**6**	**7**
Children in the family are loved equally							
Daughter/s are seen as suitable successors							
Children in the family are treated the same							
Daughter has been actively exposed to the business							
Intra-family member relationship	**1**	**2**	**3**	**4**	**5**	**6**	**7**
It is easier for family members to discuss problems with people outside the family than with each other							
There are frequent family gatherings							
Family members have difficulty thinking of things to do together							

Family members feel closer to people outside the family than to each other							
Family members go along with what the family decides to do							
Family members like to spend their free time with each other							
Family members share interests and hobbies							
Family members avoid each other							
The family does things together							
In the family, everyone goes his or her own way							
It's easy for all family members to express their opinions							
Each family member has input into major family decisions							
Family members discuss problems and feel good about the solutions							
The family tries new ways of dealing with problems							
The family is flexible about sharing responsibilities							
Parent - daughter relationship	**1**	**2**	**3**	**4**	**5**	**6**	**7**
I have a have a trusting, warm, and mutually supportive relationship with my daughter							
My daughter readily acknowledges my achievements							
It is easy for me and my daughter to express our opinions to each other							
My daughter and I, are afraid to speak our minds to each other							
My daughter and I, are flexible in how we handle our differences							
I readily acknowledge my daughters' achievements							
I allow my daughter to learn from her own mistakes							
Business context factors	**1**	**2**	**3**	**4**	**5**	**6**	**7**
If my daughter decides not to join the family business, family members will be very disappointed							
Family dynamics are separated from business issues							
The business has an official succession plan							
Business takes/will take steps to improve goal clarity and to increase skill proficiency of current and future leader							
The succession plan is integrated with the businesses strategic planning process							
Succession planning	**1**	**2**	**3**	**4**	**5**	**6**	**7**
Family members play a role in the family business succession planning							
I want my daughter to take over the family business							
I am committed to the business continuing as a family legacy							
Succession has not been explicitly planned in the family business							
I have played an active part in training and coaching my daughter							
I have exposed my daughter to various aspects of the business							
My daughter will/has worked her way up in the business							

Explicit selection criteria have been developed for identifying my daughter as the best successor for the family business							
My daughter has been/will be specifically trained to take over management of the firm.							

Thank you for taking the time to complete this survey

APPENDIX B - COVER LETTER

Dear Sir/Madam

I am a student completing my degree of Master of Management in Entrepreneurship and New Venture Creation at the University of Witwatersrand Business School (Wits Business School), Johannesburg. My Masters research topic is:

Family Business Succession Planning in South Africa: a Daughter Perspective

The aim of my research is to determine the challenges of succession planning within the family-owned business in South Africa, when the daughter is the potential successor. As a family business in South Africa, you are invited to participate in the research by completing the accompanying questionnaire.

Your participation in this study is completely voluntary. There are no foreseeable risks associated with your participation. However, if you feel uncomfortable answering any questions, you can withdraw from the survey at any point.

The research study was approved unconditionally by the Wits Business School research panel. Should you have queries related to the research, please feel free to contact my supervisor: Prof Boris Urban on email: boris.urban@wits.ac.za .

You may directly request copies of the results of the research to me:

1809877@students.wits.ac.az.

Thank you for your time and support.

Palesa Ruth Nonkwelo

APPENDIX C: INFORMATION SHEET AND CONSENT FORM

Family Business Succession Planning in South Africa: a Daughter Perspective

Who I am?

I am Palesa Ruth Nonkwelo (Student Number: 1809877). A student completing my Master of Management in Entrepreneurship and New Venture Creation at Wits Business School.

What I am doing

My research aims to determine the challenges of succession planning within the family-owned business in South Africa, when the daughter is the potential successor.

Your participation

As a family business in South Africa, you are invited to participate in the research by completing a 10 minute online accompanying questionnaire.

Your participation is voluntary and completely anonymous. Records of your participation may be reviewed by academic supervisors (All of whom are obligated to keep your identity confidential). There are no foreseeable risks associated with your participation, but however, if you feel uncomfortable answering any questions, you can withdraw from the survey at any point. All study records will be destroyed after the completion and marking of my research assignment.

Benefits

There are no immediate benefits, payments or incentives for your participation in this study. However, this study will be extremely helpful to us in determining the challenges of succession planning within the family-owned business in South Africa, when the daughter is the potential successor.

Important Contacts

This research has been approved by the Wits Business School. The research is for academic purposes only and the results from the study will be reported only in my dissertation and journal articles. The questionnaires from this research will be kept for 5 years for further research after which they will be destroyed.

If you have any complaints about ethical aspects of the research or feel that you have been harmed in any way by participating in this study, please contact the Research Office Manager at the Wits Business School, Meisie Moya. meisie.moya@wits.ac.za

If you have concerns or questions about the research you may call my academic research supervisor Professor Boris Urban on Email: boris.urban@wits.ac.za

CONSENT

I hereby agree to participate in research on analysis of Family Business Succession Planning in South Africa: a daughter perspective. I understand that I am participating at my own free will. I also understand that I can stop participating at any point should I not want to continue and that this decision will not affect me negatively.

I understand that this is a research project whose purpose is not necessarily to benefit me personally in the immediate or short term, but a contribution to entrepreneurial literature.

I understand that my participation will remain confidential.

…………………………….. ……………………………..

Signature of participant **Date**

APPENDIX D - CONSISTENCY MATRIX

Family business succession planning in family businesses in South Africa, when the potential successor is a daughter					
Aims of research	**Literature Review**	**Hypotheses**	**Source of data**	**Data Type**	**Data Analysis**
Evaluate how an enabling business context could have an impact on the effectiveness of the succession planning in the family business, in South Africa.	**Erikson' s conceptualization of entrepreneurial capital in the business context (2002)** - The founder-family and generation-capital elements cannot be separated from the culture, managerial, business, performance and social-capital activities of the family business (Erikson,2003). **Field theory** -(Riordan & Riordan, 1993)	**H1** – An enabling business context has a positive impact on the effectiveness of the succession planning	-7- point Likert-scale Questionnaire via Qualtrics (See Appendix: A)	Primary Nominal data and ordinal data	-Exploratory Factor Analysis -SPSS Descriptive statistics, factor analysis using principle component analysis and multiple regression analysis. Variance analysis, Reliability and Validity
Determine how the likelihood of daughters as successful successors affect succession planning in family businesses, in South Africa.	**Daughter Gender Factors** Gender issues can hinder knowledge transfer to daughters and create conflicts within the family which can affect the overall succession performance (**Glover, 2014).** **Bernelli Model** -(Mischel & Iannarelli, 2011)	**H2** - There is a negative relationship between succession planning and the likelihood of daughters as successful successors in family businesses in South Africa.	-7-point Likert-scale Questionnaire via Qualtrics (See Appendix: A)	Primary nominal and ordinal data	-Exploratory Factor analysis (EFA) -SPSS Descriptive statistics, factor analysis using principle component analysis and multiple regression analysis. Variance analysis, Reliability and Validity
Aims of research	**Literature Review**	**Hypotheses**	**Source of data**	**Data Type**	**Data Analysis**

Determine how a relationship between the family members impacts on the effectiveness of the succession planning in the family business, in South Africa.	**Model of Factors Preventing Intra-Family Succession** individual, relation, context, financial **(Massis et al., 2008)** **System theory** -(Davies & Tagiuri, 1982).	**H3**- A positive relationship between the family members has a positive impact on the effectiveness of the succession planning **H3a:** There is a positive relationship between intra-family cohesion (factor 1) and succession planning. **H3b:** There is a positive relationship between intra-family (adaptability) factor 2 and succession planning.	-7-point Likert-scale Questionnaire via Qualtrics See Appendix: A	Primary Nominal data and ordinal data	-Exploratory Factor Analysis -SPSS-Descriptive statistics, factor analysis using principle component analysis and multiple regression analysis. Variance analysis, Reliability and Validity
Determine how a relationship between the owner-manager and the daughter impacts succession planning in the family business, in South Africa.	Traditional and cultural beliefs have been the biggest hindrances for daughters to succeed their parent in managing the family business. **(Thurman & Nason, 2016)** **(Mussolino, Cicellin, Pezzill, Consiglio, & Martinez, 2019**	**H4:** Parent and daughter relationship has a positive impact on the effectiveness of the succession planning.	-7- point Likert-scale Questionnaire via Qualtrics (See Appendix: A	Primary data	Exploratory Factor Analysis -SPSS Descriptive statistics, factor analysis using principle component analysis and multiple regression analysis. Variance analysis, Reliability and Validity

APPENDIX E – DEMOGRAPHIC TABLES AND CHARTS

1. Education level tabulation

Table 1: Education level tabulation

Highest Level of Education	Frequency	%	Valid %	Cumulative %
Less than high school	4	1.90%	1.90%	1.90%
Matriculation	22	1050.00%	10.50%	12.40%
Short course	8	3.80%	3.80%	16.20%
Diploma	44	21.00%	21.00%	37.10%
Degree	43	20.50%	20.50%	57.60%
Post graduate	35	16.70%	16.70%	74.30%
Master's degree	50	23.80%	23.80%	98.10%
Doctorate	4	1.90%	1.90%	100.00%
Total	210	100.00%	100.00%	

2. Businesses operating in multiple provinces

The results below display that some family businesses operate in more than one province. The provinces are displayed in their respective tables below.

Gauteng

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Gauteng	124	59.0	100.0	100.0
Missing	System	86	41.0		
Total		210	100.0		

Source: primary data

The table above shows that 124 of the respondents' family businesses, operate in the Gauteng province.

Western Cape

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Western Cape	70	33.3	100.0	100.0

Missing	System	140	66.7		
Total		210	100.0		

The above table shows that 70 of the respondents' family businesses operate in the Western Cape province.

Kwazulu/Natal

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Kwazulu/Natal	54	25.7	100.0	100.0
Missing	System	156	74.3		
Total		210	100.0		

The above table shows that 54 of the family businesses operate in the Kwazulu/Natal province.

Eastern Cape

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Eastern Cape	32	15.2	100.0	100.0
Missing	System	178	84.8		
Total		210	100.0		

The table above displays that 32 of the participants family businesses operate in the Eastern Cape province.

Northern Cape

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Northern Cape	22	10.5	100.0	100.0
Missing	System	188	89.5		
Total		210	100.0		

The table above displays that 22 of the participants family businesses operate in the Northern Cape province.

North West Province

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	North West Province	36	17.1	100.0	100.0

Missing	System	174	82.9		
Total		210	100.0		

The table above displays that 36 of the participants family businesses operate in the North West province.

Free State

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Free State	27	12.9	100.0	100.0
Missing	System	183	87.1		
Total		210	100.0		

The table above displays that 27 of the participants family businesses operate in the Free State province.

Limpopo

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Limpopo	38	18.1	100.0	100.0
Missing	System	172	81.9		
Total		210	100.0		

The table above shows that 38 of the respondents' family businesses, operate in the Limpopo province.

Mpumalanga

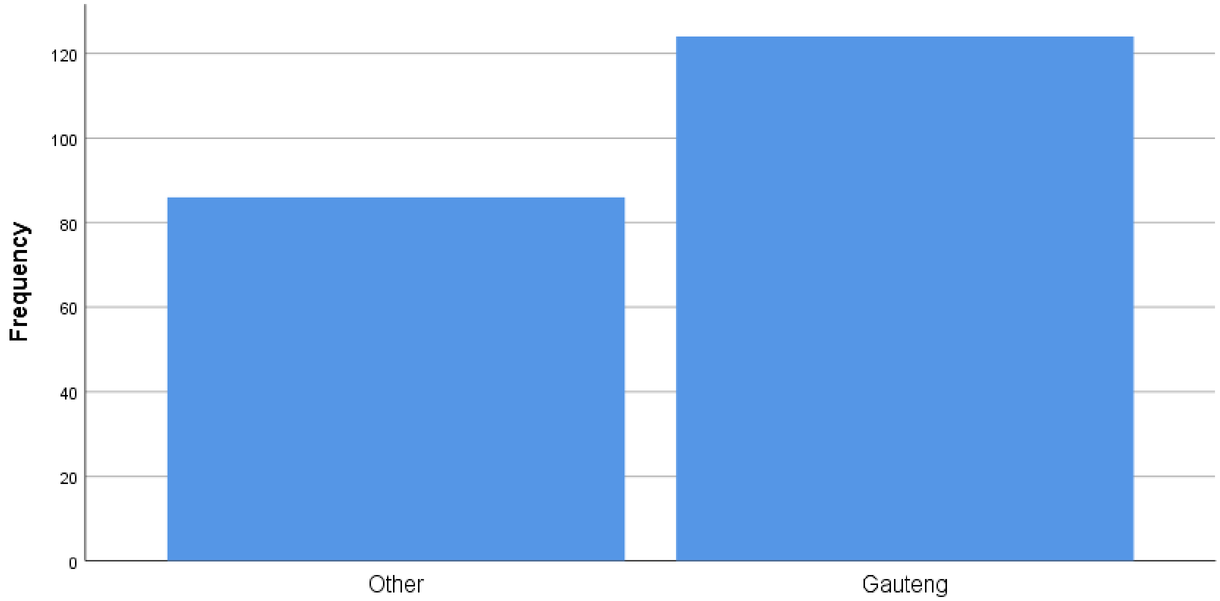
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mpumalanga	32	15.2	100.0	100.0
Missing	System	178	84.8		
Total		210	100.0		

The table above shows that 32 of the respondents' family businesses, operate in the Mpumalanga province.

Bar Charts

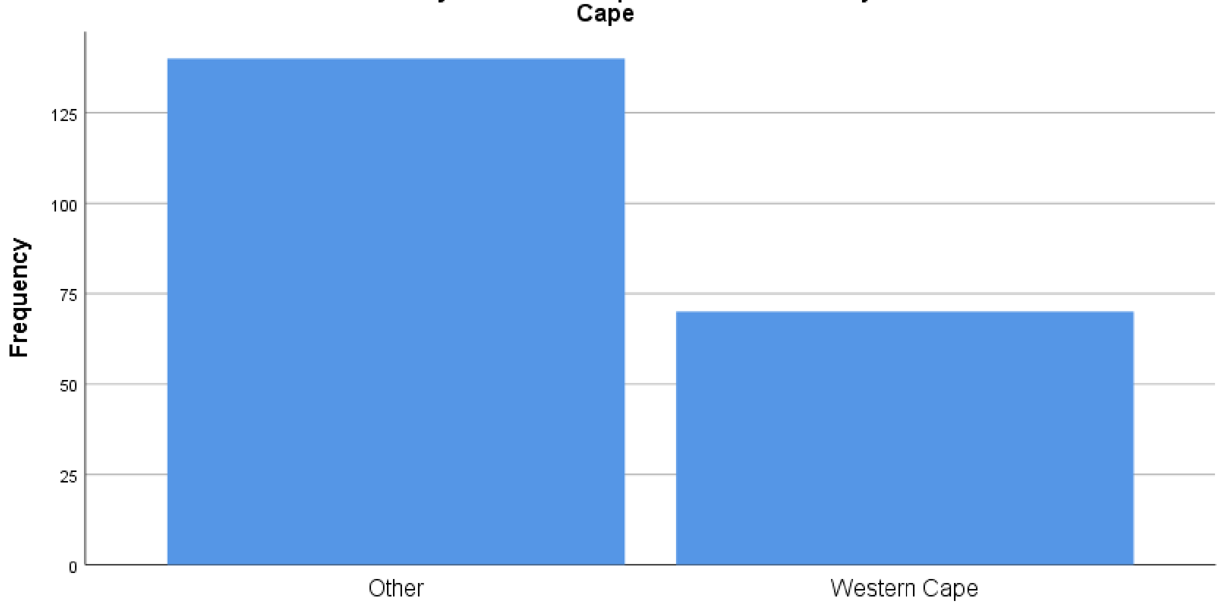
The below bar charts present the number of selections per province.

In which South African Province/s does your business operate ? Please make your selection/s below: Gauteng

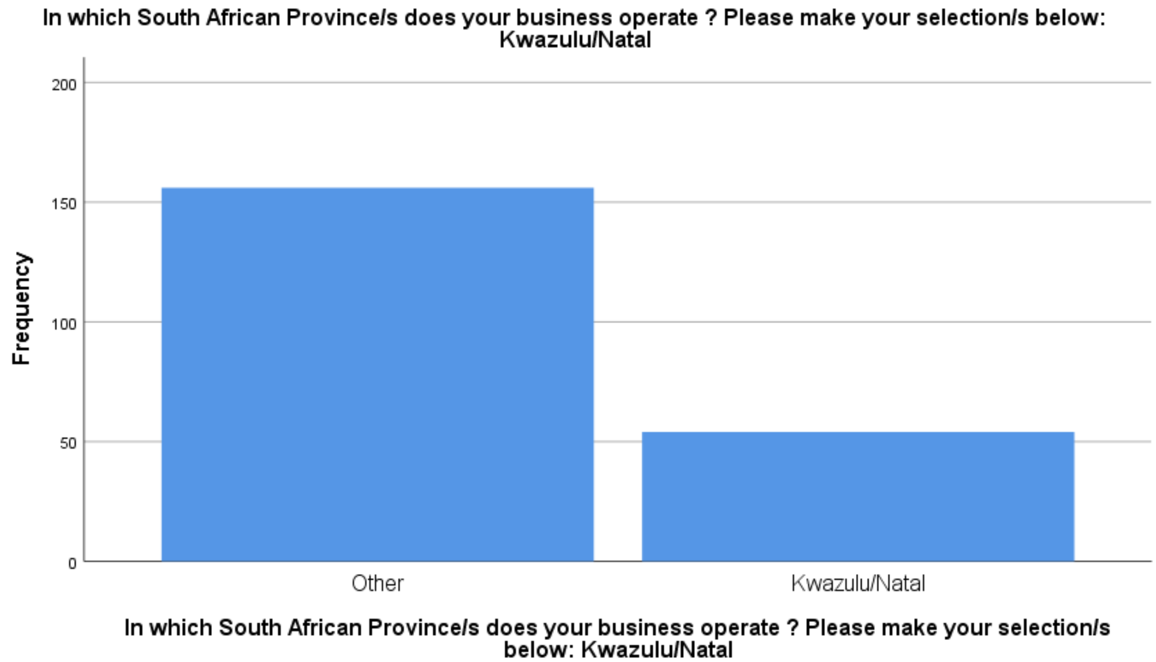


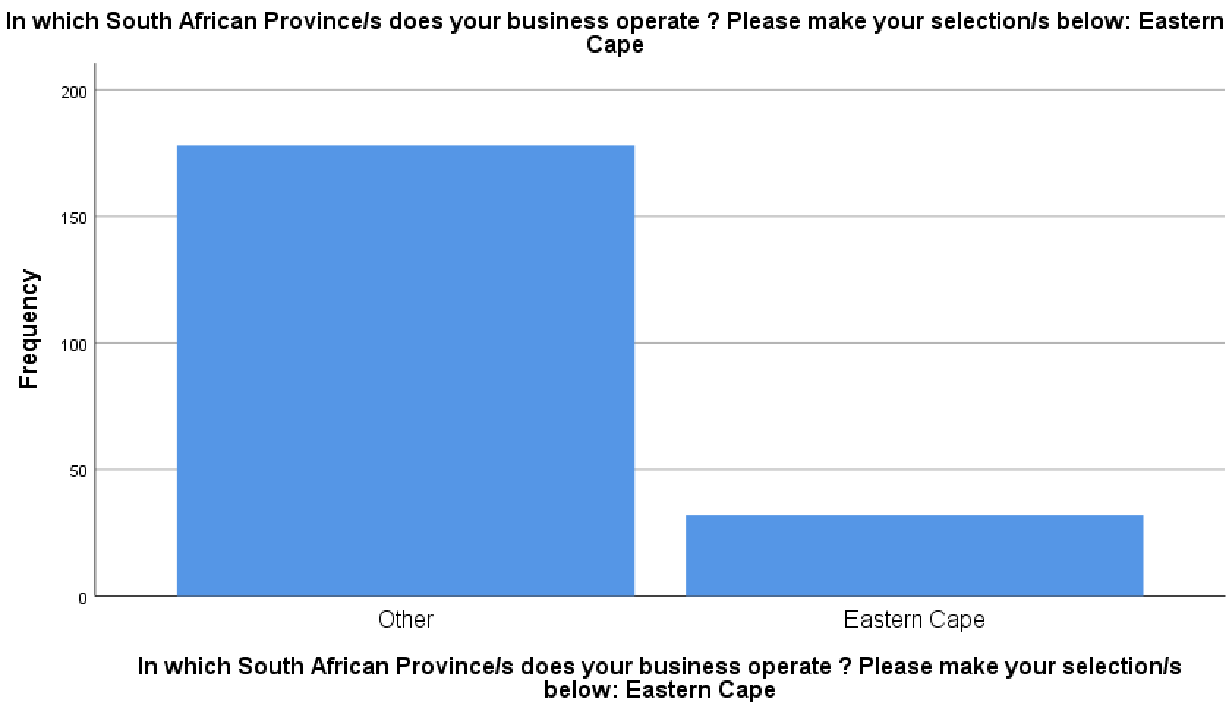
In which South African Province/s does your business operate ? Please make your selection/s below: Gauteng

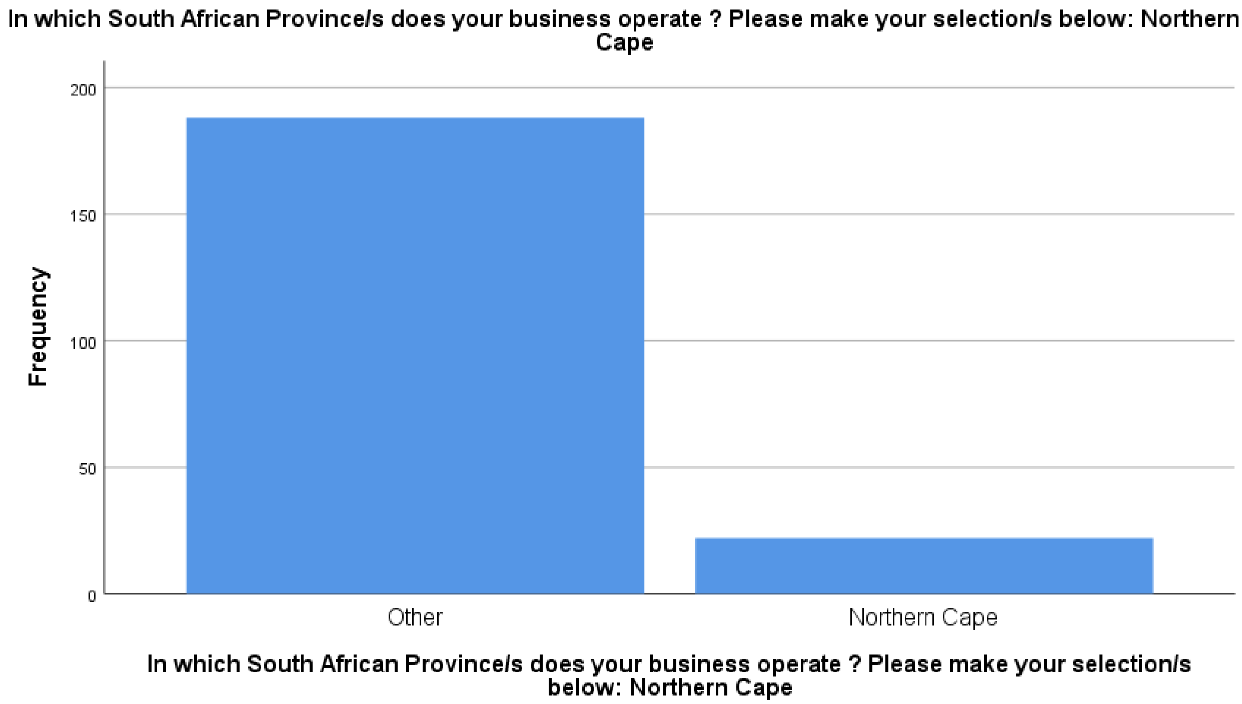
In which South African Province/s does your business operate ? Please make your selection/s below: Western Cape

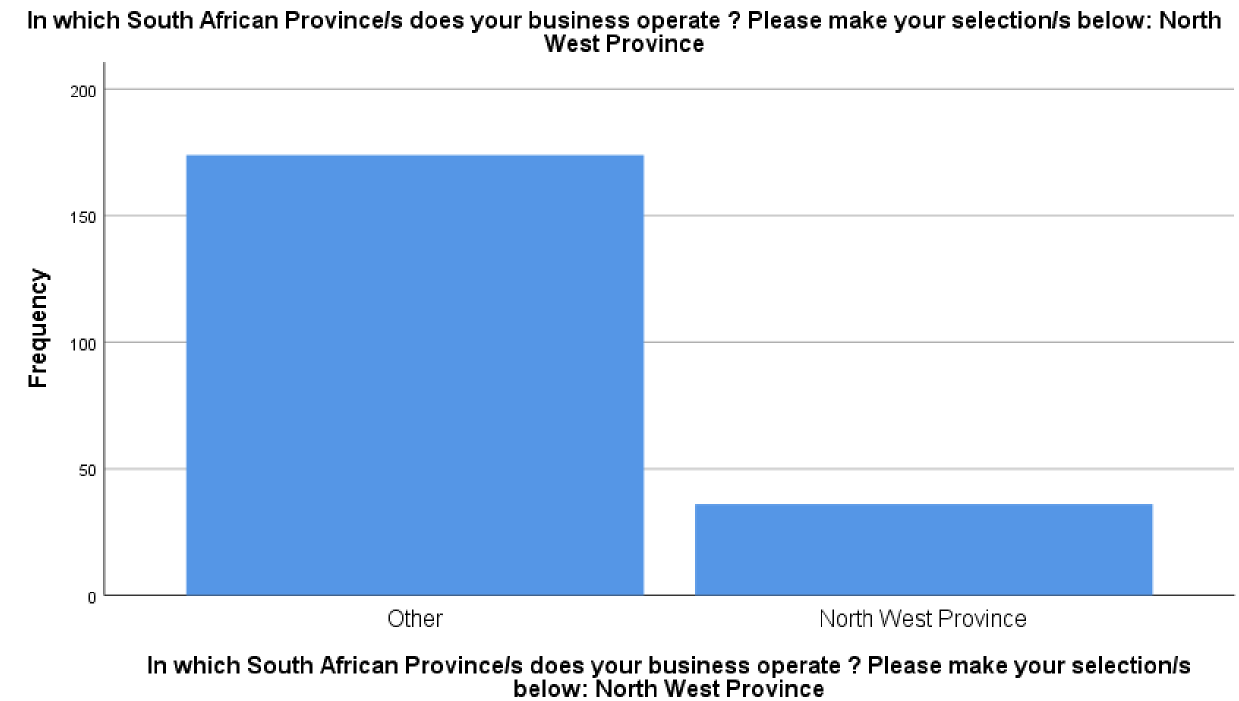


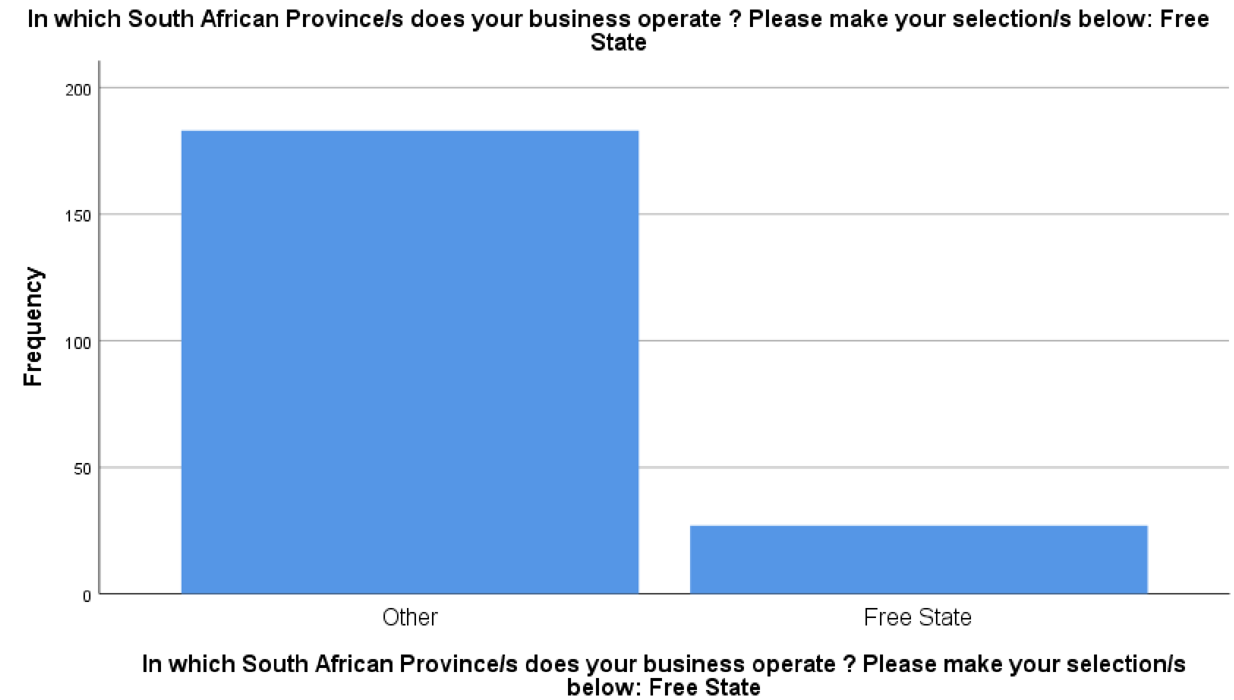
In which South African Province/s does your business operate ? Please make your selection/s below: Western Cape

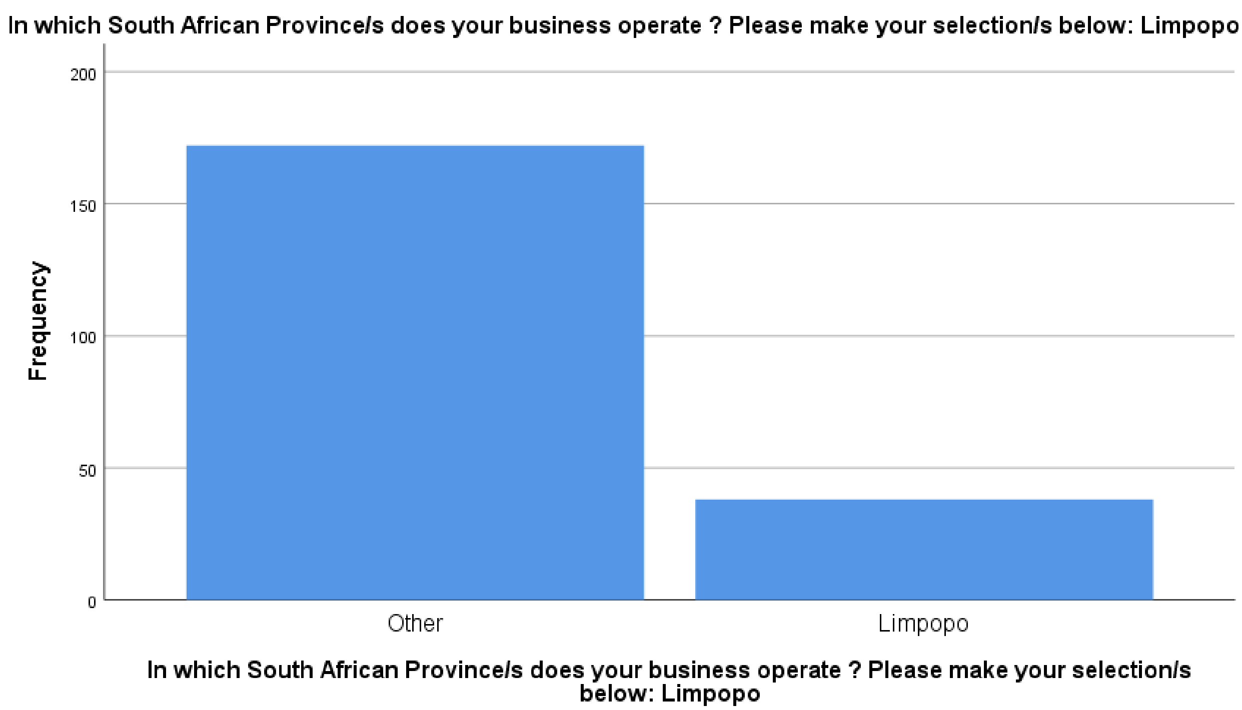

In which South African Province/s does your business operate ? Please make your selection/s below: Kwazulu/Natal
Frequency
200
150
100
50
0
Other
Kwazulu/Natal
In which South African Province/s does your business operate ? Please make your selection/s below: Kwazulu/Natal


In which South African Province/s does your business operate ? Please make your selection/s below: Eastern Cape
Frequency
200
150
100
50
0
Other
Eastern Cape
In which South African Province/s does your business operate ? Please make your selection/s below: Eastern Cape


In which South African Province/s does your business operate ? Please make your selection/s below: Northern Cape
Frequency
200
150
100
50
0
Other
Northern Cape
In which South African Province/s does your business operate ? Please make your selection/s below: Northern Cape


In which South African Province/s does your business operate ? Please make your selection/s below: North West Province
Frequency
200
150
100
50
0
Other
North West Province
In which South African Province/s does your business operate ? Please make your selection/s below: North West Province


In which South African Province/s does your business operate ? Please make your selection/s below: Free State
Frequency
200
150
100
50
0
Other
Free State
In which South African Province/s does your business operate ? Please make your selection/s below: Free State


In which South African Province/s does your business operate ? Please make your selection/s below: Limpopo
Frequency
200
150
100
50
0
Other
Limpopo
In which South African Province/s does your business operate ? Please make your selection/s below: Limpopo

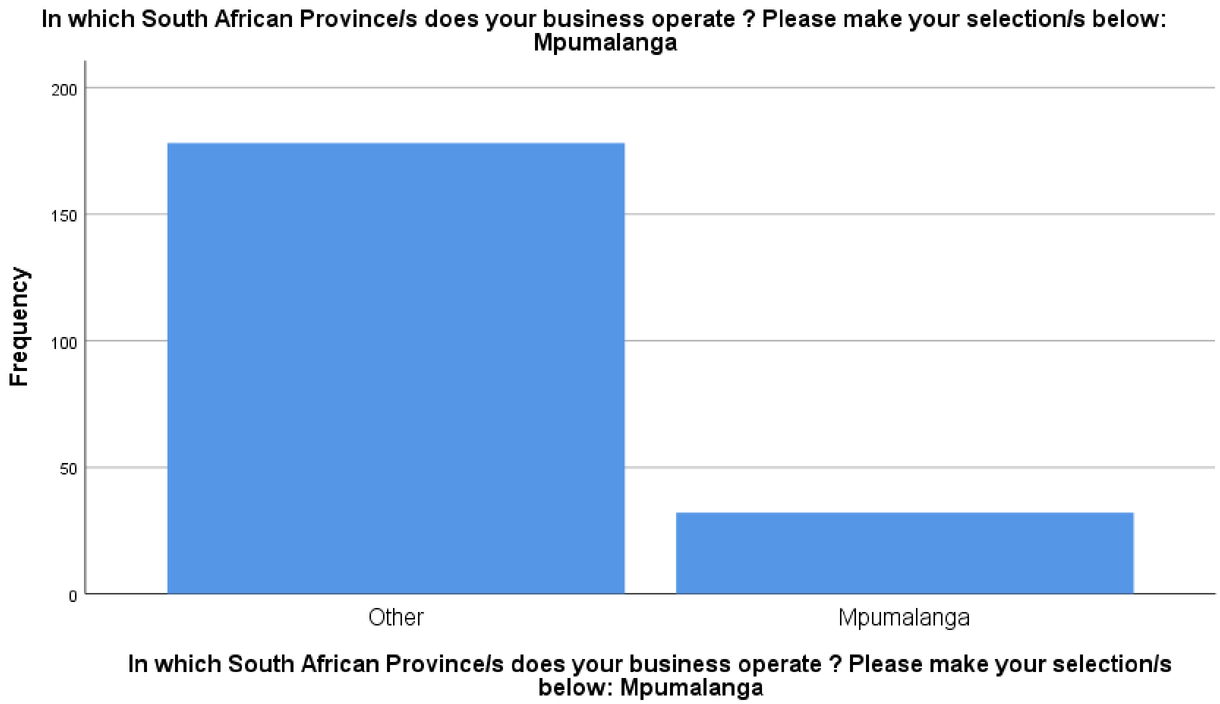


Table 2: Number of employees

Category	Count of Number of workers in the Organization	Average	Minimum	Maximum
1-10	107	4.02	0.00	10
11-50	55	25.04	15.00	48
More than 50	47	1650.87	60.00	35000
Grand Total	209	373.78	0.00	35000

APPENDIX F – REGRESSION STATISTICS

3. **Regression Diagnostics - Partial Regression Plots**

The partial regression plots for each variable are shown in figure A-1 below.

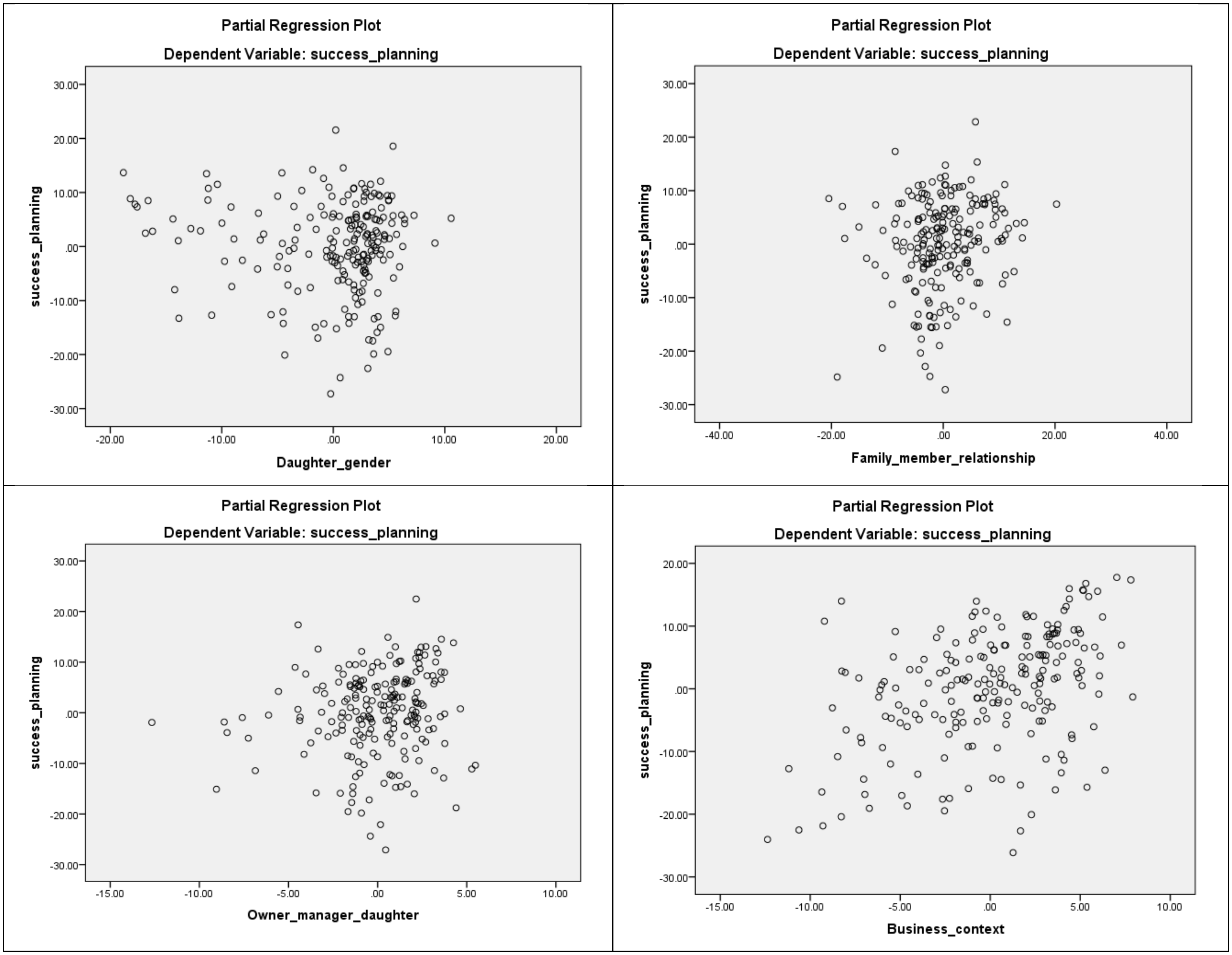


Figure 1: Partial Regression Plot