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of Business Science**
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**Understanding the influence of culture on succession
planning in South African Muslim-owned family
businesses**

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A research project submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirement for the degree of Master of Business Administration.

29 January 2014

ABSTRACT

The significance of the family firm in the South African economic environment is growing each year. This increasing relevance is owing to growth experienced by family businesses in South Africa. Family businesses are found to provide jobs to a large unskilled population in South Africa, and in turn contribute to the stability and growth in the communities in which they operate. However, family firms experience a 70% failure rate in their second generation of operation and an 88% failure rate in their third (Downes, 2011). It is found that one of the major issues in the failure rates of subsequent generations of family businesses is due to the inability of family businesses to manage the dynamics that influence the succession planning process.

The aim of this study is to provide insight into the family business's characteristics, dynamics and practices, primarily those characteristics that govern cross-generational ownership. According to Adendorff and Boshoff (2011), Gupta and Levenburg (2010), Papalexandris and Panayotopoulou (2004) and Taruwinga (2011), the organisational culture is amongst the most important dynamics that influence succession planning.

This study therefore focuses on understanding the influence of culture on the succession planning process of family businesses. Eight South African Muslim-owned family businesses have been selected as the sample for the current study and therefore provide a unique insight into the influence of culture on succession planning in family businesses of religious commonality. A Rapid Ethnographic research methodology was adopted to provide insight into the cultural elements of the businesses.

Cultural elements were found to influence the planning for the handover, the selection process of the successor, the training and development of the successor, the handover process and the management stage of the businesses. The study found that certain cultural aspects were influenced by religious practices and sentiments stemming from the Islamic belief system. These cultural aspects were found to be the most influential cultural elements in the succession planning process of South African Muslim-owned family businesses. This study therefore implicitly provides insight into the strong influence that religion has on organisational culture and ultimately on succession planning of family businesses.

Key words

Succession planning

Family business

Culture

Religion

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Ziyaad Jina

29 January 2014

Acknowledgements

Thank you to my supervisor, Dr Jonathan Marks for the continuous assistance and direction you had provided throughout this journey. Your insight and recommendations were truly invaluable. I am truly grateful for the number of hours you had spent going through my work and providing me with constructive feedback.

Thank you to my mum for assisting me through this process and bearing with my preoccupied mind.

Thank you to Niri for continuously proof reading my work and for your valuable recommendations and insight along the way.

A big thank you to Shirlene Smits, you have always been the pillar to help us get back on our feet and find our direction.

Thank you to my brother and dad for helping me undertake my research and assisting me in reaching the quality samples I was able to use for this study.

Thank you to Syndicate 8 for all your assistance along the way and for the laughter and light-heartedness which made this process enjoyable.

Finally, thank you to all the interviewees who shared your stories, provided me with a warm welcome and who added to the richness and value of this study.

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List of Islamic related terms used in the study

Term	Description
Sharia	Islamic ruling relating to personal matters and secular law
Zakat	An obligatory practice of charity based on accumulated wealth
Purdah	A practice of female seclusion
Mashwara	A decision making process that uses a formalised council
Riba	A term used to describe the increase of wealth without any services rendered or goods exchanged (also used to describe the use of interest)
Eid	A religious holiday observed twice a year

1.1 Overview of this Research Paper

This chapter provides an overview of the family business while building on its function and importance in the South African context. This will be followed by an illustration of the significance of successful succession planning in the sustainability of the family business as well as the influence of the cultural orientation of the family that owns the business on the succession process. This description will provide a basis with regard to the research being undertaken in the current study. The following chapter provides an in-depth illustration of the literature that offers an understanding of the family business, succession planning within the family business and the cultural orientation of the family business. This is aimed at providing a theoretical link between succession planning and the cultural orientation of the family business. Chapter 3 poses the research question which is to be answered through this study, and Chapter 4 provides an illustration of the methodology utilised to undertake the necessary research to answer the research question. Chapter 5 gives a description of the research data gathered whilst Chapter 6 provides a discussion around the results and links it back to the theory provided in Chapter 2 as well as any new theory encountered which could assist in answering the research question. The final chapter presents a conclusion of the research, as well any recommended research that can be undertaken in the future.

1.2 The Family Business

According to the international survey undertaken by PricewaterhouseCoopers (2013) on family businesses, less than half of the family businesses surveyed, both internationally and in South Africa, saw an increase in revenue in 2010. These numbers have increased to 65% internationally and 75% in South Africa during 2012 (PricewaterhouseCoopers, 2013). These results indicate opportunities as well as an increasing presence of family businesses internationally and especially in the South African economy. Apart from the overall opportunities presented, family businesses provide an important function in the economy of a country by providing jobs to a large unskilled workforce and in turn contributing to stability in the communities in which the businesses operate (Taruwanga, 2011).

The success of the family business may be associated with the competitive advantage gained through the culture of the business that is in turn driven by the business's goals and values (Brice & Richardson, 2009). The culture of a family business is shaped from

the family aspect of the business that provides values, a shared vision, determination in a sustainable future and strong relationships between members within the business (Vallejo, 2009). It is these characteristics that contribute to why family businesses are said to dominate a large part of the economy and also form a basis to leverage and promote entrepreneurial activity within a country (Brice & Richardson, 2009).

1.3 The Family Business and Succession Planning

Sustainability of the family business is vital, and achievable through the management of both the family aspects and the business aspects that define the business as a 'family business' (Chin, 2012). The interactions, strong relationships and communications stemming from the family dynamics allow the family business to sustain itself through environmental changes and challenges (Chirico, Ireland & Sirmon, 2011). A unique feature of the family business is the desire to sustain family control of the business over multiple generations and it is strongly dependent on the success in the transition process to subsequent generations (Barnett, Long & Marler, 2012; Chrisman, Chua & Litz, 2003). A successful succession process generated through an effective succession plan is seen as an important factor to the continuity and sustainability of a family business (Abdullah, Hamid & Hashim, 2011).

The succession process consists of complex dynamics that are necessary for its success and is seen as one of the most important issues facing family businesses (Bocatto, Gispert & Rialp, 2010). The succession process includes all the aspects that lead up to the transition process as well as the aspects that exist after the transition process (Taruwanga, 2011). The aspects within the succession process can be divided into multiple stages where each stage is distinguished from the next (Murray, 2003). In order for a successful succession process to occur, careful planning needs to be undertaken for each stage (Murray, 2003; Pardo-del-Val, 2008).

1.4 Rationale for the Current Study

Due to the intricate nature of succession planning, studies reveal poor survival rates of family businesses in the second generation and even poorer rates in the third generation (Massis, Chua & Chrisman, 2008). According to research undertaken, second generation family businesses experience a 70% failure rate while third generation businesses experience an 88% failure rate (Downes, 2011). According to the PricewaterhouseCoopers (2013) study, 32% of international family businesses and 26% of South African family businesses were apprehensive about passing the business on to the next generation, indicating serious sustainability issues in the future (PricewaterhouseCoopers, 2013).

One of the major reasons for the failure of subsequent generations is the inability to manage and plan for the complexities that come with succession management (Taruwina, 2011). According to Uhlener, Kellermanns, Eddleston and Hoy (2012), an understanding of a family business's characteristics, dynamics and practices, including those characteristics that govern cross-generational ownership, will lead to an understanding of the business's sustainability, growth and performance. It therefore follows that a deeper understanding of the dynamics of succession planning and the dynamics that influence the succession process will provide deeper insight into the factors that allow for a successful transition of the business to subsequent generations.

The organisational culture is amongst the dynamics that influence succession planning (Adendorff & Boshoff, 2011; Gupta & Levenburg, 2010; Papalexandris & Panayotopoulou, 2004; Taruwina, 2011). The cultural factors that are defined through the shared motives, values, beliefs, identities and interpretations of events, influence the characteristics that define the succession plan (Gupta & Levenburg, 2010; Molly, Laveren & Deloof, 2010; Papalexandris & Panayotopoulou, 2004; Taruwina, 2011). These values and ideals define the organisational culture within the family business and in turn influence the performance of the family business (Brice, 2013). A study of how these dynamics change with the cultural orientation of the family business is important in understanding the characteristics necessary for the sustainability of the business through future generations.

The aim of the current study is to provide more insight into the factors that stem from the dynamics of a family business and influence the succession planning of family businesses. The current study does this by providing insight into the role of culture as an influencing factor in succession planning. Religion is influential on the culture of a society as the values and ideals of a culture stem strongly from the belief system of the religion, and it has also been identified that societal culture in turn has a strong influence on organisational culture (Saroglou & Cohen, 2011). The current study focuses on the culture of organisations with religious commonality. It therefore investigates the influence of culture on succession planning within family businesses by studying a society of ethnic commonality based on religion.

1.5 Context of Study

The current study has been undertaken in South Africa. According to estimates, the family business is the leading form of business in South Africa and according to the survey undertaken by PricewaterhouseCoopers (2013), the prospects for South African family businesses is growing substantially (PricewaterhouseCoopers, 2013; Taruwina,

2011). Almost 60% of companies listed on the Johannesburg Stock Exchange (JSE) are family owned businesses including Pick 'n Pay Stores, a supermarket franchise, and Anglo American, a mining company (Prior, 2012).

Being part of the South African Muslim community and having worked in Muslim-owned¹ family businesses, the researcher has noticed commonalities in the practices amongst Muslim-owned family businesses that are different from other South African businesses. This cultural distinctiveness is related to Sharia law that governs the way of life of Muslim followers and has a strong influence on the business practices and culture of the organisation (Foster, 2010; Gupta & Levenburg, 2010; Yekini, 2008). Due to the cultural distinctiveness of the ethnic group, the religious differentiation, personal access and personal interest, the context of the current study is Muslim-owned family businesses in South Africa.

¹ The term "Muslim-owned family business" will be adopted when referring to the businesses used in the study. It is however referring to Muslim-owned family businesses in the South African context only and not a general description of Muslim-owned businesses on an international scale.

The current study aims to provide insight into the influence that culture has on succession planning in Muslim-owned family businesses. The previous chapter gave an overview of the current study as well a general sense of the family business and the underlying link between succession planning and culture. The literature review will give a definition of the family business and thereafter an illustration of the theory developed around the succession process within the family business. A description of the theory that has been used in literature to describe the culture of the family business will follow. The chapter will be concluded with a brief description of how this culture in the family business ties into succession planning within the family business.

2.1 Defining the Family Business

Handler (1989) commented that the first most obvious challenge facing family business researchers is defining the family business, an issue that is still evident today. No fixed or structured definition of the family business exists, and researchers define it differently from study to study (Holt, Rutherford & Kuratko, 2010; Klein, Astrachan & Smyrnios, 2002). The importance in defining the family business lies in the possible error of incorporating businesses that are not a fitting contribution to the current study or excluding the businesses that are. Defining the family business is involved in determining the importance of the family's ownership and control vs. direct involvement in the business (Zellweger, Eddleston & Kellermanns, 2010).

2.1.1 Methods Used in Defining the Family Business

The following constructs have been used in the literature to define the family business.

Ownership and control

A family's control or ownership of the family business is the differentiating factor that creates the potential for the business to be influenced by the family dynamics and therefore needs deep consideration in the definition of the family business (Adams, 2009). Massis et al. (2008) followed the definition developed by Chua, Chrisman & Sharma (1999) where family involvement, ownership and management have been considered vital aspects required in defining the family business, while the existence of a successor is integrated as a necessary aspect by some authors (Chua et al., 1999; Churchill & Hatten, 1987; Handler, 1989; Massis et al., 2008). Other definitions of the family business revolve around the ownership of the business, employees within the business, control over the business, the number of families involved and definitions of what constitutes a family member (Chua et al., 1999).

Differentiation

In an attempt to define the family business, Chua et al. (1999) divided the definition of the family business into the theoretical vs. the operational. In their study, the operational components that make up the family business were measured against the standard operations of a non-family business and the differences were then used to build the definition of the family business.

Continuity

Vallejo (2008) defined the family business from the perspective of having sufficient ownership and an intention to continue the business through to subsequent generations. The concept of continuity is considered an important element in the definition by Vallejo (2008) and was studied further by Gilding, Gregory and Cosson (2013) where the motives for transference were analysed.

Self-identification of the business

Building on the definition from Westhead and Cowling (1999), Naldi, Nordqvist, Sjöberg and Wiklund (2007) defined the family business as being controlled by one family with the majority of the ownership and control, and perceived by a leading representative that the business is a family business. It is suggested that an organisation is defined as a family business when it identifies itself as a family business (Kellermanns, Eddleston, Sarathy & Murphy, 2010; Sciascia, Mazzola, Astrachan & Pieper, 2010).

2.1.2 Definitions to be Used for the Current Study

From the literature, it is clear that the definition of the family business is structured around the family's ownership and control, the intention to continue the business to the next generation and a shared perception that the business is a family business. For the purpose of the current study and drawing from the definition used by Taruwinga (2011), a family business is to be defined as a business owned by members of the same family where the family identifies the business as a family business and has control to change or pursue the vision of the business, and where it is the intention of the family members to continue the business to the next generation (Adams, 2009; Chua et al., 1999; Churchill & Hatten, 1987; Gilding et al., 2013; Handler, 1989; Kellermanns et al., 2010; Massis et al., 2008; Naldi et al., 2007; Sciascia et al., 2010; Vallejo, 2008; Westhead & Cowling, 1999). Drawing from the definition of the family business, sustainability is an issue that deserves particular attention as cross-generational continuity forms a key part in the definition.

The definitions that follow relate to the succession process and have been derived from

the study by Massis et al. (2008). The incumbent is defined as any person who holds a managerial role in a business and must remove himself from that position before a new appointment can be made. The potential successor is anyone who can take over the managerial role once the incumbent has left (Massis et al., 2008).

2.2 The Succession Process in the Family Business

As identified earlier, sustainability of the business across generations is considered an important aspect in the definition of the family business. The events that take place before, during and after the transference of the business to the next generation make up the stages of the succession process (Taruwanga, 2011). The success in each stage of the succession process contributes to the sustainability of the family business across generations. As indicated earlier, businesses experience poor survival rates with only 30% of family businesses surviving to the second generation, while less than 13% survive to the third generation (Downes, 2011; Massis et al., 2008; Venter, Boshoff & Maas, 2005). It is therefore necessary to understand the stages of the succession process as well as the dimensions that influence these stages.

2.2.1 Implicit and Explicit Knowledge Transfer

The family business is made up of values, processes, plans and goals that can be expressed formally in the form of documents, or informally in the form of implied knowledge that one would learn as time is spent in the business (Cabrera-Suárez, Saá-Pérez & García-Almeida, 2001). It is important that there is a transfer of both the implicit and the explicit knowledge for a successful succession process (Cabrera-Suárez et al.). The founders are considered important in determining the culture of the organisation and the transfer of most knowledge occurs in the first to second generation (Hall, Melin & Nordqvist, 2001; Klein et al., 2002).

2.2.2 The Resourced-Based View and the Stewardship Perspective

When considering the transfer of the implicit and explicit knowledge within a family business, two theories attempt to illustrate the general difference between the family business and the non-family business. With regard to succession planning, the Resourced-Based View states that a family member, who is currently the owner of the family business, will be more willing to transfer knowledge to another family member hence making the succession streamlined and effective (Cabrera-Suárez et al., 2001; Prior, 2012). The Stewardship Perspective views the family members who have founded the business to have a strong sense of ownership of the business to the extent of considering it an extension of themselves. This sense of ownership coupled with the desire to continue a legacy whilst providing for the next generation indirectly leads to a

focused need to transfer knowledge to the successor for the continuation and success of the business (Poza, 2010; Prior, 2012). Whilst the Resourced-Based View and the Stewardship Perspective illustrate possible advantages in the succession within a family business, there are challenges that are encountered as well.

2.2.3 Challenges Encountered in the Succession Process

Whilst theoretically the succession plan in the family business should be more effective and successful than non-family businesses, the transfer of the explicit and implicit knowledge in a business environment is however limited due to challenges during the succession process. These challenges lie within the successor, the environment, the person transferring the knowledge as well as the actual knowledge being transferred (Cabrera-Suárez et al., 2001). According to Venter et al. (2005), success in the succession process has been found in the willingness of the successor to take over the business as well as in the relationship of the owner, manager and successor. The study by Venter et al.(2005) indicates a disjoint in the success of the proceeding generations of the family business .

The literature has provided illustrations of where the succession process could experience certain challenges. The following descriptions will provide an illustration of these challenges as identified in the literature.

External environmental related challenges

Uhlener et al. (2012) have indicated challenges that businesses could experience either in the industry or the economic environment in which they operate. According to Uhlener et al. (2012), these challenges could be encountered when the business cannot keep up with the growth in the industry, when there are technological changes in the industry, or when the business cannot adapt to changes in the economic environment.

Internal environmental related challenges

Chua et al. (1999), Kellermanns et al. (2010), Massis et al. (2008) and Taruwinga (2011) had commented on challenges within the internal environment of the business. These challenges were predominantly oriented around the conflict that could arise within the business. Chua et al. (1999) and Kellermanns et al. (2010) had indicated that possible conflict could arise when more than one generation is involved in the same business. Massis et al. (2008) and Taruwinga (2011) illustrated other possible challenges that predominantly revolved around the conflict within the business. These challenges included rivalry between family and non-family members, lack of trust,

commitment and assistance towards the potential successor, financial limitations, conflict due to informal and unstructured planning, and an underlying autocratic environment in the business. The descriptions that follow give descriptions encountered in the literature of other possible challenges in the internal environment of the business.

Successor-related challenges

The studies by Dascher and Jens (1999), PricewaterhouseCoopers (2013) and Taruwinga (2011) indicated possible issues that could be encountered with relation to the successor. The issues indicated by Dascher and Jens (1999) were predominantly related to the successor's personal aspirations and illustrated situations where the successor may decide on a different career choice and may decline the role of a successor. The studies by PricewaterhouseCoopers (2013) and Taruwinga (2011) illustrated issues relating to the successor that were associated with the successor's ability and development. The underlying or contributing factor to the lack of ability and skills was the successor attaining his position in the business based primarily on his/her relationship to the family and not necessarily based on his/her ability.

Incumbent-related challenges

Dascher and Jens (1999), Massis et al. (2008), Pardo-del-Val (2008) and Taruwinga (2011) have provided challenges that could be encountered due to certain issues relating to the incumbent. The primary issue indicated by Dascher and Jens (1999), Massis et al. (2008), Pardo-del-Val (2008) and Taruwinga (2011) was due to an attachment to the business; where the incumbent had a lack of desire in passing the business over to the successor. This lack of desire thereafter led to a lack of commitment towards and training of the successor.

2.2.4 Mitigation of the Challenges

From the above, it is evident that many factors could negatively influence the succession planning process. It therefore follows that a need for careful planning and formalisation is necessary for a successful succession process. In order for careful planning to be undertaken, an understanding of the different stages that make up the succession process is necessary. A few models that attempt to stratify the process into specific stages have been developed and will be discussed further.

2.2.5 Models of the Succession Process

A number of models illustrating the stages of the succession process have been encountered in the literature (Aleem & Islam, 2009; Burke, 2003; Churchill & Hatten, 1987; Dana, 2005; Perryer & Te, 2010; Prior, 2012; Taruwinga, 2011). While some of

the models are concerned with what determines a successful succession process, other models try to stratify the process into stages, allowing a more formal, structured and identifiable process that enables the owner of the family business to plan accordingly. The section that follows will provide a brief overview of the models encountered and identify suitable theories that can be utilised for the current study.

The Push-Pull model: Getting the succession process started

Perryer and Te (2010) analysed the model developed by Dana (2005) called the 'Push-Pull Model'. The model attempts to develop scenarios that allow for a necessary momentum to set off a successful succession process (Perryer & Te, 2010). The following description of the model is drawn from Dana (2005) and Perryer and Te (2010). The 'push' factors are those factors that force the incumbent to pass the business on to the successor. These factors usually include pressure from the successor, other family members, employees or third party advisors. The 'pull' factors are personal to the incumbent and draw the incumbent away from the ownership of the business e.g. pursuing a new life goal. If only 'push' factors are present, a "stalemate" occurs and the incumbent does not give up control of the business, whereas if only 'pull' factors are present, a 'drag effect' occurs where the process takes too long and is not implemented effectively. According to the model, a successful succession process takes place if both 'pull' and 'push' factors are evident: in this scenario the incumbent is determined to undertake the process and develop appropriate and timely plans for the succession process.

The Life Cycle model

Aleem and Islam (2009) and Taruwinga (2011) provide a description of the Life Cycle Model developed by Churchill and Hatten (1987) in their attempt to understand the dynamics that influence a successful succession process. Unlike the model developed by Dana (2005) that is focused on the incumbent, the Life Cycle Model provides a methodical approach to succession planning by stratifying the succession process into four stages: "Owner Management", "Training and Development", "Partnership" and "Power Transfer". The "Owner Management" stage describes the stage when the owner is in control of the business or when the successor has taken over as a manager. The "Training and Development" stage follows where the successor is exposed to the business and begins his/her training as a successor. The incumbent and the successor run the business as a partnership in the "Partnership" stage and the cycle is ended in the "Power Transfer" stage where ownership of the business is being handed over to the successor (Aleem & Islam, 2009; Churchill & Hatten, 1987;

Taruwanga, 2011).

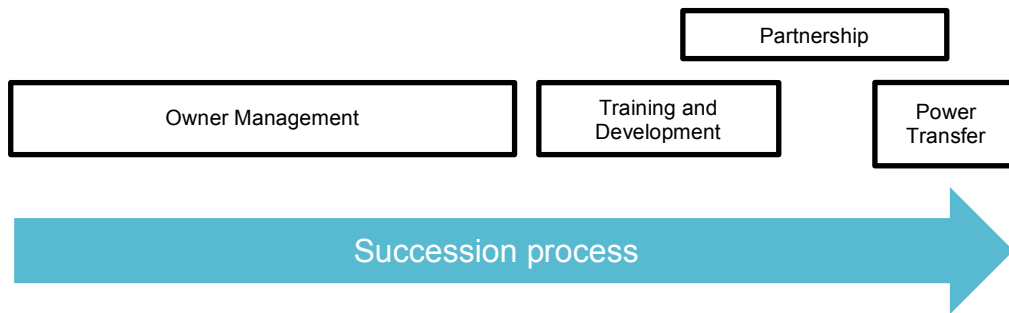


Figure 1: The Life Cycle model by Churchill and Hatten (1987) and adapted from the description by Aleem and Islam (2009, p. 13)

The model in Figure 1 provides a graphical illustration of the Life Cycle model as described by Aleem and Islam (2009) and developed by Churchill and Hatten (1987). The figure illustrates the process as four stratified stages leading to the final handover of the business to the successor.

Succession models developed by Burke (2003) and Prior (2012)

The model developed by Prior (2012) and the succession model developed by Burke (2003) look at the succession process from the perspective of a business's life cycle.

Burke (2003) identifies the required succession-related steps to be implemented in every stage of the business's life cycle, ranging from the identification of the long-term business strategy, target roles, the required skills and competencies, and potential successors, to finally developing the successor before handing over. Burke (2003) illustrates the enablers to the succession process which includes both the leadership in the business as well as the processes developed within the business i.e. board of directors and advisors, working environment, skills development, etc.

Prior (2012) uses the generic life cycle of the business, from existence to success and lastly to decline, and illustrates the dimensions that influence and enable a successful succession process in each stage of the cycle. These dimensions include family context, the incumbent, structured agreements, business context and lastly the successor (Prior, 2012). The family context, business context and factors relating to the incumbent and successor can be defined and influenced through the organisational culture of the business (Prior, 2012).

As illustrated in Figure 2 below, Prior (2012) has broken down the life cycle of a business whilst providing the different factors that contribute to the successful succession within each stage.

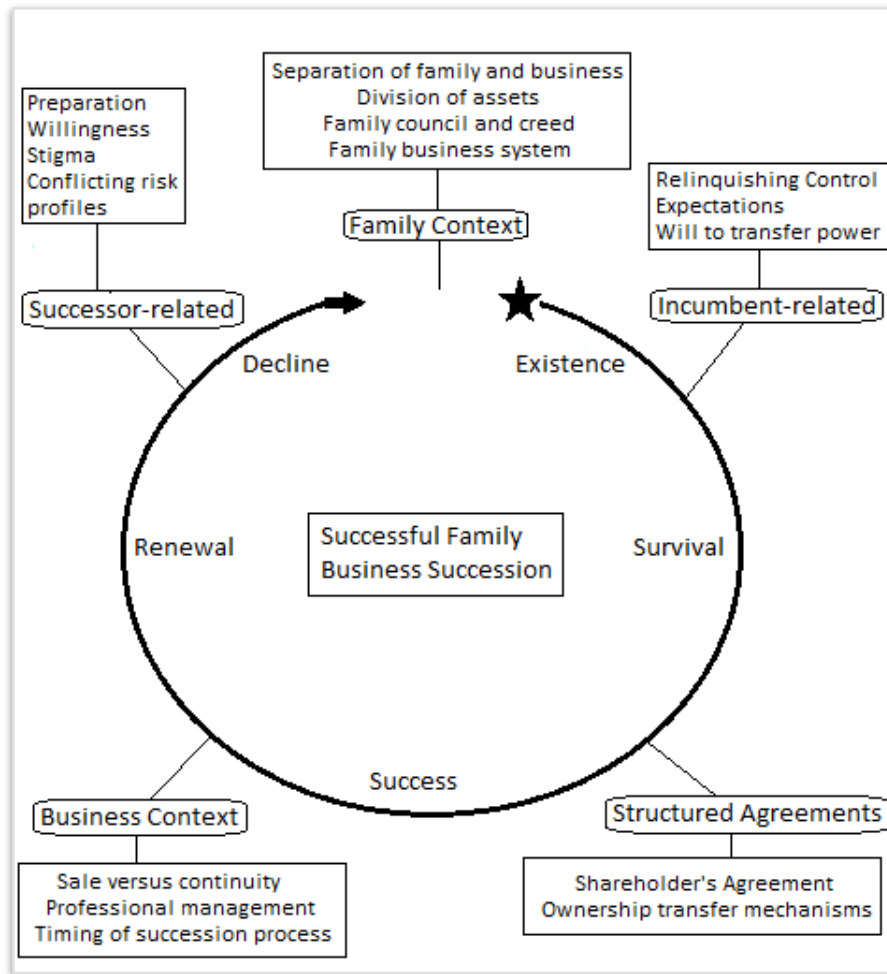


Figure 2: The determinants of successful business succession (Prior, 2012, p.86)

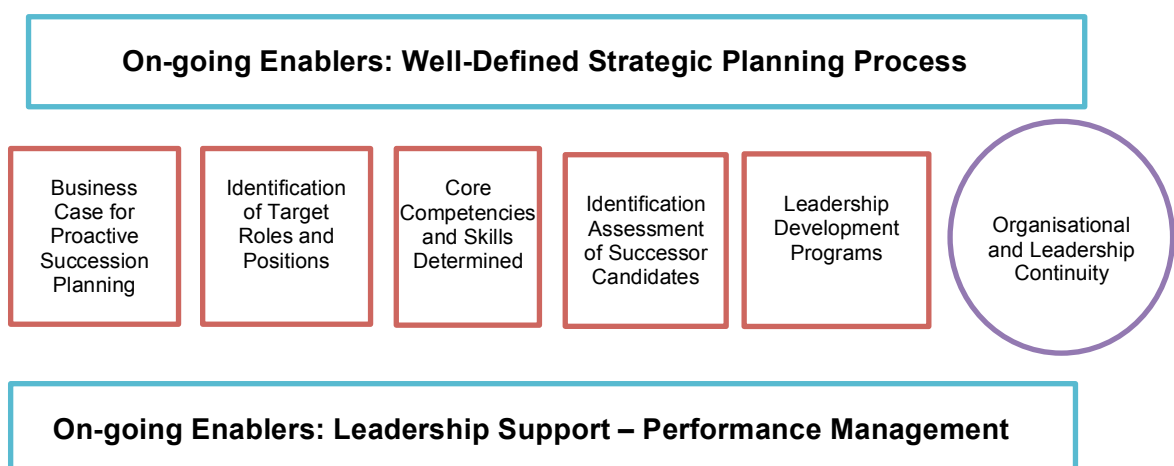


Figure 3: Five principles of a succession-planning model (Burke, 2003, p.2)

The model sourced from Burke (2003) illustrates the required processes necessary to hand over the business to a successor. As illustrated in Figure 3, it provides a clear distinction of the different stages that are involved in the succession process. While it is

useful in describing the preliminary required processes, most of the model concerns the incumbent-managed phase of the succession process.

2.2.6 The Proposed Succession Models Used for the Current Study

The Push-Pull Model is useful in determining what factors have set the succession process in motion and will be valuable in the current study.

Burke's (2003) model was used to illustrate the succession process in the study by Taruwinga (2011) and provides an in-depth illustration of the process while Prior's (2012) model does not focus on the steps of the succession process but rather the theoretical influences on it during the generic life cycle of a business. Prior's (2012) model includes the dimensions of the business that include the organisational culture that affects the succession process, while Burke's (2003) model allows for an appropriate analysis of the stages within the succession process.

The Life Cycle model developed by Churchill and Hatten (1987) and described by Aleem and Islam (2009) is also useful to determine which stage of the succession process the business is in. Whilst a correlation between the Life Cycle model and Burke's (2003) model is evident, both models will be useful to understand the succession process. Burke's (2003) model gives an in-depth illustration of the preliminary processes necessary to set off the succession process, whilst the Life Cycle Model provides a more defined and stratified overview from the preliminary stage to the final handover.

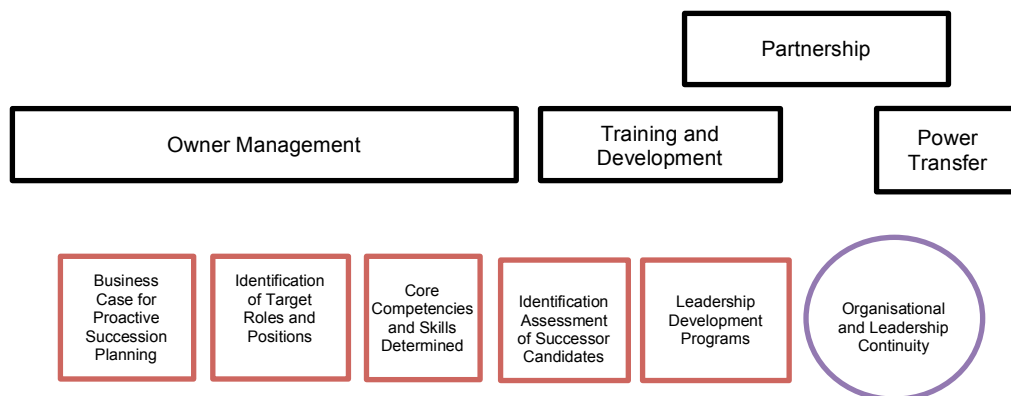


Figure 4: Model combining Burke's (2003) model and the Life Cycle Model by Churchill and Hatten (1987)

As illustrated in Figure 4, the model depicts the stages developed in the succession process by Burke (2003) with relation to the Life Cycle model. The model links the "Business Case for Proactive Succession Planning", "Identification of Target Roles and

Positions” and “Core Competencies and Skills Determined” stages of Burke’s (2003) model under the “Owner Management” stage of the Life Cycle Model. “Training and Development” in the Life Cycle model is linked to the “Identification and Assessment of Successor Candidates” and “Leadership Development Programs” stages of Burke’s (2003) model. The “Partnerships and Power Transfer” stage of the Life Cycle model follows thereafter and makes up the stage of “Organisational and Leadership Continuity” until the entire process of each model is repeated with the successor.

2.3 Dimensions of the Family Business

Prior (2012) illustrates the influence of the different dimensions on the succession planning of the business. It is however important to understand the characteristics of these dimensions and the factors that govern each one in order to draw an appropriate analysis of their influences on the succession plan.

The understanding of the dimensions of the family business that differ when compared to non-family businesses has gained strong focus in research (Hayton, Chandler & DeTienne, 2011; Zellweger et al., 2010). Dimensions of the family business have been utilised in the determination of certain behavioural characteristics e.g. the entrepreneurial behaviour and succession planning of the family business (Kellermanns, Eddleston, Barnett & Pearson, 2008).

2.3.1 Constructs used to study the Dimensions of a Family Business

Some dimensions of the family business can be measured through the governance, management, succession, structure, imminence of succession, and way of execution, as well as empirical measurements of age and financial performance (Chua et al., 1999; Uhlaner et al., 2012). The study undertaken by Kellermanns et al. (2008) focused more on the characteristics of the individuals who are influential in the business, including the CEO’s age, tenure and gender, the number of generations in the business and the size of the organisation.

The F-PEC scale

Klein et al. (2002) clustered the characteristics of the family business into three identifiable dimensions. This clustering allowed the authors to develop the F-PEC scale based on the dimensions of “Power”, “Experience” and “Culture”. The F-PEC scale was later validated in the studies undertaken by Holt et al. (2010). The “Power” and “Experience” dimensions of the F-PEC scale are measured using empirical values related to the ownership, generational aspects and governance of the business. The “Culture” dimension of the F-PEC scale used the organisation’s cultural dimensions

originating from Hofstede's (1980) theory to explore the culture of the family business. The cultural dimensions originating from Hofstede's (1980) theory was also used in the study by Brice and Richardson (2009) in order to understand the cultural orientation of family businesses.

"Familianness" in the family business

The study undertaken by Zellweger et al. (2010) focused on determining the differentiating dimensions of the family business. The study explores the idea of "familianness" and how it influences the family business. The study developed three dimensions that govern the business: "Components of Involvement", "Essence Approach" and "Organisational Identity". "Components of Involvement" focuses on the governance and control of the family business and are empirical measures used to explain the family's ability to influence the business. The "Essence Approach" and "Organisational Identity" focus on the behaviour, unique processes and synergistic resources, by exploring the identity of the family (Zellweger et al., 2010).

2.3.2 Culture as a Dimensional Construct

As indicated above, many elements have been identified in the literature that provide insight into the different factors, which influence the operation of the family business. Within the different studies undertaken, culture is a prominent and recurring dimension. The dimensions of "Power" and "Experience" of the F-PEC scale and the dimension "Components of Involvement" identified by Zellweger et al. (2010) look at the empirical aspects of the business related to operations, governance and control. However, the "Cultural" dimension of the F-PEC scale and the dimensions "Essence Approach" and "Organisational Identity" as identified in the study by Zellweger et al. (2010) are focused on the cultural aspects of the organisation that influence identity and behaviour. Whilst there are overlaps in both models with respect to the cultural influences, the influence of the family dynamics, i.e. "familianness", is explored as a separate multi-dimensional construct that influences the organisational culture (Holt et al., 2010; Zellweger et al., 2010).

Both models identify a strong influence of the family's culture on the family business. The behaviour and identity that is influenced by the cultural dimension can be extended to the business's approach towards sustainable issues such as succession planning.

2.4 Culture and the Family Business

The culture of an organisation is interlinked with the organisation's values and in turn influences the behaviour, success, strategy, failure and operations of the organisation (Papalexandris & Panayotopoulou, 2004). Barney (1986) observes that culture in a business could provide value to the bottom line, provide uncommon characteristics and make the business imperfectly imitable. Research by Brice and Richardson (2009) confirmed the distinct culture of the family business in comparison to the professional managerial culture of non-family businesses.

Cultural dimensions are used to break down and understand the culture that defines a society or organisation (Brice, 2013). Hofstede (1980) describes culture as the collective programming of the mind. In the case of organisational culture this collective is the organisation, whereas in societal culture the collective is a society. The researcher has encountered numerous cultural dimensions that have been used in the literature by Brice (2013), Brice and Richardson (2009), Denison, Lief and Ward (2004), Dyer (1986), Gupta and Levenburg (2010), Klein et al. (2002), Leung and Bond (2004), Papalexandris and Panayotopoulou (2004), Taruwinga (2011), and Vallejo (2008, 2011) in order to understand the influence of culture on the family business. The cultural dimensions that will be discussed in this section are based on their relevance to the current study and their previous application in the literature.

2.4.1 Hofstede's Cultural Dimensions that Govern National Culture and its Adaption to Understand Organisational Culture

Hofstede (1980) developed five cultural dimensions that govern national culture: "power distance", "collectivism/individualism", "uncertainty avoidance", "masculinity/femininity" and "long term/short term orientation". According to Hofstede (1980), an individualistic society's beliefs and behaviours are established by individuals, whereas the collectivist society's beliefs and behaviours are determined by the external society's requirements and expectations (Hofstede, 1980; Yaganeh, Su & Sauers, 2009). "Power distance" focuses on the inequality within the society, whereas "uncertainty avoidance" determines the level to which a society would avoid threats from unknown events or situations (Hofstede, 1980; Yaganeh et al., 2009). "Masculinity" relates to the level of competitiveness, achievement and growth whereas a "feminine" culture is based on relationships, desirable environments and security (Hofstede, 1980; Yaganeh et al., 2009). "Long-term orientation" involves the level to which the society plans for the future (Hofstede, 1980; Yaganeh et al., 2009). These cultural dimensions were further adapted to the organisational level by Brice (2013),

Brice and Richardson (2009), Papalexandris and Panayotopoulou (2004) and Taruwinga (2011) in order to develop an understanding of the organisational culture that governs family businesses.

An overview of a family business's organisational culture and the adaption of Hofstede's (1980) cultural dimensions to understand it follows, as well as a discussion of societal culture and its influence on the organisational culture of a family business.

2.4.2 Organisational Culture and the Family Business

Organisational culture has become a great concern for businesses in their attempt to improve management and operations within the business (Vallejo, 2011). The description that follows is divided into the types of cultures that govern family businesses followed by the cultural dimensions that govern family businesses.

Types of organisational cultures that govern family businesses

Cultural types try to combine the cultural elements that define the family business and attempts to describe the cultural orientation through a combination of high-levelled cultural types.

Cultural types by Dyer (1986)

Whilst trying to understand the culture of a business from a high-level view, Dyer (1986) and Vallejo (2008) analysed the characteristics of the family business in an attempt to describe the overall type of culture an organisation is governed by. By combining the types of organisational cultures with the types of family cultures, Dyer (1986) was able to develop seven types of cultures that govern the family business. Dyer (1986) selected four types of organisational cultures: "paternalistic", which indicates a sense of mentorship amongst the leaders, "laissez-faire", which indicates a sense of freedom and lack of restrictions within the business, "participative", which illustrates the behaviour of the leader to participate in lower-levelled activities, and "professional", which describes the business environment and system of working. Dyer (1986) combined these cultures with the "patriarchal", "collaborative" and "conflictive" types of family cultures to get to the seven types of cultures that govern the family business.

Cultural types by Denison, Lief and Ward (2004)

Denison et al. (2004) developed three cultural types, focused around "adaptability" i.e. the family business's ability to adapt through environmental changes, "mission" i.e. a clear sense of purpose and direction, and "consistency" i.e. a business system with a common goal and common support from the members in the business.

Cultural types and cultural dimensions of the family business

Judging from the findings by Denison et al. (2004) and Dyer (1986), the type of organisational cultures that define family business' are different to those of non-family businesses, indicating that there will be differences in the way the family business operates. The dimensions that make up the distinct characteristics, define the type of family culture and provide mechanisms to measure and analyse them. A deeper understanding of what defines these characteristics requires an understanding of the cultural dimensions of the organisational culture in a family business (Brice, 2013).

Dimensions of organisational culture in the family business

A description of the dimensions used by researchers to understand the cultural elements that define the family businesses will be discussed.

Dimensions adopted by Brice and Richardson (2009)

"Power distance" and "individualism" are two of the five dimensions developed by Hofstede (1980) which were used by Brice and Richardson (2009) in their study on the differences between the organisational cultures of two family businesses in two different countries. The cultural dimensions were more distinct and measurable in comparison to the studies on the family business characteristics undertaken by Dyer (1986) and Vallejo (2008). The two dimensions were used because of their applicability to the occupational level of the business, whereas the rest of the cultural dimensions developed by Hofstede (1980) were only applicable on a national level (Brice & Richardson, 2009).

Dimensions by Leung and Bond (2004)

Five dimensions: "social cynicism", "social flexibility", "rewards for application", "spirituality" and "fate control" were derived from the studies by Leung and Bond (2004) and used in the study by Brice and Richardson (2009). "Social cynicism" describes the Machiavellian approach in an organisation, "social flexibility" describes the organisation's ability to change, "reward for application" indicates the way that the organisation rewards performance, "spirituality" is the organisation's religious orientation, and "fate control" describes the organisation's attempt to control events (Leung & Bond, 2004). The dimensions derived from Leung and Bond (2004) were used in the study by Brice and Richardson (2009) because they were on a more individual than national level, thus allowing a differentiation of sub-national groups such as the family business (Brice & Richardson, 2009).

Cultural Model “Courage” by Vallejo (2008)

The attempt by Vallejo (2008) to develop a high-level cultural view has already been discussed. Building on the cultural types by Dyer (1986) and the dimensions of national culture by Hofstede (1980), Vallejo (2008) constructed the cultural model “courage” that allowed the family business to be characterised through a grouping of three influential cultural dimensions. These three dimensions are “long-term orientation”, which describes the long-term view regarding the future of the business, “commitment”, which illustrates the amount of commitment within the business towards the same goal, and “harmony”, which indicates the lack of conflict within the business. The family business was found to have a stronger commitment to the organisation, higher levels of participation from the family members in the business, a more long-term orientation in order to pass on to subsequent generations, and displayed stronger levels of harmony brought about by the family relationships (Vallejo, 2008). Whilst the studies by Vallejo (2008) were built from Dyer (1986), there are also parallels between the studies by Denison et al. (2004) and Vallejo, as follows: “commitment” is related to “consistency”, “mission” is related to “long-term orientation” and “involvement” is related to the “harmony” in an organisation (Denison et al., 2004; Dyer, 1986; Vallejo, 2008).

Limitations of only using organisational culture in understanding the family firm

The dimensions used in the studies by Brice and Richardson (2009), Denison et al. (2004), Dyer (1986) and Leung and Bond (2004) allow for evaluating the overall organisational culture of the family business in order to understand the behaviour relating to the organisational activities within the business. However it does not consider the “familiness” aspect of the business as a separate cultural construct and does not determine how that separate construct influences the business’s organisational culture (Churchill & Hatten, 1987; Taruvinga, 2011; Vallejo, 2011; Zellweger et al., 2010). The current study is focused particularly on the effect of culture of an ethnic group on succession planning and therefore requires a link between the societal culture by which the family is governed and the organisational culture of the business. It is therefore necessary to identify and understand the societal culture that governs the family who owns the business in order to gain a clearer, holistic and deeper understanding of the influence of culture on the family business.

2.4.3 Societal Culture and the Family Business

Lowry (2000) describes societal culture as a culture that provides meaning through all the activities that encompass life including social, educational, religious, recreational and economic activities that are also evident in the activities that define a family.

Building from the substantial cultural presence in the family construct, Brice (2013) has stated that of the cultural dimensions that govern a family business, it is only family involvement that affects its unique performance.

The importance of this influence is also illustrated in the structure of the F-PEC scale developed by Klein et al. (2002), who categorise the cultural subscale into the overlap between “family”, “business values” and “family business commitment”, indicating that the culture of the family within the family business is important in understanding the dimensions that govern the organisational culture. Vallejo (2009) also followed the structural approach of segregating the business through considering “family” as a third subsystem alongside “business” and “ownership” that govern the culture of any type of business. The link between family culture and societal culture was identified by Vallejo (2009), who stated that the family business will be affected more than any other organisation by societal culture because of the influence that societal culture has on the family owning the business.

Dimensions of societal culture used to understand family firm behaviour

Taruwanga (2011) focused on societal culture to identify the cultural influence on successful succession in family businesses and followed the approach of Papalexandris and Panayotopoulou (2004) to construct the societal dimensions that will affect the business. The study used six societal dimensions that stemmed from the five dimensions drawn from Hofstede (1980). “Collectivism/individualism” was broken down into two dimensions: “institutional collectivism”, which determines society’s emphasis on collectivism, and “in-group collectivism” which determines an individual’s loyalty, pride and cohesiveness to an organisation (Papalexandris & Panayotopoulou, 2004; Taruwanga, 2011). Taruwanga (2011) added three dimensions to the dimensions developed by Hofstede (1980): “assertiveness”, “performance orientation” and “humane orientation”. “Assertiveness” measures how confrontational and aggressive the culture is, “performance orientation” identifies the extent to which excellence is rewarded, and “humane orientation” looks at the culture of societal caring (Taruwanga, 2011).

Societal culture and succession planning

The study by Papalexandris and Panayotopoulou (2004) identified a strong relationship between the development and use of succession plans and the cultural dimensions “humane orientation”, “assertiveness”, “uncertainty avoidance”, “future orientation” and “collectivism” (Papalexandris & Panayotopoulou, 2004; Taruwanga, 2011). The research therefore indicates a relationship between the societal cultural dimensions

and succession planning within the business.

A link between succession planning and societal culture was also identified in the study by Gupta and Levenburg (2010), which divided the family business culture into three cross-cultural dimensions similar to the three subsystems identified by Vallejo (2009) in the cultural dimensions “Courage” and the cultural dimension constructed by Klein et al. (2002) for the F-PEC scale. These cross-cultural dimensions include the family interface that determines the family behaviour, the business interface, and the joint family and business interface (Gupta & Levenburg, 2010). Each dimension is interrelated with certain contextual variables such as societal culture and religious systems (Gupta & Levenburg, 2010). Factors such as competitive succession that determines the approach through which a successor is chosen and the regulation of the power that the family has over the business varied greatly between different societal cultures (Gupta & Levenburg, 2010). The study identified that characteristics of the societal culture of the family is important in understanding organisational activities such as succession planning (Gupta & Levenburg, 2010).

2.4.4 Culture in the Context of the Current Study

It is evident from the literature that an understanding of the societal culture that governs the family owning the business is integral to understanding the family business’s organisational culture and the influence of that culture on aspects of the family business such as succession planning.

The literature suggests that the organisational culture and societal culture are intertwined in the culture of a family business. In order to focus the current study on the effects of culture originating from ethnic commonality on succession planning, the nine societal cultural dimensions built from Hofstede (1980), Papalexandris and Panayotopoulou (2004) and Taruwinga (2011) have been used. The dimensions of family business cultures developed from the study by Vallejo (2008) and the cultural dimensions of the family business by Leung and Bond (2004) and used by Brice and Richardson (2009) will be used and will assist in understanding the uniqueness of the organisational culture of the family business.

Table 1: Societal cultural dimensions and the family business cultural dimensions

	Name	Description
	Spirituality	The organisation's religious orientation
	Fate control ²	The organisation's attempt to control events
Family business – cultural dimensions (Brice & Richardson, 2009; Leung & Bond, 2004)	Social cynicism	Describes the Machiavellian approach in an organisation
	Social flexibility	Describes the organisation's ability to change
	Reward for application	Indicates the way that the organisation rewards performance
Family business – cultural dimension “courage” (Vallejo, 2008)	Long-term orientation	Having a more long-term view: in a family business this is in order to pass the business on to the future generations
	Commitment	Illustrates the amount of commitment there is within the business towards the same goal
	Harmony	Indicates the lack of conflict within the business
Societal cultural dimensions (Hofstede, 1980; Papalexandris & Panayotopoulou, 2004; Taruwinga, 2011)	Uncertainty avoidance	Determines the level to which a society would avoid threats from unknown events or situations
	Institutional collectivism	Society's emphasis on collectivism
	In-group collectivism	Degree to which individuals express pride and loyalty in an organisation or family
	Assertiveness	How aggressive and confrontational a culture is
	Performance orientation	Identifies the extent to which excellence is rewarded
	Humane orientation	Identifies how caring the society is
	Power distance	Inequality in the society
	Long-term orientation ³	The level to which the society plans for the future
Gender egalitarians	Masculinity relates to the level of competitiveness, achievement and growth whereas a feminine culture is based on relationships, desirable environments and security	

2.4.5 Religion and the Family Business

With relation to the definition of societal culture, religion is considered a component that forms part of a society's activities that give life meaning (Lowry, 2000). Religion is the organised collection of beliefs, narratives, and symbols that creates meaning in life by

² Fate control and Uncertainty avoidance measure similar cultural aspects, except that Fate control is on an organisational level. Uncertainty avoidance will be used instead of Fate control for the current study.

³ Note that the cultural dimension Long-term orientation is found in both the cultural model Courage by Vallejo (2008) as well as the societal cultural dimensions developed by Hofstede (1980). The dimension developed by Vallejo (2008) is on an organisational level. Both cultural dimensions are applied with same meaning in the current study.

providing believers with a preferred lifestyle (Vallejo, 2011). Religion therefore forms an integral part of the societal culture of a group of followers.

Miller and Ewest (2010) argue that religion has an impact on the workplace and influences changes in organisational and economic structures. Illustrating this influence from a positive perspective, Vallejo (2009) argues that the strength of the family is linked to a strong cultural orientation and it is this strong culture that enables it to be sustainable within the context of the family business. Amongst the aspects that develop the strong cultural orientation is a high level of religious orientation, as it influences many of the behaviours and outlooks of the family in the family business (Vallejo, 2009). However, some negative influences have been encountered in the literature as the business world and the religious worlds were viewed as a clash of civilisations, as maximising of profit may be seen as shrewd, materialistic, deceiving and calculating (Wang & Yang, 2011).

From the literature reviewed with relation to business, culture and religion, it is suggested that religion, societal culture and organisational culture are interlinked and influence the operations of the family business with regard to the way the business handles certain aspects such as succession planning.

2.4.6 The Influence of Islam on Societal Culture

Muslims are followers of the religion Islam. Islamic law governs the way of life of a believer from political aspects, to etiquette of dining, to the conducting of business (Foster, 2010). The defined laws that govern the behaviour and activities of a Muslim are collected in the Sharia rulings and many teachings in Islam are related to economic activities (Wang & Yang, 2011; Yekini, 2008). The etiquette of business as well as the laws of succession are found in the Sharia rulings (Palliam, Cader & Chiemeké, 2011; Wilson, 2006). With respect to business operations, Sharia provides rulings related to honesty, fairness, risk, fraud, bribery and generosity (Abuznaid, 2009). Considering the influence that societal culture has on the family business and considering the influence that the Islamic religion has on the societal culture of Muslims, it would follow that a study of the influence that Islam as a religion has on succession planning in family businesses would provide noteworthy and discerning results.

2.5 Chapter Summary

This chapter has provided insight into the theory that illustrates a link between the cultural orientations of the family business and how that cultural orientation influences succession planning in the family business. A definition of the family business that will

be used for the current study has been derived from the literature. The definition encapsulates the continuity of the business through to subsequent generations and therefore highlights the underlying need for succession planning in the family business. The succession process has also been described using models and processes derived from the literature. The model by Burke (2003) and the Life Cycle model by Churchill and Hatten (1987) are two of the models that illustrate the succession process and are to be focused on for the current study. Insight into the challenges experienced in the succession process as drawn from the literature has also been provided. The chapter gave an in-depth illustration of the different dynamics that influence the behaviour of the family business, with the influence of culture being explored as a significant dynamic. The cultural dynamic was explored further and the cultural types that businesses are characterised by were drawn from the literature. It was identified that the behaviour of the family business is influenced by elements drawn from both the organisational culture and the societal culture of the family in the business, and it is this behaviour that in turn influences business processes such as succession planning. Descriptions of both the societal and organisational cultural dimensions which were used in the literature to provide an understanding of the family business culture were also given.

Chapter 2 provided an overview of the literature with regard to theory around family businesses, succession planning in family businesses and the culture that defines the organisational activities and behaviour within the family business. The aim of Chapter 2 was to identify a theoretical link between succession planning and culture within the family business. It is clear from the literature that while there are many dimensional constructs that have been developed in understanding the family business culture; the societal culture, family culture and the culture of the organisation has an influence on the organisational activities and behaviour within the family firm. These organisational activities and behaviour in turn influence the succession planning within the organisation.

While a theoretical connection between societal culture and succession planning has been illustrated, the additional link between societal culture and religion has also been provided.

The fundamental research question for the current study is:

- How does culture influence succession planning in South African Muslim-owned family businesses?

A research methodology refers to the approach used to systematically solve a research problem and includes the research problem, research method and technique for analysis (Kothari, 2004, p.8). This section will detail aspects of the research methodology including the research design, sampling design, method for data collection, method of analysis and limitations.

4.1 Research Design and Methodology

4.1.1 Rapid Ethnography

Ethnography is a form of qualitative research methodology aimed at understanding social interactions, behaviours, and perceptions in organisations and communities in their natural setting. The nature of this research is closely related to behaviour and the influence of culture on that behaviour. The ethnographic research methodology is aimed at understanding cultural influences by understanding and representing the culture of a people in the form of communicable descriptions. Rapid Ethnography is a type of ethnographic research adapted for time-constrained research and has been adopted as the research methodology for the current study (Desai, 2008; Reeves, Kuper & Hodges, 2008).

Ethnography involves observing the community or organisation that the researcher wishes to study through understanding the views, actions and the nature of its location (Reeves et al., 2008). These observations include informal or conversational interviews that draw information about difficult and hidden issues that could not be easily uncovered from a formal survey or interview (Reeves et al., 2008). The qualitative nature of the ethnographic research methodology has provided an in-depth understanding of the research question regarding complex and in-depth dynamics of culture and succession planning.

The current study involves understanding the influence that culture has on succession planning in family businesses. Considering that the study has been undertaken in order to understand the relationships and influence that culture has on the behaviour of a particular organisation, ethnographic research methodology is an appropriate methodology that has been adopted. Ethnographic research provides a deeper understanding of the social interactions, behaviours, and perceptions in family businesses from a natural perspective, allowing the researcher to gain a deeper insight into the environment and behaviour with regard to succession planning and the culture within the family business. Fletcher (2002) used an ethnographic research

methodology when studying the managerial practices of family businesses due to the insight that ethnographic research can provide in the study of culture and the influence that managerial practices have on culture in an organisation. A recommendation for more ethnographic research to be done in the field of family businesses was given in the study on entrepreneurship and family businesses by Dyer and Handler (1994).

Due to the limited time period available to undertake the current study, an ethnographic research methodology that provides a quick process in a limited timeframe, called Rapid Ethnography, has been adopted. This type of methodology involves distinctiveness with regard to the focus of the study. Sampling techniques will be used where samples that provide key informants will be selected (Millen, 2000). Data gathering techniques using different sources that increase the amount of data gathered in a limited time as well as analysis of the data using collaborative or computerised techniques will be adopted (Jordan, 2013; Millen, 2000). Rapid Ethnography requires a narrow focus to a particular question and this is illustrated in the distinct research question illustrated in Chapter 3 (Jordan, 2013; Millen, 2000).

4.2 Population

Saunders & Lewis (2012) define the population as the complete set of a group's members. Following that the context of the current study is Muslim-owned family businesses in South Africa, the population of the current study is all Muslim-owned family businesses in South Africa.

The following detailed characteristics of the population can be drawn using the definition of the family business (Desai, 2008; Taruwinga, 2011):

- The business is owned by members of the same family;
- The family has control to change or pursue a vision for the business;
- It is the intention of the family members to continue the business to the next generation;
- The family owning the family business must follow the religion of Islam; and
- The business is identified by the family members as a family business.

4.3 Sample

A sample frame is the list of all the members of the total population (Saunders & Lewis, 2012). The studies by Taruwinga (2011), Desai (2008), and Govindasamy (2010) were unsuccessful in getting a sample frame of Indian-owned family businesses in South Africa. The studies had to rely on purposive and non-probability sampling.

The research methodology used is Rapid Ethnography, which requires a sample that will produce key informants i.e. that are bound to provide the necessary insight required for the current study, and therefore opportunistic or purposive sampling is necessary in this context. According to Reeves, Kooper & Hodges (2008), participants for an ethnographic study are sampled using an opportunistic or purposive sampling technique.

Based on the historical insight where researchers undertaking a similar study were unable to attain a sample frame and the nature of the research, an attempt to attain a sample framework has not been undertaken and purposive sampling was used. Specific samples were chosen on account of the researcher's personal contacts and judgment with regard to the availability and insight they could provide to the current study.

Once a satisfactory number of businesses had been attained through purposive sampling, snowball sampling was undertaken where the subsequent samples were identified using leads from the previous samples (Saunders & Lewis, 2012). According to Marshall (1996) an appropriate sample size for a qualitative study is one that adequately answers the research question. Considering the limited time and depth of the current study, a sample size of eight samples was used. Table 2 provides an overview of the family businesses used for the current study.⁴

Table 2: List of businesses used to collect the research data

	Name of business	Description
1	Raven's Group	Clothing retail and property investment business
2	Athol Bazaar	Yarn Wholesalers
3	Fruiter's	Canned food manufacturers
4	WeSell Motors	Car dealership
5	Atjay Architects	Architectural firm
6	Cycle Warehouse	Bicycle wholesaling business
7	Corner's	Business involved in filling stations and takeaways
8	The Thrift Shop	Clothing retailers

Whilst majority of Muslim-owned family businesses available for the current study were retailers, a mix of different types of family firms was selected instead. The type of businesses therefore ranges from manufacturers to firms involved in skilled activities. A

⁴ Note that all names of businesses and individuals in the businesses have been changed.

brief description of each of the businesses follows, with reasons why the specific business was selected.

Raven's Group

The Raven's Group is one of the iconic Muslim-owned family businesses in South Africa. The family business has been running in the Krugersdorp area for over 100 years after being one of the few businesses to be invited from India by Paul Kruger to operate in the region. The business is involved in retailing of high-end clothing and is currently branching out into property investments. The business was selected due to the long period of operation, the changes made in the business during the ownership of past generations and the strong family presence within the business.

Athol Bazaar

Athol Bazaar is another iconic Muslim-owned family business and is also one of the few businesses to be invited to South Africa by Paul Kruger. The business has been operating for over 100 years in South Africa and specialises in wholesaling of yarns. The business has been selected due to the niche market it is involved in, the rapid growth and changes undertaken in the current generation and its long history and family presence.

Fruiter's

Fruiter's is a canned food manufacturing and supply business and is one of the younger businesses on the list, having only started in 1993. The business has made a large impact on the South African agro-processing industry having received numerous quality awards both nationally and internationally as well as through the rapid growth of its share in the South African canned food market. The business has been selected due to its success in a predominantly corporate-led industry as well as its shift to more formalised and structured business practices whilst maintaining its family business element.

WeSell Motors

The business is involved in the sales of cars and has been functioning since 1974. The business has been selected due to its shift from the normal retailing businesses, its deep-rooted impact in the Muslim community it operates in and the ease to connect with the business using the researcher's personal contacts.

Atjay Architects

Atjay Architects is an architectural and construction firm started in 1978. The business is run by the father and son and is currently being passed on to the son. The business

was selected due to it being a skill-based business as well as the strong family presence in it. It is an interesting study as it provides an illustration of a merger between a family-run business and a professional environment as well as the technical changes brought in by the successor.

Cycle Warehouse

This is another young business, having started in 1993. The business has however seen strong growth over the years and is currently supplying over 100 stores with bicycles and other peripheral bicycle equipment. The business has been selected due to its large scale as well as the changes made by the successor.

Corner's

Corner's is a family business involved in the operation of numerous filling stations. The business has grown over the past five years with the introduction of three of the owner's sons and is currently including fast food outlets and supermarkets. The business has been selected due to the proximity of its handover to the next generation and the changes made by the next generation as well as its branching out into different trades.

The Thrift Shop

The Thrift Shop is involved in clothing retail stores and is fairly small. There is a strong family presence within the business. The business has been chosen because of it being representative of the medium to small retail businesses in South Africa of which Muslim ownership forms a significant portion.

4.4 Data Collection

The steps undertaken to gather data for appropriate analysis is provided in this section.

4.4.1 Academic Literature

The research is ethnographic in nature and a review of the literature is necessary in understanding the culture of the business being studied as well the dimensions that define it. The literature review was undertaken on the theories regarding organisational culture, societal culture, family business theory and succession theory. This provided a foundation and constructed links between the theories to provide greater insight into the relevance of the data when the next step in the data collection process is undertaken.

4.4.2 Informal or Conversational Interviews

Informal and conversational interviews were undertaken with employees and owners of

the businesses. This provided an insight into the business as unusual questions could be posed and answered in a more naturalistic and authentic approach (Reeves et al., 2008; Saunders & Lewis, 2012).

4.4.3 Observations

Observations form an integral part of the ethnographic research design. This involves gaining data from the researcher's own observations without any interviews. Because the current study used Rapid Ethnography as a research methodology, there was a need to interact with members of the organisation while simultaneously observing the environment i.e. "interactive observations" (Millen, 2000). Interactive observations provided an effective use of time, as constant feedback from the individual being observed was provided hence reducing the time needed to generate conclusions. The data from the observations is related to what is currently happening in the organisation and is not related to any historical information or future intentions (Kothari, 2004, p.17).

4.4.4 Structured Interviews

For an ethnographic research design, formal interviews need to be undertaken and documented. Structured interviews are necessary in Rapid Ethnography as data needs to be collected in the most effective and efficient manner considering the time constraint and structured interviews will provide the focus needed to extract the necessary information (Millen, 2000). Specific planned questions relating to specific themes based on culture and succession planning theory have been developed for the questionnaire (Kothari, 2004, p.17; Reeves et al., 2008; Saunders & Lewis, 2012). The succession planning models developed by Burke (2003) and Churchill and Hatten (1987) and the questionnaire used by Taruwinga (2011) were adopted in the development of the questionnaire (see Appendix A). Questions were developed with relation to the different stages in the models and the structured questionnaire used by Taruwinga (2011) was modified for the questionnaire used in the current study.

4.4.5 Documented Data

Ethnographers also collect documentary data through minutes of meetings, diaries, photographs and videos (Reeves et al., 2008). This approach has been used in the data collection method.

4.4.6 Field Notes

Field notes have been taken before and after the observations. The field notes describe the experiences and observations encountered by the researcher during the

research and are widely used data-recording tools in Ethnographic research (Emerson, 1995).

4.5 Analysis of the Data

The approach to data analysis in Rapid Ethnographic research design was followed closely when developing methods to analyse the data. The following methods were used:

4.5.1 Thematic Analysis

The data at this stage is divided into specific categories according to the themes that they represent (Reeves et al., 2008). Thematic analysis is undertaken through the process of coding. Rapid Ethnography uses a mix of computer-aided tools in order to decrease the time needed to process data. A computer program that allows a quick and fluid coding method was used.

An inductive approach to the thematic analysis was used, where themes were drawn from the data and an established pre-conceived set of themes was not used (Saunders & Lewis, 2012). This process allows theories and hypothesis to be developed using the patterns emerging through the data and is detailed in the following chapter.

4.5.2 Theoretical Explanations

Theoretical explanations were drawn from the inductive process used in categorising the data, editing it and tabulating the results (Kothari, 2004, p. 18; Reeves et al., 2008).

4.5.3 Reflexivity

In ethnographic research, reflexivity is used to describe the ideas and experiences of the researcher in order to analyse a possible impact of these observations on the study (Reeves, Kuper & Hodges, 2008).

4.5.4 Detailed Descriptions of the Participants and Environment

In ethnography, detailed descriptions of the setting and its participants that are gained through observations and interviews are provided, providing a deeper level of analysis to the study (Reeves et al., 2008).

4.6 Potential Limitations to the Current Study

The following potential limitations have been identified within the current study. These limitations are only related to the research methodology. Limitations regarding the overall study will be discussed in Chapter 7.

- The number of businesses chosen in the sample may not represent all Muslim-owned family businesses.
- The types of businesses chosen in the sample may not represent all Muslim-owned family businesses.
- The current study may be restricted to a certain geographical area within South Africa and may not represent Muslim-owned family businesses in other parts of the country.
- The background, location, race and society that the family of the business is part of may influence the cultural aspects of the results.
- The businesses were selected using a purposive sampling method and are therefore dependent on the subjectivity of the researcher. This subjectivity could lead to possible bias in the selection of the sample and could be viewed as a limitation, as useful samples may have been omitted due to this bias.

4.7 Chapter Summary

The use of ethnography in a study of this nature allowed the researcher to gain valuable data from the observations that were later validated or contradicted during the interviews. This allowed for a deeper conversation to ensue as well as more discerning topics to be brought up. The informal conversations and the questions asked during observations made the process easier to undertake. The use of observations and documented data allowed the analysis of the data captured during the interview to be analysed to a deeper level. This was realisable as the data captured could be analysed at a later stage after the interview and could be studied in conjunction with the formal interviews for a clearer and more in-depth understanding of the samples studied.

In the presentation of qualitative data, it is the duty of the researcher to present the outcomes that are the most poignant and representative of the research findings. This is done through a careful selection of quotes and observations from the current study. It is not necessary to select large arrays of text for the reader to go through but rather specific information (Anderson, 2010). In order to extrapolate the relevant data from the findings, the researcher uses certain analysis methods. A thematic analysis has been utilised as already illustrated in Chapter 4: section 4.5. Certain codes representing specific themes were inductively drawn out of the data under which the data was then grouped. These are recurring themes that came up in the review of the data and provided a level of insight into the current study regarding the influence of culture on succession planning. The thematic analysis provided a basis to gain a deeper understanding of the themes that make up the data as well as the factors that are associated with those themes.

This chapter will give a description of each family business interviewed. These descriptions will include the aspects that make up each business from an operational and structural perspective, details about the business's members and the observations made during the studies. This will be followed by a detailed description of the analysis undertaken of the data, including analysis of the themes that had been inductively drawn through the thematic analysis.

5.1 Characteristics of the businesses studied

The businesses interviewed ranged from retail to manufacturing businesses as well as more skilled oriented firms. A range of businesses were selected to give a wider perspective in terms of parallels and dissimilarities in the samples studied across different industry types within the selected population. The businesses also ranged from large scaled businesses to small businesses. The sample of businesses had a mix with regard to the generation they were in and ranged from interviews with fourth generation family members to first generation owners.

As illustrated by the definition of the family business to be used for this particular study in Chapter 2: section 2.1, the following characteristics of the businesses were vital when selecting the samples for the current study:

- Members of the same family own the business
- The family has the control to change or pursue the vision of the business

- It is the intention of the members in the business to continue the business to the next generation
- The family members in the business follow the religion of Islam

Table 3 below provides an overview of the individuals who had been interviewed using the formalised questionnaire by the researcher. The table also provides an overview of other family members that the researcher had been in contact with during the observations and informal discussions. It should be noted that males made up positions of the owner/Managing Director and successor in all the businesses studied⁵.

Table 3: Overview of candidates used in the current study

Business	Interviewee and position in the business	Other family members the interviewer was exposed to
Raven's Group	Fourth generation successor	Third generation owner and current Managing Director Director of finance
Fruiter's	Second generation Marketing Director and probable successor	N/A
Athol Bazaar	Third generation owner and current Managing Director	Wife to the Managing Director who is the Marketing Director
WeSell Motors	First generation owner and previous Managing Director	Second generation Managing Director and current owner Director of Sales and Marketing
Atjay Architects	Second generation successor	First generation owner and current Managing Director.
Cycle Warehouse	First generation owner and current Managing Director	Second generation successor and Director of Finance Second generation family member and Director of Sales
Corner's	Second generation Director and probable successor	First generation owner and current Managing Director

⁵ The title Managing Director is used to indicate the head of the businesses.

The Thrift Shop	Second generation Director of Sales	
	Second generation successor	First generation owner and current Managing Director
		Second generation Director of Sales

Table 4 provides certain characteristics that describe the elements that make up the businesses.

Table 4: Empirical Characteristics of the businesses studied

Business	Size of Business	Average number of employees	Generation	Number of family members in the business	Number of family members in management
Raven's Group	Medium	80	Third	7	4
Fruiter's	Large	800	First	4	4
Athol Bazaar	Large	110	Third	4	3
WeSell Motors	Small	20	Second	3	2
Atjay Architects	Small	35	First	2	2
Cycle Warehouse	Medium	47	First/second	3	3
Corner's	Medium	62	First	5	4
The Thrift Shop	Small	26	First	4	3

5.2 A Description of the Eight Family Businesses Chosen for the Current Study

Typical ethnographic research is aimed at providing a study that illustrates the terrain, climate, habitat and history of the subject being researched. The aim is to provide an aesthetic impact on the reader and describe a credible reality (Ember & Ember, 2006). In order to provide the reader with an understanding about each business, the uniqueness of the business and an observational sense from the perspective of the

researcher, a brief description of the businesses will be provided.⁶ This will not necessarily include all of the data gathered during the current study but rather the information that will provide the reader with a basic impression of the businesses. For a deeper understanding of the businesses researched, please refer to the description in Appendix B, which includes the business structure and succession within the business as well as a description of the relationships and environments.

5.2.1 Raven's Group

The Raven's Group sells high-end clothing in the Johannesburg West Rand region. The business has recently added a property division that invests in the purchasing and development of properties. The property division is run from a separate office space isolated from the rest of the stores. The business has operated in the area for over 100 years and is currently in the ownership of the third generation. The business is run by two brothers who are currently handing the operations over to one of the sons. The sons and daughters of the brothers form the fourth generation and make up the management of the business. The eldest son is going to take over as the head of the group. Whilst none of the sons have any tertiary education, the daughter, who is the only female family member in the business and who is involved in the property side of the business, has a degree in Accounting. The clothes that are sold are targeted at a niche high-end market. Understanding the market's needs requires a certain level of experience and it is evident that this experience has been passed on through the generations. There was a comment from the Managing Director that the future plan for the subsequent generation is to shift operations to other types of retail functions e.g. filling stations, fast food outlets and supermarkets.

5.2.2 Fruiter's

Fruiter's is a canned food company that was started in 1993. The family was exiled from South Africa to England and returned towards the end of the apartheid government's reign. The father returned to South Africa wanting to start a business that shifted away from the usual retail businesses that the South African Muslim community was predominantly restricted to, and tried to pursue a business model similar to the Heinz canned food company he had encountered while in England. The owner has three sons, two of whom were instrumental in the early days of the business. After purchasing a cannery the owner restructured the business and stressed the idea of strong marketing as well high quality food products. The company grew over the years and received awards such as the Star for Quality in Paris, Entrepreneur of the Year in

⁶ Note that the description includes data gained through both observations as well as informal and formal discussions with members of the business.

South Africa for the past three years, and the Diamond Arrow Award in 2011. The business has seen strong growth over the years and has expanded into the market share of better-known household canned foods such as KOO.

5.2.3 Athol Bazaar

Athol Bazaar specialises in the wholesale and retail of yarns. The business has been operating for over a hundred years and is currently in the third generation. The third generation is made up of two brothers who are the owners and Managing Directors of the business and have been in the business for 20 years. The business is separated into four distinct functions: one division specialises in the wholesale of yarns to over 250 stores throughout South Africa, the second is involved in the direct retail of yarns through their stores, the third is involved in the operation of an online store providing the purchasing and delivery of yarns, and the fourth is involved in fast foods outlets that the business has recently been purchasing. The introduction of the fast food outlets is seen as an extension of the business and not a shift in the business model.

5.2.4 WeSell Motors

WeSell Motors was started in the 1970s by two brothers. The mother of the two brothers started a retail store in a mining town located in the then Northern Transvaal during the 1920s. Using the funds generated from the store, the brothers moved to Johannesburg and tried their hand at a car dealership. The business is involved in the buying and selling of cars and was passed on to the sons of both of the brothers five years ago. While the business has seen strong growth for over 20 years since its inception, the business is currently experiencing a steady decline in growth.

5.2.5 Atjay Architects

Atjay Architects is an architectural and construction firm that was started almost 30 years ago by the current owner. The business has changed locations often but always focused on the same target market, which was predominantly the South African Muslim community in Johannesburg. The designs that the owner developed were simplistic, quick and affordable. The business moved on to include a construction division that constructed the designs developed through the firm. The owner's two sons, Shafi and Mahmood, were continuously involved in the business prior to pursuing their tertiary education. Shafi joined his father on completion of his Electrical Engineering degree and was predominantly involved in project management of the construction projects. Mahmood completed his degree in Architecture but decided to pursue a career in a more corporate environment. However Mahmood informed the researcher that after realising the potential for growth and experience in his father's firm, he eventually

decided to join the firm as well. Shafi is currently working as a project manager in Kuwait while Mahmood has taken on most of the operations in the business and is currently planned to be the successor of the business. Since Mahmood had taken on most of the functions in the architectural division of the firm, the firm has changed the nature of the architectural designs being produced: more time is given to designs that are intricate and modern, and the cost for the designs has increased.

5.2.6 Cycle Warehouse

Cycle Warehouse specialises in the wholesaling of bicycles and peripherals related to bicycles. The business was started in 1994 by the current owner/Managing Director and his brothers. The brothers eventually split and opened other stores in 2002. The business has recently introduced a new division specialising in home appliances as well as a property division in conjunction with the owner's brothers. Two of the owner's sons, Ahmed and Khalique, are currently in the business and Ahmed is the planned successor. The business currently supplies over 150 stores with bicycles. Many of the products were sourced from South African suppliers but due to high costs and lower quality, the company needed to source their products directly from China and management travel at least three times a year in order to source suppliers and products. The owner indicated to the researcher that the business began as a small operation and grew over the years; however it grew at the expense of him enjoying his children and family life. He also expressed the fact that he hopes the hard work that he put in to grow the business will pay off once his sons take over.

5.2.7 Corner's

The Corner's business was started thirty years ago by the father who is the current owner/Managing Director. The business started off as a filling station and later extended to a bakery. The father began growing the business to convenience stores, car washes and takeaways as his three sons completed their schooling and began joining the business. Two sons are currently running the business whilst the third son is a silent partner in the business.

5.2.8 The Thrift Shop

The Thrift Shop is made up of clothing stores selling low-end clothes. The business has been operating for 50 years and management consists of two brothers and their father who is still the current owner/Managing Director. The father is currently passing the business on to the older son to steer as the Managing Director but final decisions are still made by the father. The grandson is partially involved in the business as he also

has a job as an engineer. The business is relatively small and does not have a large workforce.

5.3 Thematic Analysis

In order to review the data collected through the ethnographic research undertaken, the data was collected and categorised into meaningful segments which were further categorised using themes that were developed inductively. Thematic coding has the benefit of reducing or summarising the data as well as indexing the data and drawing meaning out of it. The inductive development of codes refers to drawing codes out of the data itself and not developing them beforehand through existing theory (University of South Hampton, 2011). Content analysis was used where a particular word or phrase, a particular semantic or a specific utterance was recorded and indexed into a corresponding theme (Guest, MacQueen & Namey, 2012).

As illustrated above, inductive development of codes do not use a predetermined set of codes drawn out of the literature. Instead it develops the codes through a review of the data collected. This requires a description of the themes, as they are purely dependent on the researcher's personal evaluation and sense of the data at hand. The themes that have been developed through the thematic analysis will be described in this Chapter with regard to their names, definitions, descriptions and examples.

5.3.1 Development of the themes

The process undertaken to develop the themes used in the analysis and description of the data will be illustrated. As indicated in Chapter 4, inductive thematic analysis was used where themes are drawn from the data and pre-prescribed themes drawn from the literature are not employed (Saunders & Lewis, 2012). This process allows the researcher to analyse the data with the intention of identifying emerging patterns. It is through these recurring patterns that the researcher is able to develop specific hypothesis or theories. The method used will be illustrated in a two-step process: Open Coding and Axial Coding.

Open Coding phase

The data that was used for the thematic analysis included transcribed interviews, transcribed conversations and observations made by the researcher. A formalised interview developed from the theory was used. The discussions were instigated from the questionnaire or from the observations made by the researcher. A quick review of the data was initially used to identify any obvious patterns as well as any encompassing categories that may have emerged in the data.

The data from the first interview was thereafter examined line by line and certain comments were categorised under possible emerging themes. This process was done without any limitations brought about from any predefined scope or requirements. This allowed the researcher to identify any possible patterns that emerged within the data that could possibly contribute to answering the research question. This process was repeated with the data from the second interview. Twenty-three themes were developed using this process: see Table 5.

Table 5: Themes developed through open coding

Theme

Self-perception of the business
Family elements in the business
Past generations
Future plans
Success and perceptions of success
Changes made by subsequent generations
Opportunities in the industry
Challenges in the industry
Perceptions of the future
Family relationships
Structures and formal procedures
Relations with non-family members in the business
Next generation successor's perceptions of the business
Next generation successor's perceptions of their future role
Trust in the business between family
Charity undertaken in the business
Financial issues
Spirituality in the business
Passion for the business
Training and development for the successor
Authority in leadership
Shift in trades
Passing the business over to the next generation

Axial coding phase

The aim of this step was to reduce the number of themes developed in the open coding phase. The codes developed through the first two sets of interviews were reviewed and a set of themes was developed that encapsulated the themes developed during the open coding: these are the core themes. This set of themes was developed by

reviewing the themes developed in the open coding phase according to their correlation and relation with an overarching theme representing a core category under which they could be captured.

The subsequent process required the existing codes and the data relating to the existing codes to be matched against the core themes. If a mismatch was encountered through this iterative process, a new core theme was added to the set of core themes using the unmatched theme. The themes were reduced to eleven themes through this process.

Coding was undertaken for the third interview deductively using the core themes developed. This means that codes were categorised according to the themes developed using the first two interviews. During this process of coding, the researcher allowed for the development of new themes from any new patterns that emerged. No new themes were developed and all the codes encountered could be categorised under the core themes developed in the previous iterative processes. However, the initial process used to encapsulate themes into core themes was repeated and the eleven themes were reduced to six core themes.

Through this process no new themes were developed through any emerging patterns in the thematic analysis of the third interview. This indicated that saturation was reached and the core themes developed were able to categorise the data effectively without the need for new themes to be developed. Table 6 illustrates the core themes that were developed and used for the rest of the analysis that ensued.

Table 6: Core themes developed in Axial coding phase

Theme

Family dynamics
Future contemplation
Perceived success
Generational changes
Successor-related factors
Business sentiment

For an overall view regarding the number of times each theme emerged in the data, please refer to Appendix C. The aim of the current study is to provide insight into how culture influences succession planning in the family business. The themes that have

emerged have both cultural and operational descriptions within them. A description of the themes in Table 6 will follow. In order for the description of the themes to be aligned to the research question, the themes have been divided into categories that make the description more relatable and understandable relative to the research question. The categories of the themes are as follows:

- Business environment
- Transference
- Business behaviour

It must be noted, however, that the findings illustrate that there are elements of business culture in the categories of business behaviour as well as succession planning, and vice versa, as well as elements that are related to and dependent on each other across categories. These interfaces are the elements that will provide insight into the influential relationships between succession planning and culture of the Muslim-owned family business. In order to give a clear illustration of these relations, models will be developed for each theme and illustrated at the end of the description of the theme. These models and the relationships between them will be discussed with relation to the literature in Chapter 6, in order to provide insight into the research question. For an example of the coding process undertaken, please refer to Appendix D for the coding undertaken for one of the interviews.

5.4 Business Environment

An understanding of the cultural orientation of the business is important in answering the research question. An understanding of the type of environment that governs the business will provide insight into the business culture. Themes that emerged and are relevant to describing the environment of the business are presented in the following section with the data from interviews and observations and have been categorised under the theme of **Business Environment**.

5.4.1 Family Dynamics

On reviewing the data, a recurring theme found in the comments and observations was related to the relationships between family members in the businesses. This is where family members in the businesses are identified as family members by each other and thus illustrate certain behaviours, which create a certain environment or develop business practices that expose the family dynamic and the existential core of the businesses as being a family business. This theme therefore provides a description regarding the relationships between family members. With a description of the

relationships between family members, a complementary aspect encountered in the data is the relationship between the family members and the non-family members in the businesses.

Any references found in the data that conveys any of the following points will be categorised under this theme:

- ‘Family dynamics’ extends to the description of relationships family members have both within the businesses and outside of the businesses;
- Any element of family life or family subtleties that are brought into the business environments;
- Any description of the family dynamics of previous generations in the businesses; and
- All comments and observations made which illustrate the relationships between family members and non-family members.

Table 7 provides a breakdown of the elements that will be discussed under the theme Family Dynamics.

Table 7: Family Dynamics

Topic	Description
Family presence	Descriptions of the family presence in the business
Practices that maintain family presence	Descriptions of practices that have been encountered in the data that maintain the family relations
Presence of inactive family members	Descriptions around the family and business environments and the merge between the two environments for individuals who are not involved in the business
Family in the control and ownership	Descriptions of the family’s influence in the control and ownership of the business.
Family vs. non-family members	Descriptions of the division between family and non-family members

Family Presence

Many of the businesses displayed a strong family presence within them through the relationships between family members that filtered in from the strong family presence exterior to the business environment. This family presence was indicated in the interviews where individuals mentioned the lack of conflict and levels of trust existing between family members. This level of trust and the avoidance of conflict between family members were placed in high regard throughout the interviews. Individuals commented that the need to maintain these family relationships was more important than the sustainability of the businesses. This is illustrated in the quotations below.

Raven's Group: *No ... no ... the relationship between the cousins is close ... yeah we are like brothers. We understand each other. We never fight and we are very close.*

We will put the goals of the family first... Generally we have good family relations, even if there is a problem we get it out. Yes ... I mean I would say we would want our relationships to stay ... like they are. Even if the business fails we would want the relationships to remain.

Cycle Warehouse: *Yes the relationships are important. We are all living together in the same home. So the bonds are already there and maintained through living together ... without the relationships there will be conflict that would basically disrupt the business anyways.*

The development of strong relations is considered important between family members as indicated above. With the value of these relationships being held in higher regard than that of the businesses, it would therefore follow that the family element would have a predominant effect in the business environment. Whilst the rules and roles of individuals were different from those in the family environments, no formal divide was developed in the businesses. This was observed in many instances by the researcher, where individuals spoke about family-related issues during business operating times. The following comment illustrates how the individuals identified the businesses as joint entities:

The Thrift Shop: *I don't think there is a separation [between the family and business] because we are all in there together, working together it's hard to keep a separation. Also the type of business is fairly informal and therefore there really isn't.*

The comments and observations indicated that disagreements were solved in a fairly informal and personal manner. Meetings were more informal where heated arguments

ensued to a personal level as in the example from AtJay Architects. When individuals were reprimanded in the businesses, this was usually undertaken through a father/son relationship and also extended outside of the business environment to the home environment:

AtJay Architects: *No we sit down. Lots of screaming. Major disagreement. Yeah it's very straightforward. It's two households eating from one business ... I think that would have been very different if it wasn't my dad. I would have been more stressed. There is a relationship here, it is more informal.*

Practices that maintain the family presence

Comments also emerged indicating that practices observed by family members and influenced predominantly by the religious orientation of the families, helped maintain the family relations within the businesses. Muslims are required to pray five times a day and the researcher noticed family members of WeSell motors stopping work during prayer times to pray together at a nearby mosque. Comments from the interviews also indicated that this practice is taken especially seriously on a Friday, where family members close the businesses and have a family lunch after the prayer. Spending religious holidays together, such as Eid (a Muslim holiday that occurs twice a year) was also considered an important element that maintained the family relations.

AtJay Architects: *Our families, we still have lunch every Friday ... After Jumuah [Friday prayer], my dad and I eat together here ... we sometimes have suppers, spend holidays together. We live very close so yeah there are things to maintain relations.*

Corner's: *Yes ... we live together we also meet every Friday for lunch ... pray together almost every day as well. Sometimes during the week we have lunch together. We went for Umrah [pilgrimage]together. Those things maintain relationships I think.*

Presence of inactive family members

With the merger of family and business environments, it was indicated in the comments that previous owners still remained within the businesses even though their function was limited. Movement between family and business environments was inconsequential to the individuals. This was indicated predominantly in the interviews with WeSell Motors, AtJay Designs, Corner's and The Thrift Shop. The comments indicated that the businesses could be handed over to a successor, but the owner would still remain in the businesses, with WeSell Motors being an example of a business that still had the previous owner present in it. Apart from the previous owners

it was also indicated that other inactive family members were also present in the businesses. These individuals include the wife of the owner of The Thrift Shop and the children of the Managing Directors of Athol Bazaar and Fruiter's.

***The Thrift Shop:** My father has already considered his exit because of his age, but he also doesn't want to stay at home. You know to him this is part of the family. He comes here, my mum comes here ... weekends are spent here. He can pass it on, but I doubt he will leave hey.*

Family in the control and ownership

The strong family presence in the businesses has led to a disproportionate controlled environment in which family members are in control of most aspects in the businesses. This was indicated in the comments and observations that illustrated that family members make decisions and undertake the planning for the businesses. Comments were also made that indicated the lack of communication with non-family members regarding certain decisions made in the businesses. This was either through comments indicating that the management team consisted predominantly of family members or through comments indicating the management process, where family members had a stronger level of authority.

***Corner's:** Four members are in the management of the business. My father is the owner and the three family members are the managers.*

***Cycle Warehouse:** The family members are in the management and make the decisions in the business.*

Family and non-family members

The level of control illustrated above created a differentiation in rules and regulations between the family members and the non-family members. This discrepancy was predominantly around the issue of leave, where non-family members were required to fill out formal leave applications but family members could take leave when needed. Other discrepancies illustrated in the comments included flexible working hours as well as more formal methods of reprimanding being applied to non-family members e.g. written warnings, while family members were usually given informal verbal reprimands.

***Raven's Group:** No, the same rules do not apply, there are different rules. If he [the brother] or myself want to go on holiday or take the day off we can. We don't need to apply for leave ... They would be reprimanded on an employee-employer basis, we would be reprimanded on a*

father-son basis ... It is more lenient for family ... I would say ... the more formal rules will apply to the employees. Especially if they make mistakes.

Conclusion: Family Dynamics

A review of the data has indicated that the strong family elements in the businesses have influenced the businesses on an operational level where the family and the business are identified as a single entity. The merging of the family and business environments is influential in the presence of family members who are not actively participating in the businesses but still maintain a strong presence. Certain structures, which stem from the religious orientation, maintain the family relationships and family presence in the businesses. This level of family influence has created a separation between the family members and non-family members from both an operational and relational perspective. Figure 5 encapsulates the findings from the theme Family Dynamics.

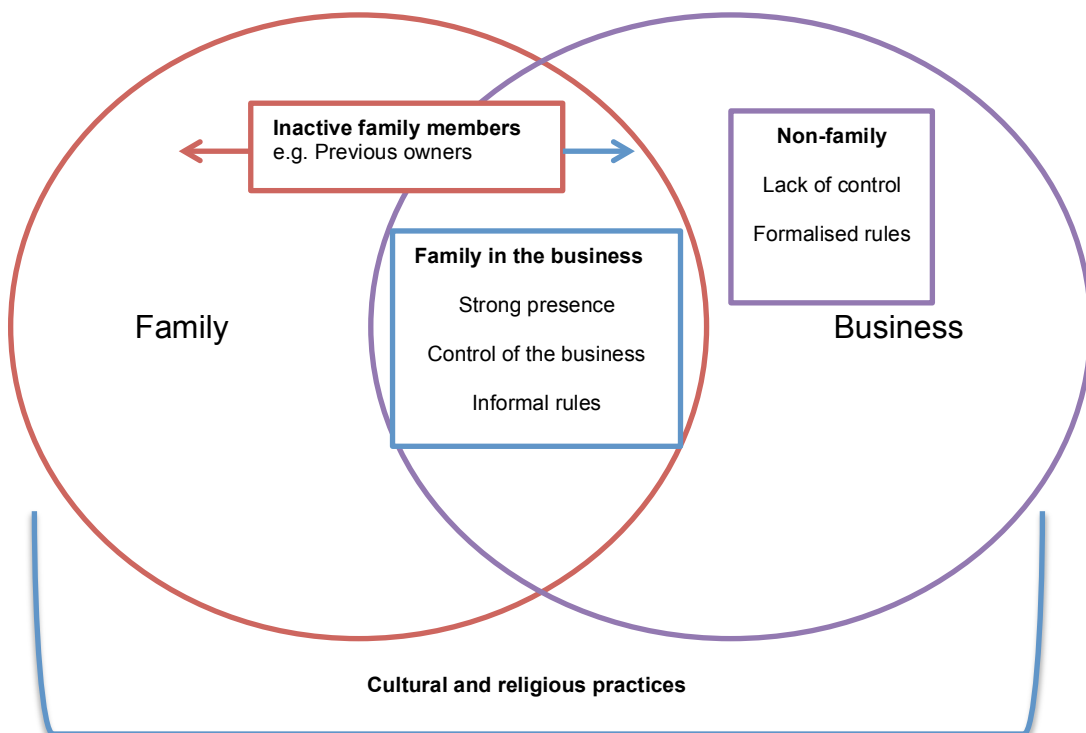


Figure 5: Diagram illustrating the theme Family Dynamics

The red circle in Figure 5 represents the family and the purple circle represents the business. The red block labelled 'Inactive family members' represents the family members who are not active in the business but still maintain a presence within the business. The overlapping of the two circles illustrates the merging of the two environments. The blue line is illustrated in the diagram as bringing the two circles, i.e.

the family and business, together and represents the religious and cultural practices within and outside the business that maintain this mergeance.

5.4.2 Business Sentiments

The researcher encountered observations and comments in the data that described certain emotions and elements that illustrate the overall feeling that is prevalent within the business environments. The theme Business Sentiment encapsulates descriptions of the businesses with regard to the emotions of individuals towards elements that make up the business environments and could provide insight into the tone and mood of the businesses.

The data that was categorised under the theme revolved around the emotions and feelings individuals had towards certain elements in the businesses. Table 8 gives a breakdown of these sentiments.

Table 8: Business Sentiment

Elements	Dominant sentiment
Amongst family members in the business	Trust
Towards the business	Passion
Towards individuals outside the business	Compassion

The dominant sentiments encountered will be described below with evidence from the data that illustrate these dominant sentiments.

Trust (sentiment amongst family members in the business)

A common sentiment that emerged in the comments relating to the types of emotions that family members had for each other was the prevalence of trust in the organisations. Individuals also expected the existing trust between family members to continue into the future, with an individual from Corner’s commenting, “The trust ... the trust will still be there.” The comments also indicated that the confidence individuals had in the levels of trust stemmed from the lack of conflict and strong family relations in the businesses. This was illustrated in a comment by the successor of Raven’s Group that described the relationships between the family members as being “very close” and relating it to the fact that there is never conflict in the business. The following comments provide an illustration of individuals’ confidence in the trust levels between family members in the businesses, both currently as well as in the future.

Raven's Group: *No ... no ... the relationship between the cousins is close ... yeah we are like brothers. We understand each other. We never fight and we are very close.*

Thrift Shop: *Trust ... trust is very important. There needs to be trust between the two brothers. Trust ... trust is also important because if you don't trust each other there is going to be conflict. I mean the training is there, trust is there. If there is no trust he won't want to pass it on.*

Passion (sentiment towards the business)

A prevalent element that emerged around the individuals' sentiment towards the businesses was passion. The prevailing importance individuals placed on passion in the businesses was either through a description of the existing level of passion or a description of the desired level of passion. The comment by the successor of Raven's Group encapsulates the passion found in the businesses:

Raven's Group: *No [we won't leave]... because we are more people persons. Can't sit in the office the whole day. This is for us. I did go and study something, but I left.*

My cousin did go and study something, but I don't know, from small I think our passion has been here in the business.

Comments were made which indicated the significance and need for passion in individuals entering the businesses or taking over as successors for the sustainability of the businesses. This was suggested by the owner of Athol Bazaar, who commented that passing the business over to the successor is primarily dependent on their desire and enthusiasm to take over the business.

Athol Bazaar: *Well they [the successors] have been identified. And it is dependent on the family relationship and their desire to take on the business. They must be enthusiastic and it must not be forced.*

Other comments indicated that individuals felt that the existence or lack of passion is vital in determining the sustainability of the businesses.

WeSell Motors: *Career interests? Yes that is very possible [they may have another career interest] ... that is a big issue, I have been demotivated many times. So has my son.*

Thrift Shop: *You must be motivated, if you are not motivated it's going to fall flat.*

Faith and pride (sentiment towards the spiritual orientation)

The researcher observed many displays of the religious orientation of the family within the business environments. These displays included Quranic verses displayed on frames within the office spaces as well as public spaces that customers were exposed to. Corner's, Athol Bazaar and Cycle Warehouse had the Arabic recitation of the Quran played on the radio. Individuals from Corner's, Cycle Warehouse, AtJay Architects and The Thrift Shop wore traditional Muslim garments that included a Kurta (long garb) and a topee (traditional Muslim headwear). Fruiter's had constructed a mosque on the premises of the business.

Individuals also made comments in which they displayed their levels of faith in God. This was indicated in a few comments that included the words *Insha'Allah*, which translates to "If Allah wills", and *Alhamdulillah*, which translates to "All praise is due to Allah". The Managing Director of Athol Bazaar indicated that his success did not come from his hard work but from God, while the successor of Corner's had indicated that the harmony between the brothers depended on God's will.

Corner's: *The trust ... the trust will still be there [in the future]. We brothers ... Insha'Allah [If Allah wills] we will keep that.*

Athol Bazaar: *You see we are growing well now, we are successful Alhamdulillah [all praise due to Allah] ... but this success I mean we worked hard for it, but nothing can be done without the help of Allah.*

Compassion (sentiment towards individuals outside the business)

A dominant sentiment of compassion was identified with regard to the sentiment of individuals within the businesses to individuals outside the businesses. Individuals from Raven's Group provided a water dispenser to visitors as well as sandwiches and money to underprivileged visitors. In the presence of the researcher, a representative of a large-scale international charity fund had invited the owner of Raven's Group to a charity banquet. The owner of Athol Bazaar made a large donation to a charity fund in the presence of the researcher. Whilst the interview was being undertaken with the previous owner of WeSell Motors, an interest-free loan was given to an individual.

According to Islamic law (Sharia) it is mandatory that individuals give a percentage of all earnings towards the poor. This is known as Zakat and could range from 2.5% to 20% depending on the type of wealth an individual possesses. A few comments indicated that the businesses did pay this tax together with donations to other charities.

Fruiter's: Yes we do support family members who cannot earn money or who don't have an income quite a bit. Besides the families though we help other people outside of the family. We pay the Zakat, we do other charitable runs. We assist with the food we produce quite often.

Conclusion: Business Sentiment

Four prevalent sentiments were identified, namely; feelings between members in the business, feelings towards the business, feelings towards individuals outside the business and sentiment towards the individuals' spiritual orientation. It was found that there was an emphasis placed on trust between individuals in the businesses. Passion was considered an important sentiment towards the businesses and was believed to impact on the sustainability of the businesses. Compassion towards the individuals outside the businesses was identified both through the comments and through observations by the researcher where activities involving charity were undertaken or the importance of charity was commented on. Individuals also displayed a strong sense of faith in their religious beliefs.

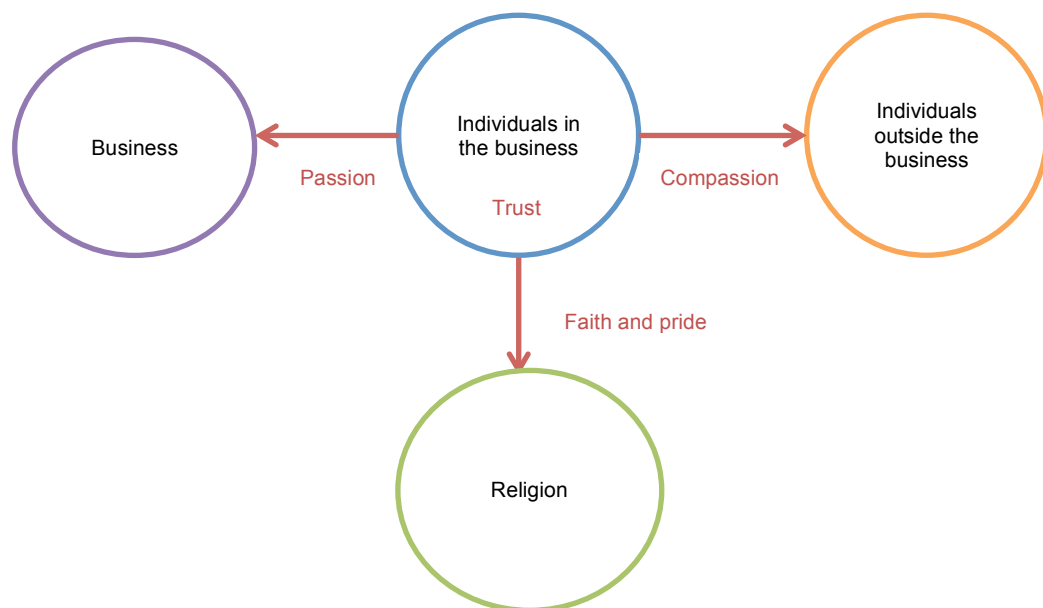


Figure 6: Diagram illustrating the theme Business Sentiments

The circles above illustrate the different elements that individuals of the businesses have established sentiments towards. The red line represents the sentiment between the elements.

5.5 Transference

An understanding of the elements that effect or make up the succession process in the business is important in answering the research question. Themes that emerged and that are relevant in describing the handover process of the businesses are presented in

the following section and have been categorised under the theme of **Transference**.

5.5.1 Generational Changes

A vital element in succession is the inevitable changes that are made by the successors. A recurring theme in the interviews and in the observations was the changes that were made by the subsequent generations in the businesses. Generational Changes is a theme that describes these changes within the businesses studied. Any data collected that describes a shift from the way things were done by the previous generation has qualified as this theme.

It was found that changes were made with respect to technology, structures, operations and types of trades used. Table 9 provides a breakdown of these categories with a description of what each category encompasses.

Table 9: Generational Changes

Elements of change	Description
Changes in technologies	Any introduction of technologies by a subsequent generation
Changes in structures and operations	Any changes in the operations and structures brought about by new ideas from subsequent generations
Shift in the type of trade	This is an overall shift in the trade undertaken in the business which has been brought about by a subsequent generation.
Resistance to change	Any resistance experienced by the subsequent generation towards the implementation of changes in the business

Changes in technology

Changes in the technologies used in the businesses were predominantly technologies introduced to streamline and simplify many of the processes that had been implemented previously. In the case of Corner's, Cycle Warehouse, AtJay Architects, The Thrift Shop and Raven's Group, the changes were implemented by the subsequent generation prior to the control of the business being passed on to them. These changes included the introduction of computerised stock, employee and sales monitoring systems as well as modern communication and security systems.

Raven's Group: *You see my brother put in all those computerised systems when he started ... that was like three years ago.*

Cycle Warehouse: *My son has put in these technologies when he joined me after his studies. See the communication system, CCTV cameras... everything is computerised now, stock taking, the sales, performance ... everything.*

Other uses of new technologies included the introduction of new methods that the businesses practiced to market themselves and to communicate with and measure their target market. Individuals in Raven's Group commented that they had introduced branding to the business through the development of a business logo, signage and a marketing campaign, which included newspaper and magazine ads. The individual interviewed from Fruiter's also commented that the spend on marketing had increased since he had been appointed as the Marketing Manager of the business and the business is now pursuing different avenues to market themselves. These avenues include TV and radio campaigns as well as unusual avenues like their latest bus ads. Athol Bazaar had developed an online store, which allowed the business to undertake online sales and reach a more national retail market.

Raven's Group: *I started marketing the business, I made that branding and signage outside ... also started advertising more ... Like newspapers and internet.*

Fruiter's: *You see we added a lot of money in our marketing spend ... Especially when we introduced the bus ads recently. We planning to do a big TV and radio campaign ... that is coming up soon. Look here, see we changed the labels on our cans. It looks more high-end.*

Changes in structures and operations

The changes made in the structures and operations of the businesses included any changes introduced by a subsequent generation that changed the way certain functions operated within the businesses. These are not changes introduced through the introduction of new technologies as illustrated above, but rather changes introduced through new ideas from the subsequent generations. The Marketing Manager from Fruiter's indicated that their operations are planned to shift to a more corporate environment. This shift to formalised structures was evident in AtJay Architects, where the successor commented that the processes and procedures differed between him and his father with respect to costing, design styles and administration. The idea of adding more structure to the business was also suggested by the successor of Corner's, while the Managing Director of Athol Bazaar indicated

that changes in structure were most probable with the subsequent generation. Other examples of change were indicated by AtJay Architects, where a new method of designing houses was implemented by the successor and this in turn introduced a new client base to the business. The comment by the Marketing Director of Fruiter's encapsulates this desired change.

***Fruiter's:** Bringing in a different methodology of operating the business could influence the competitive advantage. When we bought Alljoy, it proved to be extremely challenging with employee relations, although this was our first ever acquisition.*

There is a shift to a more corporate environment where we want non-family members in more important decision-making positions. That isn't how it is now; right now we have family members making the final decisions. Power and authority is shifting and moving to positions below top management.

Shift in the type of business

A few of the businesses indicated a shift in the type of trade that they are involved in, either through the inclusion of a separate division or through a complete change in the way the businesses make money. The Managing Director of Raven's Group illustrated a plan to diversify their operations in the future to either filling stations or food stores. In addition to the selling of yarns Athol Bazaar is now also operating fast food stores. Cycle Warehouse is also including an operation that is involved in property investments. With the introduction of the successor to AtJay Architects, the focus on construction had increased, while the successor of Corner's is also venturing into a stationery supplying business.

Resistance to change

Apart from the changes illustrated in the comments as well as the observations made by the researcher, many comments also suggested certain elements of resistance towards change that existed within the businesses. This resistance came from the incumbents as well as limitations drawn from the religious orientation of the families in the businesses. This was explicitly indicated by the individual interviewed from Corner's who commented that his father is "old school" and sees the changes implemented by him and his brother as a waste of time. A similar sentiment was shared by the successor of AtJay Architects, who illustrated the father's resistance to adopt any of the new technologies and changes he had implemented in the business. This ultimately led to a split between the father and son's operations in the business. The comments

below indicate the difficulty that individuals had in convincing the incumbents in the value of the changes being implemented.

Raven's Group: *I mean it was hard to get them [the Managing Director and owners] to understand why we needed to computerise the stuff. They [are] used to their ways of doing things with paper and pen. It works for them so yeah getting them on board. It was an issue.*

Corner's: *We introduced the technology. Introduce more of it. My father is old school. Doesn't like technology. Maybe introduce more of it? Get it more advanced.*

The possibility of the incumbent remaining in the businesses after the handover of the businesses has already been illustrated under the theme Family Dynamics. The continued presence of the previous owner was observed as an element that stifled change even after the handover of the businesses. The previous owner of WeSell Motors, who is still present in the business, had indicated his dislike of pursuing financially risky ventures and this influence was evident in the current owners of the business. Comments by individuals from The Thrift Shop and AtJay Architects, who currently had issues with resistance from the incumbent, illustrated that even if the handover was to take place, the incumbent would still need to be consulted with certain changes in the businesses due to their remaining presence in the businesses.

AtJay Architects: *It should be like he is still in the company because the company is still his but I'm thinking about it as we talk about it but obviously that is something I need to do for the future. Some things will still need to be consulted with him. I guess that is because he will still be around here. I can run things ... I am sure I can but he will still be around and he will still have an influence.*

Apart from the resistance experienced from the incumbents, another element of resistance that was encountered in the data was related to the religious laws that the families are governed by.

According to Islamic law, Riba (interest) is forbidden and is defined as an increase in capital without any services provided. This restricts the businesses from expanding their capital by taking loans and also limits the scale of the changes the businesses are able to undertake as well as the rate at which the businesses are able to assume these changes. While Islamic banking is provided for the Muslim community, the Sharia ruling around loans from these banking facilities is not clear and it was evident from the comments that the businesses studied refrained from utilising these sources of capital.

The successor of AtJay Architects indicated his desire to expand the business through taking a loan, but decided not to because of the religious implications of doing so. Other comments from the Managing Director of Athol Bazaar, the previous owner of WeSell Motors and the Managing Director of The Thrift Shop indicated their reluctance to grow their capital through pursuing a loan and the limitations that this has on the changes they are able to undertake within the businesses. The comment by the successor of AtJay architects is provided below.

AtJay Architects: *But there is also a disadvantage for example with my dad, now that we talk about any sort of capital for example if we need to get equipment in the office like furniture, there is a major conflict here because my dad won't say let's go to the bank and get start-up capital, we will never do that, my dad won't even consider it. He doesn't think the interest is allowed ... Islamically. Now that I look back I think that maybe that is the way that you need to go you know. Just keep it and when you get the money you get yourself sorted out. You do what you can do, unlike you're more established, one of the bigger firms, they will come in, go to the bank, get a business loan and get themselves started up but my dad never did that, you know at some stage when I joined I had the guys in and considered some sort of capital to get myself going. My dad left it up to me to decide but again he wasn't happy about it, but again that goes back to our culture. Culturally we wouldn't go to a bank to get ourselves sorted ... we started from small then grew.*

Athol Bazaar: *You know it's harder for us [Muslim] guys. We wouldn't take a loan from the bank and start growing ourselves. Whatever we put back into the business we made from the business. It's slower.*

Conclusion: Generational Changes

The theme Generational Changes has been illustrated through three types of changes within the businesses. It has been identified that all the businesses have implemented new technologies to streamline their processes and improve their marketing systems. Changes were also identified in the operations and structures of the businesses. Some businesses also indicated a shift in the trade that they were currently undertaking. Resistance to change was however identified in the comments and observations. The incumbents who did not understand or realise the value that the changes added to the businesses had initiated some of this resistance. Another element of resistance was from the religious orientation of the individuals in the businesses. The religious law that forbids the use of interest in the businesses limited the amount of change possible within the businesses as well as the rate at which the change can be implemented.

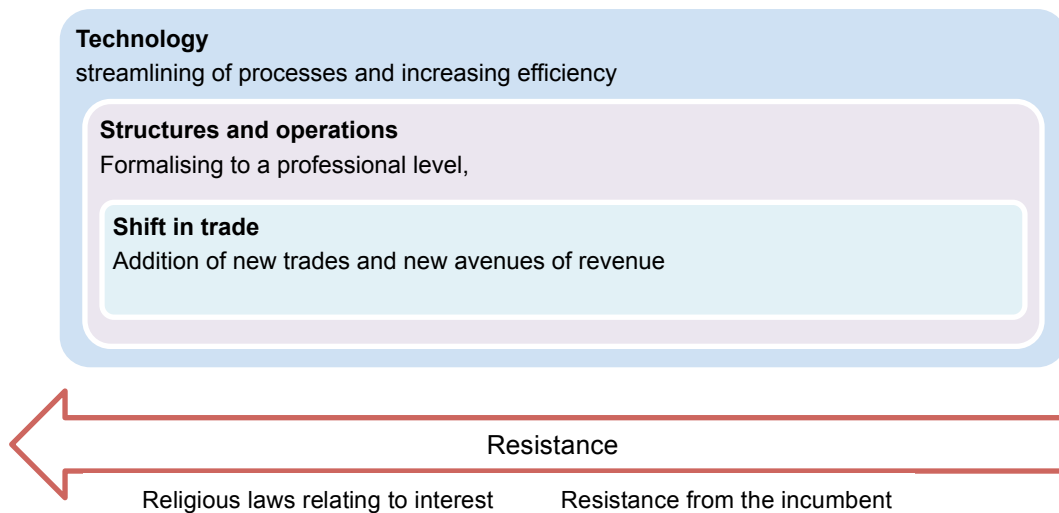


Figure 7: Diagram illustrating the theme Generational Changes

The blocks illustrate the changes undertaken by the subsequent generation including changes in technology, structures and operations and an overall shift in the business's trade. The red arrow moving against the blocks represents the resistance experienced by the subsequent generation with respect to the changes they wish to implement. This resistance stems from religious laws relating to interest and resistance from the incumbent.

5.5.2 Successor-Related Factors

An important theme that emerged in the study was the successor's perceptions towards the business as well as the perceptions that the incumbent had of the successor. Successor-Related Factors is a theme that encapsulates the business, non-business and personal perceptions of the successors that could influence the performance and behaviour of the organisations at present and in the future. It also includes the successors' perceptions towards their future leadership role within the businesses as well as the perceptions that the incumbents have of the successors. Accompanying the incumbents' perceptions of the successors' capabilities was the description of the type of development that the successors undergo to achieve those capabilities.

Three predominant aspects emerged in the data that are described in Table 10 and will be discussed in this section.

Table 10: Aspects associated with successor-related factors

Factors	Description
Attributes of the successor	Any descriptions of the successors as well as any descriptions of what attributes successors need in order to be selected as a successor
Challenges of the successor	Descriptions from the comments by successors and incumbents around the challenges the successor could experience in his/her future role
Development of the successor	Descriptions from the comments which indicate the type of development a successor will undergo to prepare them for the future role

Attributes of the successor

The comments that emerged from the incumbents with regard to the successors were predominantly around the attributes that describe the successors. The comments indicated that both the successors and the incumbents were relatively content with the competencies of the successors to take on their future role and the incumbents were confident in handing the businesses over to the successors. This was especially illustrated by the previous owner of WeSell Motors, who commented, “they (the successors) know more than me.”

WeSell Motors: *The successors are very capable. Have you noticed that they are capable? Yes they know more than me. They could take the business further than my brother and I did.*

The successors also illustrated their willingness and confidence in taking the businesses over.

Corner’s: *The business is ready to be passed on. We have the knowledge of the business. We know more than him.*

Yeah he can pass it over to us. He can go on holiday. Yeah we can take it over.

The incumbents all indicated a strong confidence in the successors and all confirmed that when selecting the successor, experience was the most important factor that was used in measuring the successor's capabilities. Education was also discussed as an accompanying factor in the comments of the Managing Director of Cycle Warehouse and the successor of AtJay architects. The comments that follow illustrate the importance of experience in the selection of the successor.

Raven's Group: *Yes me, the son has been identified and it is experience that is an influential factor. It is not dependent on age. It's the number of years that I am here, I know all the runnings in the business.*

Cycle Warehouse: *Yes they are willing to take over ... My son who is a CA will be a successor. He has the theoretical business knowledge and has also assisted in the business from a young age.*

While experience was a vital element in determining the competency of a successor, gender was also a strong determining factor. When the discussion around the appointment of females into the role of the successor was brought up, most of the interviewees illustrated their dislike of having females as leaders of the businesses. It must also be noted that all the businesses had males as the probable successors. According to Sharia law, females are limited with respect to the interactions they can have with males to whom they are not directly related or married. A female daughter is only limited to a third of her father's inheritance, while an owner's wife could never be a partner in the business due to an anti-nuptial agreement being required by Sharia ruling. These rulings illustrate limitations with regard to female successors.

A few businesses indicated that this was a possible reason why females could not be selected as probable successors. The Managing Director of Cycle Warehouse and the probable successor of the Thrift Shop both indicated that while the females were capable of undertaking the position of the successor, limitations that could arise due to Sharia ruling would make such a succession difficult to implement. The probable successor of AtJay Architects commented that his sister is planning to join the business. However his sister observes Purdah, which requires her to wear a veil that conceals her face and also limits her interactions with males. She therefore needs to work primarily from her home and would be unlikely to be considered as a probable successor due to these limitations.

The individuals from Corner's and Cycle Warehouse also commented that while females were allowed in the businesses, they were not exposed to certain activities due to the limitations brought about by Sharia ruling. This limited their exposure to the businesses and in turn limited the skills that they were able to attain in the businesses.

AtJay Architects; *If it was my kids yeah but my sisters were not given the opportunity. I would have liked them to have the opportunity. Because they were in purdah. My sister wants to do a drafting course and work from home. She is seriously considering. One is extra income and she wants to do something because she likes what she sees.*

Apart from the gender and experience of the successor, the researcher also observed that successors were all family members and evidence in the data illustrated the desire for this attribute in the successor. While no explicit comment was made regarding the reasons as to why the successor is selected from the family, indications were given that the selection of the successors would be preferred to be individuals from the families. This preference may be linked to the merged family and business environment as described under the theme Family Business Dynamics and the need for continual family control. The comments that follow explicitly indicate the desire of the successor to be family member.

Athol Bazaar: *I would like them to come into the business ... We would want the successor to come in from the family.*

Fruiter's: *It could be seen favourably if the family is still in control. For the next successor ... the business could be passed on to one of my brothers or to someone external. But it is still early to hand over the business to someone external. So maybe in the future that will be the plan.*

Challenges of the successor

A recurring challenge that successors as well as the incumbents identified is the personal interest that the successors will have in the businesses. The Managing Director of Cycle Warehouse had commented that his son wanted to become an architect but was needed in the business and had to put his career interest on hold. A few comments by individuals from Cycle Warehouse, Thrift Shop and WeSell Motors indicated that the successors had no choice in the career they were to select because of the need to continue the businesses due to the dependence of the families on the businesses.

Thrift Shop: *Yes they got no choice [but to take over]. If we leave the business how is the rest of*

the family going to survive? We have three families living from here.

WeSell Motors: *Well what else are they going to do? They have no option? We have families depending on this business. They need to carry on with it whether they like it or not.*

Due to the lack of freedom for the successor in selecting their career, apathy was seen as a likely threat. The probability of a lack of passion in the successor was commented on in a few of the interviews and is seen as a major probable challenge the successor could face in the future as indicated by the previous owner of WeSell Motors:

WeSell Motors: *Career interests? Yes that is very possible ... [they may have another career interest]; I have been demotivated many times. So has my son...*

Development of the successor

The development that successors undergo to take on their new roles was predominantly undertaken in an informal manner. This method of training was indicated in many of the comments where individuals suggested that the everyday work they had undertaken from a young age was sufficient. In the case of Athol Bazaar, the Managing Director illustrated the importance of beginning individuals who are entering the business from the lower level and expecting them to work their way up. No formal documented procedure or training regimen was implemented in any of the businesses.

Athol Bazaar: *And they will need to start from a lower level and not the position they wish to end at. When we came in we did not come into a specific position. We came in at the lowest level. We worked our way up to a specific position.*

In the case of AtJay Architects, the successor also commented that his presence in the business was not only when he became active in the business, but before that when he was younger and unable to contribute to the business. He believes that had an influence on his development and passion for his role as a successor in the business. The son of the Managing Director of Athol Bazaar and the grandson of the Managing Director of the Thrift Shop were also present in the businesses but were unable to undertake any functions.

AtJay Architects: *And obviously, going back initially to what made me want to follow this career path, was the fact that I used to be in and out, can't call it the family business but I used to be in and out of the office and I knew what line of work I was going in to.*

Another description that emerged from the comments that gave further insight into the merging of the family and business entities, also described under the theme Family Dynamics, was the prospect that the development of the successor extended into the home environment and was on a personal level. The comments were predominantly around the reprimanding that individuals received, which was usually on a father-son basis and was harsher than the formal reprimands experienced by non-family members. The issues emerging in the businesses also continued in the home environments, indicating the merger of the home and business environments. This was indicated in the comment by the Managing Director of Cycle Warehouse, “they will get it here and they will hear about it at home as well.” A similar comment was given by the successor of The Thrift Shop.

The Thrift Shop: *For example if any of us make a mistake, my father won't hold back [at home] he will give us. In a way it's to teach us ... Yes it's more personal. There is no formal reprimanding. So if you do something wrong you must know you going to get it!*

Conclusion: Successor-Related Factors

There is a strong level of confidence in the capabilities of the successors to take over the role of the incumbent. The ability of the successor is developed through the informal training where the individual learns from everyday activities from a young age. The development was found to be through a personal relationship between the incumbent and successor that extended beyond the business and into the household environment as well. A challenge that was encountered was the successor's personal interests in the business and how this may translate into their passion for the business and the future control of the business. It was identified that successors were selected using three predominant factors: the successor needed to be male, the successor had to be a family member and the successor had to have adequate experience in the business.

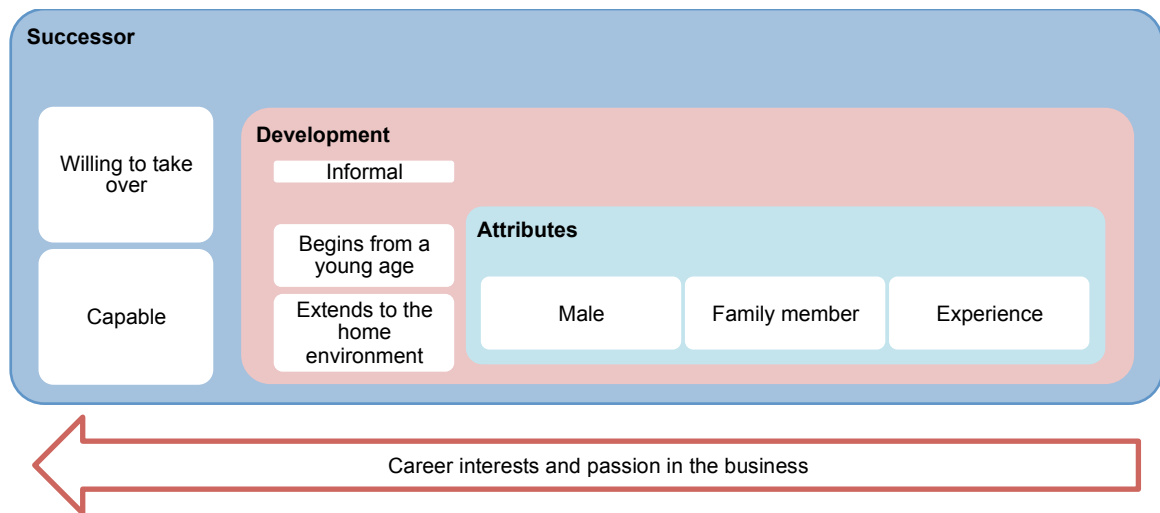


Figure 8: Diagram illustrating the theme Successor-related Factors

Figure 8 illustrates the different factors as three influential levels i.e. development, attributes and description of the successor. The red arrow indicates the possible challenges that could be experienced by the successor.

5.6 Business Behaviour

The way in which a business undertakes certain activities provides an illustration of the type of behaviour that makes up a business. An understanding of the behaviour that makes up the business is important in answering the research question with regard to both the cultural and succession elements. Themes that emerged and that are relevant to describing business activities are presented in the following section with the data from interviews and observations and have been categorised under the theme of **Business Behaviour**.

5.6.1 Future Contemplation

A recurring theme in the data was the perceptions that individuals had of the future. This view in turn allowed them to develop specific plans that would prepare the businesses to sustain themselves into the future. Any references found in the data that convey any of the following points have been categorised under this theme:

- Any data gathered regarding plans made by individuals for the future, including plans for both individuals and for the businesses as a whole;
- Any data gathered regarding the view that individuals have of the future of the businesses;
- Any data gathered regarding the view that individuals have of the future of the environment that the businesses operate in; and

- Any data gathered regarding the view that individuals have of the future of individuals in the businesses.

In describing the theme future contemplation, two categories emerged: the perceptions of individuals regarding the future, and the planning that individuals undertook to equip themselves for this perceived future.

Perception of the future

With regard to the view that individuals had of the future, the businesses seemed to have a split between opportunities and challenges that the businesses could encounter.

The opportunities were drawn from the positive view of the intrinsic business environments and were oriented around the capabilities and positive aspects of the businesses themselves.

Individuals saw the close relationships between family members as an aspect of the businesses that would remain in the future. This was indicated through comments that illustrated confidence that the trust between individuals would continue into the future. The enduring relationships are viewed as imperative for the sustainability of the businesses due to the merging of the family and business environments.

Athol Bazaar: *I don't think so [the next generation won't have the level of integrity and honesty my father and uncle taught us]. But you know there will always be trust between us in the family. That will continue.*

The Thrift Shop: *We need to keep the families close and I think we can keep the closeness we have now moving into the future. If we just keep doing and maintaining the things we are doing now.*

Other evidence of the confidence individuals had of the intrinsic business environments were comments that indicated the probable opportunities the businesses would encounter once they are passed on to the successors. The confidence in the capabilities of the successors has already been illustrated under the theme Successor-Related Factors. The Marketing Manager of Fruiter's indicated that the succession could lead to the business gaining recognition. AtJay Architects and Corner's had indicated that with the handover, improvements in the processes and structures could lead to more opportunities in the future.

Fruiter's: *From passing on the business, we could actually gain recognition. For example what you may have seen with Tastic that grew after it was passed on. It could be seen favourably if the family is still in control.*

WeSell Motors: *The successors are very capable. Have you noticed that they are capable? Yes they know more than me. They could take the business further than my brother and I did.*

The pessimistic view of the future and indications of challenges that could be encountered were predominantly around the challenges the businesses could face from the external environment. Some of the challenges encountered were with the decreasing quality and increasing prices of goods. This issue was predominant with the Thrift Shop, Athol Bazaar as well as Cycle Warehouse and required a shift from goods being purchased from local manufacturers to international manufacturers. Other issues encountered were with the South African buying power being unable to keep up with the increasing prices of goods. This issue led to mounting competition from low-end stores and individuals saw this threat worsening in the future. Individuals from the Thrift Shop, Raven's Group and Cycle Warehouse described this issue as a serious threat in the future.

Raven's Group: *The malls and the foreigners bringing in fake goods [this could get worse] ... the problem is that people can't afford to spend R900 on a tekkie anymore, they rather buy a fake product.*

Athol Bazaar: *Local producers [are a problem]. We are finding that over the years there used to be more local producers and now we are finding less. We are also finding that we need to import more from overseas. More from Turkey and China.*

Planning for the future

With relation to the perception that individuals had regarding the future of the businesses, many comments emerged relating to the planning process that was undertaken within the businesses to mitigate or equip the businesses for the perceived future.

It was identified from the current study that businesses used a fairly informal method of planning for the future. The period before implementation that a plan was developed varied with the type of business. The larger businesses such as Athol Bazaar and Fruiter's developed long-term goals and plans for as long as three years, while the smaller businesses developed daily or weekly plans.

Cycle Warehouse: *We don't often discuss the future, but as things come up or things change we will make up plans. I would say we always thinking up plans ... it's just not formal you know.*

The comments from the interviews did however indicate that even though planning was undertaken in a fairly informal manner, planning was regarded as an important factor in the businesses and the planning for the businesses was undertaken constantly. This was illustrated through the comment by the Managing Director of Fruiter's: "Planning is done every second".

The Managing Director of Athol Bazaar commented: "But we are thinking about it [planning] all the time."

Athol Bazaar: *Quite honestly not to say that we sit down and talk about it [the future]. But we are thinking about it all the time. My brother and I won't sit back, we will make sure we are on top of things in our industry.*

In the process of planning, a decision needs to be made for the implementation or abandonment of certain plans. While the process of planning was illustrated as being informal with regard to the lack of documentation and periods of planning, the decision-making process for the implementation of plans was identified in the comments as being undertaken formally using a *Mashwarah* (consultation). *Mashwarah* is an Islamic word for taking council and involves a formalised practice to be undertaken when reaching a decision. The process of *Mashwarah* involves individuals having a meeting in which the decision to be made is discussed. The leader of the *Mashwarah* listens to the opinions of the subordinates and thereafter the leader will make a decision. While only Corner's and The Thrift Shop were explicit about naming the actual process undertaken as *Mashwarah*, the decision-making processes illustrated by the other businesses were descriptive of the *Mashwarah* process.

Corner's: *We have a meeting every Friday. We sit down and say this was the week's problems and for the next week what we need to sort out. We basically make Mashwarah. You know Mashwarah? The roster is then made out and given to the managers as to what they need to do.*

Thrift Shop: *You can say there is [a council] because my father is the head and if there are problems with the family also whatever he says is the final decision. We try to have a Mashwarah and that is basically our council. My father still makes the final decisions.*

In the process of a *Mashwarah* used in the businesses, the opinions of other members are acknowledged but the leader of the *Mashwarah* still makes the final decision. From the comments, it was identified that the Managing Director of the businesses was placed as the leader of a *Mashwarah*. Other comments in the data also indicated that the Managing Director made the final decision in any matter in the businesses.

Cycle Warehouse: *I have the final say in the business. It is shared but not equally. I still have the most power.*

Corner's: *Like now we give our opinions but my father makes the final decisions. See my father makes the final decisions now, with his roster ... who must work when.*

Conclusion: Future Contemplation

With the analysis of the data with respect to the theme, it is evident that individuals have confidence in the capabilities of their businesses moving into the future. This confidence is drawn from the family relations they believe will continue into the future as well as confidence in the capabilities of the successors. This was the view of primarily the intrinsic business environments. However, challenges that were indicated were predominantly related to the exterior environment that the businesses operated in and ranged from the quality and price of goods to the economic climate that influenced the buying power of the market they served. Planning for these challenges as well as developing the businesses for the future were noted to be undertaken in an informal manner and not undertaken during specific periods or documented. The process of decision-making was done using a formalised process called *Mashwarah* (consultation), which allowed the leader to consult with other members in the business although it still maintained that the leader possessed the power to make the final decision.

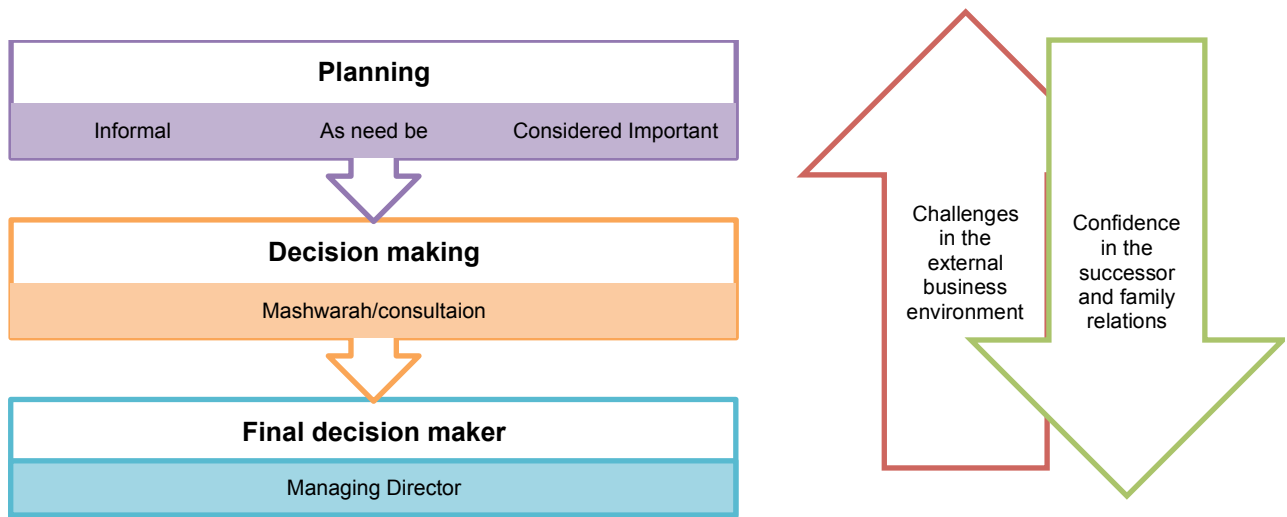


Figure 9: Diagram illustrating the theme Future Contemplation

The planning and implementation process is illustrated in Figure 9 by the blocks and arrows. The diagram illustrates the decision-making process and the individual making the decision as all part of the planning and implementation process.

5.6.2 Perceived Success

In the discussions around succession, the theme of success and the ways in which individuals perceived this success emerged on numerous occasions. This theme refers to the individual's perceptions around the different measures, plans or opportunities for success.

Any references found in the data that indicate an individual's perception of success has been collected under this theme. It does not however include any observations or evidence describing success in the businesses. The different perceptions of success included recognition, growth and continuity, and this success pertained to either individuals or the businesses as a whole. These perceptions are described separately and illustrated with comments and observations from the data.

Table 11: Perceived Success

Perception	Description
Success perceived as growth	Description of the data through comments and observations that indicate the businesses perceive success as growth
Success perceived as continuity	Descriptions which indicate that success is perceived as the continuity of the business through to subsequent generations
Success perceived as recognition	Descriptions which indicate that the recognition of the business in the public space is a form of success

Success perceived as growth

Data was collected which indicated that the individuals of the businesses considered growth as an important element in measuring the success of the businesses. In the case of Raven's Group and AtJay Architects, this growth was attributed to the changes made in the businesses by the next generation. These comments were predominantly accompanied by discussions around what the individuals considered as successful for the businesses. The Managing Director of Athol Bazaar explicitly indicated this by commenting that success meant expanding the business into different avenues, which included wholesale and online stores. The comment by the successor of Raven's Group also illustrates this:

Raven's Group: *When I took over they only had the one store, in 2008 they started another store and last year opened a third store, so every four years there has been a new store. Yes growth [is perceived as success]. Once myself and the rest of my cousins joined ... the next generation ... we made a lot of changes and I think that is where the growth started. I think the success would mean we are growing.*

Athol Bazaar: *Of course growth [is success], taking it to a new level. What we done, we were primarily in retail and now we added a new division where we do wholesale.*

Success perceived as continuity

Success through continuity was illustrated when family members demonstrated their desire for the businesses to continue through to the next generation. An important element that drove the desire for continuity was the dependence of the families' survival on the sustainability of the business. The Managing Director of the Thrift Shop and the previous owner of WeSell Motors indicated that the successors are needed to continue the businesses as families depended on it. The owner of WeSell Motors also commented that success in his opinion is seeing the business survive until the day he dies. The notion of dependence in the continuity of the business was also illustrated by the Marketing Director of Fruiter's who indicated that almost 800 employees are dependent on the business and that is considered as 800 families who depend on the continuity of the business.

Thrift Shop: *Yes they got no choice [but to take over]. If we leave the business how is the rest of the family going to survive? We have three families living from here.*

Fruiter's: *The main aspect of success is that we have 800 employees. To us that is 800 families that depend on this business ... we need to keep the business going on to sustain these families.*

Success perceived as recognition

The third element that was brought up regarding the perception of success was success through recognition. This was brought up alongside the other elements of success and was not as predominant as success through growth or continuity but still provides important insight into the businesses' views of success. An observation made by the researcher that reinforced the idea of success through recognition was in Fruiter's, where the awards received, which included the Star for Quality in Paris, Entrepreneur of the Year in South Africa for the past three years and the Diamond Arrow Award in 2011, were displayed in the office space.

Fruiter's: It could be seen favourably if the family is still in control. It takes three generations for a brand to be recognised. We are already well recognised and we have received many awards ... that has helped with the recognition of our business.

Conclusion: Perceived Success

In conclusion, it is evident from the data that the theme Perceived Success is made up of three elements. The businesses perceive success through a mix of growth, continuity and recognition. It is also evident from the comments and the predominance of the subject when success was discussed: individuals considered the continuity of the business as the most important element in measuring the success of the business.

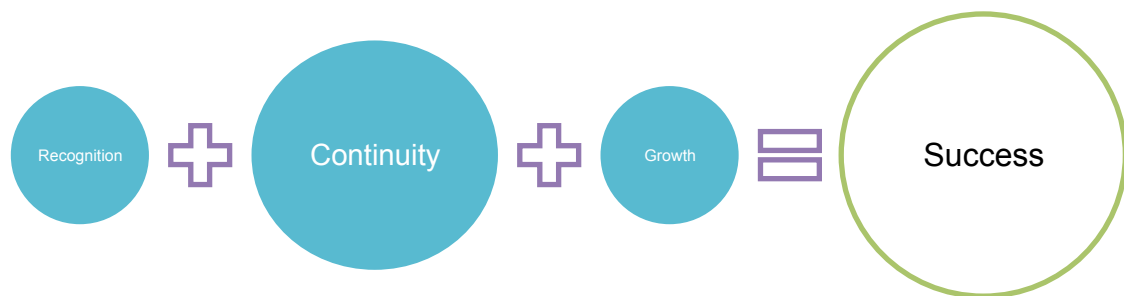


Figure 10: Diagram illustrating the theme Perceived Success

Figure 10 illustrates the three predominant perceptions that were drawn from the data regarding success in the businesses. Continuity is depicted as a larger circle due to the predominance of continuity in the data as a factor of success.

5.7 Chapter Summary

This chapter gave a brief description of each family business that has been studied. These descriptions provided both the operational and structural aspects of the businesses as well as the observations that were made by the researcher. A detailed description of the themes that have been inductively drawn out of the data followed.

This was followed by a detailed analysis of the data with respect to the themes. It was found that while most of the businesses differed from an operational point of view, commonalities were found with respect to the family dynamics, perceptions of success, changes made by subsequent generations, business sentiments, successor-related factors and contemplation of the future. A discussion will follow in Chapter 6 where these descriptions will be linked with the theory that has been illustrated in Chapter 2. This will provide insight into how culture influences the succession planning process in the businesses that have been researched in the current study.

6.1 Introduction

The previous chapter illustrated the results achieved through the data collection process undertaken by the researcher. The data collection process included a formal structured interview developed from the theory, observations and informal discussions at businesses owned by Muslim families. The data was presented in Chapter 5 through a series of emerging themes that were developed through an inductive process including open and axial coding. The process used in the open and axial phases of coding has been illustrated in Chapter 5.

The aim of this study is to answer the research question:

How does culture influence succession planning in South African Muslim-owned family businesses?

This chapter will attempt to answer this research question by discussing the results with relation to the theory relating to culture and succession planning as illustrated in Chapter 2. This process will provide insight into the literature with regard to the correlating link between culture and succession planning in Muslim-owned family businesses and will ultimately answer the research question of what influence culture has on the succession planning process in Muslim-owned family businesses in South Africa.

6.2 Discussion of Results

The current study has one research question. It does not have themes developed deductively from the literature. The lack of more research questions as well as a lack of deductively developed themes limits the ability of a systematic approach to discuss the results through either a step-by-step discussion of the themes with a correlation to the research questions or vice versa.

6.2.1 Influential Relationships between Themes

The six inductively developed themes were further analysed for the purpose of this discussion. The analysis was undertaken with respect to patterns in the data that will provide insight into the influence of culture on succession planning in Muslim-owned family businesses. Through the analysis it was identified that the themes are interconnected and dependent on an integrated discussion in order to answer the research question rather than isolated discussions. Elements of the themes were basically dependent on each other in order to understand their influence of culture on

the succession planning process within the businesses studied. It therefore follows that in discussing the results with regard to the research question, no theme will be discussed independently.

6.2.2 Approach to the Discussion

The research question has been divided into three elements: the cultural elements emerging in the businesses, the influence that the cultural elements have on the behaviour of the businesses, and finally the influence that the behaviour of the businesses has on the succession planning process in the businesses. The results will be discussed with relation to the theory illustrated in Chapter 2 as well as any new theory needed to provide further insight into the findings. In accordance with answering the research question, this chapter will begin with a discussion around the cultural elements that emerged in the businesses as well an illustration of how the cultural elements affect the behaviour of the businesses. A description of how the behaviour that stems from the cultural elements influences the succession-planning process will follow, and an influential link will be graphically illustrated. Figure 11 gives a graphical illustration of the approach to be undertaken in the discussion that follows.

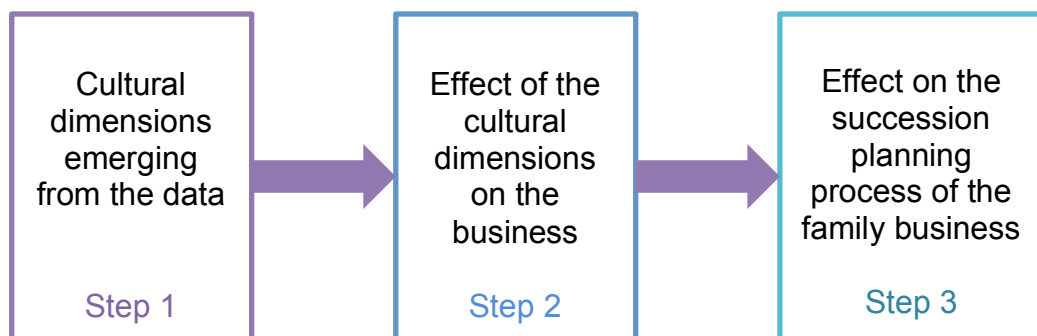


Figure 11: Approach undertaken in the discussion

Following this approach, insight will be provided on the cultural elements that influence the behaviour of the businesses studied i.e. step 1 and step 2 and thereafter how that behaviour influences succession planning in the businesses i.e. Step 3. Deductions into how culture influences succession planning in Muslim-owned family businesses in South Africa can thereafter be made. A model will be provided at the end of the chapter illustrating the overall findings from the discussion with regard to answering the research question of how does culture influence succession planning in Muslim-owned family businesses.

6.3 Culture and its influence on the Muslim-owned Family Business

This section will discuss the cultural dimensions that influence the behaviour of the businesses i.e. Step 1 and Step 2 of Figure 11. The section will discuss the findings described in Chapter 5 in conjunction with the theory of culture discussed in Chapter 2 as well as any new theory needed for further insight. This will provide theoretical links with regard to the behaviour of the businesses and the influence of culture on the businesses. The theoretical links will provide structured, simplified and measurable insights into the cultural elements that define the firm and how these elements are influential in the behaviour of the firm. An association between the cultural elements described above and the succession process will be discussed in the next section.

6.3.1 Cultural Elements Emerging from the Strong Family Relations and Presence

From the findings, it was identified that the businesses had a merge between the family and business environments. This merge was influenced by the strength of the relationships between family members and was illustrated in the comments that described the value for harmony and lack of conflict within the businesses. This level of harmony brought about in the businesses is illustrative of the family business cultural dimension “Harmony” as described in the cultural model, Courage, developed by Vallejo (2008). The model described the cultural dimension “Harmony” as a measure of the lack of conflict within the business and a high level of this cultural dimension is evident in the comments from the businesses (Vallejo, 2008).

Referring to the sentiment that individuals had between each other and discussed under the theme Business Sentiment in Chapter 5: section 5.4.2, trust had emerged as an overarching sentiment. Business members found trust to be a major element that is influential in the sustainability of the businesses and is also driven primarily through the cultural dimension of “harmony” as developed by Vallejo (2008).

The resilient family relations have created a strong family presence. This presence has brought about a disproportionately controlled environment where family members maintain predominant control within the businesses. This high level of ownership and control is in accordance to the definition of the family business used by Taruwinga (2011). However, this level of control has also led to family and non-family members being governed by different rules and this level of grouping is indicative of a highly collectivist culture within the businesses, as described by Hofstede (1980).

The approach taken by Taruwinga (2011) was the division of Hofstede (1980)’s “individualism/collectivism” cultural dimension into the dimensions, “institutional

collectivism” and “in-group collectivism”. “In-group collectivism” indicates the level of loyalty and pride that individuals have towards the family (Papalexandris & Panayotopoulou, 2004; Taruwinga, 2011). The findings from the current study, which indicate that individuals maintain the family relations beyond the work environment and provide precedence to these relations over the businesses, are descriptive of the “in-group collectivism” within the businesses (Taruwinga, 2011). “Institutional collectivism” indicates a society’s emphasis on collectivism (Taruwinga, 2011). Religious practices described in Chapter 5 are in place that maintains this collectivist nature in the businesses, therefore indicating a high level of “institutional collectivism”.

These findings are in correlation to the findings in the study by Basabe and Ros (2005) who have researched the cultural orientation of individuals with religious commonalities. The findings indicated that predominance of Islam is positively related to a collectivist society and this is filtered into organisations where Islam is a prevalent religion (Basabe & Ros, 2005). Due to the fact that Islam is only predominant amongst family members in the businesses studied, this concentrated collectivism has led to the disproportionately controlled environment described earlier.

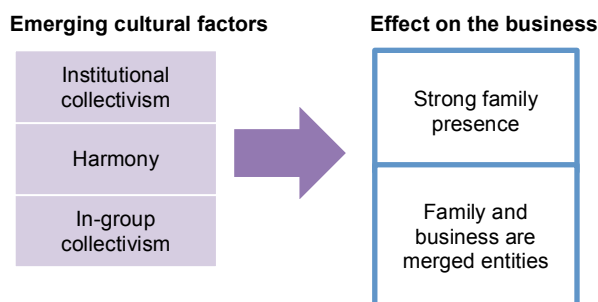


Figure 12: Influence of emerging cultural elements from the strong family presence

Figure 12 illustrates the influence that cultural elements (illustrated in purple blocks) will have on the business. It is representative of Step 1 and 2 of the model represented in Figure 11. The cultural elements influence the business by creating a strong family presence and a merged family and business environment in the businesses.

6.3.2 Cultural Elements Emerging through the Religious Presence

As illustrated in Chapter 5 and section 6.3.1, it was identified that certain religious practices within the businesses assisted in the preservation of the high level of “harmony” and “collectivism”. According to the five cultural dimensions developed by Leung and Bond (2004) and used in the study by Brice and Richardson (2009), “spirituality” was used as an illustration of an organisation’s religious orientation and

strong religious presence. Burack (1999) commented that the task of maintaining a trusting relationship in the business environment is daunting, and the litmus test for the influence of “spirituality” in the organisation is the sense of harmony between employees, managers and leaders. If one considers the high level of “harmony” found in the businesses in conjunction with the finding by Burack (1999), it could be reasoned that a high level of “spirituality” within the businesses had induced the high level of “harmony”.

Religion was also found to influence the sentiment within the businesses. A predominant sentiment that emerged in the data was the individuals’ faith and pride in their religious beliefs. The comments of the individuals also illustrated a deep-seated element of faith where certain unknown business elements were placed in the hands of God or when success was accredited to God. The study by Fernando and Jackson (2006) was undertaken with leaders who had a high level of “spirituality” and were of different faiths including Islam. The results indicated that the leaders attributed their current and future success to the guidance and protection of their God (Fernando & Jackson, 2006). The effect of a high level of “spirituality” on the trust in God as described by Fernando and Jackson (2006) supports the results of the current study and therefore also supports the deduction made regarding the high “spiritual” culture within the Muslim-owned family business.

Another influence of “spirituality” on the behaviour of the businesses was in the decision-making process undertaken in the businesses. The study by Fernando and Jackson (2006) demonstrated that the aspect that was most influenced by the prevailing dimension of “spirituality” in businesses was the decision-making process. Decisions were usually made that did not violate Sharia rulings.

It was also identified that apart from using the Sharia ruling to assist in the type of decisions being made, the Islamic process of decision-making (Mashwara) was also implemented. This process was observed in all of the businesses researched for the current study and details of its emergence have been described in Chapter 5: section 5.6.1, under the theme Future Contemplation.

The process of Mashwara was found to have an influence on another cultural element within the businesses. The structure of the Mashwara allows for a process of consultation regarding certain decisions but places the ultimate decision on the leader of the Mashwara. The ability for a Managing Director to make the final decision regarding any aspect of the business emerged in the comments as well as the

predominant influence and control of family members toward the decision. The council in all of the businesses was also found to be made up of only family members. “Power Distance” is a cultural dimension developed by Hofstede (1980) which focuses on the inequality of power in a society. “Power distance” was used in the study by Brice and Richardson (2009) and Taruwinga (2011) on an organisational level in order to understand the cultural orientation of the family business. The behaviour encountered is illustrative of a high level of the cultural dimension “power distance” on the organisational level. In support of the results, the study by Fernando & Jackson (2006) also found that Muslim societies are associated with a high “power distance” due to the level of power given to the leader through the decision-making process employed.

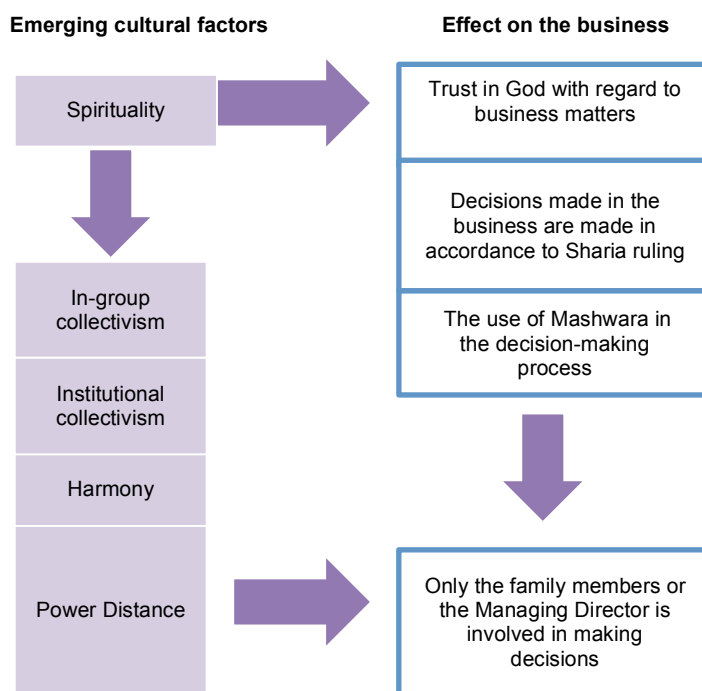


Figure 13: Influence of emerging cultural factors from the religious presence

Figure 13 illustrates the influence that the cultural dimension “spirituality” has on Muslim-owned family businesses. As can be seen, “spirituality” was found to have an influence on other cultural dimensions such as the high “power distance”, “in-group collectivism”, “institutional collectivism” and “harmony” in the businesses as well as direct behavioural aspects like the use of Mashwara and employment of Sharia ruling. It is shown in the diagram that the use of Mashwara has an influence on the high level of “power distance” found in the businesses, which in turn influences the level of power that the Managing Director and family members have in the businesses.

6.3.3 Cultural Elements Emerging from the Passion Towards the Businesses

Apart from the strong sentiment of trust that was shared between individuals and the sentiment of pride and faith towards their religious orientation, the data suggested that individuals had a strong standing regarding passion towards their business.

The study by Sharma and Irving (2005) identified four major factors that influence the commitment that successors have towards the businesses they will take over: “affective” (based on desire), “normative” (based on obligation), “calculative” (based on opportunity costs), and “imperative” (based on need). The factors that emerged in the current study included a desire to take over (affective), a need to take over (imperative), and the overall view that commitment towards the businesses was crucial in their success and sustainability was undisputed in all the businesses interviewed (Sharma & Irving, 2005).

“Commitment” is a cultural dimension developed by Vallejo (2008) for family businesses which was developed from the cultural dimensions by Hofstede (1980). “Commitment” illustrates the amount of commitment the individuals in a business have towards the goals of the business and is descriptive of the passion within the business. The businesses studied therefore indicated a high level of “commitment”.

This sense of passion is also supported by the Stewardship Perspective which states that the individuals in a family business experience a strong sense of ownership towards the business, to the extent of it being an extension of themselves (Cabrera-Suárez et al., 2001; Poza, 2010; Prior, 2012).

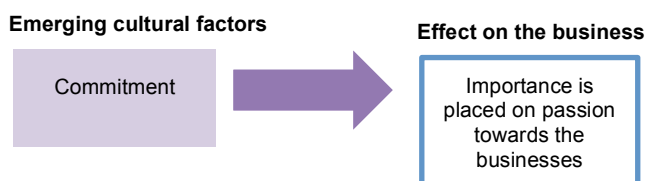


Figure 14: Influence of the emerging cultural element from the high level of passion

As with the other diagrams in this section, the influence of the cultural dimension “commitment” is provided and it illustrates the influence of “commitment” on the importance of passion within the businesses.

6.3.4 Cultural Dimensions Emerging from the Compassion Found within the Businesses

A discussion around the “spiritual” dimension emerging in the businesses has already been done and will not be repeated in this section, however another practice that was influenced through the religious orientation of the businesses was the practice of Zakat. The businesses studied specified that they pay Zakat and also undertake other charitable practices which were considered an important aspect of the businesses. Abuznaid (2009) had described the influence that Islam has on generosity in the workplace and this influence had emerged in the businesses studied.

Three dimensions were added to the cultural dimensions developed by Hofstede (1980) in the study by Taruwinga (2011). These dimensions were “humane orientation”, “performance orientation” and “assertiveness” (Taruwinga, 2011). “Humane orientation” looks at a society’s level of caring and efforts made by individuals to share their wealth for the well-being of others (Taruwinga, 2011). This level of charity is indicative of compassion that individuals inside the businesses have towards individuals outside and is illustrative of the high level of “humane orientation” identified in the Muslim-owned family business (Taruwinga, 2011). This cultural element is also influenced by the cultural element of “spirituality” due to the religious importance placed on paying Zakat.

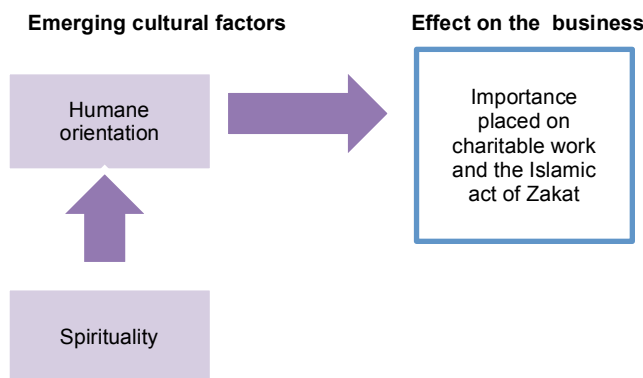


Figure 15: Influence of the emerging cultural elements from evidence of compassion

Figure 15 illustrates the influence that the high level of “spirituality” has on the high level of “humane orientation” within the businesses. It also describes the influence that “humane orientation” has on the importance of charity in the businesses as well as the payment of Zakat.

6.3.5 Cultural Elements Emerging from Planning Procedure Undertaken in the Businesses

The evidence in the data illustrating the business's view towards the future was mainly around comments indicating a positive view regarding the intrinsic business environment and a rather negative view towards the external business environment. These types of dichotomous comments were expressed by all the businesses and indicated a level of wariness and apprehension regarding the uncertainty of the external environment. In order to overcome the unknown elements, comments from individuals had indicated a strong emphasis on planning.

“Uncertainty Avoidance” is one of the cultural dimensions developed by Hofstede (1980). “Uncertainty Avoidance” describes the level to which individuals avoid threats from unknown sources. According to Ayoun and Moreo (2008), in societies with high “uncertainty avoidance”, individuals are concerned with unpredictability and therefore likely to plan for the unknown. This high level of “uncertainty avoidance” has been identified in the comments and was illustrated through the level of wariness individuals had regarding the external unknown environment in contrast to the confidence in the known internal business environment, as well as the high level of value individuals placed on planning (Ayoun & Moreo, 2008; Hofstede, 1980).

The joint family and business environment is also an influential factor on the importance placed on planning. Due to the dependence of the family element on the businesses, there is a need to pass the businesses on to a successor. The business's life cycle is therefore viewed from a long-term perspective rather than a short-term perspective. “Long-term orientation” is another dimension that was developed by Hofstede (1980) and measures the level to which a society plans for the future. This is unlike the influence of “uncertainty avoidance” that influences the planning for the unknown but rather planning for the future. Importance placed on planning for the future also emerged in the comments and is indicative of a “long-term oriented” culture. According to the study by Lumpkin, Brigham and Moss (2010), the review of the literature confirms the long-term orientation of family firms in general and this cultural dimension is not only relevant for Muslim-owned family businesses.

The importance placed on the continuity of the family business into the future has also been discussed in the studies by Gilding et al. (2013) and was found to be an important element in the definition of the family business by Vallejo (2008). Vallejo (2008) also identified that family businesses had a high level of the cultural dimension “long-term orientation”, due mainly to the strong desire for the businesses to be passed on to subsequent generations, which in turn required a long term view and planning for the future.

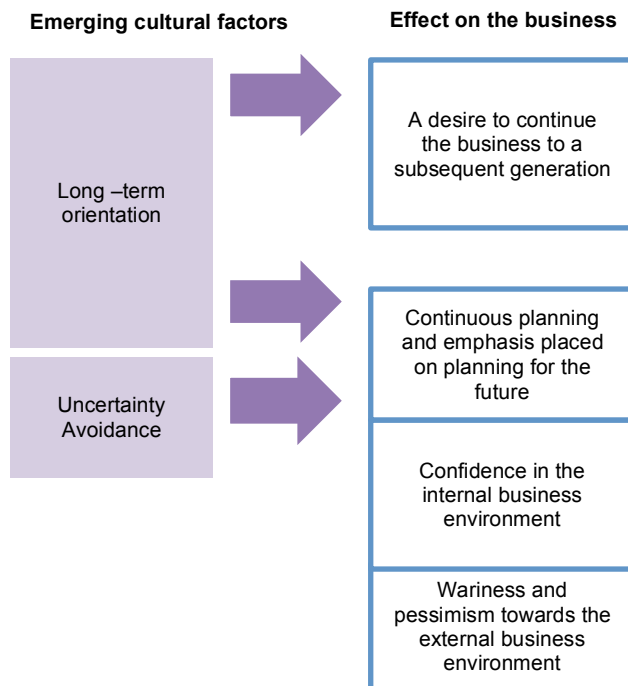


Figure 16: Influence of the emerging cultural elements from the planning procedure

The influences that the cultural dimensions “long-term orientation” and “uncertainty avoidance” will have on the businesses are illustrated in Figure 16. “Long-term orientation” was found to have an extra influential element in the businesses with regard to the desire to continue the business to a subsequent generation.

6.3.6 Summary of Culture and the Muslim-Owned Family Business

This section has provided a description of the cultural dimensions that had emerged from the findings. The cultural dimensions used to understand the businesses were drawn from the literature described in Chapter 2. The dimensions which emerged included “spirituality” derived from the family business dimensions developed by Leung and Bond (2004) and used in the study by Brice and Richardson (2009), “long-term orientation”, “commitment” and “harmony” which were adopted from the family business cultural dynamics in the Vallejo (2008) model “Courage”, and “uncertainty

avoidance”, “institutional collectivism”, “in-group collectivism”, “humane orientation”, “power distance” and “long-term orientation” from the cultural dimensions developed by Hofstede (1980) and built on by Taruwinga (2011) and Papalexandris and Panayotopoulou (2004). The next section illustrates how the influences that these cultural elements have on the businesses filter into the succession planning process of the Muslim-owned family businesses.

6.4 Succession Planning and the Muslim-owned Family Business

This section links the behavioural descriptions illustrated in section 6.3 above with the process of succession planning i.e. Step 3 of the model illustrated in Figure 11. The emerging cultural elements have already been discussed and the influence of these elements on the behaviour of the businesses has been described in section 6.3 i.e. Step 1 and 2. By describing how these behaviours are linked to the succession planning process, an influential link can be mapped out which describes the influence that culture has on the succession planning process.

6.4.1 The Influence of “Collectivism” and “Harmony” on the Succession Planning Process

A description of how the cultural dimensions of “institutional collectivism” and “in-group collectivism” developed by Hofstede (1980) and adapted by Taruwinga (2011) emerged in the businesses has been provided. It was also found that the cultural dimensions influenced the strong family presence within the business as well as the mergence of the family and business environment.

Incumbent’s influence after the handover

The desire for the previous owners to remain after the handover of the businesses was associated with the attachment that the previous owners had for the businesses. This is illustrative of the Stewardship Perspective that describes the owner’s strong sense of ownership of the family business to the extent of considering it an extension of themselves (Cabrera-Suárez et al., 2001; Prior, 2012; Poza, 2010; Taruwinga, 2011). A consequence of the mergence of the family and business environments was the presence of family members, including the previous owner, who may not necessarily be active in the businesses. It is the mergence of the business and family environments that made it possible for the previous owner to shift between environments. The mergence of the environments has already been discussed in section 6.3 and has been attributed to the high levels of “harmony”, “in-group collectivism” and “institutional collectivism” that emerged in the businesses. While WeSell Motors was the only

business where the previous owner was still present, the other businesses described this probable consequence.

The resistance experienced from the incumbents with regard to the changes successors wished to implement was described under the theme Generational Changes in Chapter 5 and is expected to extend after the handover process. The businesses indicated that they would still need to consult with the previous owners due to their remaining presence. The remaining presence of the previous owner in the business was described as a possible challenge by Dascher and Jens (1999), Massis et al. (2008), Pardo-del-Val (2008) and Taruwinga (2011). With regard to the remaining presence of the incumbent in the business, Chua et al. (1999) and Kellermanns et al. (2010) indicated that possible conflict could arise when more than one generation is involved in the same business.

Perryer and Te (2010) also described this possible issue through the 'Push-Pull Model'. 'push' factors which influence the incumbent to hand the businesses over had been encountered in the the businesses studied. 'pull' factors, which draw the incumbent away through more personal aspects had not been encountered. According to Perryer and Te (2010), this scenario creates a stalemate where the incumbent is not willing to give up control of the business.

According to the Life Cycle Model developed by Churchill and Hatten (1987) and described by Aleem and Islam (2009), the Power Transfer stage (when the business is handed over to the successor) and the Owner Management stage (where the successor runs the business as the owner) is most likely to be affected by the remaining presence and influence of the previous owner, by limiting the transfer of power as well as the control the successor will have as a manager. The Organisational and Leadership Continuity stage (describing the passing on of leadership to the successor) of Burke's (2003) model is also influenced due to the handover of power being stifled because of the presence of the previous owner and thus does not allow for a fluid transition of leadership.

Development of the Successor

With the mergence of the family and business environment an element in the succession process that has been influenced is the development of the successor. The descriptions provided in the data regarding the development of the successor have already been illustrated under the theme Successor-Related Factors in Chapter 5: section 5.5.2.

The presence of non-active family members in the business has already been discussed and has been associated with the merged family and business environments. This includes the presence of family members from a young age even when they are not active in the business. The practice of having the successors involved in the business from a young age was described as an influential factor in the development process of the successors through the comments from majority of the businesses.

The informal element of the development process, also described in the theme Family Dynamics in Chapter 5: section 5.4.1, is the indication that training was undertaken on a personal level. This was indicated through comments describing the relationship between the incumbent and successor as having a “father/son” relationship and also extending to the home environment. This informal training is therefore attributed to the mergence of both the home and business environment. The manner in which individuals are more casual, comfortable and willing to transfer knowledge to a family member is illustrated in the Resourced-Based view developed by Cabrera-Suárez et al. (2001) and used by Prior (2012) to understand training in family businesses. The Resourced-Based view states that a family member who is currently the owner of the family business will be more willing to transfer knowledge to another family member, hence making the succession more streamlined and effective. This is done by undertaking it in a more co-operative manner that is personal and continuous.

The findings from the current study that describe the influence that the collectivist nature of the family in the business has on the informal manner of developing the successor are also supported by the work of Yan and Sorenson (2006). Yan and Sorenson (2006) claim that the more collectivistic the culture of the family, the more likely that the business systems will be informal, which is unlike individualistic cultures where the business elements tend to be formal. This informal and personal method of development is influential in the Training and Development stage of the Life Cycle model described by Aleem and Islam (2009) and developed by Churchill and Hatten (1987).

Selection of the Successor

The influence that family members have on the business has already been discussed. This influence could translate into other decision-making aspects such as the selection process of the successor. This weighted influence in the selection of the successor could be influenced by the successor being selected principally with regard to his or her relationship to the owner of the business rather than on merit. It was observed that

many of the businesses preferred the successor to be a family member. This method of selection could influence the Identification and Assessment of Successor Candidate stage of the Burke (2003) model.

The overall model that describes the influence of “harmony” and “collectivism” on the succession planning process in Muslim-owned family businesses is provided in Figure 17 below.

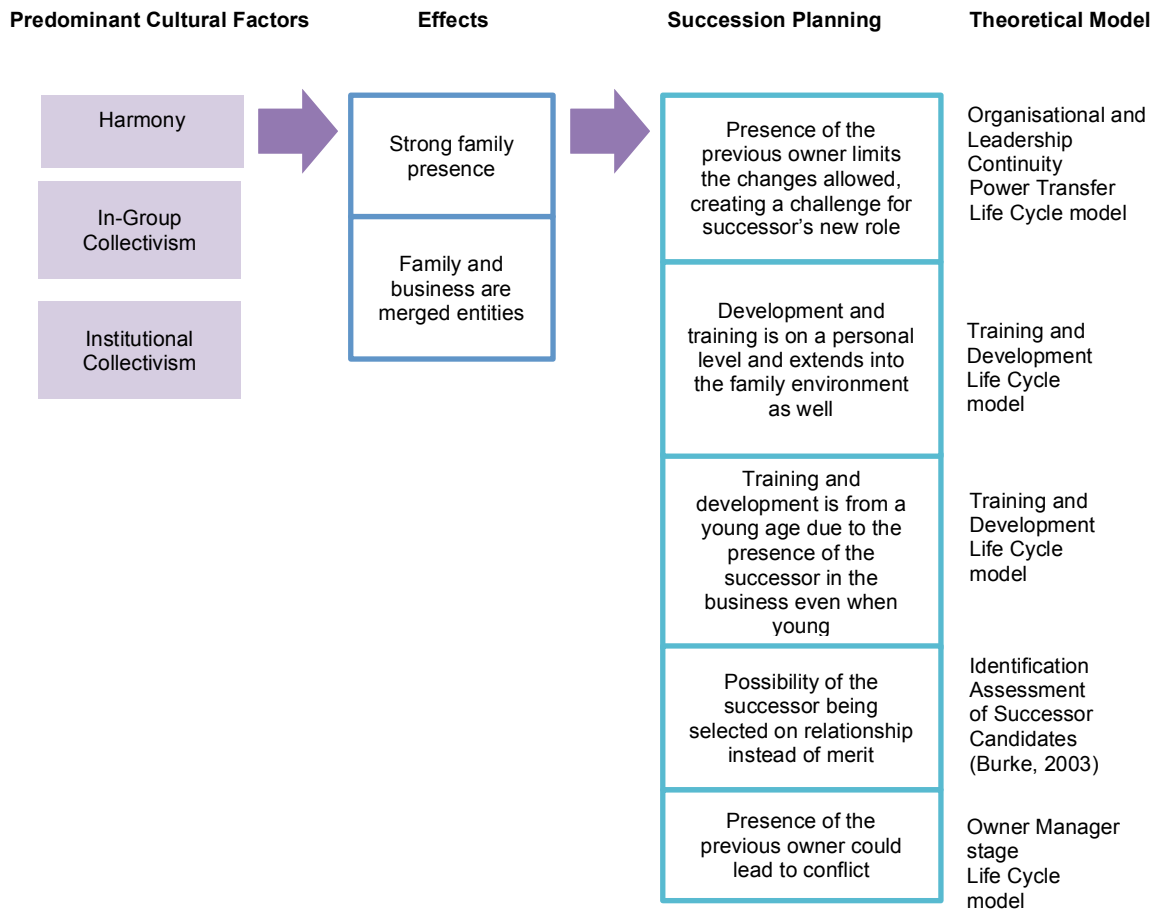


Figure 17: Influence of “harmony” and “collectivism” on the succession planning process

The “Predominant Cultural Factors” and the “Effects” have already been illustrated in the diagrams of section 6.3. Elements Added to the diagrams in this section are the influence that the cultural effects will have on the succession planning process and the description of the stages of the theoretical succession planning models that are likely to be influenced.

6.4.2 The Influence of “Spirituality” and “Power Distance” on the Succession Planning Process

The emerging dimension of “spirituality” as developed by Leung and Bond (2009) has already been described in section 6.3. The influences that this dimension has on

Muslim-owned family businesses include a high level of faith in God amongst individuals, decisions in the businesses are made in accordance to Sharia ruling, and the decision-making process of Mashwara is adopted in the businesses. The dimension also influences the high level of the cultural dimensions “power distance”, “collectivism” and “harmony”. The discussion that follows will be around how these influences on the business’ behaviour has an influence on the succession planning process undertaken in the businesses.

Faith and Confidence in handing the businesses over to the successors

With regard to the high level of faith that emerged from the data, individuals placed future events in the hands of God. This level of trust related to both the relationships within the businesses and the performance of the businesses into the future.

This level of assurance in their faith was also shown in the confidence that incumbents had with regard to the handover of the businesses to the successors. An example of this was the comment from the previous owner of WeSell Motors who suggested that the successors could take the business further than he and his brother did. This level of confidence in taking the businesses over was also illustrated by the successors.

The element of faith in God proved to be an influential factor in the confidence of individuals in the performance of the businesses and the sustaining relationships in the businesses into the future. Faith is therefore an influential element in the confidence in the handover and confidence in the successor to take over the businesses effectively and successfully.

This level of confidence in the successor would most likely influence the Power Transfer stage of the Life Cycle Model, because incumbents will be more willing to hand the businesses over to the successors due to their faith in God, as the success of the business in the control of the successor is dependent on God (Aleem & Islam, 2009, Churchill & Hatten, 1987).

Sharia Law and the gender of the successor

According to the study by Fernando and Jackson (2006), when leaders were asked what elements of the business were predominantly affected by their religious belief, the majority of leaders indicated that decision-making was the prime element. The leaders who were studied included Muslims, Buddhists, Christians and Hindus and they indicated that when making decisions, they opted for decisions that did not transgress any religious laws (Fernando & Jackson, 2006). In the case of the family businesses

studied, their decisions were made in accordance with Sharia law and has been attributed to the high level of “spirituality” in the Muslim-owned family businesses as described in section 6.3.

The most evident application of Sharia law in the influence of the succession planning process was the selection process for the successor. The limitations that Sharia law imposed with regard to a female’s activity in the business environment has already been described in Chapter 5: section 5.5.2, under the theme Successor-related Factors. The Managing Director of Cycle Warehouse and the successor of The Thrift Shop both explicitly indicated that a female would not be considered as a successor based primarily on Sharia law. Other businesses indicated that while a female could be a successor, the limitations brought about through Sharia law had limited their development in the business and the overall functions they were capable of.

This illustrates a direct influence of the “spiritual” type of culture on the Identification and Assessment of Successor Candidates stage of the Burke (2003) model and the Training and Development stage of the Life Cycle model. The Identification and Assessment of Successor Candidates stage will be affected due to either a male being a preferred successor over a female or a female lacking the required skills and capabilities in undertaking certain functions. The lacking in capabilities and skills can be linked to the Training and Development stage of the Life Cycle model due to the limited training experienced by a female due to Sharia ruling (Burke, 2003).

Sharia ruling and the use of interest

Another element of Sharia ruling that emerged in the data and that was applied to the businesses was the disassociation in the use of interest in the businesses. Interest is considered forbidden in Islam, and while banks do offer Islamic banking facilities the Sharia ruling regarding the permissibility of these facilities has not been settled and the individuals interviewed chose to distance themselves from these facilities.

Businesses indicated the limited growth they can generate as well as limited changes they can implement due to the constraint of not being able to source capital from interest-incurring loans. The issue could be associated with the challenges described by Uhlaner et al. (2012) that depict the situation where businesses are unable to keep up with the growth in the industry, technological changes in the industry or when the business cannot adapt to changes in the economic environment.

Driven by the high level of “spirituality” in the businesses, the influence of Sharia ruling

regarding the use of interest could however be viewed as a challenge as illustrated by Uhlaner et al. (2012) and influence the Owner Management stage of the Life Cycle model by Churchill and Hatten (1987). This stage could be influenced as the successor taking on the management role may be constrained in driving the business's growth and keeping up with the external environment.

Bias in the selection of the successor

The “power distance”, which is a cultural dimension developed by Hofstede (1980), has been identified to be high within the businesses researched and this is influenced by the adoption of the Islamic decision-making system of Mashwara as well as the level of authority displayed by family members. With the family members contributing to the council of the Managing Director and the Managing Director being a family member, the selection of the successor could possibly be biased towards being a family member or an individual who is preferred without any coherent or beneficial reasons. It has also been observed that the successors in all the businesses are direct offspring of the incumbents. The studies by PricewaterhouseCoopers (2013) and Taruwinga (2011) describe the “power distance” within family businesses as an underlying issue with the preferential selection of a family member as a successor. The studies indicated that selecting the successor based largely on relationships might lead to an individual who lacks ability and skill taking on the role as a successor (PricewaterhouseCoopers, 2013; Taruwinga, 2011).

This could influence the Identification and Assessment of Successor Candidates stage of the Burke (2003) model through the way that successors are selected based principally on relations. It could also influence the Training and Development stage of the Life Cycle model as individuals are not taken through the necessary training required for their future role due to them being entitled to the role (Aleem & Islam, 2009, Churchill & Hatten, 1987). The Owner Management stage of the Life Cycle model is also influenced as an unskilled individual who lacks the ability and skill could run the business as an owner (Aleem & Islam, 2009, Churchill & Hatten, 1987).

Buy-in from non-family members

Another challenge that has been encountered in the studies by Massis et al. (2008) and Taruwinga (2011) is the possibility of conflict emerging through high levels of “in-group collectivism” and “power distance”. Both the high level of “in-group collectivism” and the high “power distance” in the Muslim-owned family businesses has created an environment where the opinions and judgment of non-family members are considered as secondary input next to the influence from family members, while the rules that

apply to either group differ. This could in turn lead to a lack of buy-in and resistance from non-family members with the succession process as illustrated in the studies by PricewaterhouseCoopers (2013) and Taruwinga (2011).

This lack of buy-in from non-family members could in turn influence the Training and Development stage of the Life Cycle model as non-family members are not willing to assist in the training of the future successor (Aleem & Islam, 2009; Churchill & Hatten, 1987); Massis et al., 2008; Taruwinga, 2011). It could also influence the Owner Management phase of the Life Cycle model as the lack of buy-in from non-family members may lead to conflict and resistance once the successor has taken over the business (Aleem & Islam, 2009; Churchill & Hatten, 1987; Massis et al., 2008; Taruwinga, 2011). Although no evidence was collected from the data that explicitly indicated the lack of buy-in or conflict between the family and non-family members, the influence has been included as a probable factor that could occur.

The overall model that describes the influence of “spirituality” and “power distance” on succession planning in Muslim-owned family businesses is provided in Figure 18 below, which also provides an illustration of the effects that the cultural dimensions have on the businesses as described in section 6.3. The influence of “spirituality” on the dimension “power distance” has been included as well as the influence that “power distance” has on the succession planning process. The green-bordered blocks are indicative of possible influences that have not been explicitly identified in the data but are probable considering the findings and review of the theory.

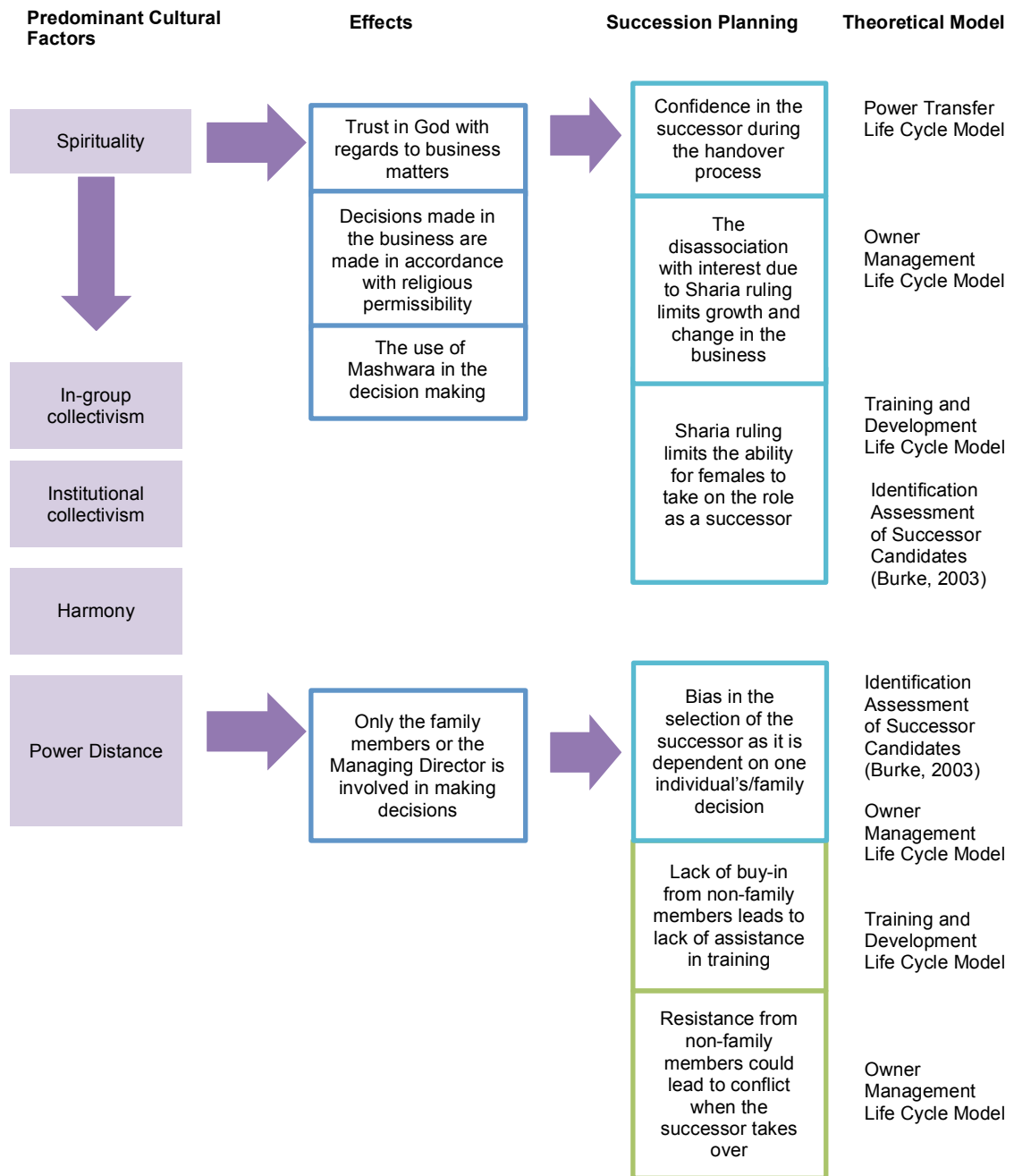


Figure 18: The influence of “spirituality” and “power distance” on the succession planning process

6.4.3 The Influence of “Long-Term Orientation” and “Uncertainty Avoidance” on the Succession Planning Process

It was found that the dimensions “long-term orientation” and “uncertainty avoidance” developed by Hofstede (1980) emerged in the businesses studied. The high level of the dimension “long-term orientation” created a desire to continue the business to the

subsequent generation. Both the dimensions of “uncertainty avoidance” and “long-term orientation” were found to create an environment that emphasised the need for planning, as well as a level of confidence in the internal business environment coupled by a level of wariness and pessimism towards the external business environment.

Continuity of the business and its effects on succession planning

The high level of the cultural dimension “long-term orientation” developed by Hofstede (1980) is illustrative of a future-oriented view in the businesses, which leads to a strong emphasis on planning for the future. According to Vallejo (2008) this “long-term orientation” is developed in family businesses due to the need to continue the business through to subsequent generations.

Due to the “long-term orientation” in the businesses, the Power Transfer stage of the Life Cycle model is likely to be affected as owners would be more willing to pass the business over in order to maintain the continuity of the business (Aleem & Islam, 2009; Churchill & Hatten, 1987). The Training and Development stage is also likely to be influenced as owners would be willing to pass their skills over to the successor, allowing for a more streamlined and effective training process as described by the Stewardship Perspective (Aleem & Islam, 2009; Cabrera-Suárez et al., 2001; Churchill & Hatten, 1987; Poza, 2010; Prior, 2012).

Coupling the desire for continuity with the Resourced-Based view which states that owners are more willing to transfer knowledge to a family member, it would follow that in passing the business over, the training as well as the handover process would most likely be preferred to be undertaken with a family member as the favoured successor (Cabrera-Suárez et al., 2001; Poza, 2010; Prior, 2012). The merged family and business environments is also influential in the appointment of a family member as a successor, due to the continuity of the business being associated with the continuity of the family. Another stage of the succession process described in the Burke (2003) model is the Identification and Assessment of Successor Candidates stage. This stage is most likely to be affected due to a relative being most likely to be selected as a successor.

Planning by the incumbent for the handover

Many comments from both the successor and the incumbents suggested that there was a plan for the successor that was informally developed by the incumbent with regard to the functions of the successor, the skill level of the successor, development of the successor and the selection of the successor.

The Business Case for Proactive Succession Planning of the Burke (2003) model is most likely to be affected due to the “long term orientation” as well as the “uncertainty avoidance” that emerged in the data. This stage is affected due to the level of planning which allows the incumbent to determine who the successor will be, the skill development of the successor and the required skill level needed from the successor.

Adoption of a conservative management approach

The pessimistic view of the external environment indicated that individuals tend to plan more and place more emphasis on regulations and rules and is illustrative of a high “uncertainty avoidance” (Hofstede, 1980). This approach could however develop into a business environment that is slow to react or adapt to external changes due to the conservative approach adopted. The probable challenge that could emerge for businesses that are slow to react was described by Uhlaner et al. (2012) and includes instances where the businesses cannot adapt to technological, economic and industrial changes in the external environment.

With regard to the effect of this aspect on the succession planning process, the Owner Management stage of the Life Cycle model is most likely to be affected as the Managing Director may encounter sustainability issues due to the conservative approach used in running the business (Aleem & Islam, 2009; Churchill & Hatten, 1987). No data has been collected from the interviews or observations that explicitly illustrate this conservative approach to management, apart from the comment from the previous owner of WeSell Motors, who expressed his reluctance to grow the business due to the risk involved. The probable influence has however been included in this study due to the evident association with the data that has emerged and the theory reviewed.

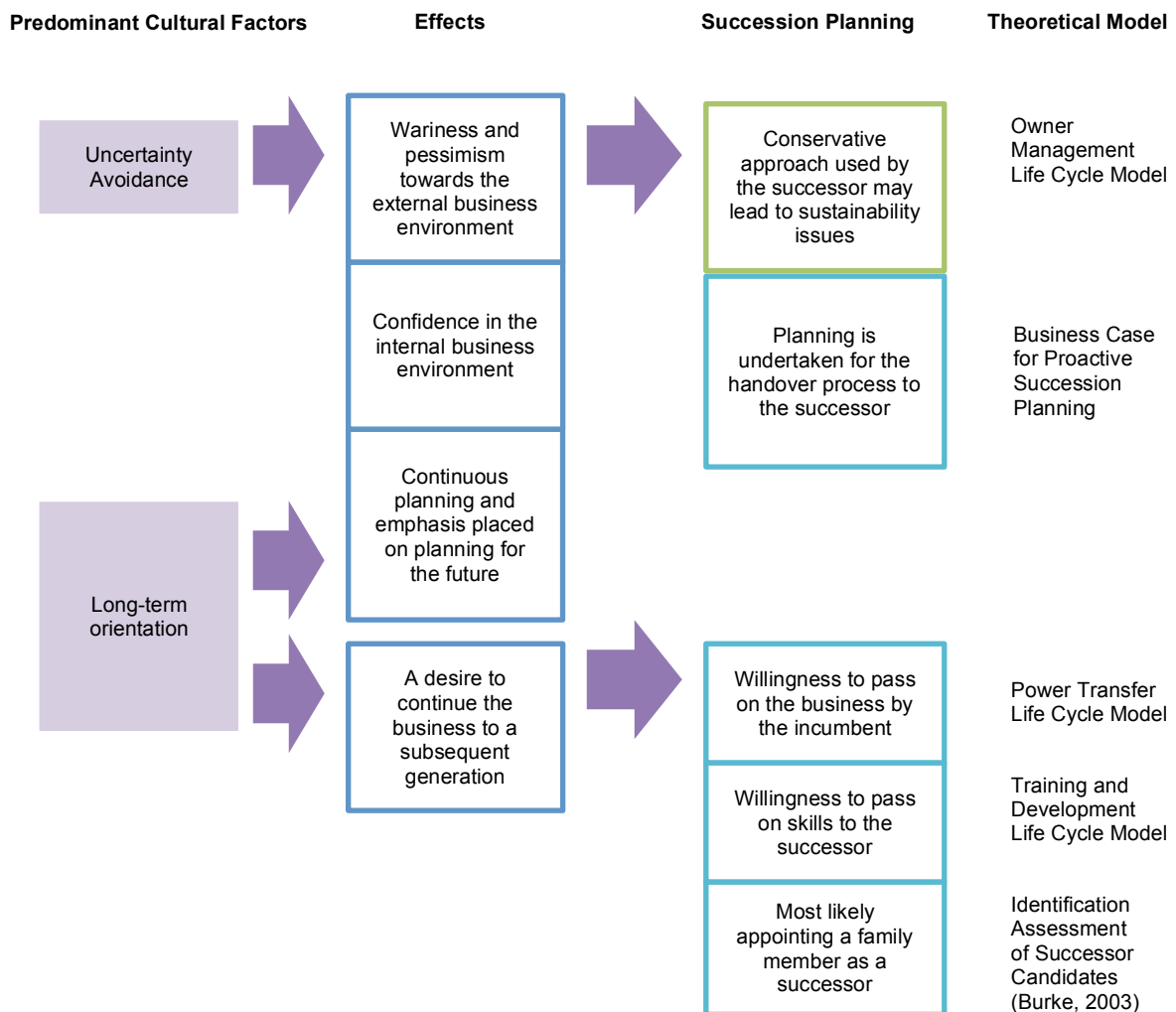


Figure 19: The influence of “uncertainty avoidance” and “long-term orientation” on the succession planning process

Like the other diagrams in this section, Figure 19 gives the breakdown of the influences that the cultural dimensions “uncertainty avoidance” and “long-term orientation” have on the businesses. These influences are thereafter linked to the succession planning process. It was found that the “long-term orientation” emerging in the businesses had an extra influential element with regard to the desire to continue the business to subsequent generations. These influences are shown separately within the diagram.

6.4.4 The Influence of “Commitment” on the Succession Planning Process

The emergence of the cultural dimension “commitment” as developed by Vallejo (2008) has already been discussed in section 6.3. The influence of this dimension on the business is that individuals are found to place importance on the need for passion towards the business or a strong sense of passion is found in the business.

Career interests of the Successor

The lack of passion in the business emerged in the data as a possible challenge to the successor and this was described in detail under the theme Successor-Related Factors in Chapter 5: section 5.5.2. Businesses commented that the challenge that successors could face in the future was in relation to their commitment towards the businesses. A possible reason for the digression from the successors' commitment to the business was a shift in career interests.

This indicates the gravity of the challenge in the perceptions of the individuals in the businesses studied. The challenges described by Dascher and Jens (1999) regarding the successor were related to the successor's personal aspirations and support the results, which indicate that the individuals from the businesses studied associate altered career interests as a serious challenge. Considering that the businesses have been associated with a high level of the cultural dimension "commitment" it would follow that a shift in career interests would also be considered a serious challenge (Vallejo, 2009). This challenge could influence both the Power Transfer and Owner Management stages of the Life Cycle model as the successor either may not want to take the business over or may mismanage the business due to the lack of commitment towards it (Aleem & Islam, 2009; Churchill & Hatten, 1987)

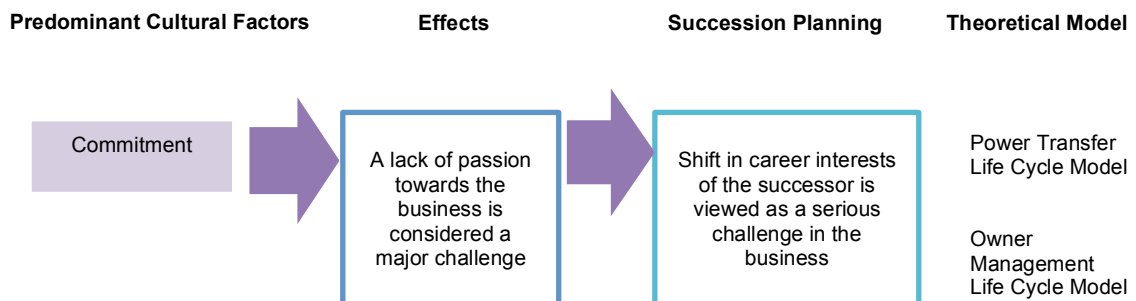


Figure 20: The influence of "commitment" on the succession planning process

Figure 20 illustrates the influence that the cultural dynamic "commitment" has on the businesses and how that influence translates into the succession planning process of the Muslim-owned family business.

6.4.5 The influence of "humane orientation" on the succession planning process

A high level of "humane orientation" had emerged in the data. This was accredited to the amount of charity that was undertaken in the businesses studied.

Attributes of the successor based on compassion

The predominance of the cultural dimension “humane orientation” as developed by Taruwinga (2011) could be a possible influence towards the selection process of the successors. Successors could be selected based on their compassion towards individuals and their commitment in continuing the charitable work currently being undertaken by the businesses. The notion of passing the business on to an individual who will preserve the compassion identified in the businesses did not emerge in the data. However, the probability of it being an influential factor emerged primarily due to the importance placed on compassion in the businesses studied as well as the religious regulations such as Zakat that are in place for the provision of charity functions in the business.

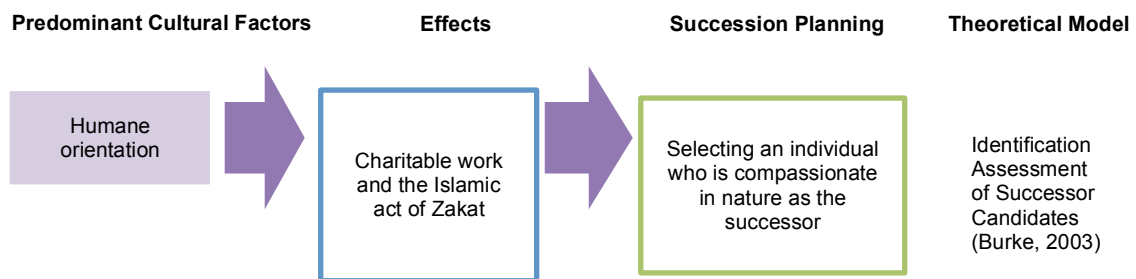


Figure 21: The influence of “human orientation” on the succession planning process

Figure 21 illustrates the influence that “humane orientation” has on the business and in turn on the succession planning process of the Muslim-owned family business. The block illustrating the effect on the succession planning process is illustrated in a green block as no explicit evidence was found in the data.

6.4.6 Summary of Succession Planning and the Muslim-Owned Family Business

This section provided a discussion around the different theoretical stages of the succession planning models that are influenced by the behavioural aspects discussed in section 6.3. This was achieved by linking the cultural influences on the businesses with the correlating influences on the succession planning process. This section has therefore discussed Step 3 of the model illustrated in Figure 11.

6.5 Chapter Summary

This chapter provided a discussion around the emerging cultural dimensions from the data collected. The emerging dimensions were discussed with relation to the theory involving their influence on the businesses and ultimately succession planning. Models were provided which gave an overview of the findings of the cultural dimensions and

their influences on succession planning in the businesses. The diagrams were provided in an influential step-type arrangement, which allowed for an illustrative view of the influences that culture has on succession planning in Muslim-owned family businesses.

From the seventeen cultural dimensions that were identified from the theory and adopted for the study, ten emerged in the data: “spirituality”, derived from the family business dimensions developed by Leung and Bond (2004) and used in the study by Brice and Richardson (2009); “long-term orientation”, “commitment” and “harmony” which were adopted from the family business cultural dynamics in the Vallejo (2008) model and “uncertainty avoidance”, “institutional collectivism”, “in-group collectivism”, “humane orientation”, “power distance” and “long-term orientation” from the cultural dimensions developed by Hofstede (1980) and built on by Papalexandris and Panayotopoulou (2004) and used by Taruwinga (2011).

High levels of “harmony”, “in-group collectivism”, “institutional collectivism”, “spirituality”, and “long-term orientation” were found to be the most influential cultural dimensions on the succession planning process in the businesses studied. The level of influence is measured using the number of influences that the cultural dimension has on succession planning, as well the explicit evidence of the influence in the data. Refer to Appendix E for a graphical overview of the level of influence the different cultural dimensions were found to have on Muslim-owned family business.

An overview of the findings is provided in Figure 22. The diagram gives a description of only the theoretical cultural elements and the relating influence that they have on the succession planning process in the Muslim-owned family businesses. The purple blocks in Figure 22 are indicative of the theoretical cultural dimensions, while the corresponding effects on succession planning are in blue and green.

Predominant Cultural Factors	Effects on succession planning		
Harmony Institutional collectivism In-group collectivism	Presence of the previous owner limits change, creating a challenge for successor's new role	Development and training is on a personal level and extends into the family environment as well	Presence of the previous owner could lead to conflict
	Training and development from a young age due to the presence of the successor in the business from young	Bias in the selection of the successor	
Spirituality	Sharia ruling limits the ability for females to take on the role as a successor	Faith in God influences the confidence in the successor during the handover process	The disassociation with interest due to Sharia ruling limits growth and change in the business
Commitment	Shifts in career interests is viewed as a serious challenge in the businesses		
Humane orientation	Selecting a successor who is compassionate in nature		
Long-term orientation Uncertainty Avoidance	Conservative approach used by the successor may lead to sustainability issues	Planning is undertaken for the handover process to the successor, with regard to skill development and successor identification	
Long-term orientation	Willingness to pass on the business by the incumbent	Willingness to pass on skills to the successor	Most likely appointing a family member as a successor
Power Distance	Bias in selection of the successor, as the decision is dependent on one individual/family	Lack of buy-in from non-family members leads to lack of assistance in training and development	Resistance from non-family members could lead to conflict when the successor takes over as the manager

Figure 22: Overview of cultural influences on succession planning in Muslim-owned family businesses⁷

Table 12 provides a breakdown of what aspects of the theoretical stages of the succession plan the cultural dimensions that have emerged from the data will influence. It was found that the Owner Management stage of the Life Cycle model was influenced the most by the cultural dimensions in the Muslim-owned family business. The table is divided into the different stages of the succession and the corresponding influences.

⁷ The green blocks are indicative of possible influences on the succession planning process, considering the cultural dimensions and the behavioural aspects of the businesses. These influences have not been explicitly identified in the data. Blue blocks are indicative of influences that have been explicitly identified in the data.

Table 12: Table illustrating the influence of the cultural dimensions on the theoretical stages of the succession plan

Succession planning process	Planning the succession	Selecting the successor	Training the successor	Handing over the business	Successor taking on the managing role
Theoretical stage associated with the succession planning process	Business case for proactive succession planning (Burke, 2003)	Identification assessment of successor candidates (Burke, 2003)	Training and development Life Cycle Model	Power Transfer Life Cycle Model Organisational and Leadership continuity Burke (2003)	Owner management stage Life Cycle Model
Cultural influences associated with the theoretical stage	Planning undertaken for the handover to the successor by the incumbent	Successor is selected on relationship instead of merit	Development and training is on a personal level and extends into the family environment as well	Presence of the previous owner limits the changes allowed creating a challenge for successor's new role	The disassociation with interest due to Sharia ruling limits growth and change in the business
		Sharia ruling limits the ability for females to take on the role as a successor	Training and development from a young age due to presence in the business from a young age even when inactive	Presence of the previous owner could lead to conflict	Presence of the previous owner limits the changes allowed creating a challenge for successor's new role
		Selecting an individual who is compassionate in nature	Lack of buy-in from non-family members leads to lack of assistance in training	There is confidence in the successor during the handover process and willingness to hand over the business	Presence of the previous owner could lead to conflict
		Bias in the selection of the successor as it is dependent on one individual's/ family's decision	Willingness from the incumbent to pass on skills to the successor	Successor may be unwilling to take over the business	Resistance from non-family members that could lead to conflict
		Most likely appointing a family member as a successor	Due to Sharia limitations females are not trained on the same level as males		Shift in career interests are viewed as a serious challenge in the business
					Conservative approach used by successor may lead to sustainability issues
Cultural dimensions associated with the corresponding influences	Long-term orientation	In-group collectivism	In-group collectivism	In-group collectivism	Spirituality
	Uncertainty Avoidance	Institutional collectivism	Institutional collectivism	Institutional collectivism	In-group collectivism
		Harmony	Harmony	Harmony	Institutional collectivism
		Long-term orientation	Power Distance	Spirituality	Harmony
		Humane orientation	Long-term orientation	Long-term orientation	Power Distance
		Spirituality	Spirituality	Commitment	Commitment
		Power Distance			Uncertainty Avoidance

It has been identified that the cultural dimensions “harmony”, “in-group collectivism”, “institutional collectivism”, “long-term orientation” and “spirituality” are the most influential cultural dimensions in the succession planning process of Muslim-owned family businesses. These cultural elements are found to influence the planning of the succession process, identification of the successor, training and development of the successor, the handover process and the stage where the successor will take over the business as the manager.

According to the study by Taruwinga (2011), “long-term orientation”, “uncertainty avoidance” and “performance orientation” were the predominant dimensions that influenced the succession plan of Indian-owned family businesses in South Africa. “Uncertainty avoidance”, “performance orientation”, “in-group collectivism” and “assertiveness” were found to be the predominant dimensions that influenced succession planning in family businesses in the USA according to the same study by Taruwinga (2011).

The study by Vallejo (2009) had found that family businesses displayed a high level of “long-term orientation”, “commitment” and “harmony”. The Muslim-owned family businesses of the current study also displayed a high level of these cultural dimensions. The study by Papalexandris and Panayotopoulou (2004) also found a relationship between family businesses and the cultural dimensions “humane orientation”, “uncertainty avoidance”, “future orientation” and “collectivism”, which is also concurrent to the findings of the current study (Papalexandris & Panayotopoulou, 2004; Taruwinga, 2011).

In the study by Brice and Richardson (2009) which undertook a study to measure the cultural elements of family firms in two different countries, a high level of “spirituality” was found in the businesses which is also aligned to the current study, however a low level of “power distance” was also found. This is contrary to the findings of the current study, where a culture of a high “power distance” emerged.

Apart from the study undertaken by Taruwinga (2011), the studies by Brice and Richardson (2009), Papalexandris and Panayotopoulou (2004) and Vallejo (2009) were not fixated on the identification of cultural dimensions based primarily on their influence on succession planning but rather a holistic view of the cultural dimensions that emerged in the family businesses. Taruwinga (2011) only considered the nine cultural dimensions developed from the cultural dimensions by Hofstede (1980) by

Papalexandris and Panayotopoulou (2004) as listed in Table 1. The cultural dimensions “humane orientation”, “institutional collectivism” and “power distance” were found to have a unique influence on succession planning in the Muslim-owned family businesses and did not emerge as influential in the study by Taruwinga (2011). “Assertiveness” and “performance orientation” were two cultural dimensions that were found to have an influence in the study by Taruwinga (2011) but did not emerge in the current study.

An important finding for the current study is that the high level of the cultural dimension “spirituality” influenced the cultural dimensions “humane orientation”, “institutional collectivism” and “power distance”. These cultural dimensions are also the distinct cultural dimensions that have emerged in comparison to the study by Taruwinga (2011). This therefore shows a distinct difference between the findings by Taruwinga (2011) and the influence of religious commonality on Muslim-owned family businesses.

With regard to the common religious orientation of the families and the evident uniqueness that this brought about in the businesses, it was found that the religious orientation had created an environment of specific practices and sentiments that had an influence on four of the five cultural dimensions which are most influential on the succession planning process. These cultural dimensions are “spirituality”, “in-group collectivism”, “institutional collectivism” and “harmony”. “Power distance” and “humane orientation” which also emerged, were influenced by the Islamic orientation of the businesses. The Islamic belief system of the family businesses was also found to directly influence some aspects of the succession planning process. Application of Sharia ruling limited the opportunities for females to be considered as successors and the dissociation with interest was found to be a limiting factor for the successors in their new role as managers.

7.1 Introduction

The previous chapter provided a discussion of the results, which were discussed in the context of the research question and used the theory drawn from the literature with respect to culture and succession planning in family businesses. The theory was used to develop concise influences of culture on succession planning in Muslim-owned family businesses through the use of succession planning models and cultural dimensions that emerged in the data. The theory that was used in the discussion in Chapter 6 was described and discussed in Chapter 2 of this research report. This chapter will provide a review of the research problem, and a summary of the key findings from the discussion in Chapter 6.

7.2 Research Background and Objectives

According to the research undertaken by PricewaterhouseCoopers (2013), family firms both internationally and in South Africa are seeing an increase in revenue. The results from the study indicate that 75% of family firms in South Africa have seen an increase in revenue in 2012, compared to 65% internationally. The higher percentage of South African firms suggests a sustainable and successful business model in the South African environment.

According to Brice and Richardson (2009), the success of the family business is driven by the culture of the business. Vallejo (2009) comments that it is the family aspect of the business that creates an environment from which the business can leverage entrepreneurial skills. Chirico et al. (2011) indicate that the family dynamic allows the business to sustain itself through environmental changes and challenges, while Barnett et al. (2012), Chrisman et al. (2003) and Massis et al. (2008) commented that this sustainability is driven by the desire to pass the business on to the subsequent generation. The succession plan is therefore vital in the success of a family business and the understanding of the elements that contribute to the succession plan from the beginning phases to the handover is important for the sustainability of family businesses.

However, according to research undertaken, 70% of family businesses experience failure in the second generation and this number rises to 80% in the third generation (Downes, 2011). According to Uhlaner et al. (2012) and Taruwanga (2011), the issue with the failure rate is the inability to understand the complexities that come with the

handover of the business to a subsequent generation. Adendorff and Boshoff (2011), Gupta and Levenburg (2010), Papalexandris and Panayotopoulou (2004) and Taruwinga (2011) identified that the culture that defines the business influence the shared motives, values, beliefs, identities, interpretations of events and characteristics that define the succession plan.

The aim of this study is to provide more insight into the aspects that influence a succession planning process in a family business. The study does this by focusing on the influence of culture on succession planning in family businesses. According to Saroglou and Cohen (2011), the culture of a society is based strongly on the religious beliefs of that society and this study has focused on family businesses with religious commonality. Religion is influential on the culture of a society as the values and ideals of a culture stem strongly from the belief system of the religion and it has also been identified that societal culture in turn has a strong influence on organisational culture (Saroglou & Cohen, 2011). The current study focuses on the culture of organisations with religious commonality of Islam in the South African context.

7.3 Approach to the Study

Using a Rapid Ethnographic research methodology, the researcher was able to gain insight into the social interactions, behaviours, and perceptions of organisations and communities in their natural setting, which is a useful approach for a study that is involved with understanding culture (Desai, 2008; Reeves et al., 2008). Due to the limited period of time allowed for the research of the current study, Rapid Ethnography, which is a specific type of ethnographic research, was adopted. This type of methodology reduces the time needed to undertake the study, as it involves distinctiveness with regard to the focus of the study, sampling techniques, data gathering techniques and observations, while the analysis of the data is undertaken to solve a clearly demonstrable problem (Jordan, 2013).

Muslim-owned family businesses in South Africa were selected for the study. Foster (2010), Gupta and Levenburg (2010) and Yekini (2008) commented that the cultural distinctiveness of Muslims is related to Sharia law that governs the way of life of Muslim followers and has a strong influence on the business practices and culture of the organisations owned by Muslims. The sample was therefore selected due to the cultural distinctiveness of the ethnic group, the religious differentiation, personal access and personal interest.

7.4 Key Findings

From the seventeen cultural dimensions described in Table 1 and adopted for the study, ten dimensions emerged through the findings. These dimensions were “spirituality” derived from the family business dimensions developed by Leung and Bond (2004) and used in the study by Brice and Richardson (2009), “long-term orientation”, “commitment” and “harmony” which were adopted from the family business cultural dynamics in the Vallejo (2008) model, as well as “uncertainty avoidance”, “institutional collectivism”, “in-group collectivism”, “humane orientation”, “power distance” and “long-term orientation” from the cultural dimensions developed by Hofstede (1980) and built on by Taruvinga (2011). It was however found that from the ten dimensions, “harmony”, “in-group collectivism”, “institutional collectivism”, “spirituality” and “long-term orientation” were found to be the most influential dimensions and influenced most of the stages in Burke’s (2003) model and Churchill and Hatten’s (1987) Life Cycle model.

“Harmony”, which measures the lack of conflict within the business environment, was found to be influential in creating a strong family presence in the business as well as in the merged business and family environment. “Spirituality”, which measures a society’s religious orientation, was found to influence practices during working hours which included prayers, religious holidays and shared meals that instilled a level of harmony within the businesses. It was also found that through the religious practices and emphasis on collectiveness drawn from the families’ religious orientation, “institutional collectivism” which measures a society’s emphasis on collectivism emerged. This level of family dominance brought about through the influence of “spirituality” on the “harmony” and “institutional collectivism” also created a predominantly family controlled environment as well as importance placed on the family element in the businesses and is indicative of “power distance” and “in-group collectivism” respectively.

The influence of the merged family and business environment included aspects of training and of the selection process of the successor that were on a more personal level and extended outside the business environment. The presence of inactive family members in the business was found to be a challenge when the previous owner remained in the business after the handover. This was due to the challenges related to resistance from the incumbent regarding certain changes to be made by the successor once the role was passed on.

“Spirituality” was found to be an influencing factor with regard to the level of faith that individuals had in God as well as the decisions that were made in accordance to Sharia

ruling. Decisions were made using a Sharia designated approach called Mashwara. The system of Mashwara was found to have an influence on the “power distance” in the businesses, as only one individual was to make the decisions in the business. In the businesses studied, this individual was the Managing Director of the business. This level of power could lead to a bias in the selection of the successor as well as possible conflict or a lack of buy-in from the non-family members as illustrated. Sharia was also influential in the selection of males as successors as well as the challenges regarding change and growth due to the limited use of interest in the businesses.

The desire for continuity and to pass the business on was found in all the businesses studied and this was accredited to the joint business and family structure in which the families were dependent on the continuity of the businesses into the future. This “long-term orientation” led to the businesses developing plans as well as placing a strong emphasis on planning. The desire for continuation also created the desire for the incumbent to hand the business over and a willingness to pass the skills of the incumbent over to the successor. However these findings are in correlation to the findings of Vallejo (2008) and Taruwinga (2011) and are not distinct for Muslim-owned family businesses.

Apart from the cultural dynamics discussed, other cultural dynamics such as “commitment”, “humane orientation” and “uncertainty avoidance” also emerged, although the influence of these dynamics on the succession plan were either limited or theoretical.

“Humane orientation”, “institutional collectivism” and “power distance” were three unique cultural dimensions found to have an influence on succession planning in the current study in comparison to the Indian-owned family businesses and American-owned family businesses studied by Taruwinga (2011), whose study focused on the influence of culture on succession planning as well. The dimensions “humane orientation”, “institutional collectivism” and “power distance” all stem from the religious orientation of the Muslim-owned family businesses. This is an important finding as it illustrates the unique influence of the religious orientation of the family business on the cultural dimensions, which influence succession planning.

It was also found that the most influential cultural dimensions in the succession planning process of Muslim-owned family businesses were “spirituality”, “harmony”, “institutional collectivism”, “in-group collectivism” and “long-term orientation”. Apart from “long-term orientation”, the Islamic belief system of the families was found to have an

influence on the most influential cultural dimensions on the succession planning process.

Figure 23 below encapsulates these unique findings regarding the influence that religious commonality has on succession planning in Muslim-owned family firms. These findings are however concurrent to the findings by Miller and Ewest (2010) who argue that religion has an impact on the workplace and influences changes in organisational and economic structures. While Foster (2010), Wang and Yang (2011) and Yekini (2008) describe the influence that Islamic law has on the way of life of a believer, ranging from political aspects to the method of conducting business. Wang and Yang (2011) and Yekini (2008) had identified that Sharia ruling provided laws regarding many economic activities and this had emerged in the current study.

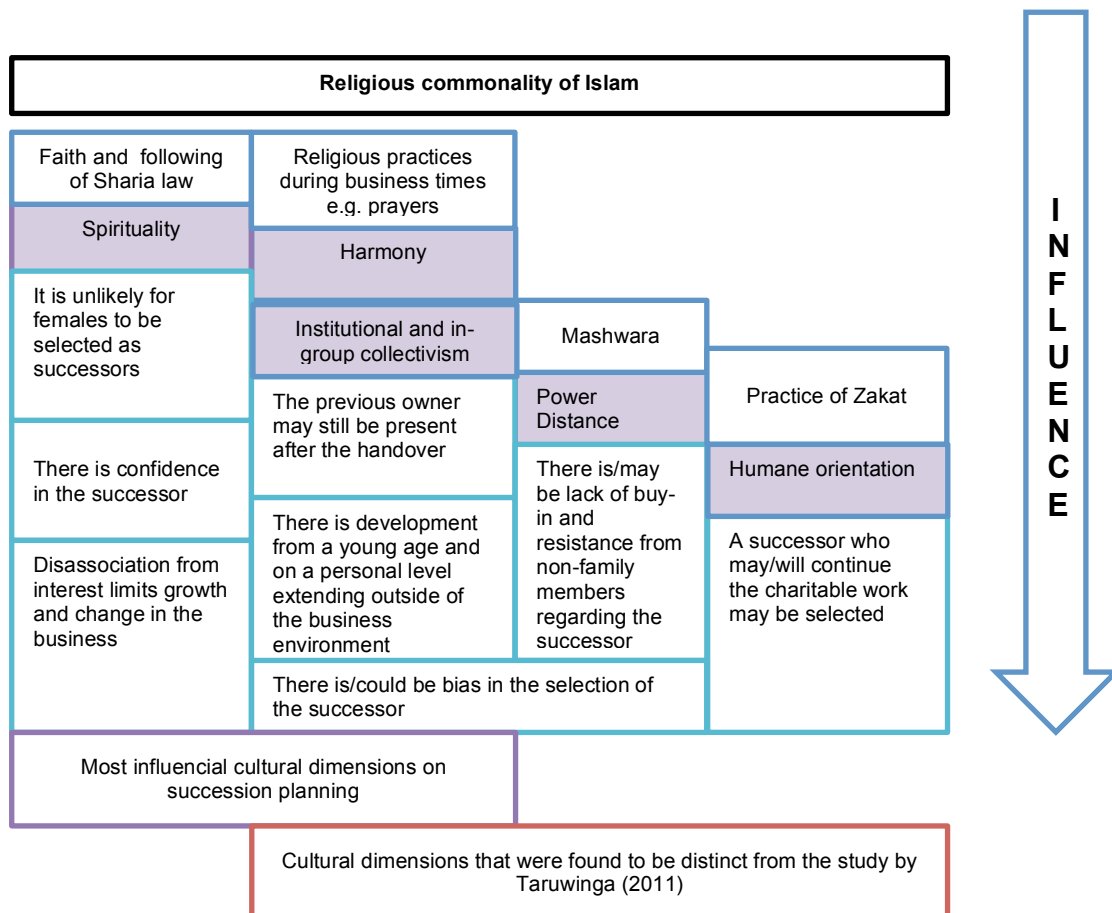


Figure 23: Influential model describing the unique cultural influences in the Muslim-owned family businesses

The blue boxes describe the behavioural impact in the businesses, the purple boxes illustrate the cultural dimensions and the light blue boxes describe the influence on the succession planning process. The boxes are stacked on top of each other according to

the influential relationships with regard to culture, behaviour and succession planning. As can be seen, the religious elements have an influence on significant elements of the succession planning process as well as the distinct features in comparison to previous studies.

7.5 Future Research

This section provides suggestions with regard to possible future research that could be undertaken either to research the current study on a deeper and more analytical level or to provide further insight into related topics.

While the cultural influence on the succession planning process in family businesses was explored, other influential elements within the businesses could also be explored. Prior's (2012) model looked at the generic life cycle of the business from growth to existence to decline and determined elements needed in the succession for its success. An element that could provide further insight into the study is an understanding of the influence that the stage the business is in will have on the succession plan of the business.

From the current study it was identified that the religious commonality within the businesses had an influence on the succession planning process of the business. This was due to the application of Sharia ruling and other Islamic practices in the businesses. A study identifying what other influences, apart from succession, religion may have on businesses may provide insight into the overall influence of religion on the culture of a family business and how this translates into the operations of the business. The study would therefore require a shift from focusing on succession planning to other aspects of the business. This could in turn provide insight into the influential factors that determine the success of the business.

The current study was undertaken using a qualitative research approach. A quantitative research approach with a larger sample would be useful in determining whether the results achieved are representative of the larger population of Muslim-owned family businesses. This would be useful in confirming the results of the current study and would have more conclusive significance with respect to the applicability of the findings in managerial applications.

The current study focused on the culture of family businesses with the religious commonality of Islam. A study of a similar nature with family businesses of other religious backgrounds would be useful in determining if the cultural dynamics found to

be influential in the current study translates to other religious cultures. This would provide insight regarding the overall application of the findings in this study to other family businesses of religious commonality in general.

Through the observations and the interviews, it was identified that the size of the businesses had an influence on the business environment and operations. These findings were related to the formal vs. informal processes as well as the other aspects of the businesses. A study which researches the differences in the succession planning process between businesses of different sizes could provide insight into how the succession plan differs with regard to the size of the business.

A study into the succession plan of a Muslim-owned business that is not a family business may provide insight into the deeper influences of religious commonality and culture on the behaviour of the business.

7.6 Limitations of the Research

The limitations with regard to the current study were illustrated in Chapter 4 together with the methodology to be adopted. These limitations were with regard to the approach undertaken for the study, however other limitations have arisen through the undertaking of the study. These limitations are discussed below together with the limitations regarding the approach to the study.

The number of businesses and the types of businesses chosen in the sample may not represent all Muslim-owned family businesses. The sample was limited to only eight family businesses and purposive sampling was used with regard to accessibility to the businesses as well as the researcher's personal opinion with regard to which businesses could provide the most insight.

The current study was restricted to a certain geographical area within South Africa, due to the limitations regarding accessing the businesses, and may not represent Muslim-owned family businesses in other parts of the country.

The study may also be influenced by the researcher's personal opinions regarding family businesses. With regard to the current study, this influence may be larger as the researcher is from a Muslim background and has also worked in Muslim-owned family businesses. This may have affected the interpretation of the findings.

The businesses were selected using a purposive sampling method and are therefore dependent on the subjectivity of the researcher. This subjectivity could lead to possible bias in the selection of the sample and could be viewed as a limitation as a sample that

may have been useful for the study could have been omitted based solely on the researcher's personal opinion.

Another possible limitation during the study was the honesty of the interviewees during the interviews. Certain aspects in the businesses may have been tweaked in order to portray a more positive view of the business and this could influence the findings in the study. Because the study was undertaken through face-to-face interviews, the need to portray a positive image was greater; however it also provided the researcher with the option of drawing more information from the respondent if information seemed lacking or obscure.

The study used a selected few theoretical succession planning models and cultural dimensions to analyse the findings. Due to the limited period of time in which the research was undertaken, the review of literature was constrained. Further investigation into more cultural measures and succession planning models that could be applicable to the study may also alter the findings. The limited use of theory is therefore viewed as a possible limitation to the study.

Certain parts of interviews as well as informal discussions were not captured using a recording device. Written notes taken during the interviews were used instead. The notes may not have been captured as accurately as they would have been from using a recording device and is therefore a limitation in the study.

7.7 Managerial Implications

Looking at the findings with regard to their practical application in the workplace, this section provides descriptions of the aspects in the business environment to which the findings could be applied.

Managers and business owners may want to review the effects and influences that culture has on the business when undertaking a succession plan within the business. These could be businesses that have a common cultural orientation to the sample of the study as well as family businesses that have a different cultural orientation. This study will allow differences as well as similarities to be identified with regard to the sample in order to identify the overall influence on the succession planning process.

A challenge that was identified in the data was with regard to the possible remaining of the incumbent in the business after the handover period. This could be a possible challenge for businesses to identify in their current business environments as it could create negative implications towards the success of the succession plan and the

business into the future. Creating formalised handover procedures could assist in the defining of control and authority in the business after the handover.

Other challenges included autocratic and one-sided control in the businesses as well as the different rules that apply to family and non-family members. These aspects could lead to resistance and a lack of buy-in from non-family members in the businesses with regard to training and acceptance of the successor. Businesses could therefore benefit from having formalised systems in place that apply to both family and non-family members in the business. These systems could also be applied in order to allow the non-family members to have an influence on the selection and training of the successor.

The issue of passion was considered important in the businesses. The challenge with regard to possible shifts in career interests that could lead to a lack of passion in the businesses was described by all the businesses. Businesses could therefore benefit from applying more Human Resources practices to the business. This will allow the incumbent to identify other probable successors who are more willing to take the business over within a longer time period and would save the business from an unwilling successor which may have sustainability issues in the future.

The businesses interviewed indicated the capabilities of females as successors but also described the limitations brought about by Sharia ruling. The development of specific functions which could harness the capabilities of females in the businesses while abiding to Sharia law, might avoid the situation where the lack of female involvement is a missed opportunity for the success of the businesses.

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Appendix A: Questionnaire

Interview Guide:

The following questions were used during the structured interviews. Informal and unstructured interviews were oriented around the content of the questionnaire and were dependent on the type of observations made during the study.

Questionnaire

Overall business

- Which category of business does your business fall into? (Refer to the Small Business Amendment Act of 2003)
- How many family members are currently in the business?
- How many family members are in the management of the business?
- Would you consider your business as a family business and why?
- Do you plan to pass the business on to the next generation?
- Which generation is the business currently in?
- What would you consider a successful succession within your business?

Challenges

- What challenges do you face from an industry perspective that could negatively influence a successful succession?
- What challenges do you face from an organizational perspective that could negatively influence a successful succession?
 - Conflict
 - Trust
 - Finance
 - Structure
 - Undefined Roles
 - Buy-in from management
 - Buy-in from employees
- What challenges are encountered from the perspective of the incumbent that could negatively influence a successful succession?

- Career interests
- Abilities and skill
- Motivation
- Trust
- Vision
- What challenges are encountered from the perspective of the incumbent that could negatively influence a successful succession process?
 - No desire to pass on
 - No training
 - Lack of trust

Prior (2012) succession planning model

- Have you considered your exit from the business?
- Do you plan to hand the business over to a successor?
- What type of transfer mechanisms is in place to hand the business over? Is there any formal requirement, policies etc.?
- What stage would you say your business is in?
 - Comfortable and making a reasonable turnover
 - Trying to survive
 - Continuous growth
 - In need for a new strategy for growth
 - Decline in growth and profits
- Do you think the business is ready to pass on to the successor?
- Are the successors willing to take over?
- Is there a separation between family and business

Burke (2003)

- Is there a business case for a succession plan (informally or formally) and how do you go about making one up? (UA) (FO)
- Are you aware of the positions within the business that require a succession plan and are necessary for the continuity of the business? How do you identify these positions?
- Are you aware of the necessary skills and core competencies required to fill those positions? How do you identify these skills?
- Is there a successor who has been identified already and what criteria do you use to determine if this successor is appropriate? Experience, education etc.
- What programs are in place to make the successor ready for his new role?
- Is there a continuous relationship and communication between the successor and the manager?
- Ideally what would you have preferred the succession plan to look like and why?

- Has the succession plan changed from the last generation?

Uncertainty Avoidance questions:

- Is there a structured family council that discusses business issues, family issues as well as individual issues?
- Do you find that the family council is effective and if you do not have one, do you think such a council would be useful?
- How often do you conduct analysis on the future of the business and how do you go about doing this?
- How often do you go about analyzing or planning the future of the individuals in the business and how do you go about doing this?
- Do you have the same rules throughout the business that apply to both family and non-family members?

Future Orientation questions

- Is there a structured method in which family members are introduced into the business?
- Are there any written rules that are used when new family members join the business?
- When problems are encountered how are they usually solved?
- Do you do a lot of planning for the future and how is this usually done?

Power Distance questions

- Who makes the final decision in the business?
- Are the opinions of other family members considered when making decisions?
- Are the opinions of other employees considered when making decisions?
- Would you say that your authority/power is shared amongst others within the organisation?
- Would you say that this power is shared only amongst certain members or throughout the organisation?

Institutional collectivism (Collectivism I) questions

- Are the goals of the family considered more important than the goals of individuals? Would you say that the family business is structured in a way to maximize these particular interests?
- How is family conflict resolved?

Humane Orientation questions

- Is maintaining good relationships within the family important? Are there certain processes or procedures you implement to maintain these relationships?
- Do you feel that family members are treated differently as compared to other employees when they make mistakes?

Performance Orientation questions

- What system do you have to measure performance?
- How do you acknowledge the performance of certain family members within the organisation?
- How do you reward performance within the business? Is the reward mechanism structured and objective and are the family members aware of this reward mechanism?
- Would you consider family relationships more important than the performance of the business?

In-group collectivism questions

- Do you consider family pride an important factor for the success of the family business?
- How do you build this pride within the organisation i.e. is it measured against the performance of individuals etc.
- Do you assist family members who are not actively participating within the business i.e. do you support aging parents or unemployed family members or members of the family who are unable to work.

Gender Egalitarianism questions

- Are females allowed to undertake the same roles as males within the business?
- Would a male member of the family be considered a more appropriate candidate for succession than a female?
- Apart from succession, are females provided with the same opportunities as males i.e. education, training etc.?

Assertiveness questions

- If a family member requests something, plans to do something or suggests something that you do not approve of, how would you go about this situation?
 - Upfront
 - Meeting
 - Try to divert
 - Try to persuade
- Is there one set goal of the business and do all family members need to agree on this goal?

Appendix B: Review of the Businesses

Raven's Group

Overview of the business

The Raven's group sells high-end clothing in the Johannesburg West Rand region. The business has recently added a property division that invests in the purchasing and development of properties. The property division is run from a separate office space isolated from the rest of the stores. The business has operated in the area for over 100 years and is currently in the ownership of the third generation. The business is run by two brothers who are currently handing the operations over to one of the sons. The sons and daughters of the brothers form the fourth generation and make up the management of the business. The eldest son is going to take over as the head of the group. Whilst none of the sons have any degrees or diplomas, the daughter, who is the only female family member in the business and who is involved in the property side of the business, has a degree in Accounting. The clothes that are sold are of a high-end and are targeted at a fairly niche market. Understanding the market needs requires a certain level of experience and it is evident that this experience has been passed on through the generations. There was a comment from the owner that the future plan for the subsequent generation is to shift operations to other types of retail functions e.g. filling stations, fast food outlets and supermarkets.

Business structure

The business is well-structured and operates on a controlled system. The business administration is undertaken in a separate location from the display section and the storage location. There is a fluid process implemented in the transferral of goods from the storage location to the area of the store where payments are made. The staff have separate functions within the store and it is evident that there is no merger of duties by any of the employees or family members. Most of the processes within the store are fully computerised. These processes include stock recordings, sales, recording and measuring of employee performance. These electronic systems were introduced by the future successor when he started working in the business five years ago. The future successor had also stressed the idea of marketing and branding within the business. This can be seen in the logo that the business uses as well as their presence in print media.

Succession within the business

The father, who is the current owner and Managing Director⁸, is in the business continuously overlooking the operations within the business, but does not intervene in any of the operations or decision-making processes within the business. This was observed during the

⁸ The title Managing Director is used to indicate the head of the businesses.

purchasing of stock where the son made the final decision with regard to new styles and items to be introduced in the store. The father commented that he felt comfortable handing the business over to the son, as he was fully capable of running the operations of the business. There is also a distinct awareness that the successor is currently taking over the operation, as both the suppliers as well as the customers initially went to the successor for information before anyone else. The brother who is in control of receiving the cash and controlling the accounts is not consulted in any decisions made in the business. None of the employees have a say in the business but solely took orders in the presence of the researcher.

Relationships and environment

There is a sincere environment between the family members although no communication was observed between the family members and the non-family members. Communication between the salesman who was present at the time and the family members was informal and was predominantly made up of non-work related topics. The preferential treatment that the family members received was observed through the way that communication was passed between the family members as well as the extra benefits family members received e.g. tea being prepared for them. With regard to relations with customers and other visitors to the business, there is a sense of deep warmth and accommodation. A water dispenser is provided for customers as well as food that is prepared for the underprivileged visitors to the business. The members of the business were initially aloof towards the researcher and reluctant about how in-depth they were planning to go with regard to the information they were going to provide. It was only after a while that they became interested in the current study and less withdrawn with respect to their interactions towards the researcher.

Fruiter's

Overview of the business

Fruiter's is a canned food company that was started in 1993. The family was exiled from South Africa to England and returned towards the end of the apartheid government. The father returned to South Africa wanting to start a business that shifted away from the usual retail businesses that the South African Muslim community was predominantly restricted to and tried to pursue a business model similar to the Heinz canned food company he had encountered while in England. The owner has three sons, two of whom were instrumental in the early days of the business. After purchasing a cannery the owner restructured the business and stressed the idea of strong marketing as well high quality food products. The company grew over the years and received awards such as the Star for Quality in Paris, Entrepreneur of the Year for the past three years and the Diamond Arrow Award in 2011.

The business has seen strong growth over the years and has expanded into the market share of better-known household canned foods such as KOO.

Business structure

The business runs on a structure very similar to a hierarchal corporate business with defined divisions and departments. Due to the large staff count, the business uses formalised procedures and regulations by which employees as well as management are governed. This formalised structure with regard to both the decision making as well as the definition of roles in the business was indicated during the interview. However, the researcher observed that the front hall receptionist was doing business related issues that were directly related to a customer and seemed misaligned to her function. It was also indicated during the interview that the father, who is the owner and Managing Director of the business, has the final decision in the business.

Succession within the business

The business plans to develop a formalised succession plan, however this has not been developed as yet. The succession plans for certain management positions in divisions of the business have been developed and are not necessarily for family members only. It was also indicated that while the successor to the current Managing Director would be a family member, this might not necessarily be the case in the future. The business plans to formalise all the procedures and create a strong corporate identity. The three brothers who are the sons of the owner/Managing Director are each given a division to operate. Both the owner his sons mentioned that any of the brothers could take over the business, because even though each son has a specific division to head up, they have trained and worked in most of the operations within the business.

Relationships and environment

The business is located in a farm area and the offices are on the same location as the canning factory. The business has a mix of both the informal farm environment as well as a formalised corporate environment within the business offices. Whilst the environment is fairly corporate there is also a strong sense of authority within the business.

Athol Bazaar

Overview of the business

Athol Bazaar specialises in the wholesale and retail of yarns. The business has been operating for over a hundred years and is currently in the third generation. The third generation is made up of two brothers who are the owners and the Managing Directors of the business. The brothers have been in the business for 20 years. The business is separated into four distinct functions. One division specialises in the wholesale of yarns to over 250 stores throughout South Africa, the second is involved in the direct retail of yarns

through their stores, the third is involved in the operation of an online store providing the purchasing and delivery of yarns and the fourth is involved in fast food outlets that the business has recently purchased. The introduction of the fast food outlets is seen as an extension of the business and not a shift in the business model.

Business structure

There is a distinct presence of separation between functions of the management within the business. The different functions are run from separate buildings with separate offices. All systems are electronic and computerised providing logistics information with regard to locations of their deliveries as well as stocktaking and sales. The owner mentioned that most of their yarns were sourced from South Africa during the ownership of the previous generations, but this has changed in the past ten years and the yarns are now sourced from Turkey or China. The owners visit the countries every three months in order to source the necessary yarns. The owner mentioned that the business had undergone a change within their business model. This was influenced by changes that occurred in the yarn business during the ownership of the previous generation. The low production costs for clothes in China made it unappealing for South Africans to purchase yarns to produce their own garments. The specialised yarn industry declined during this period and once the successors entered the business, the business model was changed to target the market looking for yarns as a hobby rather than a requirement. This shift required a strong marketing campaign, branding and the introductions of new technologies. The owners have a strong presence in conferences and exhibitions such as the yearly HobbyX shows.

Succession within the business

The brothers who are the current owners of the business were introduced to the business over 20 years ago. The owner continuously mentioned the value in the training he received from starting at the bottom of the business and working his way to the top. He mentioned that the previous owners were pivotal in the training process from learning the procedures and processes as well as the values that were passed down from the previous generation. The owners are planning to pass the business over to their children, although the next generation is currently too young to be involved in any serious activities within the business.

Relationships and environment

The wives of both brothers are in the business and work closely with the owners in managerial activities. The activities are made up of predominantly formal business undertakings. There is a sense of authority between the owners and the employees. The conversations between the employees and the owners were predominantly instructions and requests with a lack of friendliness or warmth. The owner was interested in the current study and also mentioned his personal interests with regard to the current situation in the company

and his future plans for succession. There was a sense that the owner answered questions with a level of honesty and no sense of holding back or defensiveness was encountered. There was also a strong sense of pride, ownership and passion for the business that came from both the informal discussion and the observations.

WeSell Motors

Overview of the business

WeSell Motors was started in the 1970s by two brothers. The mother of the two brothers started a retail store in a mining town located in the then Northern Transvaal during the 1920s. Using the funds generated from the store, the brothers moved to Johannesburg and tried their hand at a car dealership. The business had been passed on to the sons of both of the brothers five years ago. The business is involved in the buying and selling of cars. While the business saw strong growth for over 20 years after its inception, the business is currently experiencing a steady decline.

Business structure

The business is separated into the office area where the family members operate and where the financial aspects of the business are undertaken. Across the road is a fairly large showroom where the cars are displayed. The filing system seems to be old and unattended to while the computerised system implemented by one of the successors is not utilised by all of the members in the business. The functions specific to each individual have not been clearly indicated either through the observations or through the interviews. Not much marketing is done for the business, although the new Managing Director is trying to get some low cost marketing done through the internet, auctions and car magazines. A coding system was introduced to the researcher, which is a system that was passed on through the generations and was initially used in the general dealer that was owned by the great-grandmother of the current successors. The aim of the system is to allow a secretive conversation to ensue between family members when making deals in front of customers through a series of coded words and numbers.

Succession within the business

The business was handed over to the sons of the previous owners five years ago on the passing away of one of the previous owners. The ownership is shared between the two cousins, one of whom has the position of the Managing Director and the other has the position of Director of Sales and Marketing. Even though the ownership has been handed over to the subsequent generation the previous owner still has a presence within the business and is there every day. Whilst the previous owner attempts to provide an input into the business with regard to decision-making or recommendations, the current owners make the final decisions. The researcher was taken to an auction, which the business uses both as

a platform to market their cars and as a platform for sourcing cars to purchase for the dealership. It was evident here that the successor makes the final decisions with regard to prices to buy and sell the cars as well as car models to purchase. The successor also mentioned that he is trying to make changes within the business with regard to the introduction of new technologies and marketing, but he finds it difficult to implement these expenditures whilst the previous owner is around in the business.

Relationships and environment

Not much communication was observed between the two successors. The previous owner communicated continuously with his son, who is the director of Marketing and Sales, although the nature of the discussions was predominantly work related. There was an informal relationship between the previous owner and the non-family members and this was authoritative in nature. This relationship was observed when the previous owner scolded an employee in front of the researcher. The researcher observed a more civil and formal relationship being practised between the current owners and the employees. The researcher experienced a level of hesitation from the owners with regard to the current study, although the previous owner was welcoming in providing information. There was no sense during the interviews or conversations that information was being withheld and the owners provided information that was not misleading for the purpose of presenting a positive image of the business.

Atjay Architects

Overview of the business

Atjay Architects is an architectural and construction firm that was started almost 30 years ago by the current owner. The business has changed locations often but always focused on the same target market, which was predominantly the South African Muslim community in Johannesburg. The designs that the owner developed were simplistic, quick and affordable. The business moved on to include a construction division that constructed the designs developed through the firm. The owner's two sons, Shafi and Mahmood, were continuously involved in the business prior to perusing their tertiary education. Shafi joined the father on completion of his Electrical Engineering degree and was predominantly involved in the project management of the construction projects. Mahmood completed his degree in Architecture but decided to pursue a career in a more corporate environment. However Mahmood informed the researcher that after realising the potential for growth and experience in the father's firm, he eventually also decided to join the firm. Shafi is currently working as a project manager in Kuwait while Mahmood has taken on most of the operations in the business and is currently planned to be the successor of the business. Since Mahmood had taken on most of the functions in the architectural division of the firm, the firm

has changed the nature of the architectural designs being produced. More time is given to designs that are intricate and modern, and the cost for the designs have increased.

Business structure

The firm is divided into the architectural and the construction divisions. The architectural division operates solely from the office whilst the construction division is run from site. The owner, i.e. the successor's father and Managing Director, was busy with a design during the interview and used a paper and pencil to draw out the design while the rest of the staff used 3D design software. A division between the activities of the father and the rest of the staff was evident from the observations and this was further validated when the son indicated that the style of his designs and those of the rest of the staff vary greatly from the father's. This difference extends itself into other operations of the business that includes costing, finances, project timeframes, customer bases and target markets. The successor indicated that many of the processes in the business with regard to both finance and administration are still informal and it his plan to formalise many of these processes in the future.

Succession within the business

Mahmood, who is also an architect, is planned to take over the firm and is already running most of the operations. As indicated earlier, the business operations are almost divided between the father who is currently the owner and the son who is going to be the successor. This is due to the differences in the technology used and design styles undertaken by father and son. The son introduced a lot of the changes in the firm including the employment of more architects, the introduction of a business networking system and digital design software, a designed logo and marketing strategy. From the observations, conversations and interview it appears that the succession process is a process where the son's introductions of new operations has created a division in the firm which is leading to the phasing out of the father's "outdated" operations and shifting towards the son's new style of management. The son continuously mentioned that the father had lost the drive for any growth or passion in the business and he wishes to bring that back into the business.

Relationships and environment

The office space is designed to replicate a high-tech start-up company and attempts to create a creative space for the architects working there. This level of freedom seems to go beyond work-related activities and was evident where one of the staff members was blowing balloons for a party while another employee had loud music playing from his laptop next to the owner of the firm. The owner also bought food for the employees while the researcher was busy with the interview. There was communication between all members in the business that ranged from work-related to non-work-related issues. There was constant communication between the owner and the successor. Both the owner and the successor

were interested in the current study and both individuals were open with regard to the issues encountered in the business. There was a level of passion and excitement that came from the successor that was met with a dichotomous level of disinterest and apathy from the owner for the business.

Cycle Warehouse

Overview of the business

Cycle Warehouse specialises in the wholesaling of bicycles and peripherals related to bicycles. The business is fairly new and was started in 1994 by the current owner/Managing Director and his brothers. The brothers eventually split and opened other stores in 2002. The business recently introduced a new wing specialising in home appliances and a property division in conjunction with the owner's brothers who were also previous owners in the business. Two of the owner's sons, Ahmed and Khalique, are currently in the business and Ahmed is the planned successor. The business currently supplies over 150 stores with bicycles. Many of the products were sourced from South African suppliers but due to high costs and lower quality, the company needed to source their products directly from China, and management travel at least three times a year in order to source suppliers and products. The owner indicated to the researcher that the business began as a small operation and grew over the years; however it grew at the sacrifice of him enjoying his children and family life. He also expressed the fact that he hopes the hard work that he put in to grow the business would pay off once his sons take over.

Business structure

The family members make up the management of the business and operate solely from a well-furnished office space where they are able to control the movement of deliveries in and out of the warehouse. The business is well linked with CCTV cameras and other communication devices that provide the management with control on the different floors of the warehouse. Ahmed introduced these systems. There is a clear distinction of roles within the business. The successor is involved in the financial side of the business while the other son operates the home appliance division.

Succession in the business

The business is in the process of being handed over to the successor. The owner indicated that while Ahmed was going to be the successor, the shares of the business had been split equally between the two brothers. The succession would therefore give Ahmed the Managing Director position and responsibility for decision-making and leadership of the business. The owner expressed to both the researcher and a customer that he can relax from here on because he has his sons to look after everything in the business. This was also observed during a lot of the activities in the business: whilst many of the employees

requested assistance or advice from the owner, the majority of the employees requested to talk to the son. The father however still has a strong influence in the business and maintains his authority over the employees. It is evident that the father is still the final decision maker in the business. The owner indicated that the son had been selected as the successor because he has had more experience in the business and is also a Chartered Accountant and will be capable of steering the business in the right direction.

Relationships and environment

The relationship between the family members is fairly close and the conversations ranged from family issues to business issues whilst the researcher was in the business. It was brought to the attention of the researcher that all the individuals in the business still live together in the same house. There is however a sense of authority and while non-family members do have a say in the decisions made in the business, the final decision is still made by the owner. The owner however was not entirely interested in the current study and dismissed most of the questions over to the son. There was an open and blatant environment that was observed and the owner had expressed his anger and irritation towards his sons, employees and customers on numerous occasions.

Corner's

Overview of the business

The Corner's business was started thirty years ago by the father who is the current owner/Managing Director. The business began as a filling station and later extended to a bakery. The father began growing the business to convenience stores, car washes and takeaways as his three sons completed their schooling and began joining the business. Two sons are currently running the business whilst the third son is a silent partner in the business. The father is the director of the business and maintains control.

Business structure

Each son has a set of businesses to run. It was mentioned that the brothers sometimes share the responsibilities of the businesses and assist each other whether it extends beyond their function or not. The store in which the interview had taken place ran off an automated system and required little involvement from management on an operational level. The brothers who form the management of the businesses are not involved in any floor activities but are only responsible for the finances and high level management. The son indicated that the father is still "old school" and the sons, sometimes against the wishes of the father, implemented many of the technological advancements in the business. There is a well-structured and formalised system between the employees and management although it is evident that the family members gain preference over the non-family members with respect to wearing of uniforms and the freedom to use goods off the shelves. The father still

maintains control and has implemented a structured system which rosters each member's functions for the week.

Succession

The father is still in the business as the Managing Director and oversees everything that is done by the brothers. The son made a tongue in cheek comment: "we know more than my father in the business". The father had also expressed his level of trust in the sons to take over the business. The training they received over the years allowed them to operate in different functions in the businesses, from the floor operations all the way to the managerial operations. The successor has not been clearly identified and the successor is dependent largely on the father's personal decision.

Relationships and environment

The relationships in the business between the employees and the management, who were predominantly family members, were fairly formal. The level of authority and positions in the businesses was clear. While a close relationship between the family members was evident, it was also evident that the conversations were predominantly work-related and no personal issues were brought up while the researcher was present. A level of passion was perceived in the successors through the interviews and observations and it was evident that each member had plans for the business with regard to growth and profitability.

The Thrift Shop

Overview of the business

The Thrift Shop is made up of clothing stores selling low-end clothes. The business has been operating for 50 years and management consists of two brothers and the father who is still the current owner/Managing Director. The father is currently passing the business on to the older son to steer as the director but the final decisions are still made by the father. The grandson is also partially involved in the business although he also has a job as an engineer with Transnet. The business is relatively small and does not have a large workforce.

Business Structure

Through the conversations and observations it was evident that there were distinct differences in the functions of the management in the business. Yusuf, the older brother, has a degree in Accounting and is involved predominantly in the management of the accounts and admin in the business. Imran, who has studied religious law, is involved in the floor activities as well as management of the stock in the business. The business is fairly small. The staff count is relatively low and does not exceed 20 individuals. This requires the management to be involved in many of the on-floor physical activities in the business such as cash collection and sales. The business has a few technological changes with regard to a stock monitoring system as well as a computerised sales system. However, it also evident

that a lot of the finishes, cabinets and the office space lacks any changes and seems to have been the same for the past 10 years.

Succession in the business

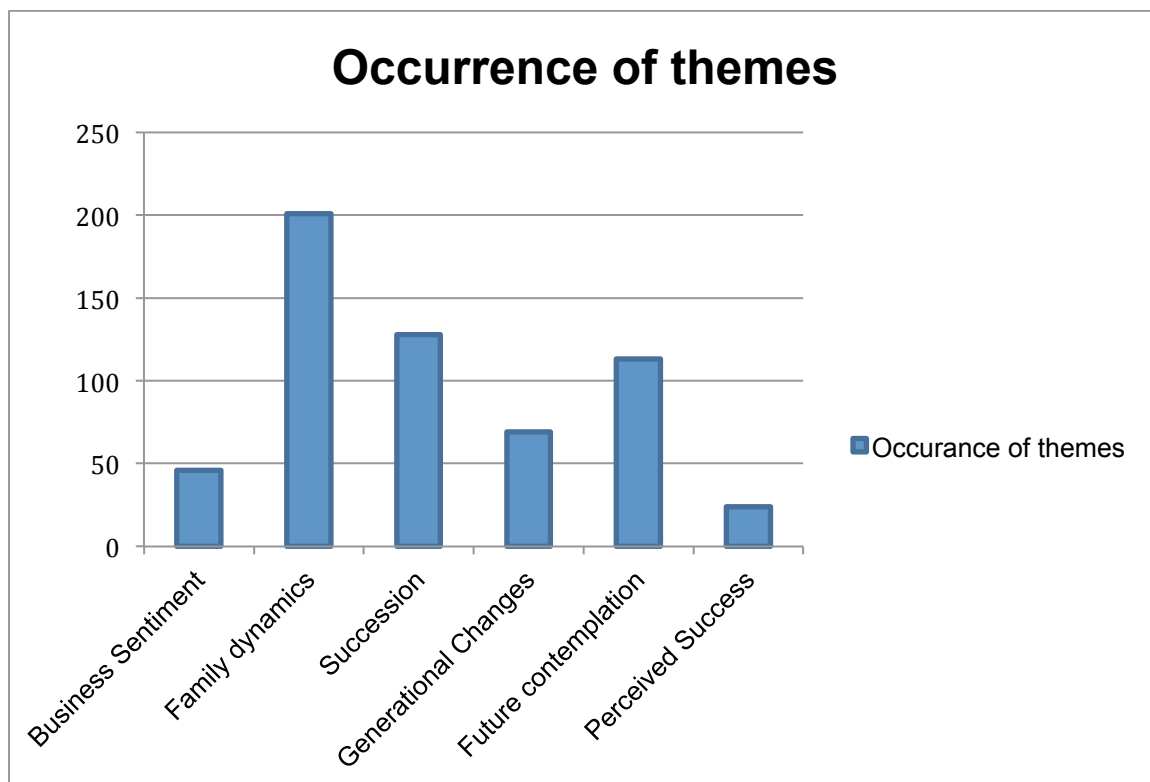
The business is already in the process of being passed on to Yusuf. Although Yusuf has a degree in Accounting he claims that the education he received has not really helped him in the management of the business. It was however observed by the researcher that he has undertaken the management of the finances as well as the business administration, which is evidence of the use of his degree in the business. The father's presence in the business is still strong and on a few occasions he reprimanded his sons in a sturdy manner. It was not known by the successor when exactly the full ownership and control will be passed on to him and he mentioned that the father was too comfortable being in the business.

Relationship and environment

There was a strong family presence in the business. It was observed that the family members partake in many activities outside of the business environment e.g. sharing meals and attending functions. Relationships with the employees were fairly informal and open. Whilst the relationship between the father and the non-family members in the business was fairly authoritative, the successor had a more formalised and civil approach. There was an interest in the current study and the successor and the owner were both open with regard to the information they provided the researcher.

Appendix C: Overview of the occurrence of themes in the data

Theme	Count
Business Sentiment	46
Family dynamics	201
Succession	128
Generational Changes	69
Future contemplation	113
Perceived Success	24



Appendix D: Example of coding completed for an interview

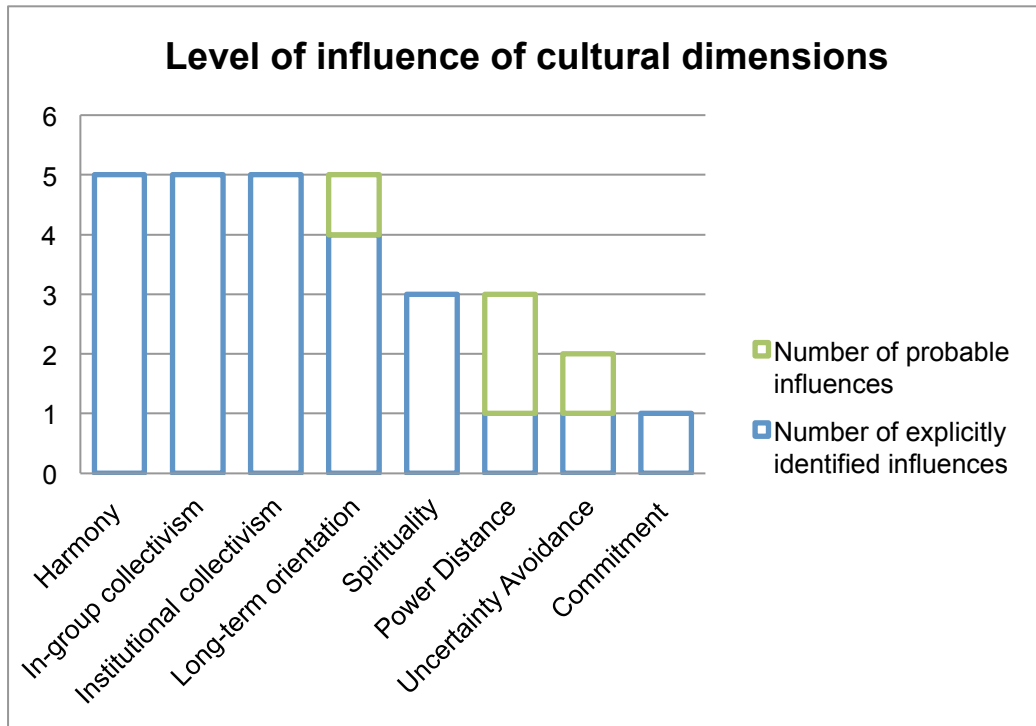
Code	Interviewer	Interviewee	Observations	
Business Sentiment	Do you think the next generation has the integrity and honesty you said your father and uncle taught you?	I don't think so.		
		And again it should not be forced. They should desire to enter the business.		
	Is there a successor who has been identified already and what criteria do you use to determine if this successor is appropriate? Experience, education etc.	Well they have been identified. And it is dependent on the family relationship and their desire to take on the business.		
		They must be enthusiastic and it must not be forced.		
Generational changes			The business has put up a website from where they trade online and supply individuals throughout South Africa. The website is fully developed by the brother and features all of their yarns and is fully functional for online payments as well as deliveries.	
			Apart from yarns the business is now moving on to takeaways as well. The business owns a few fish and chips shops around the area.	
			The owner is very interested in the study and takes the opportunity as a way to market his company. He was also featured on a home development show recently as well as continuously frequenting the HobbyX shows as well as numerous school marketing activities. The deep marketing strategies were implemented once him and his brother had taken over the business.	
			Ideas, primarily ideas. When there is a succession the next generation will come in with their own ideas and what they perceive is a different way of doing things.	
			Yes vision where they come with their own ideas and that's where conflict can arise.	
			Like in our business where my brother and I implemented new ideas that were very beneficial to the business.	
			Now the market has changed where people take it on as a hobby. Now we need to do things to promote knitting with the newer generation.	
			We have an online store, my brother runs that. Yes... It has all of our stocks there, you can purchase online. I's taking off very well. There are different departments in the business. For example the online sales that have taken quite good and in terms of our wholesale there are positions they can come in and further grow.	

		<p>You know it's harder for us guys. We wouldn't take a loan from the bank and start growing ourselves. Whatever we put back into the business we made from the business. It's slower.</p>
Future Contemplation		<p>There is an element of family life within the business; this is seen through kid's paintings on the walls and continuous phone calls and communication with outside family members.</p>
		<p>Local producers. We are finding that over the years there used to be more local producers and now we are finding less. We are also finding that we need to import more overseas. More from Turkey and China.</p>
		<p>Continuous growth.</p>
		<p>Well they have been identified. And it is dependent on the family relationship and their desire to take on the business.</p>
		<p>I would like them to come into the business ... We would want the successor to come in from the family</p>
		<p>They must be enthusiastic and it must not be forced.</p>
		<p>And they will need to start from a lower level and not the position they wish to end at.</p>
		<p>Quite honestly not to say that we sit down and talk about it.</p>
		<p>But we are thinking about it all the time. My brother and I won't sit back, we will make sure we are on top of things in our industry. We will go to the conferences and we will go to meetings we will go to sales exhibitions. We promote our products by going to sales exhibitions.</p>
		<p>It is important that we stuck to the long term goal.</p>
		<p>Now the market has changed where people take it on as a hobby. Now we need to do things to promote knitting with the newer generation.</p>
		<p>In our industry most people have gone into other products whereas we felt that we our industry would never die. So we created new markets in terms of ideas in our product instead of going into something different. We stuck in yarn. Because we knew the turnaround will come at some point.</p> <p>The market has changed. Before people used to buy to make clothes. But with Chinese imports it is cheaper to buy a garment than to make a garment. Now the market has changed where people take it on as a hobby. Now we need to do things to promote knitting with the newer generation.</p>
Family Dynamics	<p>Would you consider your business as a family business and why?</p>	<p>It has been in the family from the grandfather, father and us.</p>
		<p>In the beginning they were one in the same. Now they are separate entities.</p>
		<p>I would like them to come into the business... We would want the successor to come in from the family</p>

		I would like them to come into the business... We would want the successor to come in from the family
	Has the succession plan changed from the last generation?	Yes most likely...
	Is there a structured family council that discusses business issues, family issues as well as individual issues?	There used to be. -----The members have become old...
		So we value opinions of our parents
		generally individuals come with their own personalities, some people are hard headed and there would be situations where conflicts would arise.
	Do you have the same rules throughout the business that apply to both family and non-family members?	No there aren't.
	Are the opinions of other family members considered when making decisions?	Yes they are.
Successor-related factors	Do you plan to pass the business on to the next generation?	Yes definitely.
	Do you see this as an opportunity or a challenge?	Ideas, primarily ideas. When there is a succession the next generation will come in with their own ideas and what they perceive is a different way of doing things. I would say both
	Do you think the next generation has the integrity and honesty you said your father and uncle taught you?	I don't think so.
		They will lack in certain skills ... but they will have the ability
		Yes vision where they come with their own ideas and that's where conflict can arise.
		And again it should not be forced. They should desire to enter the business.
	Do you think the business is ready to pass on to the successor?	Not yet. We are still young and there is still a long time.
	Is there a successor who has been identified already and what criteria do you use to determine if this successor is appropriate? Experience, education etc.	Well they have been identified. And it is dependent on the family relationship and their desire to take on the business.
		I would like them to come into the business ... We would want the successor to come in from the family
		They must be enthusiastic and it must not be forced.
		And they will need to start from a lower level and not the position they wish to end at.

		And they will need to start from a lower level and not the position they wish to end at.
Perceived Success	What would you consider a successful succession within your business?	Of course growth, taking it to a new level. What we done, we were primarily in retail and now we added a new division where we do wholesale.

Appendix E: level of influence of the cultural dimensions on succession planning in Muslim-owned family businesses



The figure above illustrates the level of influence that the different cultural dimensions have on the succession planning in Muslim-owned family businesses. The figure illustrates that “harmony”, “in-group collectivism” and “institutional collectivism” are the most influential dimensions, followed by “long-term orientation” and “spirituality”.