The Role of Trust in Family Business Succession Planning.

14046092

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

March, 2025.

Abstract

Trust plays a pivotal role in the sustainability and longevity of family businesses, particularly in succession planning. Unlike corporate enterprises governed by formal structures, family businesses rely on interpersonal relationships, making trust a crucial factor in leadership transitions. However, succession planning remains a significant challenge for many family-owned businesses, often leading to disputes, instability, and, in some cases, business failure.

This study explores the role of trust in family business succession planning by examining strategies used to appoint future leaders, the impact of trust on leadership transitions, and the factors influencing trust development. A qualitative research approach was employed, using semi-structured interviews with founders, successors, and key stakeholders from various family businesses in South Africa. Thematic analysis was conducted using Atlas.ti to identify patterns and key insights.

Findings indicate that trust facilitates business continuity, smooth transitions, and leadership development. However, trust is influenced by internal family dynamics, governance structures, and external market conditions. The study underscores the need for structured succession planning, transparent communication, and leadership mentoring to sustain trust and ensure long-term success. The findings provide valuable insights for family businesses, policymakers, and scholars in understanding the complexities of trust in succession planning.

Keywords: Trust, succession planning, family business, leadership transition, governance

Plagiarism Declaration

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

Student name_____ Date_____

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List of acronyms and abbreviations

BCG – Boston Consulting Group

CEO – Chief Executive Officer

COVID – Coronavirus Disease

CV – Curriculum Vitae

EBITDA – Earnings Before Interest, Taxes, Depreciation, and Amortisation

HR – Human Resources

PWC – PricewaterhouseCoopers

SA – South Africa

SADC – Southern African Development Community

SEW- Socio-Emotional Wealth

SWOT – Strengths, Weaknesses, Opportunities, and Threats

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Chapter 1: Introduction to the Research Problem

1.1 Introduction

This chapter introduces the study on the role of trust in family business succession. Trust plays a pivotal role in the sustainability and longevity of family businesses. Trust influences everything from leadership transitions to organisational culture, unlike corporate companies driven by formal governance structures. Family businesses are built on relationships that intertwine personal and professional lives. This dynamic makes trust crucial in ensuring smooth leadership transitions, maintaining external credibility and fostering internal cohesion. The chapter introduces the academic and practical rationale of the study. Also contained in the chapter is the background to the study, the research problem, and the purpose of the study.

1.2 Background

Family-owned enterprises are an important component of the South African economy (Hoverd, 2023). On the stock exchange, above 50% of companies listed are run by families. In totality, nearly 70% of all businesses are family-owned enterprises (Qiu & Freel, 2020). Trust is essentially what separates one family business from the other throughout history. According to the Edelman Trust Barometer, family enterprises are more trusted than non-family companies when it comes to business issues and have a percentage score of more than 6% over their non-family enterprises (PWC South Africa, 2023). According to data collected from 2013 to 2023, trust in family enterprises has been said to be diminishing. Higher levels of trust are often linked to greater performance, according to a study conducted by PWC South Africa (2023). Developing measures to rebuild and maintain trust thus remains a priority for family enterprises.

A few of the most prosperous companies in South Africa are family-run enterprises, including Nandos, Pick & Pay, De Beers and Pam Golding (Investec, 2020). Numerous studies have demonstrated that family companies are more likely to be long-term profitable, to hire more people despite economic downturns, and to get active in charitable endeavours in the areas where they operate. In addition, they tend to be more fiscally cautious and are less inclined to finance through debt, which is in line with their longer-term strategic approach and objective of leaving a legacy for future generations (Investec, 2020). These characteristics might help to explain

why family companies appear to have an overwhelming impact on the market system.

A family-owned business's performance is not the same compared to that of a non-family-owned one. The Centre for Management and Economic Research has produced a list of 149 publicly listed, family-owned companies with locations across multiple nations. The study's findings demonstrate that family company executives prioritize resilience over success (Family Business Matters, 2023). During favourable financial times, family-owned businesses do not make nearly as much as public corporations. However, when the economy slows, family firms outperform their competitors. In a 12-year research that encompassed the 2008/2009 financial year, family firms had stronger mean long-term financial success than non-family enterprises (Rovelli, Ferasso, De Massis & Kraus, 2022). The conclusion made was that the top executive of a family-owned business may have financial interests that resemble those of CEOs in non-family businesses, but he will manage with a different management technique. Because of familial connections and responsibilities, the economic part of a family-owned business is managed with a long-term mindset (Baron & Lachenauer, 2021). The same approaches must be applied to interpersonal concerns in the familial business.

Despite several family enterprises performing well in past decades, not all have been successful. Research by Family Business Institute (2019) revealed that only a few businesses make it to the next generation, while only 12% continue to operate in the third generation, and a meagre 3% run through the fourth generation and beyond. Those who manage to survive tend to lose value after transitioning.

According to a study by Fernández-Aráoz, Iqbal and Ritter (2019), Singaporean, Taiwanese and Chinese family enterprises experienced a drop in shares in the first few years after a leadership transition. The owners of these businesses admitted to experiencing these problems faced by their companies. According to a Harvard study, the board of directors performed poorly in managing talent. Only a few family enterprises performed exceptionally well in recruitment, appointing, retaining and firing employees. They also performed well in diversity management.

A family business's founder retains ownership and control throughout the first generation period. Different ownership and management arrangements arise by the time the firm is passed down to the next generation (Investec, 2020). At this point,

differences in the ownership of shares and management of the company start to become apparent. The differences in ownership and management become even more pronounced when family enterprises reach a third-generation shift, often known as a "cousin-consortium," which frequently includes several non-family individuals at both levels.

When personal and professional lives are improperly blended, there is a greater chance of internal strife. When one sibling does better than the others or when not all siblings are as active in the firm, family ideals like equality when dealing with siblings may clash with commercial principles (Humphrey, Massis, Picone, Tang & Piccolo, 2021). These kinds of relationships breed tension. Such tension will have a detrimental effect on the work atmosphere for family members and non-family personnel, hindering their capacity to develop and accomplish shared corporate objectives (Daspit, Chrisman, Ashton & Evangelopoulos, 2021).

A poll of 172 family entrepreneurs in 12 African regions used a methodology created by Sucher (2023) to determine if family firms are doing what is necessary in today's environment to foster trust. The poll results demonstrated a gap between conventional conceptions of trust and their influence on how family companies work today. Family companies understand the importance of customer and close family members' trust, but they additionally have to be more diligent in creating trust with their larger major constituent groups, particularly workers and the broader public.

Given this context, the study aims to examine how trust and strategic succession planning contribute to the success of family businesses. Finite research has been conducted on this relationship, highlighting a gap in the existing literature.

1.3 Research Problem

Practical Problem

Family enterprises have been slowly losing trust of late, and how they handle their succession process has tended to affect their long-term success as well. There has been a change in how trust is maintained in businesses, and family businesses have seemingly been slow to see this change in trust (Africa Business Survey, 2023). Customers and employees have developed new standards by which they measure trust, including such aspects as employment equity, corporate social responsibility, diversity management and diversity management (Lakhdar & Lindblad, 2022).

Additionally, millennials, who constitute an emerging clientele base for businesses, have different goals and values than the traditional clientele base (Waldkirch, 2020). The implications of this have been that family enterprises which depended on trust from the older generations need to adjust or face a decline in their businesses. Thirty-nine percent of family businesses will cease to exist in the next generation if they do not change their strategy (PwC Annual Global CEO Survey, 2024). It, therefore, signals the need for family businesses to change their policies to satisfy different customer demographics.

Alongside the concerns of trust are the challenges encountered by South African family-owned enterprises about succession planning, whose failure has been causing significant problems for family businesses. Many family enterprises do not have structured succession plans prepared in advance. According to a survey by PwC (2023), only 17% of family-owned enterprises in South Africa have succession plans. Internal family conflicts due to poor succession planning have also been another key factor contributing to the failure of family businesses in South Africa (Faku, 2016). Prime examples of South African family businesses which have experienced significant challenges due to internal conflicts during succession are provided by the cases of the Rupert family and the Oppenheimer family. The Rupert family, recognised for their luxury goods enterprise Richemont, encountered internal strife that led to legal confrontations (Herbst, 2023). Such conflicts can foster a detrimental atmosphere, obstructing effective decision-making and operational productivity. Similarly, the Oppenheimer family confronted difficulties during the leadership transition within their investment firm, E. Oppenheimer & Son (Herbst, 2023).

Theoretical problem

Research on the specific strategies that facilitate the establishment and restoration of trust within family businesses remains scarce. Gaining insight into these strategies is essential for effective succession planning. Family members' direct participation in their enterprises guarantees that family enterprises make corporate choices to safeguard their good reputation and develop trusting relationships with clients (Chaudharya, Dhirb, Ferrarise & Bertoldi, 2021). While studies by Gagné, Marwick, Brun de Pontet and Wrosch, (2021), Tajpour, Salamzadeh, Salamzadeh, and Braga (2021), and Gupta and Valeri (2022), focus on family businesses in general, there is a notable deficiency in research that specifically examines the cultural factors

influencing trust and succession planning within family businesses across various regions, South Africa included. Studies such as those conducted by PwC (2023), Africa Family Business Survey (2023), Calabro, Minichilli, Amore and Brogi, (2018), Chaudharya, Dhirb, Ferrarise and Bertoldi (2021), tended to focus on theoretical components, but there exists a deficiency in research that offers tangible, implementable strategies for family enterprises to establish effective trust in succession planning. The current investigation is motivated by the aforementioned gaps in knowledge.

1.4 Research Purpose

The purpose of the study will be to explore the role of trust in family business succession planning.

The research study aims to:

- Examine the approaches employed by family businesses in selecting and preparing future leaders.;
- Examine the significance of trust in succession planning.
- To investigate the key factors that contribute to the establishment of trust in succession planning.

1.5 Significance

1.5.1 Significance for Business

The study will be significant for family businesses as it will help them understand the significance of trust during succession and succession planning. Trust serves as the foundation for robust familial relations. Recognising its significance in succession planning enables family enterprises to enhance these bonds, thereby facilitating a seamless and respectful transition of leadership, which may ultimately lead to the success of the family business.

The study will help family businesses enhance their communication strategies as well. Trust cultivates transparent and sincere dialogue among family members. Research in this domain can yield valuable insights into communication techniques that are crucial for effective succession planning.

The study will attempt to assist in reducing the conflict that normally characterises family business succession processes. Family enterprises frequently encounter disputes during the succession process, primarily stemming from divergent

perspectives and interests among family members. Analysing the significance of trust can provide valuable insights for these businesses, enabling them to reduce conflicts and foster a more cohesive atmosphere.

The study will also help in instilling confidence in successors. Trust fosters assurance in the competencies of future leaders. Research can demonstrate the impact of trust on the mentoring and cultivation of successors, thereby guaranteeing their readiness to assume control of the enterprise.

Family businesses which implement recommendations provided in the study may benefit through sustainability and longevity. Trust is fundamental to the sustainability and longevity of family enterprises. Recognizing its influence on succession planning enables these businesses to adopt strategies that foster long-term success.

1.5.2 Academic Significance

The study intends to broaden the field of family business by shedding more light on the implications of ownership transitions on the level of trust in the family business in stark contrast to previous research by Gagné et al, (2021), Tajpour, et al., (2021), Gupta and Valeri (2022) which tended to focus on company leadership. In that regard, the study will provide deeper insights into the field of family businesses by exploring complex issues characterising different types of succession and the way they impact trust, reputation, image and subsequently, the continuity of family businesses. The study will also, in part, illuminate the historical changes, current direction as well as trends that have been prevailing in the family business landscape. This would enable to position of the discipline of family businesses within the current frame while also forecasting the future. The study also provides a comprehensive view of family businesses inclusive of the complexities, decision-making process and probable solutions within the family business unit. The study addresses the gap of the dearth of research that offers concrete, implementable strategies for family businesses to institute effective trust in succession planning.

Chapter 2: Literature Review

2.1 Introduction

This chapter discusses the literature review. The review will cover aspects such as trust and succession planning on the success of family businesses. The review will start by discussing the concept of trust in family businesses. Thereafter, the Relational Trust Theory and Systems theory will be applied to the study as they resonate well with trust and succession processes, respectively. After a discussion of the theory, the literature review section will look at succession planning in family businesses, challenges in succession planning, trust and succession planning and the role of trust in leadership transition. The latter sections of the review will look at factors influencing trust and succession planning.

Birdthistle and Hales (2023), characterise a family business as one in which the family exerts considerable influence over the business's policies and operations, coupled with an intention to sustain family governance. This characterisation highlights the family's active role and impact within the business context. In contrast, Diaz-Moriana, Hogan, Clinton, and Brophy (2019) classify definitions of family businesses into two primary categories: structural definitions and process definitions. Structural definitions concentrate on ownership or management structures, such as when family members hold 51% or more of the ownership stake. Conversely, process definitions focus on the extent of family involvement in the business, particularly regarding their influence on policies and their aspiration to retain control. For this study, the term family business shall be used to imply a business in which a family has significant ownership, involvement and influence over a business.

2.2 Trust in Family Business

2.2.1 Definition of Trust

de Groote and Bertschi-Michel (2021), define trust as the process whereby a trustor invests in a trustee, assuming that the investment somehow pays off, even though they do not know whether the trustee will deliver on the promise. Trust is thus dependent on what the trustor thinks of the trustee (Waldkirch, 2020). The image of a family-owned enterprise is reflected by the extent to which the stakeholders trust it based on its track record (Arregle, Calabrò, Hitt, Kano & Schwens, 2024). Current research on family businesses covers the importance of trust in family businesses.

Family enterprises depend on resources from the relationships they have among family members, trust therefore, assume great importance (D'Allura, 2019; Chaudharya et al., 2021). Family enterprises are characterised by being firmly rooted in their principles, group thinking, stewardship and a focus on the long term (Hiebl & Li, 2020). Preserving the image is thus associated with the legacy of the family as the name of the family cannot be separated from the business (Qiu et al., 2020). Trust is thus important in the context of family businesses (Rovelli et al., 2022).

2.2.2 Building and Maintaining Trust in Family Businesses

Family enterprises depend on long-term relationships they have with business associates which means that trust is of utmost importance (Georgiou, Papasolomou, Vrontis & Thrassou, 2023). As the family assumes greater influence over the daily business operations, the need to maintain trust relations becomes imperative (Waldkirch, 2020). Magrelli et al. (2022) describe the term 'families' as depicting loyalty and a strong bond with one's family characterised by a desire to preserve long-term relationships. Families are associated with strong relationships that help them navigate difficult periods (King et al., 2022). Contemporary research highlights the evolution that has occurred in the notion of trust and how it has gained more importance in creating collaborative relationships (Chaudharya et al., 2021). The uniqueness of family enterprises helps them cultivate sustainable relationships with stakeholders based on mutual trust (Qiu & Freel, 2020). Greater trust levels within the family enterprise mean that it can operate more efficiently and make a profit (D'Allura, 2019). According to Hiebl and Li (2020), due to the lack of proper governance systems in family enterprises, trust is based on relations formed in the initial formation phase for family enterprises.

A study by Lind and Lattuch (2021), found that openness, value congruency and integrity enhance trust in family businesses, especially during mergers and acquisitions. In the case of a merger and acquisition, trust is passed from the old owner to the new owner. While the study explored specific scenarios of family businesses and their impact on company trust in mergers and acquisitions, the study was largely Eurocentric as it was conducted in German family firms. This indicates a population gap, which the current study intends to plug as it will focus on family firms based in South Africa.

2.2.3 Building trust from employees

Trust is established from within and then outwards; if a company's employees do not trust it, neither will its consumers. According to a PwC study, organisations that actively offer chances for their employees to gain skills have stronger earnings stability and an ability to recruit and retain staff (PWC, 2023).

The initial challenge in establishing trust between two parties lies in the complexity of the interactions involved in the trust-building process. For instance, what considerations does an employee undertake before they can place their trust in the ownership or management of a family-run business? Lauto, Pittino, and Visintin (2020), decompose trust into three fundamental components: it is perceived as a belief (an expectation), a decision, and an action. Similarly, Rondi, Überbacher, von Schlenk-Barnsdorf, De Massis, and Hülsbeck (2022), define trust as an expectation that is both perceptual and attitudinal, a willingness to embrace vulnerability that indicates volition or intentionality, and a risk-taking behaviour that serves as a practical expression of trust. Furthermore, Rustam and Narsa (2021) conceptualize trust through three dimensions: beliefs (the cognitive aspect), emotions (the affective aspect), and intentions to act (the behavioural intentions aspect). The initial form of trust can be characterised as a subjective, collective, and assured set of beliefs regarding the other individual and the nature of their relationship, which leads one to anticipate that the actions of the other party will yield favourable outcomes for oneself. In the context of a family business, this dynamic fosters a positive cognitive perception among employees towards the family owners and managers, as well as the overall relationship. Basly and Saunier (2020) note that while individual "A" may perceive individual "B" as trustworthy, this perception does not automatically translate into actual trust. The second aspect of trust involves the decision by "A" to genuinely trust "B," which reflects the earlier mentioned facet of trust. Kandade, Samara, Parada, and Dawson (2021), assert that for authentic trust to be established, the expectation of reliable behaviour and the intention to act on that expectation must simultaneously coexist. Nevertheless, this decision primarily signifies an intention to act rather than a definitive commitment.

To unequivocally demonstrate trust in B, A must act on this decision by engaging in various risk-taking behaviours informed by trust, as suggested by multiple scholars (Swab et al., 2020). A review of the family business literature reveals a lack of focus on the distinct components of trust, leading to ambiguity regarding which aspects are

examined and quantified in their studies. Recognizing the differences among these components is essential for advancing the discourse in family business research. Furthermore, the exploration of trust within this field presents an etymological challenge, as the term "trust" is often conflated with its meanings as a belief, a decision, and an ensuing action (Lauto et al., 2020).

An additional concern in the realm of trust research pertains to the mechanisms through which a trustor establishes trust in a trustee. For instance, how does an employee within a family-owned business assess the qualities and performance of the ownership or management members before placing their trust in them? Rondi et al. (2022) delineate various attributes associated with the object of trust that shape an individual's perceptions regarding its trustworthiness. They categorise the qualities aspect into six components: integrity, competence, consistent behaviour, loyalty or benevolent intentions, openness or mental accessibility, and respect demonstrated. Furthermore, other scholars have explored the intricate evaluations made by the trustor concerning different characteristics of the trustee. Kandade et al. (2021) identified openness, loyalty, consistency, competence and integrity as fundamental components of trust. Building upon this foundation, Swab et al. (2020) elaborated on these concepts by delineating eleven distinct criteria that a trusted individual or entity should ideally meet: competence, integrity, consistency, discretion, fairness, fulfilment of promises, loyalty, availability, openness, receptivity, and overall trustworthiness. In their seminal work, Astrachan, Binz Astrachan, Campopiano, and Baù (2020) emphasised the importance of ability, benevolence, and integrity in establishing trust. Rustam and Narsa (2021), in their comprehensive review of these various elements, concluded that the four characteristics of the trustee—ability, benevolence, integrity, and predictability—are the most frequently cited and deemed the most significant.

Family-run firms recognise the value of employee trust. According to PwC's 26th Annual Global CEO Survey (2023), employee trust is necessary. However, a closer examination reveals that this belief is not supported by action: 38% of respondents in the survey claimed to place little emphasis on luring and keeping talent. Remarkably, trustworthiness is valued higher by banks and financial partners than it is by employees. In the next ten years, 45% of CEOs in sub-Saharan Africa and 52% worldwide predict that a lack of skilled workers will have an impact on profitability, according to PwC's 26th Annual Global CEO Survey. The majority of

global conglomerates are using a liquid model that lets all workers, regardless of rank or title, support the organisation's strategy and exchange ideas to spur creative development.

2.2.4 Building trust with family members

Studies conducted in Kenya, Nigeria and South Africa, in which business executives of family enterprises were interviewed, revealed that trust within family members was critical, and 77% of businesses have established this trust (PWC, 2023). Nonetheless, family conflicts tend to disrupt trust from time to time (PWC, 2023). Conflicts amongst family members are the biggest impediment to building stakeholder trust. Additional difficulties include the company's present culture, the strain from funding sources to provide revenue and growth, and the incapacity to change the structures, relationships, and procedures of the supply network.

Azizi, Salmani Bidgoli, and Seddighian Bidgoli (2019), argue that family members involved in a family business often assume three interconnected roles: they are relatives, owners, and managers simultaneously due to their overlapping affiliations. The dual responsibilities that relatives hold towards their family, the business, and the shareholders, as well as towards one another in their capacities as relatives, managers, and owners, can foster a strong sense of loyalty among them, as well as towards employees and the enterprise itself (Baron & Lachenauer, 2021). The shared identity among family members significantly influences their behaviour both in the workplace and in personal interactions. Given the intertwined nature of work and family in family businesses, every action taken by owner-managers who are also relatives carries implications for both the business and familial relationships, thereby enhancing loyalty among employees towards both the family and the business (Rovelli et al., 2022). The potential for deeper affection among family members often leads to the more frequent expression of emotions in familial relationships compared to those between non-relatives. The demonstration of love can serve as a powerful motivator, reinforcing loyalty and enhancing trust within the family unit. Additionally, a cultural norm against public disputes may exist among family members, effectively mitigating potentially embarrassing conflicts (Humphrey et al., 2021). The significance of an organisation to a family member, along with their emotional attachment to it, plays a crucial role in shaping work dynamics among relatives. When family members possess a strong connection to the organisation, they are likely to align their objectives and demonstrate a collective commitment to its

success. Furthermore, the symbolism associated with the company can foster a profound sense of purpose among its employees (Swab et al., 2020). The attributes of family businesses, as identified by Daspit et al. (2021), including simultaneous roles, emotional engagement, shared identity and the significance of family business, have a favourable impact on how employees evaluate the trustworthiness of managers and family owners. These characteristics enhance the perception of family members' competencies, benevolence, integrity, consistency, and openness in the eyes of the workforce.

According to a survey of 3,250 wealthy families, 70% of fortune estate transfers fail, with failure being defined as an unintentional cessation of control over the assets (Castoro & Krawchuk, 2022). To address the phenomenon known as "shirtsleeves to shirtsleeves," in which money vanishes throughout three generations, investigators looked at the differences between successful and unsuccessful transfers within wealthy families (Fernández-Aráoz, Iqbal & Ritter, 2019). They concluded that psychological patterns rather than monetary or financial management were the primary factors and that the family itself was one of the main factors. According to this analysis, the primary reason for the wealth collapse was a decline in family trust and communication (42%). The inability of parents to sufficiently prepare their offspring for generating and overseeing the riches ranked second on the scale (17%).

In a family company, relationships are similar to the tyres on the carriage. Energy and efficiency are present when every aspect is in harmony; if this is not the case, things slack or stop altogether. Relationship growth momentum is disrupted with varying degrees of conflict when one partner undervalues the other (Family Business Matters, 2023). From the seniors to the youngest, disruption can originate from anyone or any place, even family members who are not working in a professional setting. Strong relationships are built on respect and fairness rather than power and control, and they foster trust and interaction.

One may establish, quantify, examine, and restore trust. It is a means of lowering ambiguity in social and professional contexts and is essential for harmonious and fruitful working partnerships (Castoro & Krawchuk, 2022). People become more careful and self-protective and want more control when trust wanes.

Character and skill are the two concrete components that trust always requires (Arregle, Calabrò, Hitt, Kano & Schwens, 2024). A person's beliefs, behaviours, attitudes, and priorities are all related to their character. Character combines commitment and integrity. Competency is related to knowledge, talents, accountability, and accomplishments in the workplace, family, and/or community. Proficiency pertains to talents and performance histories (Baltazar, Fernandes, Ramadani, & Hughes, 2023). Even when someone is charming, honest, and genuine, if they fail to deliver results, it becomes difficult to trust them. It is also true in the other way. It is nearly impossible to trust a dishonest individual, even if they are talented and have a clean past.

Whether it is a board of executives choosing a merger or two people organising supper, communication is comprised of transactions inside a system (Deloitte Debriefs, 2019). Practical knowledge and the psychological reactions to the circumstances are the two transactional components that are constantly occurring simultaneously. The outcomes are evident and beneficial when things are done in a complementary and sequential manner. Conflict in these domains has a psychological toll on the family company; everything slows down or stops, which frequently leads to misunderstandings, criticism, and arguments (Family Business Matters, 2023).

2.2.5 Impact of Trust on Business Operations and Relationships

Trust is key for competitive advantage, particularly for family enterprises (Baltazar et al., 2023). Higher levels of mutual trust may translate to more productivity (PWC South Africa, 2023). Finding ways of maintaining this trust is thus critical if family enterprises are to achieve their ambitions.

Gkouna et al (2023) assert that there is a positive relationship between trust and the willingness of customers to buy a particular product. This means that customers who trust a brand are more likely to continue buying it. However, one limitation of the study by Gkouna et al (2023) was that it had a small sample and the findings could thus not be generalised. Studies with bigger sample sizes and more locations thus need to be conducted to address this limitation. The current study attempted to close this gap. The study also left out the impact of other factors on customer intention to buy products such as marketing, product promotion and communication.

A questionnaire survey of 172 family business founders in 12 African regions used a technique created by Chaudharya, Ferrarise and Bertoldi (2021), to determine if family firms are doing what is necessary in today's business context to foster trust. The survey results showed a gap between old conceptions of trust and their influence on how family companies operate presently. Family companies understand the importance of customer and close family members' trust, but they additionally have to be more diligent in creating trust with their larger major constituent groups, particularly workers and the broader public.

A family firm is defined by Samara (2021), as an enterprise that is managed and controlled to advance a family vision that lasts for future generations.

2.3 *Theoretical underpinning of Trust and Succession planning*

The current study is based on two theories- the relational trust theory and the systems theory. For trust, the relational trust theory is applied, while the systems theory is applied to explain succession planning. According to the relational trust theory, trust is built through relationships in the family business. These will be explained in the coming sections.

2.3.1 The Relational Trust Theory

The relational trust theory is the brainchild of Bryk and Schneider from their studies conducted in primary school settings (de Groote & Bertschi-Michel, 2021). Factors which must be prioritised by parents, school management, teachers and the community were identified.

Respect was the first factor. It was stressed that relational trust could develop when individuals respect each other and their concerns are addressed. Personal regard was the second factor (de Groote & Bertschi-Michel, 2021). When individuals put extra effort into achieving goals, relational trust is enhanced. Proficiency demonstrated in the course of work was the third factor. Where individuals exhibit greater levels of proficiency in the discharge of their duties, trust increases. Then the final factor was personal integrity. When individuals show integrity, relational trust is cultivated in the process.

Comparisons can be drawn between relational trust with organic and contractual trust. Organic trust is developed by people sharing the same religion. Contractual trust on the other hand is developed when people sign a contract to perform a task

(Cabrera-Suárez et al., 2020). As people from different faces of life converge to work on the same task, relational trust must be developed.

The application of Relational Trust theory in the context of family business research entails examining the ways in which trust dynamics among family members and within the business ecosystem affect overall performance and long-term viability. Relational trust is characterised by the trust that emerges between individuals or groups, founded on mutual respect, common values, and emotional connections (Arregle et al, 2024). In the realm of family enterprises, this typically encompasses the trust established between family members and other stakeholders. Research indicates that relational trust plays a crucial role in influencing both the performance and longevity of family enterprises (Family Business Institute, 2019). The presence of trust can facilitate collaboration, mitigate conflicts, and create a conducive work atmosphere, ultimately resulting in improved business performance. Within family businesses, trust manifests in several forms, including calculative trust (rooted in economic advantages), relational trust (derived from emotional and social connections), and institutional trust (anchored in formal regulations and frameworks) (Gabriel & Bitsch, 2019). Notably, relational and institutional trust is particularly advantageous for promoting sustainable development, whereas calculative trust may yield detrimental effects.

2.3.2 The Systems Theory

Systems theory is derived from different disciplines and the theory stresses the connectivity and interaction of various elements of a system (Kantabutra, 2022). It differs from reductionist techniques, which divide systems into component elements for examination. The following are some main points:

General System Theory: Ludwig von Bertalanffy proposed this theory, which focuses on understanding the sophisticated and unpredictable nature of systems by taking into account their interconnected pieces (Magnadi et al., 2021). Its applications include computers, ecology, the field of engineering, and administration (Serrat, 2021). To put it plainly, a system is a collection of frequently interconnected or interrelated parts (or sections, entities, variables, members, pieces, units, etc.) that function together to create a cohesive whole (Kantabutra, 2022). Therefore, the term "systemic" implies something that permeates over and hence impacts a whole system. Every system is bounded by space and time, impacted by its surroundings (apart from the time when it is closed), defined by framework and objective, and

conveyed by functioning, which in intricate structures may include the formation of relatively new characteristics through growth and lead to continuous evolution (Sorenson & Milbrandt, 2023). Interactions can include the flow of energy, knowledge, or materials within or outside of a system's borders. Interactions can be energy, knowledge, or substance transfers within or outside of a system's limits. Closed systems, on the other hand, are physically segregated from their surroundings (Magnadi, et al., 2021). The starting conditions in every closed system unambiguously define the end state. Equilibrium, the laws of thermodynamics to name one, is a discipline of research that pertains to fully enclosed systems.

Systems theory provides a useful framework for analysing the complexity of family-owned enterprises' succession (Nwuke & Adeola, 2023). Firstly, the system can be viewed holistically. In a holistic view, the Systems theory looks at the family company as a whole, encompassing the various subsystems (relatives, company operations, and ownership). This aids in comprehending the way various subsystems relate to and affect one another during succession (Serrat, 2021).

The systems theory can also be applied to understand communication patterns at play during succession processes and the importance thereof. Every subsystem possesses a unique communication strategy. For instance, families prioritise relationship communication, corporations prioritise decision-making and interpersonal interaction, and ownership prioritises legally safe exchanges. Recognizing these tendencies might help in managing the succession more easily (Hiebl & Li, 2020).

It is also equally important to understand boundaries that exist during succession processes and for one not underestimate or overestimate their strengths. In terms of boundary management, the systems theory stresses the need to maintain boundaries between family and business. Clear demarcations can assist in reducing conflict and ensure that company succession decisions are made rationally (Arregle, et al., 2024). The systems theory emphasises the need to develop an organised succession plan that considers the nuances between the family and the company. This involves preparing possible successors, handling the incumbent's unwillingness to stand down, and removing any hurdles to succession (Bano, Omar & Ismail, 2022).

Innovation and Adaptation, which are key in succession processes, are also encompassed in the Systems theory. The approach emphasises the value of

innovation and adaptability in arranging for succession (King et al., 2022). It implies that successful succession entails not just changing leadership but also cultivating a culture of constant growth and modification.

2.4 Succession Planning in Family Businesses

2.4.1 Definition and Importance of Succession Planning

Succession planning within family enterprises involves a strategic and methodical approach to transitioning leadership and ownership across generations (Baltazar, Fernandes, & Ramadani, 2023). This process seeks to maintain the organisation's legacy, core values, and overarching vision while simultaneously encouraging innovation and responsiveness to evolving market dynamics (Baltazar et al., 2023). Focusing equally on both the present and the future, planning ensures that people are appointed to posts that actually suit their competencies. Many studies on succession processes in family enterprises reveal that it is important for family businesses to have seamless leadership transitions in order to continue profiting (Matser et al., 2020). Succession planning in family businesses is by no means a straightforward process. It normally consists of pre-succession, succession and post-succession. Different factors, either from the family or organisation, namely the level of peace, the number of siblings and the ages of the family members can all potentially impact the succession process. Matser et al. (2020) believe that the succession process can be deemed to have been successful only if there continues to be unity and business continuity in the aftermath.

More often than not, family harmony is critical for succession, however, there is a gap in the literature concerning how family harmony can be maintained (Green, 2024). Similarly, most studies on family enterprises have tended to focus on the business side whilst ignoring the family aspect (Calabro et al., 2018). In addition to that, the few studies which discuss the importance of keeping a harmonious environment within the family enterprise have only done so from a limited perspective- they have relied on self-reported data from the founder (Richards, Kammerlander and Zellweger, 2019).

2.4.2 Phases of Succession Planning

Planned successions take place in phases. These measures can help family companies negotiate the difficult task of planning for succession, ensuring the smooth passage to the subsequent generation.

Preparation of the successor: this entails assessing the next generation's preparedness to take charge of the family business. This includes evaluating their abilities, experience, and devotion (Castoro & Krawchuk, 2022). Before making any preparations, it is important to understand the demands associated with working for the company. A study by Nwuke and Adeola (2023), on successful transitions and the survival of family businesses in Nigeria found that successful succession depends on adequate successor preparation; the founder's support for the process; building credibility and trust in successors and; ensuring that the company's vision is successfully transferred to the successor. While the study was crucial in providing insights to leaders of family businesses on how to go about succession processes, the study was only limited to three family businesses in Nigeria, which means that the findings could, therefore, not be generalised. This highlights a population gap that the current study intends to fill by examining South African-based family-owned enterprises. Determining which roles, abilities, or experiences are critical to the business's success. Assessment of readiness entails examining every aspect of the company, from supply chain management to customer relations to product development, and determining what it takes for someone to successfully carry out those duties (Arregle, Calabrò, Hitt, Kano & Schwens, 2024). Making a list of everything that is going to be needed is critical to have at the starting point. Then, one may observe which of these roles are performed and by which individuals, as well as which of these jobs need to be done.

Communication of succession plans: Communication involves conveying succession plans both within the circle of relatives and to non-family stakeholders. This promotes buy-in and reduces suspicions of nepotism (Magrelli et al., 2022). Once it is clear what the business needs, it is likely that someone within the company will be able to assume responsibility. But does the replacement want the job? It is common to believe that whoever is picked, especially if it is someone from the family, would be supportive, but this is not necessarily the case. It is crucial to have honest conversations with the possible successor and other family members (Magrelli et al., 2022). Ask whether they want to be involved in the business while making it apparent that it is not required. As much as one would want a brother or sister to be interested in being an integral component of the company, one must also respect their views. Having these discussions early is critical for two reasons. First, if the preferred individual is not interested in the post, the founder has time to look for alternative

options (Abutabenjeh & Jaradat, 2018). Secondly, alerting everyone about one's plans allows them the opportunity to make adjustments and understand the decision. This is especially important in a family enterprise, where there are generally more personal issues to consider.

Development of Successor: Invest in the cultivation of future successors by giving them the training and opportunity to demonstrate their talents (Qiu & Freel, 2020). Selecting a family member to lead the firm after the founder steps down is an excellent strategy to protect the company image and its ideals, but the organisation must also ensure that they are technically capable. Furthermore, because such training might take years, it is critical to begin succession planning soon. This training might be an extra degree, additional courses, or further job experience. Making a successor work elsewhere for a few years may be quite beneficial to the firm (Georgiou et al., 2023). Working in another firm helps them to sharpen their abilities and absorb novel concepts that they can use in the family enterprise. It introduces individuals to new ways of contemplating and accomplishing in an unusual setting and boosts confidence. External experience is also an excellent opportunity for the person taking over to grow without affecting the firm.

Co-Designing Succession Plans: Create transition plans that explain the steps of the handover process, from choosing a successor to fully transferring duties (Fernández-Aráoz et al., 2019). Ideally, the firm is going to introduce the next person to their position (and the company, especially if they are an external recruit) while the original owner is still in control. In this manner, the entrepreneur can examine how they operate, adapt them to the enterprise, and ensure they work harmoniously with the other employees. It may be tempting to expedite the process of handing over, but devoting the time will almost likely deliver greater outcomes (Bano, et al., 2022). That explains why it is seldom too early to consider a succession strategy. The founder will need ample time to ensure that the newly established management structure is operating successfully.

The founder must also allow adequate time to present the successor to any external partners with whom they might have to collaborate, create relationships with suppliers and consumers, and instruct them to act following the principles (D'Allura, 2019). Think about a few months, not weeks or even days. However, devoting too much time to the transition might cause the person taking over to become too

attached to 'how everything used to be' and fearful of innovation. This may not be helpful for the firm in the long term.

Contingency Planning: Prepare for unforeseen circumstances by making plans for emergencies. This guarantees that the firm can continue to function normally even if unforeseen circumstances take place (Baltazar, Fernandes, Ramadani, & Hughes, 2023). Choosing someone in the family is the simplest way of ensuring that the vision and values are carried on into the upcoming generations, and they may be further trained even when they are not yet prepared. But suppose the organisation is lacking enough time or money, or no one in the immediate family has an interest in operating the business? Many family companies go beyond the family for personnel. It is usual to require 'regular' personnel at a certain time, not particularly because of their diverse viewpoints and experiences (Chang, Mubarik & Naghavi, 2021). External candidates frequently possess credentials that family members do not possess. When contemplating passing on the company to someone outside the family, the most important thing to ensure is that they have a deep understanding of the company's principles. If one wishes the company name to last, its vision and belief systems must not change.

2.5 Challenges in Succession Planning for Family Businesses

Family enterprises wherein there is no demarcation between the family and business operations provide a noteworthy point of discussion that helps in unravelling the dynamic between the family and the business as a system (Signori & Fassin, 2023). A host of family enterprises collapse at this stage. The succession process exposes a family's lack of preparedness to hand over the business to the next generation. Matser et al. (2020), point out how important it is to consider the points of view of siblings who are not going to take over the business, as their opinions are also crucial for a peaceful transition. The role and importance of non-succeeding siblings within the succession plan are not immediately clear. Their acceptance of the succession outcome is influenced by their perceptions of the fairness of the process, as well as the decision-making approaches of both the current leader and the successor. It seems that individuals with differing views on justice and varying responsibilities navigate these discrepancies by adjusting their notions of justice, all in service of the overarching goal of ensuring the continuity of the family business (Matser et al., 2020). It is essential to recognise that both procedural justice and distributive justice are critical factors in succession processes and relationships.

2.6 Trust and Succession Planning: A Symbiotic Relationship

2.6.1 How Trust Facilitates Effective Succession Planning

Organisations must implement efficient succession arrangements to guarantee a seamless transition of authority **(**Bano, Omar, & Ismail, 2022**)**. It is worth exploring the role of trust in this process:

Family-owned enterprises must carry out succession processes well to minimise conflicts during leadership transitions (Bano, Omar, & Ismail, 2022). Trust occupies a central position in leadership change processes:

The centralised succession strategy:

Effective succession depends on trust. The human element is needed and companies using data-based approaches frequently falter. A centralised approach incorporates human elements such as impartiality, service quality and empathy (Ge & Campopiano, 2022). Through the inclusion of human factors and stakeholder involvement, succession processes can become more effective.

Family businesses that use intuition-based and unstructured succession planning strategies place the responsibility of choosing the successor in the hands of a few leaders with an understanding of what the business values (Siambi, 2022). The leaders in turn usually would go for someone with a reputation and who has served the organisation for longer periods rather than performance. This approach is commonly observed in founder-led private companies that, despite their growth into substantial corporations, continue to function under a conventional "family business" framework (Gemu, Bugaje, Adamu & Sahnuoon, 2022). Nevertheless, although this "convenient" strategy aids in maintaining the prevailing organisational culture, it is inherently biased and often neglects to recognize latent talent within the organisation. Over time, this strategy may result in stagnation, as the company repeatedly adapts itself to its established identity without making necessary adjustments for future development.

Trust leads to enhanced succession plans:

There should be trust between the outgoing leader and the successor. Communication between the two must be transparent and the outgoing leader must fully trust the capabilities of the successor (Ge & Campopiano, 2022). There must be trust between the successor and the rest of the team. The group must believe that

the successor can lead them. Collaboration and transparency facilitate this type of trust (King et al, 2022). The business and stakeholders must have mutual trust among themselves. The stakeholders namely, the business investors and customers must be assured that the transition will not disturb business operations.

Trust fosters loyalty in the long term:

Any potential successors must exhibit a commitment to the organisation's long-term goals and aspirations (Gkouna et al., 2023). Ideally, leaders must look for individuals who are not only focused on their personal goals but also embody the long-term goals of the organisation. Steward leadership necessitates comprehension of the equilibrium between addressing immediate needs and fostering aspirations for future leadership succession (Madison, Holt, Kellermanns & Ranft, 2016). This critical endeavour transcends the mere act of filling positions; it requires a deep understanding of the fundamental drivers that propel organisations forward (King, Meglio, Gomez-Mejia, Bauer & De Massis, 2022). The process begins with an in-depth analysis of potential successors. This involves not only an evaluation of their skills and expertise but also a comprehensive assessment of their overall potential contributions.

2.7 Role of Trust in Leadership Transition

Trust plays a crucial role in facilitating successful leadership transitions within family-owned businesses. The subsequent section will explore several key characteristics associated with this process:

Effective governance practices. Family enterprises that have been successful over the years have proper governance systems in place (Neske, et al., 2020). They have a good board of management to oversee all company matters, thus helping in instilling confidence and ensuring more transparency. Family enterprises can only retain competent employees and attract the best external talent if they have proper governance systems in place which separate company issues from family matters. External employees fear a lack of independence, nepotistic tendencies, covert motives and the lack of flexibility associated with family enterprises (Waldkirch, 2020). This discourages outsiders from joining family-owned enterprises together with the belief that they would likely not be allowed to work autonomously once they get appointed. External talent will work comfortably in family enterprises only when

they receive certain guarantees concerning career advancement opportunities and fair labour practices.

Family Gravity: it is imperative for family businesses to maintain that which makes them unique (often referred to as 'family gravity') (Sasminto, Wening & Sujoko, 2024). Family gravity fosters confidence between employees and family members ensuring that the business' basic principles and values are maintained. Family enterprises must maintain their individuality. Fernández-Aráoz et al., (2019) believe that family gravity is another crucial element for the sustainability of family enterprises. Many of the organisations examined feature a prominent family member, often up to three, who serves as the central figure within the corporation, analogous to the sun in the solar system. These individuals personify the business's brand and harmonize various interests through well-articulated principles and a common objective (Gabriel & Bitsch, 2019).

Assessing Future Leaders: assessing potential leaders based on their skillset and the business's values is another way of developing trust (Magnadi et al, 2021). This approach guarantees that successors are aligned with the organisation's culture and objectives. Firms characterized by robust governance and stability typically encounter minimal challenges in attracting managerial talent, whether sourced internally or externally (Fernández-Aráoz et al., 2019). Consequently, it is essential to examine the criteria they employ to assess the appropriateness of candidates for senior positions within the organisation. All individuals, including those from the family, must be appraised based on their skills, potential, and values. The key competencies deemed essential for success at the upper echelons of any large enterprise include strategic thinking, market awareness, performance-driven mindset, customer impact, collaboration and influence, internal growth, team leadership, and transformational leadership (Boukhabza & Ouhadi, 2023).

A well-orchestrated succession process. When shortlisting candidates for leadership posts, it is critical to use predetermined procedures. Helping chosen successors to successfully integrate into their new roles improves trust (Nave et al., 2022). A failed CEO succession can be the downfall of any family enterprise. According to a study by Jim Collins, some of the most powerful organisations which went into decline, except for one, had at least experienced difficult leadership transitions (Nave et al., 2022). Most family enterprises need to improve on this aspect. Studies conducted by Qiu and Freel, (2020) also revealed this anomaly.

Nearly thirty percent of family businesses only interviewed a single applicant for the CEO position and more than 50% had no clearly laid out applicant selection procedures. Instead, they based their decision on an instinctive decision made by the founder supported by an executive board. At times the selection was made from inspiration.

Besides that, involving future generations during succession processes can be a sign of trust, respect and support for future success (PwC, 2024). Trust is imperative for building relationships with employees and the leader should spearhead the transition and address inherent succession problems.

2.7.1 Financial Performance and Sustainability

A well-organised succession plan promotes a seamless transition of leadership, thereby making it easier for those who will take over the company in future (D'Allura, 2019). Companies with structured successions typically fare better financially. Research demonstrates substantial disparities in revenue growth, valuation, and profitability margins between organisations with established transitions compared to those without.

In a recent survey conducted by The Boston Consulting Group, family company executives placed succession as the second-highest important factor, second only to the challenge of maintaining consensus when it comes to decision-making among family members (Fernández-Aráoz, Iqbal & Ritter, 2019). Nonetheless, the analysis by The Boston Consulting Group revealed that over forty percent of family-owned businesses have not effectively prepared for handover during the last 10 years. Notwithstanding it's obvious relevance, failing to concentrate on succession can have serious implications; a leadership vacancy and the accompanying discontent can considerably harm the business's financial performance (Gabriel & Bitsch, 2019). In reality, poorly managed successions constitute some of the most significant value-destroying processes for family-owned enterprises.

BCG's research reveals how poorly managed successions may impact sales, market capitalization, and profits. While the research concentrated on family-owned enterprises in India, the results could have warning implications for company operations in any country (Hiebl & Li, 2020). The study discovered a 14 % point difference in sales growth over 2 years in comparison to family firms that had structured transitions against those that did not (Hoverd, 2023).

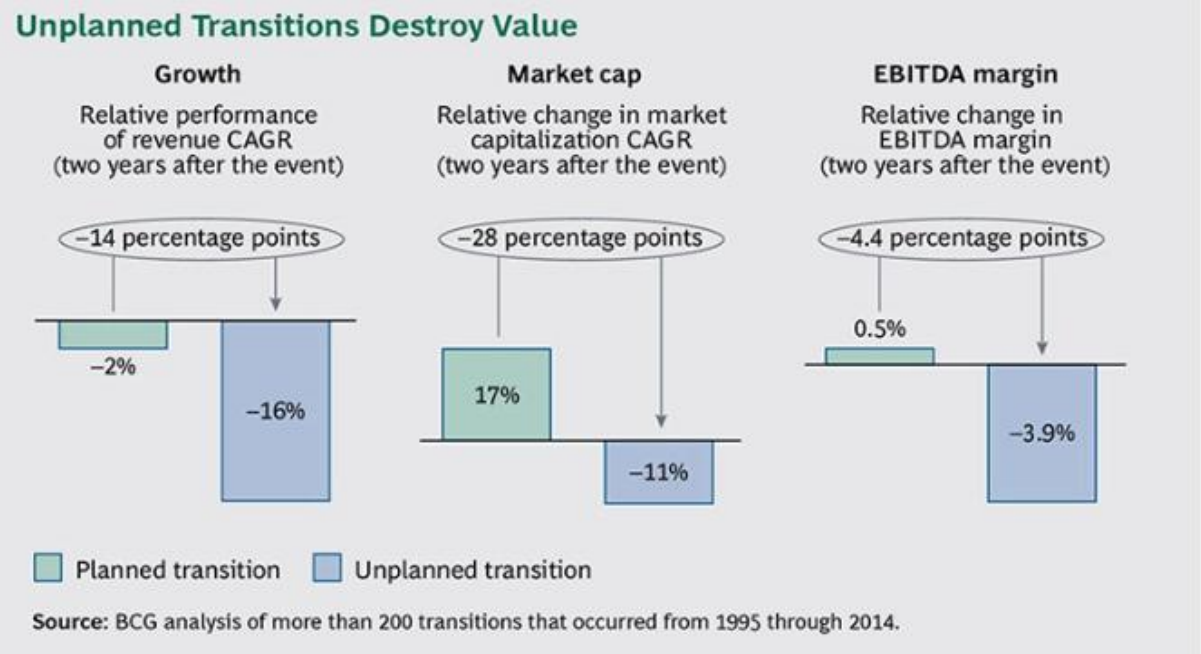

Figure 1: Unplanned transitions vs. planned transitions

The study also discovered a 28-point difference in market capitalization increase between firms with organised transitions and those without (Fernández-Aráoz et al, 2019). Furthermore, unplanned succession processes resulted in EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) margins that were over five percentage points less after two years compared to those attained by firms that effectively planned succession; profits stayed below the rest of the group's pattern line for over four years following the poor transitions. Unplanned successions reduce the value of family businesses and could potentially result in dire consequences for these businesses.

2.7.2 Continuity and Legacy

When executed properly, succession strategies provide stability to an organisation and also lay the groundwork for future leaders to take over the company (Ren, Botero and Fiet, 2024). Involving the generations to come in the process of preparing promotes trust, harmony, and cooperation among members of the family, which is crucial for achieving a common goal of the future.

Succession planning guarantees that the firm runs successfully even after the incumbent executives leave (King et al, 2022). This reduces disruptions in operations and ensures company stability. Family-run firms frequently have a distinct set of principles, customs, and a legacy which they wish to continue. Succession planning helps maintain these features when new managers take the reins.

Continuity and preparation for transitions are crucial to building a lasting legacy and involve aspects such as determining when members of the family can work in the firm, how profits are shared, who sits on the executive team, as well as how to lay the groundwork for the upcoming generation of leaders (Castoro & Krawchuk, 2022). If a major family member dies suddenly or wishes to leave the firm, the business must stay stable during the transition. A carefully planned approach may help give stability as the family company struggles with the strain of change.

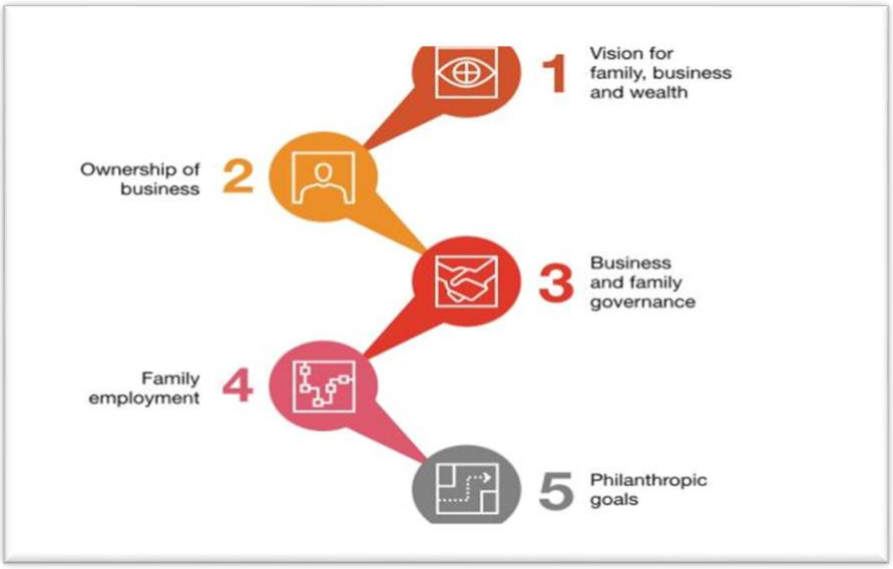

Figure 2: Elements of a continuity plan for a family business Source: **PwC (2024)**

Raising the topic of planning for succession in the family unit might cause tensions to escalate, hence, some families circumvent it to maintain harmony (Kantabutra, 2022). According to PwC's 2019 US Family-owned Business Survey, 58% of companies have succession plans, however, the majority of them are unstructured. Continuity is crucial since it protects both the family's history and the company's heritage (PwC, 2024). It also has an influence on staff and the community, and it is a key component of promoting development and sustainability. A lack of a strategy might jeopardize the family's business and connections.

Clear disclosure of succession goals, as well as showing the competency of future leaders, may promote acceptance among non-family staff members, boost commitment, and reduce churn (Magrelli et al., 2022). Proper succession planning assists in controlling the risks linked to gaps in leadership and possible conflicts, which could potentially contribute to company disturbances and value loss.

2.8 Factors Influencing Trust and Succession Planning in Family Businesses

2.8.1 Family Dynamics and Relationships

The degree to which non-successors will accept the results of the succession process depends directly on how parents and potential successors combine the values of procedural fairness with distributive justice (achievement, needs, equal treatment, primogeniture, and sexual orientation) (Matser et al., 2020). The way that the unsuccessful siblings assess the fairness of the procedure and the result moderates this relationship. As a result, it is crucial to make a distinction between how non-succeeding siblings assess the procedural justice (fair process) of the succession procedure and how they assess the outcome's fairness, which is dependent on how they combine and consider the different distributive justice viewpoints (Sasminto, et al, 2024). Procedural justice concerns the impartiality of the allocation procedure itself, whereas distributive justice is concerned with the justice of the succession process's result. Three interrelated elements are upheld by a fair process: participation, clarification, and unambiguous expectations (Matser et al., 2020). Effective communication is essential to creating a fair process. Previous studies suggest that non-succeeding siblings find it less difficult to accept the result when they believe the succession process is fair. The approval of the succession plan by family members is essential, as it ensures that all stakeholders are oriented towards a common vision and collective goals (Bano et al., 2022). Supportive family members can significantly contribute to the resolution of conflicts and the fostering of a collaborative environment. Their engagement and commitment help to create a smoother transition in leadership, minimizing possible interruptions to business activities. Additionally, successors gain valuable mentorship and support from family members, effectively equipping them for their upcoming leadership roles (Ge & Campopiano, 2022).

Ramos, Zhan and Jayasinghe (2024), investigated the succession intention of daughters from a family business in Sri Lanka. The results showed that the majority of the daughters wanted to take over their respective family companies. However, their succession was impacted by factors such as traditional gender-role expectations, socio-cultural factors, and personal and family background. While the study provided key insights on gender-related issues in family business succession, the study was not gender balanced as it neglected the male gender in the succession processes. This study will account for both genders.

2.8.2 Organisational Culture and Values

Family members reported that when considering senior leadership applicants, they prioritised cultural fit over anything else. Having a worker who just fits with the culture is of greater importance than the job requirements. According to a Ben-Shahar, Carmeli, Sulganik and Weiss (2023) research study, one family organisation rated persons based on leadership traits that extend to family interactions. It encompasses their values.

The most successful family businesses identify and invest in the next generation of leaders at an early age, whether or not they are relatives and grandchildren, incumbent nonfamily workers with potential, or strangers with no prior connection to the company (Hiebl & Li, 2020). Potential prospects are meticulously promoted within the organisation so that whenever they are prepared to take on more senior jobs, their principles and competencies fit are certain.

A CEO distinguished by visionary and strategic thinking is essential in ensuring that succession planning is in harmony with the long-term goals and vision of the organisation (Rustam & Narsa, 2021). This type of leader is adept at recognizing potential leaders who not only reflect the core values of the organisation but also possess the capability to further its strategic objectives. The leadership style adopted by the CEO has a profound impact on the organisational culture. A CEO who prioritises employee development and fosters a culture of ongoing learning will place a strong emphasis on succession planning and dedicate resources to nurturing future leaders (Samara, 2021). Such an approach creates a supportive environment where emerging successors are encouraged and given ample opportunities for professional growth.

Effective financial management is essential for allocating adequate resources toward the development and training of future leaders (Cabrera-Suárez et al., 2020). This includes funding for leadership development programs, mentorship opportunities, and necessary certifications or educational courses. Proper budgeting ensures a consistent influx of qualified candidates. Additionally, financial management plays a vital role in evaluating the company's worth and determining appropriate compensation packages for emerging leaders (Kantabutra, 2022). Such a strategy ensures that potential successors are not only motivated but also compensated fairly, aligning their goals with the broader aims of the organisation.

2.8.3 External Factors and Market Conditions

Economic recessions typically lead to a decline in profits and cash flow, thereby restricting the resources available for the training and development of future successors (Neske et al., 2020). These economic pressures may drive family-owned businesses to prioritize immediate survival over long-term strategic objectives, such as succession planning. Consequently, families might defer leadership transitions to preserve business stability during uncertain economic times, which could result in hurried or inadequately planned successions in the future (Boukhabza & Ouhadi, 2023). As industries increasingly embrace digital technologies, it becomes imperative for future leaders to acquire technological expertise and adaptability in the context of digital transformation (Hoverd, 2023). The advent of automation and artificial intelligence is set to significantly transform business operations, requiring successors to grasp and apply these advancements to boost efficiency. This transformation may lead to the emergence of new roles and responsibilities, necessitating a re-evaluation of the skills and competencies vital for upcoming leaders. Furthermore, prevailing industry trends dictate the requisite skills and competencies for future leadership, highlighting the importance of focused training and development initiatives (Hiebl & Li, 2020). Family businesses operating in international markets necessitate leaders who have both global expertise and cultural sensitivity to adeptly navigate diverse market environments (Wang & Shi, 2021). The complexities of global trends require leaders who are not only forward-thinking but also possess a visionary outlook, enabling them to anticipate and tackle emerging challenges. Furthermore, the increasing prevalence of cyber threats underscores the importance of leaders who are well-versed in cybersecurity, allowing them to implement effective protective measures for the organisation (Kantabutra, 2022).

In a Harvard assessment of family firms, the top ones approached CEO recruitment proactively and deliberately (Liça & Gashi, 2023). In the first step, the supervisory board formed a formal nominating panel to set the criteria and undertake a comprehensive internal and external search. This includes specifying the ideal profile, creating a large pool of applicants, and evaluating each of them using behavioural assessments and reference checks (Chang, Mubarik & Naghavi, 2021). The committee then compiled a short list, developed a rating system, and submitted it to the company board members, who nominated a final candidate. In the end, close

family members and the independent directors supported the nominated candidate, but in the majority of instances they possessed discrete but veto authority.

Most organisations maintain a clear hierarchy when assessing applicants, prioritising family first, internal talent and external executives in that order. Jeong, et al., (2022) strongly support that approach, provided that appropriate assessment and development systems are in place. Internal recruitments are most likely to thrive in family organisations with a strong culture and familial ties. In the 50 companies analysed, 38% of the CEOs comprised family members (Yezza, Chabaud & Calabrò, 2021). Of those who were not, 54% were internal appointments and 46% were external candidates. In such circumstances, three types of executives were identified. The sidebar titled "Three Nonfamily CEO Archetypes" outlines them and their readiness for certain demands.

2.9 Conclusion

As previously discussed in earlier sections of this review, scholars have pointed out the ambiguity surrounding the definitions of trust and the processes involved in effective succession. Additionally, the absence of a thorough investigation into the existing literature, coupled with the lack of a cohesive framework, has resulted in a notable deficiency in philosophical insights regarding the factors and consequences of trust and effective succession planning in the context of family businesses. In this regard, the study will seek to address the research questions to be outlined in the next chapter.

Chapter 3: Research Questions

3.1 Introduction

This study seeks to investigate the role of trust in family business succession. Its objectives are to determine the strategies used by family enterprises to appoint future leaders, ascertain the importance of trust to the success of family businesses, and explore factors that influence successful succession in a family business.

3.2 Research Questions

Main research question: What is the role of trust in family business succession planning?

Sub-question 1: What strategies are used by family businesses to appoint future leaders?

The first research question will aim to identify the strategies used by family businesses to groom and elect future leaders. This research question will be key in illuminating some of the reasons why family businesses succeed or fail, as succession planning holds the key to the continuity of family businesses into the next generations. Research conducted by Deloitte Debriefs (2019), Jeong, Kim, and Kim (2022) and Fernández-Aráoz et al. (2019), as discussed in the literature review chapter, primarily concentrated on traditional succession planning techniques. However, there appears to be a deficiency in comprehending the succession planning approaches adopted by diverse family enterprises, particularly those characterised by multicultural or multigenerational dynamics. There is also a notable lack of research investigating how external factors, such as economic circumstances, advancements in technology, and competitive market dynamics, influence the leadership selection strategies adopted by family-owned enterprises.

Sub-question 2: How important is trust to the success of family businesses?

The second research question endeavours to ascertain the significance of trust in the success of family businesses. This section will aim to ascertain how family businesses have been able to cultivate trust from within the organisation (the employees) and how they have also been able to foster that trust from outside the organisation. Reviewed studies done by Astrachan et al. (2020), Birdthistle and Hales (2023), Humphrey et al. (2021), and Gagné et al. (2021) predominantly examine family businesses within Western contexts. However, there remains a

significant gap in the comprehension of how trust dynamics manifest differently in family enterprises across diverse cultural and regional landscapes. Additionally, studies by Sasminto et al. (2024), Matser et al. (2020), Gupta and Valeri (2022), and Ramos et al. (2024) primarily investigate trust among family members. Yet, there is insufficient understanding of how the trust established between family members and non-family employees influences overall business performance.

Sub-question 3: Which factors influence successful succession in a family business?

The third research question unravels the dynamics at play during succession planning processes. Effective succession processes are influenced by the interplay of several factors. Research on the impact of external advisors, such as consultants and mentors, on the effectiveness of succession planning in family businesses remains sparse (Liça & Gashi, 2023; Chang et al., 2021). Although the role of family dynamics is frequently examined (Gupta & Valeri, 2022; Ramos et al., 2024), there exists a notable deficiency in comprehending how particular familial relationships, including sibling rivalry and conflicts between parents and children, influence the results of succession processes.

Chapter 4: Research Methodology

4.1 Introduction

This chapter constitutes the research methodology section. It outlines the methodological choices the research followed and defends the use of those methodologies. The chapter will delineate the research design, underlying philosophy, methodological approach, strategic framework, and temporal scope of the study. Additionally, it will elaborate on and rationalise the chosen population, unit of analysis, sampling methods and size, research instruments, data collection procedures, data analysis techniques, and measures for ensuring quality control. The latter sections of the chapter will discuss the study's limitations.

4.2 Research Methodology and Design

The approach adopted for the proposed research was qualitative. Qualitative research entails the collection and analysis of non-numerical data, such as textual content, audio files, or video materials, to gain insights into concepts, perspectives, or occurrences (Tobi & Kampen, 2018). The use of qualitative methods was justified because it facilitated a comprehensive examination of intricate social phenomena, including trust. It offered profound and detailed insights into the experiences, perceptions, and emotions of individuals engaged in succession planning, which is crucial for grasping the intricacies of trust in the context of family enterprises.

The study adopted an exploratory design, as it aimed to investigate a topic that is not yet clearly defined. Exploratory research is conducted to gain deeper insights into an issue and establish a better understanding of its key aspects (Jha, 2023). The exploratory design was appropriate in line with the study objectives: to investigate the factors that contribute to the development of trust in family businesses and to examine the strategies employed by family businesses in selecting and appointing future leaders. In essence, the study is largely exploratory as the concepts of trust and succession planning need exploration to unravel.

The research utilised an interpretive framework aimed at gathering in-depth insights into the succession strategies adopted by leaders of family businesses. This aligns with the perspective of Abutabenjeh and Jaradat (2018), who characterize interpretivism as the examination of social phenomena within their authentic

contexts, deriving conclusions from the interpretations and viewpoints of the participants involved.

The primary aim of this research was to gain a comprehensive understanding of the significance of trust within family businesses by investigating the elements that contribute to the establishment of trust in these enterprises. Given the relative scarcity of research focusing on trust and effective succession strategies in family businesses (Tobi & Kampen, 2018), the study adopted an inductive methodology, allowing for the emergence of themes from the collected data. Wohlin and Runeson (2021) posited that an inductive approach is particularly appropriate when there is a lack of existing information on the subject matter being examined. This methodology involved analysing data obtained from interviews with various leaders of family businesses, subsequently identifying patterns and recurring themes to address the research objectives and questions (Abutabenjeh and Jaradat, 2018), thereby elucidating the concepts of trust and succession processes within these organisations.

4.2 Methodological Choice

The research employed a mono-methodological approach. The concept of "mono-methods" pertains to a research strategy that relies exclusively on a single research method or methodology (Tobi & Kampen, 2018). This suggests that researchers utilise one specific technique, whether quantitative or qualitative, for data collection and analysis (Wohlin & Runeson, 2021). In this instance, the study exclusively utilised qualitative methods. Although some scholars advocate for the benefits of employing multiple or mixed methods, there remains a preference among certain researchers for mono-method approaches, particularly those that are qualitative (Wohlin & Runeson, 2021). The use of the mono-methodological choice was justified for this study as it was based on a limited timeframe therefore, the use of mixed methods might have resulted in the researcher failing to complete the study in time. The advantage of the mono method is that it uses one method, in this case, qualitative methodology was used, this means that it is a more cost and time-effective choice as opposed to having to collect data twice (using qualitative methods and then quantitative or vice versa).

4.3 Strategy

A narrative inquiry approach was employed for this research. This methodology emphasises the significance of individual experiences, allowing for the exploration of

personal narratives and perspectives (Sonday et al., 2020). Through the use of interviews, data were collected and organised in a chronological narrative format. This approach path was particularly appropriate for the study, as it aimed to capture the experiences of family business leaders regarding their management of succession processes and the cultivation and preservation of trust within their enterprises. One of the key benefits of narrative inquiry is its ability to yield comprehensive insights into life experiences (Clandinin, 2022), thereby providing valuable information about trust and succession in family businesses. These narratives also possess the benefit of uncovering historically significant issues that have not been documented elsewhere (Sonday et al., 2020). In this study, the history of each family business is distinct, and numerous pivotal events within these enterprises have not been recorded in existing literature. Consequently, a narrative inquiry offered a valuable means to document some of the historically important occurrences in family businesses.

4.4 Time Horizon

The research utilised a cross-sectional time frame, as participants were not followed up for subsequent data collection. In the context of research, the phrase "cross-sectional time frame" denotes the use of cross-sectional data to examine and interpret phenomena occurring at a distinct moment (Aguinis, Hill & Bailey, 2021). To draw inferences about a population or to predict future occurrences, it is essential to analyse a sample of individuals, objects, or variables at a specific time (Tobi & Kampen, 2018). The emphasis of cross-sectional authenticity lies in maintaining the integrity of time series data within its cross-sectional analysis. The data gathered for this study will be considered acceptable as of 2024. This time horizon also aligns with the exploratory nature of the study, as the intention was to explore the perspectives of business owners at the present moment when there is pressure on family businesses to increase their trust. Unless unforeseen circumstances arise, this scenario may change in the future; therefore, a longitudinal time horizon would not suffice for the study. The cross-sectional time horizon is justified for the current study because the researcher intended to gather data from senior management in businesses on a one-off basis rather than returning for future visits (as would be the case with a longitudinal time horizon). Due to budgetary constraints and the tight timelines required to produce the report, a cross-sectional approach sufficed for the study. It is a cost-effective and straightforward way to address the research questions, paving the way for future longitudinal studies.

4.5 Population

The study's population consisted of CEOs, executives, and senior managers from family-owned businesses in South Africa.

4.6 Target Population

The business leaders were chosen from prominent family-owned businesses based in Gauteng. These individuals possessed direct experience in their respective organisations and actively participated in the succession planning processes. They were also well versed with the organisational strategies employed to build trust in their brands and be able to trace the history of their organisations as part of the family and future direction. Suitability for the study was drawn from the demographic section of the interview, which asked for the participants to state their position in the organisation and their relation with the original company owners. Questions exploring the development of trust in their family businesses and succession planning processes also demonstrated the suitability of the candidates.

4.7 Unit of Analysis

Numerous studies on family businesses, such as those conducted by Georgiou, et al, (2023) Jeong et al. (2022) and Sorenson and Milbrandt (2023), aim to investigate the challenges and strategies faced by these enterprises from the owners' perspective, who serve as the primary unit of analysis. This research also considers the leaders of family businesses as a focal point, given their direct involvement in succession processes and their responsibility for cultivating a positive reputation for their enterprises. It was anticipated that these leaders would be optimally situated to address inquiries regarding the establishment of trust, the various factors influencing trust development, and the methods they employ in managing succession to ensure the continuity of the business for future family members and its long-term viability.

4.8 Sampling Method

The sampling method employed in this study was purposive sampling. This technique involves the researcher exercising subjective judgment to identify and select participants who are deemed most suitable for the research objectives (Jha, 2023). Purposive sampling was deemed necessary as the participants could not be chosen at random; instead, they were meticulously selected based on their significance in contributing the necessary data, particularly due to their leadership roles. The selection criteria focused on individuals who not only held leadership positions within the organisation but also had familial connections to it and possessed

extensive knowledge of the business strategy. These participants were particularly valuable as they offered critical insights, given their dual responsibilities of safeguarding the family business while also fostering and sustaining the family brand. Consequently, they possessed direct experience with the information needed for the study (Berndt, 2020). Snowball sampling criteria were also employed whereby the researcher also asked initial participants to refer the researcher to other family-owned enterprises which fit the criteria of the study.

Due to the lack of comprehensive knowledge regarding the entire population of leaders with familial connections involved in the strategy formulation process of these companies, non-probability sampling was utilised. This approach aligns with the assertion made by Campbell (2016), which indicates that in the absence of a defined sampling frame, non-probability sampling is the most suitable method. The sample was collected from family-owned enterprises with the support of the supervisor. The sample size was determined at the point of saturation (i.e. when the study could no longer elicit new insights).

Glaser and Strauss (1967), as cited by Hennink and Kaiser (2022), introduced the concept of 'theoretical saturation' in qualitative research. This approach defines data saturation as the point at which additional data collection on a theoretical construct no longer reveals new attributes or provides further conceptual insights into the evolving grounded theory. At this stage, all critical themes and findings have been sufficiently addressed, indicating that the conceptual categories forming the theory are 'saturated' and firmly supported by empirical evidence. One method for evaluating data saturation is the use of code frequency counts. This technique involves tracking the occurrence of codes across successive transcripts or transcript sets until the emergence of new codes declines, signalling that saturation has been reached (Hennink et al., 2017). In the present study, code frequency counts will be conducted to assess saturation. Hennink and Kaiser (2022), indicate that saturation is typically achieved following the completion of at most seventeen individual interviews or, at most, eight focus group discussions. Following the guidance of Hennink and Kaiser (2022), the study thus settled for a sample size of 18 participants with the anticipation that data saturation would be attained by using this sample size.

4.9 Measurement Instrument

A semi-structured interview guide served as the primary measurement tool for this research. The formulation of questions within the guide was informed by the research objectives and a comprehensive literature review. Previous studies conducted by Franco and Piceti (2020) and Matser, Bouma, and Veldhuizen (2020) also employed semi-structured interviews as their measurement instruments. This approach was adopted to guarantee the collection of high-quality data for the study. Literature was used to build the interview questions. To develop the interview questions, a review of relevant literature on trust and succession planning in family businesses was undertaken.

The review is presented in Chapter 2. In the review, the researcher identified the main theories, concepts and results related to the study, paying particular attention to recurring themes and main study gaps. The researcher extracted key themes from which the interview questions were developed. Table 1 below shows how literature was used to build the interview questions.

Table 1: Interview Questions

Interview theme	Literature to support the interview questions	Interview questions
Strategies used to appoint future leaders	Matser et al, (2020); Calabro et al. (2018); Richards et al., (2019): Castoro and Krawchuk (2022); Nwuke and Adeola (2023)	• What strategies do you use to appoint future leaders for your business? • Do you have a planned strategy in place for succession planning for your business? If yes kindly share aspects of the plan. If no explain the reason. • Have you appointed outsiders before in your organisation? If yes, what was the process involved?

Importance of trust in family business	Georgiou et al., (2023); Waldkirch (2020); Lauto et al., (2020); Azizi et al., (2019); Fernández-Aráoz et al., (2019)	• What impact does the family business' age (longevity) and size have on the reputation of your business? • What effect does family harmony and family governance have on building trust from clients? • How does the CEO leadership style influence trust in a family business?
Factors influencing succession planning	Sasminto, et al, (2024); Ben-Shahar et al, (2023); Wang and Shi (2021); Liça and Gashi, 2023); Yezza et al, (2021)	• What were the conversations that were had in order for the current CEO or chairman to be put in that position? • How do you feel that trust or the lack of it has shaped the outcomes of succession planning in your family business? • How do you place trust in the leader and knowing that he is the right person for this role?" • Can you think of a time when trust played a crucial role in your family's succession planning process?

The interview schedule utilised for this study is detailed in Appendix 1. Given the exploratory nature of the research design, the formulated questions enabled participants to offer comprehensive responses, with opportunities for further probing to elicit additional insights. The researcher was available to clarify any uncertainties

that participants might have had. The schedule comprised predominantly open-ended questions.

4.10 Data Gathering Process

Given the exploratory nature of the study, data collection was conducted through semi-structured interviews. The primary aim of the research was to investigate the elements that contribute to the establishment of trust within family businesses, as well as to examine the strategies employed by these businesses in selecting future leaders. This inquiry addresses novel phenomena that have not been thoroughly discussed in existing literature. According to Aguinis, Hill, and Bailey (2021), semi-structured interviews are a vital method for gathering data, facilitating the acquisition of fresh insights and providing new interpretations of reality. The format of semi-structured interviews allows researchers to engage in direct dialogue with participants, enabling them to delve deeper into complex research questions and extract additional information as needed (Wohlin and Runeson, 2021).

Other advantages of face-to-face interviews include:

- Face-to-face interviews provided better response rates (Knott, Rao, Summers, & Teeger, 2022). This increased the richness of the data and its trustworthiness as well since there is usually a high rate of participation and views gathered on the topic under research.
- The researcher was able to detect nonverbal indications from respondents that indicate misunderstanding about the subject **(**Qu & Dumay, 2011**)**. The researcher would then clarify any misunderstanding. Nonverbal gestures also gave hints to the researcher whether to probe for more information or to determine whether the respondent was being honest or not.
- The researcher was able to regulate the speed and assist the responder in avoiding distractions.

The researcher made use of the responsive interviewing technique as recommended by Rubin and Rubin (1995). Responsive questioning is a special type of qualitative interview. It stresses design flexibility and expects the person interviewing to adapt questions based on what he or she learns (Rubin & Rubin, 1995). Responsive interviewing acknowledges and adapts to the personality of both discussion partners. The paradigm posits that what individuals have gone through is real for them and that discussing their memories allows the researcher to join the interviewee's reality. The job of the investigator is to collect narratives, explanations, and interpretations

from a variety of conversations with others and put the pieces together in a reasoned fashion that re-creates a culture or depicts a procedure or sequence of events in a manner the respondents would acknowledge as real.

The researcher conducted 18 interviews with leaders of family businesses in charge of strategy formulation and implementation and also demonstrated first-hand knowledge of challenges confronting contemporary organisations. Face-to-face interviews were preferred as they allowed the researcher to build a rapport so that the participants were comfortable enough to provide honest responses regarding their experiences, opinions and perceptions. This was crucial since discussing issues of strategy can be classified as sensitive. The interviews, on average, lasted 40 minutes.

4.11 Data Analysis Approach

The researcher maintained audio recordings of the interviews, securely stored on a password-protected computer to ensure their confidentiality. To facilitate the transcription and thematic extraction from the interviews, Atlas.ti was employed, aiding in the identification of a point of saturation. The data obtained from the transcribed interviews was subjected to thematic analysis, which enabled the emergence of themes derived from the distinct insights shared by the participants (Lester, Cho & Lochmiller, 2020). Thematic analysis was chosen because it enabled the researcher to thoroughly explore the data and uncover patterns, themes, and underlying meanings on the topic. Such comprehensive insight was critical in grasping the complex dynamics of trust in the context of succession planning within family businesses.

Thematic analysis, as articulated by Clarke and Braun (2017), provides a systematic and accessible methodology for extracting codes and the relevant themes from the data. Codes function as the essential units of analysis, drawing attention to significant elements within the data that may be relevant to the research question. These codes form the basis for developing themes, which represent broader patterns of meaning unified by a central organising principle—a shared core concept. Ultimately, themes create a framework for the organized presentation and systematic analysis of the researcher's findings. The aim of thematic analysis transcends mere summarisation of the data; it endeavours to identify and interpret key characteristics of the data that are pertinent to the research inquiry, although it is not necessary to include every feature. It is important to note that the research question in thematic analysis is not

static and may change during the processes of coding and theme development. The focus is on delivering a thorough and high-quality analysis, supported by established quality assurance measures, including a two-stage review process in which potential themes are evaluated against both the coded data and the complete dataset (Clarke & Braun, 2017). The themes were validated in the following ways:

- Verification by the cohort of interviewees entailed revisiting the participants to ascertain whether the identified themes accurately represented the responses they articulated during the interviews. Where they disagreed with any of the codes, the researcher went back to the coding process again to read again and make new interpretations. After that, the researcher once again returned to the interviewees to validate again until the themes reflected their views.
- The themes were also presented to the expert in the subject (in this case the supervisor) for verification. A sample of the interpretation was presented to the supervisor to see if there were any areas which are not properly done.

Each theme was assigned a definition. Each participant's interview transcript was analysed separately. The analysis process was continuously repeated, whereby the researcher read the transcripts and listened to the recordings multiple times so that the coding, grouping of categories and the subsequent development of themes were in sync. Repeating ensured that the researcher gained a complete understanding of the data and the meanings emanating from it.

4.12 Quality Controls

A characteristic aspect of qualitative research is the active participation of the researcher within the research framework (Phillips, Saunders, Cossman & Heitman, 2019). This involvement introduces the potential for researcher bias throughout the study (Cope, 2014). To mitigate such bias and enhance data quality, preliminary interviews were conducted to evaluate the degree of influence the researcher may have on participants and to pinpoint any potentially leading questions. The researcher engaged in reflective practices regarding the data collection and subsequent analysis to develop an awareness of their own biases and the possible impact on the research outcomes (Phillips et al., 2019). To further enhance data quality, several additional measures were implemented:

Credibility

Credibility denotes the alignment between the responses provided by participants and the interpretations derived by the researcher (Haven & Van Grootel, 2019). To establish the credibility of the study, the researcher engaged in a peer review process. This review involved an evaluation by peers regarding the suitability of the qualitative methodology employed (Steccolini, 2023). The peers assessed whether the qualitative approach was the most appropriate for achieving the study's objectives and examined the justification of the study design. Additionally, the peer review scrutinised the transparency of the employed procedures, including the sampling criteria for participant recruitment (considering potential biases), the comprehensiveness of the data collection process, and ethical considerations such as the acquisition of informed consent. Furthermore, the review evaluated the robustness of the interpretations, focusing on the clarity of the analysis process and the methodology used to derive themes from the data (Klenke, 2016).

Dependability

Dependability refers to the extent to which a study can be systematically and accurately followed by readers or other researchers (Laumann, 2020). It is essential that the research process is subject to auditing. To enhance the dependability of the study, the researcher maintained an audit trail. This audit trail meticulously recorded the evolving contexts and conditions throughout the various stages of the study, from its initial conception to the completion of the final report.

Confirmability

Confirmability refers to the degree to which research findings accurately represent the genuine perspectives of participants, as opposed to being influenced by the biases of the researcher (Johnson, Adkins, & Chauvin, 2020). To achieve confirmability, the researcher maintained a reflexive journal. Schwandt, Lincoln, and Guba (2007) delineate the essential components of such a journal. In accordance with their guidelines, the reflexive journal encompassed a record of the researcher’s evolving insights and a detailed account of daily research activities. Additionally, it documented methodological choices and the researcher’s personal reflections on a daily basis. This practice of writing and reflection served to clarify the researcher’s role, thereby reducing bias and enhancing the integrity of the research outcomes.

Transferability

Transferability refers to the extent to which the findings of a research study can be applied or adapted to different contexts and settings.(Muzari, Shava, & Shonhiwa, 2022). To enhance transferability, the study includes detailed descriptions that equip readers with sufficient information to assess the applicability of the findings to other contexts. Additionally, purposive sampling was employed, specifically targeting leaders of family enterprises for participation in the research. This approach aimed to facilitate the application of the study's results to leaders of family enterprises in various regions by the audience.

4.13 Limitations

Aside from the research bias inherent in qualitative research (Tobi & Kampen, 2018), additional limitations include:

- Due to the qualitative nature of the research that necessitates the use of a small sample size, generalisability is limited.
- The selected non-random sampling technique presents the constraint of potentially yielding results that are not generalizable, as the sample does not accurately represent the broader population (Thunberg & Arnell, 2022). This investigation employed purposive sampling. The issue of limited generalisability is a recognised and extensively discussed limitation within qualitative research.
- The research is constrained by its temporal limitations, which hinder the investigator's ability to cultivate a rapport with the participants. Aspers and Corte (2019) assert that for participants to articulate their opinions, emotions, and viewpoints candidly, a certain degree of trust must be established with the interviewer. This principle is equally relevant within the framework of the current study.

Chapter 5: Results

5.1 Introduction

This chapter provides insights from data collected during interviews with 18 CEOs, executives, and senior managers of family-owned enterprises. The data was analysed using Atlas.ti software through thematic analysis. Following this, the chapter addresses the three research questions presented in Chapter 3 to highlight the significance of trust and effective succession planning in the success of family businesses.

A description of the sample used for the study will be provided first to justify the selections made. Thereafter a section will be included to explain the suitability of the sample providing further justifications of the criteria for the selection of the participants explained in the methodology chapter. The chapter will then go on to present the data that emerged from the interviews in the form of themes and subthemes. These themes and sub-themes will emanate from the research questions presented in Chapter 3.

5.2 Description Of Participants

In total 18 participants were sampled for the study. Purposive sampling was employed to identify participants within the respective organisations, as the researcher aimed to engage individuals possessing in-depth knowledge of the family businesses in which they were involved, particularly those in leadership roles. The sample was thus made up of largely family members either founders (CEOs) or Directors in charge of overseeing the affairs of their organisations. Participants were identified through the use of pseudonyms to conceal their real identities.

Table 2 below shows the 18 participant's gender, designation and sector of operation. Instead of real names, the researcher used Participant 1, Participant 2, and Participant 3 in that order. This was in line with ethical considerations of confidentiality and anonymity. To gather information from businesses of diverse backgrounds, organisations from various industries were included in the sample namely retail, manufacturing, construction, agriculture and mining located in Gauteng.

The participants were mostly males, giving a picture of male dominance in leadership positions of most family-owned enterprises. Senior managers, CEOs and managing directors availed their time to supply critical information for the study.

Table 2: Description of the participants

PARTICIPANT CODE	GENDER	CATEGORY	SECTOR	FOUNDER/ SUCCESSOR
Participant 1	Male	Finance Manager	Retail	Successor
Participant 2	Female	Senior Manager	Manufacturing	Successor
Participant 3	Male	CEO	Retail	Successor
Participant 4	Male	Managing Director	Technology	Successor
Participant 5	Male	CEO	Construction	Successor
Participant 6	Male	Managing Director	Agriculture	Successor
Participant 7	Female	CEO	Engineering	Successor
Participant 8	Male	Managing Director	Manufacturing	Successor
Participant 9	Male	Director of Operations	Hospitality	Successor
Participant 10	Male	Chief Operations Officer	Education	Successor
Participant 11	Male	Senior Manager	Hospitality	Successor
Participant 12	Male	CEO	Retail	Successor
Participant 13	Male	Director	Healthcare	Successor
Participant 14	Male	CEO	Construction	Founder
Participant 15	Male	Senior Manager	Mining	Successor
Participant 16	Male	Managing Director	Technology	Successor
Participant 17	Female	CEO	Retail	Successor
Participant 18	Female	Managing Director	Construction	Successor

5.3 Suitability Of Sample

Suitability for the study was drawn from the demographic section of the interview which asked for the participants to state their position in the organisation and relation with the original company owners. These individuals possessed direct experience with the operations of their respective organisations and actively participated in the succession planning initiatives. They were also well versed with the organisational

strategies employed to build trust in their brands and be able to trace the history of their organisations as part of the family and future direction. Questions exploring the development of trust in their family businesses and succession planning processes also demonstrated the suitability of the candidates. A sample of the quotes below gathered from the participants during the interviews proves their suitability for the study.

Participant 1 knew his organisation in and out and took the time to explain the roles within the company:

> *“As much as we have the chairman of the board, we don't have a defined CEO in the business. Everyone has their roles defined as to what they're doing on a day-to-day as well as, you know, like month-to-month business. And then all decisions are collaboratively made and all decisions, for all decisions, a resolution is put in place. So it's quite interesting because thinking now, there's no one, there's no defined CEO.” Participant 1.*

Participant 2 once assumed full control of the business when the manager was on holiday and thus had intricate knowledge of the company and the business:

> *"A moment, I think, when our manager went on holiday for an entire month and most of his duties were then left to me, and I was completing the MBA as well, doing the research as well, so I was completely overwhelmed. I had to then speak to customers and make sure that they got their product on time." Participant 2.*

Participant 8 had been working in the business for several years and took time to explain how he rose through the ranks:

> *"Based on our family business, I think trust played a crucial point in the family business when I started off because it was a matter of small responsibilities that were slowly given to me. So it was, I think, those first few years of working and applying myself and dedicating myself in the family business and saying, this is what I want to do." Participant 8.*

This experience made him illegible for the study as it was critical for the purposes of providing valuable information for this study.

5.4 Data Saturation

Figure 3 below illustrates how data saturation was reached during the data collection process involving 18 participants. In qualitative research, data saturation is a crucial concept, signifying the point at which further data collection no longer reveals new insights or themes.(Lester et al., 2020). This phenomenon suggests that further data gathering is unwarranted, as the researcher has adequately addressed the research question.

From Figure 3, it can be seen that most codes were generated by Participants 9 and 5, who generated 20% new codes. This was followed by Participants 1 and 15 generating 15% new codes. The production of new codes decreased steadily from participants 2 and 12 to participants 7 and 13, who generated the least new codes at only 5%. However, regardless of the new insights or lack of new insights provided, all participants' contributions were invaluable as they added to the richness and depth of information associated with qualitative research.

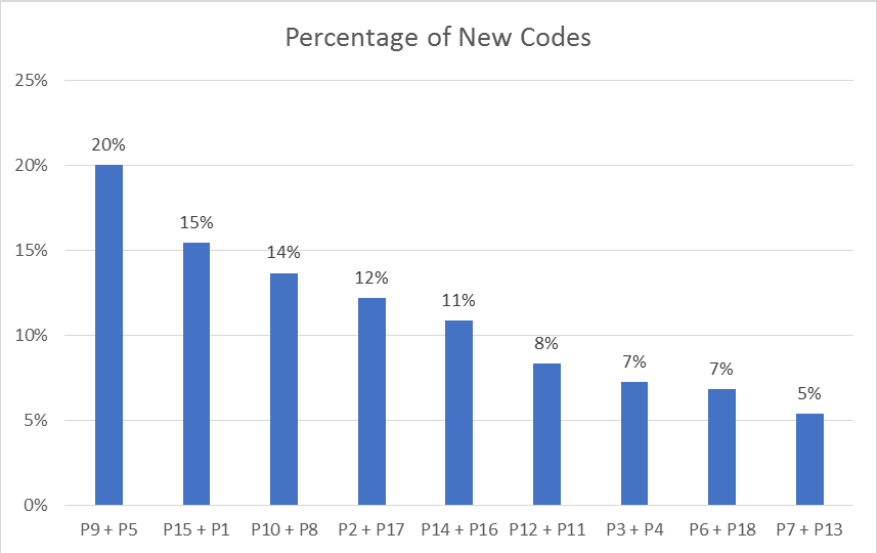

Figure 3: Data saturation

5.5 Presentation Of Results

Overall, the entire coding process generated a total of 120 codes, 23 categories and 4 themes after the completion of the analysis process. Figure 4 shows the general word clouding from the qualitative analysis of the Atlas.ti. The themes and sub-themes are presented in the sections below.

Figure 4: General word cloud from the Atlas.ti.

Figure 4 above shows the words which were prevalent during the analysis of interview data. The word clouding in its entirety reflects the direction of the key terms that emerged from the data comprising of terms such as trust, family decision, leadership, style, project, position, process, moment, CEO and strategy. These terms subsequently became a key feature of the themes and will feature heavily in the interpretations to follow. Overall, the word clouding shows that credible data was collected as the words depicted in Figure 4 are all highly relevant to the study topic.

5.5.1 Results for Research Question 1

Research question 1: What strategies are used by family businesses to appoint future leaders?

The first question aimed to identify the strategies used by family businesses to groom and appoint future leaders. This research question was key in illuminating some reasons why family businesses succeed or fail, as succession planning holds the key to the continuity of family businesses into the next generations. The research question was critical in expounding the complexities associated with leadership transitions, this has relatively been a less researched area, particularly for South African family businesses.

Table 3: Results of Research Question 1

THEME	SUB-THEMES (CATEGORIES
Internal appointments	-Understanding of business dynamics -Proven track record -Business/Entrepreneurial passion -Practical experience -Mentorship
External appointments	-Open door policy to recruit externally

5.6.1.1Theme 1: Internal appointments

This theme focuses on the strategies used in appointing future leaders in family businesses from within the family business. It emphasises the importance of considering the specific needs and dynamics of the business, such as understanding the culture and dynamics of the markets where the business operates. It also highlights the value of practical experience and understanding the nuances of different business environments. Identifying and appointing future leaders is a crucial aspect of succession planning. It involves recognising potential, not just focusing on current qualifications. Nurturing future leaders involves providing them with opportunities to learn, grow, and develop their skills. Future leaders need to be committed to the business and its long-term success.

Understanding of Business Dynamics

Participants spoke on the importance of future leaders knowing the business environment before having to assume leadership positions. This category emphasised the importance of considering the specific needs and dynamics of the business when appointing future leaders. It highlights the need for leaders to have a deep understanding of the markets where the business operates, including cultural nuances and business practices.

> *"For me for family business one of the strategies I would use is to make sure that because most of the business we do the SADC region or sub-Sahara or other places is to make sure that the people I work with or someone else would choose conservation. They must have good and extensive knowledge of the markets we are working with and also understand the culture of the people working with but also having extensive knowledge of those markets in*

terms of how things are done in those countries the dynamics of the business of those countries and what influence success and different countries have got different dynamics as well on how they do their business and what influences business so for me that would influence the strategy about to appoint someone to lead the." Participant 4.

From the utterance above it is clear that family business owners value an individual with extensive knowledge of the business as he/she would inspire confidence to take the business forward should he/she take over the family business. Extensive knowledge of the business can be acquired by an individual working in the organisation and thus constitutes and internal appointment process.

Proven track record

Four participants spoke about appointing an individual who has a proven track record. The successor's proven track record, whether in their education, work, or personal life, can instil confidence and trust in their ability to lead. Participant 7 explained:

"When the time came to name my successor, I'll admit there was initial apprehension among the family. My eldest son was the natural choice, but I wanted to make sure everyone felt respected. So we had several family meetings to discuss the transition plan in detail. There were some moments we had trust issues. But my son's proven track record, meaning my eldest son, when I say proven record, is that throughout his early ages he has always been a prefect at the schools. He has always been spot fanatic. He was, he has always been a person who resolves people problems. So I think this track record motivated the whole thing. His inclusive leadership style and our family's trust in him led to a smooth and unified appointment process. The trust we had has built over the years and this was very much essential for the family at large." Participant 7.

This proven track record also aligns with the principle of appointment via meritocracy. Succession planning prioritizes meritocracy, with individuals needing to prove themselves in lower-level positions before being considered for leadership roles as explained by:

"Well, succession in our side of the business is currently low, because most of the siblings are relatively younger, succession currently is based on meritocracy in that you must have at least proven yourself in the responsibility of probably as a general employee or under the leadership of a particular head of department." Participant 12.

Having a proven track record shows that the successor has the needed experience and expertise, increasing the probability of making effective and informed decisions.

In addition, family members and stakeholders will be more inclined to have confidence in someone with a record of success.

Business/Entrepreneurial passion

The results indicated that business passion was also a theme worth considering when it came to choosing a successor. In addition to having a proven track record having passion, drive, experience, and the ability to work under pressure are key criteria for selecting future leaders. The selection process emphasises finding individuals who align with the business's culture and values.

> *“I send you first and foremost, we definitely look at the passion, the drive. We have three of these retail stores at the moment, and the two of them, two of the three are in kind of rural areas.” Participant 10.*

For a leader to be able to assume responsibility of a business and work in a rural set up, in addition to a passion and drive are critical elements needed. Motivation and ability to work in difficult and less favourable circumstances becomes critical in such circumstances.

Practical experience

This sub-theme highlights the value of practical experience in preparing future leaders for family businesses. Three participants spoke about the importance of experience. This sub-theme emphasises the importance of hands-on learning and understanding the nuances of different business environments:

> *“I think for us is because in that before we appointed her to lead the business, we had been working together, as I said, for a long time in our business. So she has been taking like most of the meetings where we negotiate projects and we also negotiate strategies of obtaining these businesses. So it was. She didn’t most of these businesses and how they structured is understood the partners where we come from with them.” Participant 4.*

Experience thus brings value to prospective candidates. Some of the participants highlighted how their companies select future leaders based on the value they bring to the organisation. The importance of individual contributions and the ability to make a meaningful impact on the business was emphasised.

> *"I'll be very honest. We don't really have something set in stone that says, hey, you know, you're going to be the next leader, so forth. Like I even told yourself that even, you know, that's why I was shocked that we having this interview. Because I don't know how you think that Damon, I'm piloting the*

ship is not the case. You know, that's not how we operate as a family. But we use, we always go back to the bottom line. And I think as any organisation , the reason why they've got an org structure is that it's a puzzle. And every individual in that puzzle needs to add value." Participant 11.

Value addition in the same way as practical experience creates an air of confidence in a leader to continue with the legacy of the family business hence it is one of the most common strategies used by family businesses to appoint future leaders.

Mentorship

Another strategy for appointing future leaders identified was through mentorship and leadership development. Investing in leadership development programs, mentorship, and gradually increasing responsibilities prepares the next generation for leadership roles. Participant 7 stated:

> *"We've put a strong emphasis on developing leadership capabilities in the next generation through training programs, mentorship, gradual increases in responsibility." Participant 7.*

Mentorship and leadership development constitutes a deliberate effort by family businesses to develop future leaders so that by the time they take over, they would now possess the capabilities needed to sustain the business in the long run. Participant 17 also emphasised the importance of mentoring, developing trust, and potentially transitioning to a non-family leadership structure:

> *"...where I too would like to pass down the business to someone I can trust in the family, I. E. For example, if it's not someone like one of my offspring, then one of my nieces and nephews or whatever, someone I can also mentor and help and all of that. So some of the same strategy that my father employed, I would like to also do the same thing and hope for the best that it will work." Participant 17.*

This quote highlights the significance of mentoring and developing future leaders within the family business. The interviewee expressed her desire to follow her father's strategy of mentoring and developing a trusted family member to take over the business in the future.

5.6.1.2 Theme 2: External appointments

Some family businesses are open to appointing individuals from outside the organisation provided they bring in the necessary expertise, value and experience. External appointments at times are forced as there can be scenarios where there is no suitable candidate within the family or within the organisation to take over. External appointments can also be a deliberate strategy of the business. The next

section sheds more light on how some family businesses make external appointments.

Open door policy to recruit externally

While some family businesses would want to keep the business within the family circle other business leaders expressed an openness to having non-family members assume leadership positions provided they had the necessary credentials. Creating an environment for open dialogue allows family members to express their strengths, interests, and aspirations, leading to better role matching.

> *"I start with a personal SWOT analysis where we use our strengths and outsource our weaknesses. This has allowed us actually to match the right people to the right roles in a way that builds trust and commitment in this company." Participant 7.*

The open door policy requires honest conversations and self-introspection among the family members regarding who is the best fit to assume leadership of the business. Essentially, there is no pressure for family members to join the business, and the focus remains on ensuring the company's success:

> *"We don't really have a closed door policy. We're also not that type of company that we purely and solely hire family. No, because it's about, like I said, who adds value. But it's literally just that bottom line, you know, do you have something to bring, preferably, you know, some form of a qualification that's aligned to what we've got, then by all means. But if not, then, you know, as relatives, we then empower you to go and find that as well." Participant 11.*

From the quote above it is thus clear that companies assuming this strategy always prioritise the interest of the company first before making any appointments or choosing the successor of the business. Having a family member who possesses the needed qualifications becomes a bonus for the company.

Summary of research question 1

Concerning strategies used by family businesses to appoint future leaders, respondents cited different strategies used reflecting the different philosophies held by different family businesses. Most participants prioritised other factors other than being merely a member of the family to qualify an individual to take over the business.

One of the sub-themes was that they would prefer someone who possessed an understanding of different cultures and business dynamics regardless of whether the person was a member of the family or not. Possessing such a quality and then being a member of the family would thus be considered a bonus. Participants preferred to

select a candidate who had a proven track record, which is essentially the appointment of individuals based on merit. Having the passion, drive, experience and ability to work under pressure were thus identified as important traits which a future leader has to have. These traits instilled confidence that the successor would be able to carry the company forward, preserving its legacy and maintaining clientele trust and loyalty. In line with a proven track record was the aspect of practical experience, which was considered crucial for an incoming leader.

Experience was considered critical as it constituted the value that the leader was going to bring to the organisation. Other participants also mentioned how they preferred to groom their future leaders through mentorship and leadership development programs. In that regard, individuals marked as potential future leaders would have to be put through training, and mentorship programs would have their responsibilities gradually increased. The objective would be to prepare them for future leadership positions. Other family enterprises had an open-door policy when it came to succession issues.

The open door policy requires honest conversations and self-introspection among the family members regarding who is the best fit to assume leadership of the business. Where no one amongst the family members did not possess the qualities needed to lead the business, they would go for a non-family member so long he/she possessed the necessary credentials. Participants also highlighted that they would recruit external agents to train a family member in preparation for that family member to assume a future leadership post. This is especially true for businesses which strictly want to keep the leadership within the family. Overall, regarding the appointment of future leaders, the participants demonstrated that there is great diversity regarding the strategies that can be used and that there is no universal approach that applies to all situations. Each business has the privy to select what works best for them and what is in the best interests of the business going forward.

5.5.2 Results for Research Question 2

Research question 2: How important is trust to the success of family businesses?

This research question endeavoured to find out the importance of trust in the success of family businesses. The importance of trust in family businesses cannot be understated. Trust is seen as the foundation upon which family businesses are founded. Trust is critical for ensuring a shared vision between family members, the

company and its employees as well as the company and its clients. The following sections shed more light on the participants' perspectives regarding the importance of trust in family businesses.

Table 4: Results for Research Question 2

THEME	SUB-THEMES (CATEGORIES
Trust as the foundation	-Shared vision and goals -Business continuity -Smooth transitions -Maintaining confidentiality -Key in leadership development

5.5.2.1 Theme 1: Trust as the foundation of family businesses

The foundation of effective succession in family businesses is trust. It allows for a seamless transition of leadership and guarantees the ongoing operation of the business. Trust fosters transparent communication, respect, and a collective dedication to the success of the enterprise. It allows family members to take risks, make difficult decisions, and navigate challenges knowing they have each other's support. A high level of trust can lead to improved employee morale, increased productivity, and better financial performance.

Shared Vision and Goals

Trust cultivates a shared vision between family members, family businesses and their employees and family businesses and their clientele. This sub-theme highlights the significance of a shared vision and aligned goals among family members in cultivating trust and cohesion within the business. It suggests that a shared vision helps align everyone's efforts and facilitates smoother decision-making, even when disagreements arise.

> *"Having a very, like a very strong shared vision has also helped us because you know what, even if you're going to, even if you're not going to agree or you're going to disagree or things aren't going exactly the way you want it to, the fall back is always the shared vision that also informs everyone's level of commitment and effort into growing this thing." Participant 1.*

Trust is the bedrock of succession planning, enabling open communication, cooperation, and the pursuit of shared goals. Participant 2 underscored the importance of trust in furthering the vision of the family business:

> *"The trust element came in... because whoever took over the business had to take on my mom's, if you like, pension in the longer term. So that was the trust element that it wasn't going to be given for free." Participant 12.*

Trust ensures an alignment of personal philosophies. Participant 18 further highlighted the significance of shared values and beliefs among family members involved in the business.

> *"Trust is one of those things that we need to be on the same page about exactly how we think about business. And I think that's a deeply personal thing as well. So it's an alignment of personal philosophy. So there are certain businesses that we do together and there's certain businesses that we don't do together because I can't trust the personal philosophy will align." Participant 18.*

As reiterated the issue of trust in furthering business interests is critical. Companies are more inclined to do business with companies they trust or those who have proven to them countless times that they deliver. It becomes a cycle of business transactions between companies solidified by the trust they share between them.

Business continuity

Trust is critical to business continuity. Eight participants stated how trust impacts the performance of their businesses. A high level of trust within a family business can lead to improved employee morale, increased productivity, and better financial performance. Conversely, a lack of trust can result in conflict, stagnation, and even business failure.

> *"Just as much as, you know, your family who are currently heading the business is to them, I guess trust itself, again, plays an extremely pivotal role in a lot of decisions made. And, you know, it's good to consult, you know, everyone, employees, other employees included, you know, speak." Participant 2.*

Trust extends beyond the family to employees, suppliers, and other stakeholders, fostering a collaborative environment:

> *“I feel I know something's about family but I feel like even beyond family, you know, your employees or your suppliers, you know, you need to trust them, that they're going to give you quite quality materials. My parents need to trust me. I'm going to make key decisions. They'll help the business go forward.” Participant 10.*

Participant 17 also reiterated the importance of trust in business continuity:

> *“And if anything, because of the trust that he has in me to run the business, it's what's led us to where we are, where, I mean, it's been a tough year, but it's a year that were able to continue to operate simply because he trusted me enough to continue to do what he was doing previously.” Participant 17.*

This quote underscores the importance of trust in ensuring business continuity during times of transition. The father's trust in the interviewee enabled the business to continue operating smoothly despite the challenges posed by his sudden illness. Weighing in on the importance of trust Participant 12 however provided an interesting perspective on the nexus between trust and experience**.** While trust is crucial, it may not be the deciding factor, especially during uncertain times. Experience and capability play a significant role, particularly in navigating crises like the COVID-19 pandemic:

> *"So during COVID we can't really say that there was a lot of emphasis on trust. The emphasis had been on the experience and the ability of the leader to try and navigate this particular situation. So trust works when they are pre-set existing conditions, and usually those conditions must be favourable for both the person who is trusted to lead and from the individuals who are entrusting that person to lead." Participant 12.*

While the perspective of Participant 12 is subject to debate, it is also critical for family businesses to deliver on their end when they have been trusted by companies to do business. This lends some validity to the claims made by Participant 12 that when trusted the companies must still have the experience and capability to deliver. By so doing they maintain the trust that these companies have in them.

Smooth transitions

Participants highlighted the significance of trust in successful succession processes. Trust is fundamental for a successful succession plan, enabling the current generation to confidently pass the baton to the next, ensuring business continuity and preserving family relationships.

> *"I feel like trust can be a pivotal element during critical moments such as succession planning. So for me, she's been able to trust me the whole process of being able to develop the trust, to be able to file the trust, to be able to have the right consultants, wealth consultants that make the decisions or rather inform us about how those decisions are made." Participant 3.*

The role of trust in ensuring a smooth transition of leadership during succession is often underestimated yet it is critical. It emphasises the importance of the successor being trusted by business partners to continue the existing relationships and maintain

business stability. When trust is high, families can make decisive decisions that everyone supports, leading to smoother transitions.

> *"When trust is high, we are able to make decisive decisions that everyone supports." Participant 7.*

Trust facilitates a smooth leadership transition, especially when the older generation starts transferring responsibilities to the younger generation. Despite the presence of trust, the process can still experience some initial doubts and tensions among family members. This is natural and should be acknowledged.

> *"A few years ago, when I started transitioning more responsibility to my son, my eldest son, who will be taking over the business, there were some initial doubts and tensions within the family." Participant 7.*

Trust facilitates smoother, more effective decision-making, especially during transitions and challenging times.

> *"And I had to kind of just take everything that he has kind of taught me and I had to kind of cross the decisions that I'm making on decisions that you would also make in such situations. They need to also be confident in me, my ability to take things forward. So trust plays a major role. And seemingly I've done quite well in difficult house." Participant 10.*

Maintaining Confidentiality

Trust is crucial in maintaining confidentiality in family businesses. This category underscores the importance of trust in safeguarding sensitive business information, especially during succession planning. It emphasises the need for the successor to be seen as trustworthy in maintaining confidentiality by long-term business partners.

> *"And definitely everybody when you deal with someone, for the person, this person, especially when the business is, there's a lot of information which is very sensitive and they would like to make sure that the person they deal with can keep the secrets of the business and they can trust that person."*

In family businesses, there are family and trade secrets that need to be safeguarded at all costs. These secrets, once divulged, can potentially lead to the collapse of a company, damaged reputation or loss of business. For family members to share these secrets among themselves, high levels of trust are needed.

Key in Leadership Development

Trust plays a crucial role in developing future leaders. Providing opportunities for growth, mentoring, and skill development, along with demonstrating trust in their abilities, fosters confidence and prepares them for leadership roles:

> *"You're not only coming in as CEO, but you're coming in as a mentor. You know, I want you to help him grow on. I want you to help him connect with individuals that, you know, if he was alone, would you find difficult to connect with?" Participant 5.*

During the succession process, families face intricate decisions about the company's future leadership and direction. Trust is essential for navigating these complexities successfully:

> *"That trust was crucial as we navigated complex decisions around the future leadership and direction of the company." Participant 7.*

Trust is significant in grooming future leaders of family business. The sub-theme emphasises the role of trust in facilitating the transfer of knowledge, responsibilities, and relationships within the family business.

> *"...because my father trusts me so much, he did not hesitate at all to put me in contact with the, like, the certain people he had been working with." Participant 17.*

This quote illustrates the role of trust in facilitating the transfer of knowledge and responsibilities. The father's trust in the interviewee enabled her to establish connections with key individuals involved in the business, thereby ensuring the continuity of operations.

Summary of Research Question 2

Responses to the second research question indicated that participants possess a profound understanding of the importance of trust in family businesses, as evidenced by their frequent use of the terms "bedrock" and "foundation" to describe its significance. Trust was perceived as the cornerstone of family businesses. Participants elaborated on the role of trust in fostering a shared vision among family members, between family members and their employees, and between family members and their clients. Trust is vital among family members as it cultivates an atmosphere of harmony within the business and ensures smooth transitions of power during leadership changes. Participants also discussed how trust facilitates seamless succession when the time comes to pass the baton. Additionally, trust is essential for maintaining confidentiality and nurturing leadership development.

5.5.3 Results for Research Question 3

Research question 3: Which factors influence successful succession in a family business?

The third research question unravelled the dynamics at play during succession planning processes. Effective succession processes are influenced by the interplay

of several factors. The objective was to understand how succession processes unfold within family businesses and develop an awareness of the factors which support and those which tend to oppose the effectiveness of succession processes. The importance of the collective as well as individual contribution of the factors to a smooth and successful transition must be discussed.

Table 5: Results for Research Question 3.

THEME	SUB-THEMES (CATEGORIES
Internal influences	-Family dynamics -Communication and perspective -CEO leadership style -Understanding different cultures and business dynamics -Planning -Financial Management
External factors	-Economic challenges -External advisors and non-family members -Industry trends -Global trends

5.3.3.1 Theme 1 Internal factors

Successful succession can be influenced by several factors from inside the organisation. These comprise aspects such as family dynamics, communication processes, CEO leadership style, understanding of cultures, planning and financial management. These were the factors identified by the participants during the interviews. The following sections discuss each of these internal factors individually in depth.

Family dynamics

Ten participants spoke about the issue of family dynamics in influencing the success of succession processes. This sub-theme explores the complex interplay between family dynamics and succession planning. It acknowledges the challenges that can arise when personal relationships intersect with professional roles and emphasises the importance of setting clear boundaries and expectations. There are complexities

in navigating dual relationships where family members are also business partners. It acknowledges the challenges of balancing personal and professional roles and the need to establish clear boundaries to maintain trust and professionalism.

> *"It's gone both ways, you know, with my dad kind of being the chairman, quote unquote, off the board. He's always also been the father figure in the family. So he was best fit for the job like CV wise." Participant 1.*

Family relationships play a significant role in shaping trust dynamics within the family business. In families with a patriarchal structure, the head of the family, often the founder of the business, holds significant decision-making power, influencing the level of trust placed in other family members. Close, supportive relationships can foster trust, while strained or conflictual relationships can erode trust and hinder the succession process.

> *"You know, I'm doing this for my children. I built this for my children. They have to come in. That's really, like, the beauty of all of this." Participant 5.*

As seen in the quote above a family business founder who prioritises his family is likely to put them first in the succession process. Participant 9, however, weighed in with some interesting points on the issue of family dynamics by pointing out how it can cause problems in the succession process either through sibling rivalry or the owner's reluctance to let go of the business. Sibling rivalry and different expectations can cause conflict and hinder the succession process.

> *"There is one brother, recently divorced, kids in private school. He just wanted to sell the fruits and get the profit and keep the costs down because he had big expenses, okay? The other brother was exactly the opposite. The other brother was saying, well, I don't have the problems that you have." Participant 9.*

Personality clashes and conflicts can arise even within close-knit families, requiring effective conflict resolution mechanisms. Different generations may have different perspectives on trust and leadership, which can influence the succession planning process. The hesitation of the older generation to relinquish control, coupled with the younger generation's aspiration for independence, can lead to conflict.

> *"The dad started the business 40, 50 years ago, all right? Really fantastic old man, but, you know, a typical old fashioned old man. You know, it's my business, I started it. I'm just letting you in as a privilege, blah, blah." Participant 9.*

Participant 10 shared the same sentiments regarding the complexities of family dynamics in succession processes:

I think it's very tricky working with family as well. It's not easy because business comes first. You can't really be putting your emotions or family things that are going on in the background, you know, making, influencing you to make certain decisions" Participant 10.

When it comes to the issue of family dynamics addressing psychological traumas thus becomes critical. This theme delves into the complexities of family dynamics, particularly in cases of broken families. It emphasises the importance of addressing psychological traumas that can emerge during succession planning.

"The other challenge that I have picked up was that I'm representing the culture of broken families. The structure of our family are broken. This imposes many psychological traumas. Usually these traumas are not addressed until such important topics like succession planning takes its course. I, for example, didn't know the importance of things like counselling until challenging times presented themselves. So I found out that you are always doing damage control. So I have created a psychological safety within the family, which is of vital importance." Participant 7.

Broken family structures can impose psychological traumas that often remain unaddressed until significant events like succession planning bring them to the forefront. Additionally, it is critical that family members be able to separate personal feelings from business decisions and maintain professional relationships.

Communication and Perspective

Participants shed light on how honest and clear communications play a pivotal role in successful succession processes. Communication is key to building trust, and the content emphasises the importance of open and honest dialogue between family members. This theme explores how communication shapes perspectives, fosters understanding, and strengthens relationships within the family business. Understanding and appreciating different perspectives is essential for effective communication and building trust. Family members need to be willing to see things from each other's point of view and consider different approaches.

"I think he just makes us look at things in different perspectives. And yeah, it's just talking about it every day. Like I said, he communicates a lot, I think. I think he is just as bad as my aunt. My aunt could talk forever and just about the most random things. But it's with my dad. He then focuses one thing and he doesn't stop until he's tired, not when we're tired. You know, doesn't stop when he's tired. And yeah, there's been many conversations. I can't really think about one, but there's been many conversations about, you know, the landscape in general and the opportunities that we have." Participant 2

A shared vision for the future of the family business is essential for aligning everyone's efforts and building trust. The current leader needs to effectively communicate their vision and inspire others to believe in it. Further stressing the importance of communication Participant 6 emphasises the importance of open and honest communication among family members and between generations to build trust and manage expectations:

> *“So I had to convince my family to support me as a whole and to convince all my clients and all my close clients to support me so that they can see the growth of the business as. As we go together, not as a one individual.” Participant 6.*

> *"My younger brother who took over the business would often tell us what he had done as if he was seeking our permission to do it because we had grown up in that business. 20 odd years we'd grown up, weren't involved in it anymore and we eventually moved out. It's being open to having the key strategic discussions at the time these decisions are being made." Participant 14.*

From the utterances of Participant 14 above, it is evident that open, honest, and frequent communication is crucial for successful succession planning, ensuring alignment, managing expectations, and resolving conflicts. Participant 8 stated that one of the defining moments in the succession process was when they actually set down to communicate about it highlighting the importance of communication for successful succession planning:

> *"Some of the moments were when the CEO was busy with her will. There's a lot of deep discussions that we had that shaped the course of the Beighton being handed over, where we sat down and we had a discussion in terms of, you know, a decade from now, where do you see yourself a decade from now, what do you want from this family business?" Participant 8.*

From the above quote, it is evident that discussions around the CEO's will and long-term vision for the company played a key role in shaping the succession plan. Honest conversations about the future of the business help build trust and solidify the succession plan. Effective communication also helps ease tensions associated with family business succession.

CEO leadership style

Participants identified the founder’s leadership style as critical for effective succession planning. It can be broadly asserted that the success of succession largely depends on how the officeholder manages the transition process. Effective leadership involves grooming future leaders, providing them with opportunities to

learn and grow, and empowering them to take on more responsibilities. This not only builds trust but also ensures a smooth and successful leadership transition in the future.

> *"I try to form relationships with them. Right. So I think the first and foremost is obviously getting people that are, I guess, qualified to be able to do what you require them to do. But further than that, I think what people, I guess, do for the employees is to be able to form certain relationships that ensures that they are fulfilled holistically inside the environment that they're working, and also outside the environment that they're working, and also ensuring that you show some level of humanity towards them." Participant 3.*

The leader has to play a multifaceted role. The multifaceted nature of leadership in family businesses, particularly during succession needs to be emphasised. There is a need for the new leader to be able to handle various aspects of the business, from HR to business development and international negotiations.

> *“For me, the critical moment, I should say is as I said initially, that book with the family business, you are the leader. You must do everything. You do HR, you do business development, you do marketing, and you do negotiations. So you need to make sure that the person you are point can be able to also to do all those things, which is not easy.” Participant 4.*

The CEO's leadership style, actions, and decision-making significantly influence the succession process, shaping the company culture and the next generation's perception of leadership.

> *"I think a CEO can build trust and create a trusting environment by... the next level of management in the succession plan professionalizes the business a bit better, that we look for the signs that the business needs to grow, needs to communicate openly, needs to empower the people that are working in it, encourage relationship building, resolve conflicts and show respect." Participant 14.*

The behaviour of the CEO in the concluding months before the transition of leadership is pivotal for the enduring viability of the family enterprise across future generations. A CEO should prioritise the long-term sustainability of the organisation.

Understanding Different Cultures and Business Dynamics

This sub-theme underscores the importance of understanding different cultures and business dynamics in preparing for leadership in family businesses. It highlights the need for leaders to be able to adapt to different business environments and cultural nuances, particularly when dealing with international markets.

> *“So when you appointed her to the business, it becomes easier for to lead the business with the lady. She understood the catch of the business. And as I*

said, she understood. She. She did it by learning by making sure that she understand how we transact understand the different cultures of the people. I mean the dynamics of the business, the dynamics of the countries we work with, the sensitivities of those countries, the sensitivities of those people because some of them in different position in those countries and they need certain things to be done in a certain manner. So it was more or less learning they're doing. I should say that." Participant 4.

The utterances above highlight the importance of the incoming successor having intricate knowledge of different cultures and business dynamics. Having a successor with adequate understanding is critical for the purposes of ensuring a seamless transition.

Planning

Six participants indicated how it is important that succession be a planned event. This sub-theme underscores the necessity of establishing a well-defined and detailed succession plan that clearly specifies the roles, responsibilities, and expectations of all stakeholders.

"We had to work as a family. We had to come together and put our differences aside and say, guys, look, this is how things should be at the moment. Because at this hour, at this time, at this year and at this pandemic, we can't be apart from each other." Participant 6

Planning needs to prioritise a long-term vision and sustainability. Successful succession planning requires a long-term vision, ensuring the company's sustainability for future generations:

"When you want to keep it a family business and you want to be able to, you know, essentially have let your children also have that opportunity to be part of the company. Yeah." Participant 16.

For most family businesses keeping the leadership strictly within the family is critical as highlighted by the utterances of Participant 16 above. Linked with the aspect of planning are the family values. Family values are instrumental in guiding succession planning decisions, shaping the choice of future leaders and determining the business's long-term direction.

"What are our core values? What did we want to achieve? My younger brother was the best example. He said he doesn't want to go into business, he wants to be a medical doctor. So his was easier than the others because he, his road, his journey

was different. Identify core values, come up with some kind of code of ethics..." Participant 14.

Part of planning thus helps eliminate family members who are not fit to assume leadership of the business and helps narrow the scope of candidates based on the company values.

Financial Management

Participants also identified financial management as critical for successful succession planning. This theme highlights the importance of financial management in the succession planning process, emphasizing how financial stability and sound financial decisions can contribute to a successful transition. Financial stability is needed for a business to attract and retain future leaders and ensure a smooth succession.

> *“For my family to appoint a new leader, it's because of the financial. Financial sage. I mean, so the financial soul. The company's finances were not looking bright. So I was appointed because of the finance that I had in my trust account.” Participant 6.*

Great talent needs to be rewarded adequately if the family business considers pursuing external talent to lead the business forward, thus the company has to be financially stable**.** Financial decision-making is also critical. Engaging future leaders in financial decision-making is essential for equipping them with the skills and experience needed to navigate the challenges and responsibilities of managing the family business.

“So I had to make a sacrifice whereby I need to take my funds, my university funds from. From my trust account to. To. To invest those funds into the business again as capital to grow the business.” Participant 6.

In the case of Participant 6 above, as an incoming leader, it was critical to inject funds into the business in order to sustain it. Financial planning is also critical. There is a need for a long-term financial plan that aligns with the succession plan to ensure the continued success of the family business.

> *“And I to make sure that the money that has been put inside the company gets used wisely and used effectively so that the business can grow.” Participant 6.*

Support and Commitment

Support and commitment have been identified as another important factor in the succession process. When family members, especially those not directly succeeding the leader, express genuine support for the succession plan, it significantly strengthens trust within the family.

> *"Yeah, one moment was when my second born, who had initially expressed reservations about the succession plan, came to me and said he fully supported my choice of appointing his older brother as the next CEO. Seeing his genuine commitment to this family, sharing down and up moments in the vision of the company actually helped me a lot. It was a powerful testament to the trust we had built over the years. This dialogue and willingness to put the business first was critical, our critical turning point." Participant 7.*

While it can be difficult to get unanimous support during succession planning, having support and commitment to succession processes is vital for the overall success of the process and for the successor to settle down in his/her new role. Family support should be considered a stepping stone for successful succession processes.

5.3.3.2 Theme 2 External factors

One of the themes which emerged from the participant interviews is that succession processes can also be influenced by external factors. Economic challenges, the influence of external advisors, industry trends and global trends can all have a bearing on succession processes in family businesses. The following sections expound more on these factors.

Economic Challenges

This category specifically addresses the impact of economic challenges on family business succession. Participants 1 and 6 cited economic challenges as influencing succession processes. It suggests that economic downturns can create stress and potentially strain trust among family members, highlighting the need for proactive measures to maintain transparency and address concerns openly.

> *"You know, with the way the economy has been at the moment. We haven't been performing as well in the last 12 months. You know, we kind of had to implement, I don't call it a turnaround strategy because it wasn't like a huge adjustment, but we just had to tighten our belts in certain areas just to get back to profitability. And so as the person that's reporting directly the numbers, you know, there is that hesitation to openly report on the financial well-being of the company, especially being that close to the numbers." Participant 1.*

The above quotes show the influence of the economy; it can force a company to rethink its strategy and possibly consider a change of strategy. This can have a bearing on succession processes as well. Economic downturns or periods of growth can influence the timing and execution of succession plans.

> *“I think that time was in 2017. I took over the business from my dad. During that time, we had a situation whereby the business was really going down like it was raging down to a point whereby we didn't have any revenue or any income in the household or in the business.” Participant 6.*

As is the case in the scenario above explained by Participant 6. Economic downturns signalled the need for the company to have a change in leadership with the company appointing a successor in the hope of a fresh perspective and a possible change in fortunes. This turned out to be a good strategy as the business managed to survive that period and continues to operate up to this day.

External Advisors and Non-Family Members

External advisors and non-family members may also have a bearing on succession processes. This sub-theme explores the influence of external advisors and non-family members in shaping trust dynamics within the family business. The objectivity, expertise, and ability of external advisors to bridge gaps between family members cannot be understated:

> *“My dad became very busy and he realized that he couldn't do this thing alone and he was neglecting operations and the employees became very laid back and work started becoming very sloppy. Things weren't being done right. And he decided, no, I think I need to bring someone in who has that experience of leading and can actually help build this thing from the ground up and start hiring from the top down." Participant 5.*

External consultants, including accountants, attorneys, and family business advisors, can offer an impartial viewpoint and assist family members in addressing delicate matters associated with succession planning. Their expertise and impartiality can foster trust and facilitate effective decision-making. The inclusion of non-family managers in the succession process can introduce new perspectives and expertise, but it also requires careful management of trust dynamics. Establishing clear expectations, fostering open communication, and ensuring alignment with the family's values are essential for building trust with non-family managers.

> *"Even, even in corporate or even on a daily basis operationally walking into the office, having individuals that don't have that entrepreneurship structure within an organisation could lead. So I personally feel like could lead to the*

downfall of a business. You know, you never always want to rely on top management to bring in new ideas." Participant 5.

The influence of external factors, such as relationships with key employees and the role of non-family members, on the succession process needs to be explored:

"It was senior management and senior engineers that had a bit of that. I could see it seems like this engineer has an influence on influencing my own mother to agree to. For me to lead a certain project or for me to take over a certain project." participant 8.

As stressed by Participant 8 above the senior engineers were regarded as important advisors and a source of counsel (due to the expertise and vast knowledge they possessed) by the mother despite them being not members of the family. Senior management and key employees play a crucial role in shaping perceptions of the successor and influencing the CEO's decision-making process. While the CEO has the final say, these key advisors can influence the decision in some ways.

Industry trends

Participant 6 identified industry trends as having an impact on succession processes. This sub-theme explores how changes in the industry landscape, such as new technologies or evolving customer preferences, can impact the skills and knowledge required for future leaders:

"So we had to face up a lot of things from the company side, including on their side that was affecting the company in terms of their affairs, towards their relationship and towards the company too. So I had to come up with a strategy to take them out of the company." Participant 6.

In the same manner, as economic downturns explained before, changes in technology and work processes can influence leadership changes. New technologies and evolving customer preferences may signal the need for new blood in leadership in the form of the young and technologically savvy. The assumption is that young leaders are in turn with the latest trends. The need for companies to innovate in the current environment cannot be understated.

Global trends

In the same vein as industry trends, global trends were also identified as having an influence on succession processes. This sub-theme examines how global events, such as pandemics or political instability, can create unexpected challenges and opportunities for family businesses during succession planning.

> *"Because during those times, especially those times we're heading towards Covid times, it was quite a big challenge for someone my age because even for my clients, I had such a difficult challenge because everybody couldn't trust the person that I am. No one couldn't trust me because of my age." Participant 6.*

As explained by Participant 6 above, the COVID-19 pandemic had a bearing on the business as people needed to conduct business with a company whose leadership they trusted preferably someone much more advanced in years and experience.

Summary of Research Question 3

Research question 3 themes revolved around unravelling the factors influencing successful succession in family businesses. Two themes came up from participant responses: internal factors and external factors. Internal factors affecting successful succession processes were identified as: family dynamics; effective communication; CEO leadership style; understanding business dynamics; planning and financial management. Family dynamics can be complex and interwoven. Participant responses revealed that families with harmonious relationships are likely to have smooth transitions of power while families battling personality clashes often struggle to navigate transitions. It is critical to separate personal and professional relationships in family businesses and establish boundaries to maintain professionalism and trust. Communication and perspective are also critical for successful succession processes. Five participants who spoke on communication highlighted how open and honest dialogue between family members is critical in building trust and subsequently seamless leadership transitions. Communication shapes perspectives and fosters understanding. The CEO's leadership style was also identified as important for effective succession. Effective leaders plan in advance and groom their future leaders while less effective leaders have attachment issues and are reluctant to hand over power. Participants spoke about the multifaceted role of the leader who has to handle various aspects of the business and also make critical succession decisions. Participants also identified planning as critical for successful succession planning. Six participants who discussed the aspect of planning emphasised how it is important to prioritise the long-term vision and sustainability of the family businesses when planning for succession. Financial management was also identified as key in succession processes. Should a company decide to appoint a leader from outside, it should have adequate funds to reward and retain that leader. The company should ideally have a financial buffer for the incoming leader to come in and implement his/her ideas well. Support and

commitment from family members and employees are also critical for successful succession processes.

External factors have a bearing on succession processes. Economic challenges can push family businesses into leadership changes. External advisors and non-family members can impact succession processes as well. External advisors can include accountants, lawyers, or family business consultants whose counsel is regarded as important. The business does not operate in isolation. Family businesses are also subject to industry and global trends as they do not operate in a vacuum. The introduction of new systems and technologies may indicate that the business needs to adopt a new direction and new leadership. The next chapter provides a discussion of the results with literature.

5.5.4 Conclusion- Summary of Findings

The chapter presented the study findings in themes and sub-themes. The themes emanated from each research question. Research question 1 had two themes concerning strategies for appointing future leaders: internal appointments and external appointments. Research question 2 also had one theme: trust as the foundation of family businesses and five sub-themes which include: shared vision and goals, business continuity, smooth transitions, maintaining confidentiality and leadership development. Research question 3 had two themes: internal influences of succession and external influences. Internal influences produced sub-themes: family dynamics, communication and perspective, CEO leadership style, understanding of cultures and business dynamics, planning and financial management. External influences produced sub-themes such as economic challenges, external advisors and non-family members, industry trends and global trends.

Chapter 6: Discussion Of Results

6.1 Introduction

This chapter serves as a vital component of the study, providing an in-depth analysis and interpretation of the findings presented in Chapter 5. The analysis and discussions conducted in this chapter rely on the findings from the literature and the theoretical frameworks introduced in Chapter 2. The primary aim is to provide a thorough understanding of the role of trust in family business succession.

The information and data obtained through the methodologies outlined in Chapter 4 will be analysed together with the literature review presented in Chapter 2 and the pertinent research questions discussed in Chapter 3. Additionally, the primary data will be connected to the central research problem articulated in Chapter 1. This approach fosters a cohesive relationship among the chapters, facilitating a unified and comprehensive discourse that enhances both practical and academic insights into the subject matter.

The participants for the study comprised business leaders and management from various family businesses based in Gauteng. Participants provided diverse perspectives on the topic, challenging and corroborating with the reviewed literature. Overall, participants' insights are essential in shedding light on the relationship between trust and succession planning in family-owned businesses in South Africa.

The chapter organises the discussion to connect empirical findings and theory. The impact of trust is analysed and interpreted using participants' real-life practical experiences to produce a balanced account of the topic that resonates well within the context of South African family-owned enterprises.

The next sections of the chapter are devoted to a structured exploration in which the primary findings are presented and critically discussed in accordance with the proposed theories and literature. The objective is to offer a deeper insight into the significance of trust in succession planning within family businesses, providing readers with a balanced account of the participant experiences and insights into the complexities associated with sustaining family businesses.

In quintessence, the chapter intends to substantially contribute towards strengthening strong family relations wherein trust serves as the bedrock for strong family ties within South African businesses. The ensuing discussion is thus anchored on comprehensive analysis, making sure that each interpretation and insight is

contextually and academically relevant thus contributing towards the body of knowledge in the critical field of family business research.

6.2 Discussion of Results for Research Question 1

Research question 1: What strategies are used by family businesses to appoint future leaders?

Succession planning holds the key to the continuity of family businesses into the next generations. Participants shared their diverse experiences and strategies that they use in their businesses to appoint future leaders.

The findings revealed that when it comes to preparing for the appointment of future leaders, there is no universal approach that a business can use a strategy that it deems fit. Family businesses can either choose to appoint internally or may look for external solutions. Even businesses which opted to appoint internally there was diverse criteria for such appointments. Some would opt for appointing individuals based on: an understanding of business dynamics, a track record and practical experience. Some preferred grooming their future leaders through mentorship programs. External appointments involved businesses making deliberate attempts to look for expertise from outside the organisation.

This section carefully analyses these insights, drawing comparisons with the reviewed literature and theoretical frameworks outlined in the literature review chapter. The aim is to provide a more profound comprehension of the elements influencing succession planning in family businesses in South Africa, as well as the prevalent strategies employed. Each insight is subjected to critical analysis to facilitate a thorough understanding of succession planning in family-owned enterprises.

6.2.1 Internal appointments

In total eight respondents indicated that their organisations would look internally when planning to appoint a future leader. The criteria that would be used for organisations to reach the final decision for the appointment of the leader however differed. Internal appointment also varied on whether the person to be appointed was a family member or a non-family member.

Literature findings also corroborate the research findings on the aspect of the wide preference of family enterprises to recruit internally. According to the research conducted by Chang et al. (2021), many organisations implement a structured

hierarchy in their applicant evaluation processes, giving precedence to family members, followed by internal talent, and then external executives. This perspective is further reinforced by Jeong et al. (2022), who advocate for this hierarchical approach, contingent upon the existence of effective assessment and development frameworks. Yezza, Chabaud and Calabrò (2021) contend that internal recruitment tends to flourish particularly within family-owned enterprises characterised by robust cultural values and strong familial connections. In a study of 50 companies, it was found that 38% of the CEOs were family members. Among the remaining CEOs, 54% were appointed from within the organisation, while 46% were sourced externally. However literature does not indicate the criteria used for internal appointments, this is where the findings extend the literature.

One of the key issues identified was the importance of future leaders knowing the business environment before assuming the leadership post. Emphasis was made on the need for leaders to have a deep understanding of the markets where the business operates, including cultural nuances and business practices. This would inspire confidence in investors and the family members that the person would be capable of taking the business forward once he/she assumed control. Thus it was an extremely important attribute. Studies done by Arregle, Calabrò, Hitt, Kano and Schwens (2024) and Baltazar, Fernandes, Ramadani and Hughes, (2023) also corroborate with the findings on the importance of skills for prospective successors and the development of trust. Trust fundamentally hinges on two essential elements: character and skill (Arregle et al, 2024). Character encompasses an individual's beliefs, behaviours, attitudes, and priorities, reflecting their commitment and integrity. In contrast, skill pertains to the knowledge, abilities, accountability, and achievements demonstrated in various contexts, such as the workplace, family, or community. Proficiency specifically refers to an individual's talents and their historical performance (Baltazar et al, 2023). Even if a person possesses charm, honesty, and authenticity, a lack of tangible results can undermine trust. Conversely, it is exceedingly challenging to place trust in someone dishonest, regardless of their skills or pristine history.

Four participants spoke on the issue of appointing a person with a proven track record. A track record manifests itself in different aspects, whether be it in education, work or personal life. Family businesses which tended to value the successor’s proven track record also aligned with the principle of appointment through

meritocracy. Individuals working within the organisation had to be appointed based on merit and often had to prove themselves in lower positions subsequently rising through the ranks. Literature is in agreement on the aspect of a proven track record as indicated in the study by Gkouna et al., (2023). Identifying potential successors involves assessing their alignment with the organisation's vision and objectives (Gkouna et al., 2023). This process focuses on recognising individuals who are committed not only to present accomplishments but also to the long-term goals and values of the company. In the context of steward leadership, it is essential to navigate the tension between addressing immediate needs and fostering future leadership aspirations. This critical endeavour transcends mere role fulfilment; it requires a deep understanding of the factors that drive organisational progress (King, et al, 2022). The process begins with a comprehensive evaluation of prospective successors. This assessment goes beyond a mere review of their skills; it involves a detailed analysis of their potential contributions. It is vital to identify individuals whose behaviours align with the organisation's core values and whose track records demonstrate a capacity that surpasses their verbal commitments (Madison et al, 2016). Consequently, effective succession planning necessitates distinguishing between those who possess potential and those who have proven their ability to translate ideas into successful actions. This distinction is essential for ensuring that immediate initiatives are in harmony with long-term strategic objectives (Nave, Ferreira, Fernandes, do Paço, Alves, & Raposo, 2022).

Closely related to the aspect of having a proven track record is the aspect of practical experience. Three participants emphasised the importance of appointing someone with experience, especially hands-on experience. A person with experience was thus considered as someone who brings value to the organisation. Value addition just as practical experience creates an air of confidence in a leader to continue with the legacy of the family business. The aspect of a proven track record is corroborated in the literature. Trust is cultivated through the assessment of potential leaders, taking into account their skills and their congruence with the organisation's core values (Magnadi et al., 2021). This approach guarantees that successors are aligned with the company's culture and objectives. Organisations characterised by strong leadership and influence typically face minimal challenges in attracting managers, whether from within the family or externally (Fernández-Aráoz et al., 2019). Consequently, it is essential to examine the criteria used to determine the appropriateness of candidates for senior positions within a company. All individuals,

including those from the family, should be evaluated based on their abilities, potential, and values.

Other businesses prefer to mentor potential candidates so that they get the experience and capabilities needed to run family businesses. Participants who identified this strategy would rather invest in leadership development programs, mentorship, and gradually increasing responsibilities, preparing the next generation for leadership roles. This strategy was mostly used for family members who lacked the credentials but were still needed to assume leadership posts in future. These would then be required to undergo training so that they acquire the needed credentials and experience before taking over. Literature supports the research findings as mentorship and leadership development programs fall under the bracket of successor preparation. According to Castoro & Krawchuk (2022), the process of preparing a successor involves a thorough evaluation of the willingness of the heir to assume leadership of the family enterprise. This assessment encompasses their skills, experience, and commitment (Castoro & Krawchuk, 2022). Before initiating any preparatory actions, it is crucial to comprehend the expectations tied to roles within the organisation. Research conducted by Nwuke and Adeola (2023), on effective transitions and the longevity of family businesses in Nigeria indicates that successful succession is contingent upon proper preparation of the successor, the founder's endorsement of the succession process, the establishment of credibility and trust in the successor, and the effective transmission of the company's vision to the incoming leader. On the aspect of mentorship, the study findings extend the literature as the literature only mentions the importance of successor preparation but does not shed light on how the successor is prepared. Aspects such as mentorship, leadership development programs and delegation of authority thus shed more light on the essential components of successor preparation.

6.2.2 External appointments

While some family businesses preferred to keep the business within the family, others were open to looking for outsiders, provided they possessed the necessary expertise, value and experience. Participant responses indicated that external appointments could either be part of a strategy or due to circumstances. Circumstances such as not having anyone within the family suitable to take over the business can force a business to look from the outside. Two participants expressed their openness to the appointment of a future leader from outside their organisation.

External appointments require honest conversations, trust and self-introspection on the part of the family members concerning who is best positioned to take over the business. External appointments thrive in an environment where there is no pressure for family members to join the business and where the focus remains on ensuring the company's success.

Selecting a family member to continue the legacy of an organisation is often regarded as the most straightforward method to preserve its vision and values for future generations. This approach allows for the possibility of training individuals who may not yet be fully prepared for leadership roles. However, challenges may arise if the organisation faces constraints in time or financial resources or if there is a lack of interest among immediate family members in managing the business. In such cases, many family-owned enterprises look beyond their familial ties to recruit personnel. It is common for organisations to seek 'regular' employees at certain times, not solely for their varied perspectives and experiences

Literature findings also point out the importance of external appointments. According to Chang, Mubarik & Naghavi (2021), external candidates often bring qualifications and expertise that may not be present within the family. When considering the transition of the business to an individual outside the family, it is crucial to ensure that this person possesses a profound understanding of the company's core values. For a company name to last long, its vision and core beliefs must remain consistent. Nevertheless, research by Fernández-Aráoz et al. (2019), indicates that potential external professionals may be deterred from joining due to the perception that they would lack autonomy, with the firm being primarily controlled by family members rather than industry experts. Therefore, it is crucial to ensure that external members joining family-owned enterprises are provided with equitable opportunities for future advancement and development. According to Jeong et al, (2022), dominant families within family businesses strive to preserve their socio-emotional wealth by ensuring that family members occupy key executive roles. However, the literature is silent about the reasons for the appointment of external candidates to run family enterprises. The study thus constitutes an extension of the literature on that aspect as it revealed that external appointments can either be part of business strategy or due to circumstances.

6.2.3 Conclusion

Regarding the first research question, it is clear that succession planning is a multifaceted and intricate process. There is an interplay of various factors influencing strategy for appointing future leaders. There is no universal or widely agreed strategy, but each organisation prioritises what works for them or what has worked before. The information presented regarding the methods employed by family businesses in selecting future leaders enhances the overall comprehension of complex family business strategies that are rarely disclosed to the public. Effective leadership transitions are essential for securing the long-term viability and development of an organisation. They facilitate the organisation's ability to remain competitive and responsive to evolving market conditions.

6.3 Discussion of Results for Research Question 2

Research question 2: How important is trust to the success of family businesses?

Research question 2 unravels the importance of trust to the success of family businesses. The results from Chapter 5 are compared and contrasted with literature findings and theoretical insights to provide a multifaceted narrative.

Trust serves as a fundamental element for achieving competitive advantage, especially within family businesses (Baltazar, Fernandes, Ramadani & Hughes, 2023). Enhanced trust levels are associated with improved performance outcomes (PWC South Africa, 2023). Therefore, it is essential to identify strategies that can maintain and enhance this trust premium to fulfil the long-term aspirations of family-owned enterprises.

Trust is seen as the bedrock for family businesses. Trust is critical for ensuring a shared vision between family members, the company and its employees as well as the company and its clients. A survey conducted by Castoro and Krawchuk (2022), involving 3,250 affluent families revealed that the foremost cause of wealth deterioration was attributed to a decrease in familial trust and communication, accounting for 42% of the responses. Following this, the failure of parents to adequately equip their children for the management and preservation of wealth was identified as the second most significant factor, representing 17% of the findings.

Trust constitutes the foundation upon which family businesses rest. This is corroborated in the literature. The literature has established a link between trust and

the strategic capabilities of family businesses and their management practices (Metsola et al., 2020)The role of trust and reputation in family businesses is amplified by their reliance on enduring relationships with various stakeholders (Georgiou, Papasolomou, Vrontis & Thrassou, 2023). The active participation of the governing family in business operations further elevates the significance of maintaining trustworthy connections and a strong reputation. Magrelli et al. (2022), describe "families" as embodying a sense of commitment and connection, characterised by interdependence and enduring bonds. Trustworthy relationships are fundamental for families, enabling them to navigate challenges and overcome obstacles (King et al., 2022). Recent studies indicate that trust has evolved into a vital component for nurturing collaborative relationships within family enterprises (Chaudharya et al., 2021).

The findings emphasise the importance of trust in fostering a sense of shared vision, business continuity, smooth transitions and leadership development. Participants emphasised the extent to which their businesses are hinged on trust and how it permeates to other components of the business including succession planning processes. This is corroborated in the literature. When family members trust each other, they can make decisions more effectively and confidently Lauto et al., 2020). This trust allows for open discussions, honest feedback, and the ability to rely on each other's expertise. Trust is essential when planning for the future leadership of the business. Family members need to trust that the chosen successor will uphold the company's values, maintain its vision, and lead it to continued success (Kandade et al., 2021). Trust cultivates a cooperative atmosphere in which family members are able to collaborate, exchange ideas, and provide mutual support in their endeavours. This cooperation is vital for innovation and growth. Trust between family members can extend to non-family employees as well. When the family demonstrates trust and unity, it creates a positive work culture that encourages loyalty and commitment from all employees (Swab et al., 2020).

The empirical findings of Research Question 2 are thus discussed meticulously with literature and theory. The section in its totality underscores the importance of trust in family businesses. The insights are expected to provide a sufficient understanding of how the trust established between family members influences the leadership trajectory.

6.3.1 Trust the foundation of family businesses

The study findings revealed how trust is the foundational aspect of family businesses. Trust facilitates open communication, mutual respect, and a shared commitment to the business's success. Trust is therefore crucial to the development of future leaders in family enterprises.

Trust cultivates the notion of shared vision and goals between family members, the business, employees and the clients. In that regard, the family business can be regarded as a system made up of different yet interconnected parts. The study findings add to the propositions of the Systems Theory by including the dimension of trust which connects different components of family businesses (the clients, the family and the employees). In the systems theory communication connects the different components but the findings challenge that notion with the dimension of trust being at the centre of the system. In the theory, the system can be viewed holistically. In a holistic view, the Systems theory looks at the family company as a whole, encompassing the various subsystems (relatives, company operations, and ownership) (Hiebl & Li, 2020). The Systems theory provides a useful framework for analysing the complexity of family-owned enterprises' operations (Nwuke & Adeola, 2023). The systems theory can also be applied to understand communication patterns at play during operations and the importance thereof. Every subsystem possesses a unique communication strategy. For instance, families prioritise relationship communication, corporations prioritise decision-making and interpersonal interaction, and ownership prioritises legally safe exchanges. Recognising these tendencies might help in managing the business more easily (Hiebl & Li, 2020). It is also equally important to understand boundaries that exist during business transactions and for one not underestimate or overestimate their strengths. In terms of boundary management, the systems theory stresses the need to maintain boundaries between family and business. Clear demarcations can assist in reducing conflict and ensure that company decisions are made rationally (Arregle, et al., 2024).

For family business continuity, trust is critical. Eight participants stated how trust impacts the performance of their businesses. Greater levels of trust in family enterprises can subsequently be translated to enhance employee morale, more productivity and in turn better financial performance. Gkouna et al. (2023) assert that a positive and significant correlation exists between trust in the brand and customer

purchase intention. This suggests that consumers who exhibit elevated levels of trust in a family brand are more inclined to make purchases from that brand. Enhanced trust can contribute to improved performance (PWC South Africa, 2023). Therefore, it is essential to identify strategies that can maintain and enhance the trust premium, which is vital for achieving the long-term aspirations of family-owned businesses.

Trust is crucial for ensuring smooth transitions within family businesses. The role of trust in ensuring a smooth transition of leadership during succession is often underestimated yet it is critical. Participants stressed the importance of having smooth transitions and the interplay of trust. Trust is fundamental for a successful succession plan, enabling the current generation to confidently hand over power to the next, ensuring business continuity and keeping family relationships intact. Sharing similar sentiments Astrachan et al. (2019) believe trust must be established between the outgoing leader and their successor. Effective communication and confidence in the successor's skills are essential (Ge & Campopiano, 2022). The team must believe in the successor's leadership capabilities. This belief is cultivated through transparency and cooperative efforts (King, Meglio, Gomez-Mejia, Bauer, & De Massis, 2022). Additionally, external stakeholders of the organisation, including investors and clients, need assurance that the transition will not disrupt operations (Gkouna et al, 2023).

Trust is significant in leadership development. The sub-theme emphasised the role of trust in facilitating the transfer of knowledge, responsibilities, and relationships within the family business. In agreement with the findings by D'Allura (2019), also emphasised that the founder should allocate sufficient time to introduce the successor to external partners essential for collaboration, as well as to establish connections with suppliers and customers while guiding them to adhere to established principles. This process should span several months rather than mere weeks or days. Nevertheless, an excessive focus on the transition period may lead the incoming leader to develop an attachment to past practices, fostering a reluctance towards innovation. Such an attitude could prove detrimental to the organisation's long-term success (Birdthistle & Hales, 2023).

6.3.2 Conclusion

In conclusion, the juxtaposition of the research findings and literature pointed to the critical link between trust and leadership direction within family businesses in South Africa. The leadership direction of family businesses lies in who they place their trust

in. Misplaced trust can therefore the fatal for family businesses. Trust enables open dialogue, mutual respect, and a shared commitment to the business's success. Providing opportunities for growth, mentoring, and skill development, along with demonstrating trust in their abilities, fosters confidence and prepares potential leaders for leadership roles.

6.4 Discussion for Research Question 3

Research question 3: Which factors influence successful succession in a family business?

Research question 3 was primarily centred on finding out the factors which influenced successful succession planning in family businesses. The research findings presented in the previous chapter are dissected with the literature reviewed in Chapter 2 and the theoretical framework to provide a comprehensive understanding of this important issue.

Literature in Chapter 2 with research question 3 focused on aspects such as good governance, family gravity, disciplined succession processes, financial performance and sustainability issues. In the same vein, the Systems theory also emphasises boundaries that exist during succession processes and for one not underestimate or overestimate their strengths. In terms of boundary management, the systems theory stresses the need to maintain boundaries between family and business.

The ensuing discussion on research question 3 is further enriched by combining primary research findings and theoretical insights. The findings presented in Chapter 5 on research question 3 revealed internal and external factors influencing successful succession in family businesses. Internal factors were identified as family dynamics, communication and perspective, CEO leadership style, planning and financial management. These will be discussed in depth below. External factors identified include economic challenges, industry trends, the impact of external advisors and non-family members as well as the influence of global trends. These findings offer aspiring entrepreneurs and family business leaders insights into the dynamics at play during succession planning processes both from within the organisation and from outside.

6.4.1 Internal influences

Internal factors play a crucial role in shaping succession planning processes within South African family businesses. The findings indicate that in the context of South African family-owned enterprises, family dynamics significantly influence leadership transition processes. There is potential for challenges to arise as personalities clash and an intersection between personal and professional roles. In that regard, it becomes essential to establish clear boundaries to maintain professionalism and trust. Personality clashes and conflicts can arise even within close-knit families, requiring effective conflict resolution mechanisms. Different generations may have different perspectives on trust and leadership, which can influence the succession planning process. The unwillingness of the older generation to cede authority, alongside the younger generation's quest for self-determination, may result in friction. These sentiments are also echoed by Matser et al., (2020), who asserted that the extent to which non-successors are likely to accept the outcomes of the succession process is closely linked to how parents and prospective successors integrate the principles of procedural fairness with those of distributive justice. This includes factors such as achievement, needs, equal treatment, primogeniture, and sexual orientation. The evaluation of fairness by the siblings who do not succeed plays a moderating role in this dynamic. Consequently, it is essential to differentiate between the assessment of procedural justice (the fairness of the process) by non-succeeding siblings and their evaluation of the fairness of the outcome, which is influenced by their interpretation and prioritisation of various distributive justice criteria (Sasminto, et al, 2024). Procedural justice pertains to the fairness of the process by which decisions are made, while distributive justice focuses on the fairness of the outcomes produced by that process. A just procedure is characterised by three interconnected components: involvement, transparency, and clear expectations (Matser et al., 2020). The role of effective communication is crucial in establishing a fair process. Research indicates that siblings who do not inherit are more likely to accept the outcome when they perceive the succession process as equitable. While the findings are in agreement with the literature on the influence of family dynamics, the literature does not shed light on the reluctance of some old generations of leaders who are reluctant to relinquish power in their businesses preferring to lead until death with no succession plan in place, a key feature in African businesses. This aspect constitutes an extension of the literature on family businesses.

In African businesses, the patriarchal system is very important. The head of the family usually the founder of the business retains significant power to make key decisions regarding the business. This also includes the ability to unilaterally name a successor without being questioned. Literature findings also corroborate this occurrence. According to Qiu & Freel (2020) in many instances, the decision regarding the successor is made intuitively by a senior family member, who subsequently receives formal approval from both the oversight and executive boards before being introduced to the rest of the organisation. Occasionally, this decision was influenced by serendipity or inspiration. According to Nave et al., (2022), this is an area where most family enterprises need improvement. While literature agrees that a senior leader tends to wield more influence in succession processes, there is an absence of mention of the role of patriarchy in this aspect, a key aspect in the African family business landscape, as revealed in this study.

In the case of broken families, the findings revealed that these families frequently have complexities when it comes to succession processes. Broken family structures can cause psychological traumas that often remain unaddressed only to resurface during significant events like succession planning. Azizi, Salmani Bidgoli, and Seddighian Bidgoli (2019), contend that individuals within a family business typically occupy three interrelated roles: they function as relatives, owners, and managers concurrently, owing to their intertwined relationships. The dual obligations that these family members have towards their family, the business, and the shareholders, in addition to their responsibilities to each other in their roles as relatives, managers, and owners, can cultivate a profound sense of loyalty not only among themselves but also towards the employees and the organisation as a whole (Baron & Lachenauer, 2021). The collective identity of family members plays a crucial role in shaping their conduct in both professional settings and personal relationships. In the context of family businesses, where work and family dynamics are closely linked, the decisions made by owner-managers who are also family members have repercussions for both the enterprise and their familial ties. This interconnectedness fosters a sense of loyalty among employees towards both the family unit and the business itself (Rovelli et al., 2022).

Another internal factor influencing succession planning pertains to communication and perspective. The results highlighted how honest and clear communications play a critical role in fostering successful succession processes. Succession also has to

do with perspective. Understanding and appreciating diverse perspectives is imperative for effective communication and building trust. Family members need to be willing to see things from each other's point of view and consider different approaches. A shared vision for the family business is important for collaborative efforts and building trust. The incumbent leader should be able to effectively communicate the company vision in a way that inspires others to believe it. Similarly, Rondi et al. (2022), also stress that effective communication encompasses the dissemination of succession plans to both family members and external stakeholders. This practice fosters acceptance and mitigates concerns regarding nepotism (Magrelli et al., 2022). When the requirements of the business are well-defined, an internal candidate will probably be prepared to take on the role. However, it is essential to consider whether the designated successor is genuinely interested in the position. There is a common assumption that the selected individual, particularly if they are a family member, will be amenable to the transition; however, this assumption may not hold. Therefore, it is imperative to engage in candid discussions with potential successors and other family members (Magrelli et al., 2022). The founder should inquire if other family members wish to participate in the business while indicating that their involvement is not obligatory. Although it is desirable for a sibling to take an active role in the company, it is essential to honour their preferences. Engaging in these conversations at an early stage is vital for two primary reasons. First, if the chosen individual expresses disinterest in the position, the founder will have sufficient time to explore other possibilities (Abutabenjeh & Jaradat, 2018). Second, informing all parties about one's intentions provides them with the chance to adapt and comprehend the decision. This aspect is particularly crucial in a family business, where personal dynamics often play a significant role.

The findings also revealed that the CEO leadership style is also a factor worth mentioning in the succession process. It can go down to how the current leader handles the entire succession process. Leaders with a future outlook are more inclined to groom future leaders when there is still time. This involves providing prospective leaders from inside the organisation with growth opportunities and also empowering them by giving them added responsibilities. In the final months before ceding power, the CEO’s decision-making and leadership style can significantly lay the groundwork for the succession process and shape the culture of the organisation for future generations. A CEO characterised by visionary and strategic thinking plays a crucial role in aligning succession planning with the organisation's long-term

objectives and vision (Rustam & Narsa, 2021). Such a leader identifies prospective leaders who embody the organisation's core values and are capable of advancing its strategic aims. The leadership approach significantly influences the organisational culture. A CEO who emphasises employee development and promotes a culture of continuous learning will prioritize succession planning and allocate resources towards cultivating future leaders (Samara, 2021). This approach fosters an environment where potential successors are supported and provided with growth opportunities.

Six participants shed more light on the importance of planning the succession process. Developing a clear and comprehensive succession which delineates the roles, responsibilities and stakeholder expectations is of utmost importance. Planning places emphasis on the long-term vision and viability of the business. Some leaders prefer to keep the business strictly within the family and carefully plan for such transitions. Family values thus play a critical role in shaping succession decisions, impacting the selection of future leaders and the direction of the family business in its entirety. Succession planning in family businesses necessitates a strategic and systematic methodology for transferring leadership and ownership through generations (Baltazar, Fernandes, & Ramadani, 2023). This endeavour aims to preserve the organisation's legacy, fundamental values, and overall vision, while also fostering innovation and adaptability to changing market conditions (Baltazar et al., 2023). By adopting a holistic view of both current and future objectives, this planning approach ensures that suitable individuals occupy the right roles now and in the future.

The findings pointed to the fact that financial management plays a critical role in succession planning. Family businesses with financial stability and an ability to make sound financial decisions are projected to oversee successful leadership transitions. Financially stable businesses can head-hunt the talent they seem fit to lead their business. Involving future leaders in financial decision-making to prepare them for the challenges and responsibilities of managing the family business is therefore crucial. Effective financial management plays a crucial role in ensuring that sufficient resources are dedicated to the development and training of prospective successors (Cabrera-Suárez et al., 2020). This encompasses investments in leadership development initiatives, mentorship opportunities, and essential certifications or educational programs. Adequate budgeting facilitates a steady flow of qualified

candidates (Kantabutra, 2022). While the literature points out that financial resources play an important role in availing resources for successor training and development, it does not mention how family businesses with financial muscle can headhunt the best talent available in the market to take their businesses to the next level. This constitutes an important addition to the literature.

Support and commitment were cited in the findings as another important factor in the succession process. This is whereby an entire family can speak with one voice and fully support the individual selected to lead the business. In circumstances where family members, especially those not directly succeeding the leader, express genuine support for the succession plan, it significantly strengthens trust within the family. Support also helps the newly appointed leader to settle into the role faster. The endorsement of the succession plan by family members is crucial, as it aligns all parties towards a unified vision and shared objectives (Bano et al., 2022). Family members who provide support can play a vital role in resolving disputes and promoting a cooperative atmosphere. Their involvement and dedication facilitate a more seamless leadership transition, thereby reducing potential disruptions to business operations. Furthermore, the successors benefit from the mentorship and assistance offered by family members, which adequately prepares them for their forthcoming leadership responsibilities (Ge & Campopiano, 2022).

6.4.2 External influences

South African family businesses, like other businesses, do not operate in isolation. External factors can have a direct or indirect impact on the business including the succession process.

Economic challenges have the potential to impact family business succession processes. Economic downturns can create stress and potentially strain trust among family members, triggering a need for proactive measures to maintain transparency and address concerns openly. A business may be forced to reconsider its strategy in the face of economic challenges in a country. This impact may be likened to the global financial crisis which forced some companies to close. An economic crisis can impact the timing and execution of succession plans. Serious economic challenges may trigger the need for a change in leadership, bringing in someone with a fresh perspective on issues with the hope of reviving the fortunes of the business. The impact of the economic crisis on an immediate change in leadership is not mentioned in the literature. Literature findings instead link economic crises with the availability

of resources for the training of successors and the postponing of succession plans. The findings differ from the literature on that aspect. According to Neske et al., (2020), economic recessions often result in diminished profits and cash flow, thereby constraining the resources allocated for the training and development of prospective successors. Such economic difficulties may compel family-owned enterprises to prioritize immediate survival over long-term strategic initiatives, including succession planning. Consequently, families might postpone leadership transitions to maintain business stability amid economic uncertainty, potentially resulting in hasty or unstructured successions in the future (Boukhabza & Ouhadi, 2023).

The findings revealed that family businesses are also not immune to the influence of external advisors and non-family members, even impacting succession processes. External advisors may come in the form of lawyers, accountants and consultants who can provide valuable independent perspectives devoid of emotional or familial attachment. Advisors can help family members navigate sensitive issues related to succession planning. Their expertise and impartiality can foster trust and facilitate effective decision-making. The inclusion of non-family managers in the succession process can introduce new perspectives and expertise. In a study conducted by Harvard on family-owned enterprises, it was observed that the most successful firms engaged in a proactive approach to CEO recruitment, facilitated by the influence of an external supervisory board (Liça & Gashi, 2023). Initially, the supervisory board established a formal nominating committee tasked with defining the selection criteria and conducting a thorough search both internally and externally. This process involved outlining the desired candidate profile, generating a broad applicant pool, and assessing candidates through behavioural evaluations and reference checks (Chang, Mubarik & Naghavi, 2021). Subsequently, the committee created a shortlist, devised a rating system, and presented their findings to the company's board members, who ultimately selected a final candidate. Ultimately, while close family members and independent directors endorsed the chosen candidate, they typically retained a discreet veto power in most cases.

Industry trends have an impact on business direction and can also affect family business succession processes as well. In the context of family businesses participants revealed that changes in the industry landscape, such as new technologies or evolving customer preferences, can impact the skills and knowledge required for future leaders. Advances in technologies and changing customer tastes

may point to the need for new blood in leadership in the form of the young. As industries increasingly adopt digital tools and technologies, future leaders need to possess technological proficiency and adaptability in the face of digital transformation (Hoverd, 2023). The integration of automation and artificial intelligence is poised to alter business operations significantly, compelling successors to comprehend and utilise these advancements to enhance efficiency. This evolution may give rise to new roles and responsibilities, prompting a re-evaluation of the skills and competencies essential for emerging leaders. Furthermore, prevailing industry trends dictate the necessary skills and competencies for future leadership, underscoring the importance of focused development and training initiatives (Hiebl & Li, 2020).

Global trends also impact on family business succession process either directly or indirectly. Pandemics such as the COVID-19 outbreak or political instability can create unanticipated challenges and opportunities for family businesses. Depending on the nature of global events, they can also signal the need for changes in an organisation in the form of new leadership. Global trends can accelerate family business succession processes or delay them altogether. The findings differ with literature on this aspect as the emphasis on global trends in literature has a future outlook stressing the skills that future leaders need to acquire while the study findings have a more present focus emphasising the need for new blood. According to Wang and Shi (2021), family enterprises engaged in international markets require leaders who possess both global experience and cultural awareness to effectively manoeuvre through varied market landscapes. The dynamics of global trends demand leaders who are not only proactive but also visionary, capable of foreseeing and addressing new challenges as they arise. Additionally, the growing risk of cyber threats calls for leaders with a solid understanding of cybersecurity, enabling them to establish protective strategies for the organisation (Kantabutra, 2022).

6.5 Conclusion

In conclusion, the analysed results provided an adequate understanding of the role of trust in family business succession planning. Trust can be viewed as an indispensable component of family businesses. Confidence plays a vital role in guiding leadership and facilitates the smooth transition of family businesses across generations. With trust family businesses can take risks, make difficult decisions and circumvent complexities with full knowledge of each other's support.

In the presence of trust family business leaders can openly communicate their vision, gain mutual respect as well as create a feeling of shared commitment in the success of the business. Succession processes can be difficult processes in which critical decisions concerning the future of a family business have to be made. Trust is critical in successfully overcoming these obstacles.

Trust is crucial for grooming future leaders in family enterprises. It facilitates the transfer of knowledge, responsibilities and relationships from one generation to the other. Leaders essentially choose their successors based on the level of trust they have in them.

Most family businesses prefer to appoint future leaders from within their organisation. They prefer to appoint a family member with a deep understanding of business dynamics and capabilities to run the organisation. If they cannot find a family member who possesses such qualities they would prefer to train a family member before they can appoint a non-family member from within the company. Practical experience and having a proven track record are key attributes that a successor should possess. These give a sense of confidence that the successor would be able to take the company forward.

Other family businesses are open to making external appointments. This can either be a strategy or can be due to compelling circumstances. External appointments are made in the best interests of the family business and thrive in circumstances in the absence of power struggles within the family in charge of the business but a desire for continuity. The findings are also confirmed in literature, Humphrey et al., (2021) contended that a cultural norm that discourages public disagreements may be prevalent among family members, thereby reducing the likelihood of potentially embarrassing conflicts. The importance of an organisation to a family member, coupled with their emotional investment in it, significantly influences the work dynamics among relatives. When family members have a strong affiliation with the organisation, they are more inclined to synchronize their goals and exhibit a unified dedication to its prosperity. Additionally, the symbolic meaning attached to the company can cultivate a deep sense of purpose among its workforce (Swab et al., 2020). The characteristics of family businesses, as outlined by Daspit et al. (2021), such as overlapping roles, emotional involvement, shared identity, and the importance of the family enterprise, positively affect how employees perceive the reliability of managers and family proprietors.

Successful succession planning is a product of both internal and external forces surrounding the family business. Family dynamics have the most significant impact on succession processes. Careful planning of the succession process is also critical as opposed to treating the process as a one-time event. External events on a global scale can also trigger a chain of events within family enterprises which can result in leadership changes. The interplay of both internal and external events in succession processes thus has to be acknowledged.

The discussion of findings constituted narrative accounts, experiences, voices and insights from participants in the industry running family enterprises. Their experiences strongly mirrored the insights provided in the literature review and provided a layer of depth to the insights provided in the literature. All research questions were addressed in depth, as well as providing culturally and contextually relevant information to South African family-owned enterprises.

The findings not only provided a discussion of the participant narratives but also added to the field of family business research particularly shedding light on the issues that sustain family businesses from one generation to the other. It, therefore, calls on entrepreneurs, aspiring entrepreneurs and family business owners to prioritise trust and ways of building trust among family members, employees and clients.

Chapter 7: Conclusions and Recommendations

7.1 Introduction

The journey through this research project has unravelled the dynamics within the South African family business succession process and the importance of trust in these processes. Trust is essentially the glue that holds family businesses together, impacting succession issues, business issues and relations with other stakeholders. This chapter constitutes the concluding chapter of the study, synthesizing the insights from the participants with the literature findings sharing the insightful narratives of South Africa's family business landscape.

This research journey will end with the researcher's reflections and interpretations woven together with the existing body of knowledge. The overarching theme is the centrality of trust in succession planning in family-owned enterprises. Trust influences everything from leadership transitions to organisational culture, unlike corporate companies driven by formal governance structures (Qiu & Freel, 2020). Family businesses are built on relationships that intertwine personal and professional lives. This dynamic makes trust a crucial determinant in ensuring smooth leadership transitions, maintaining external credibility and fostering internal cohesion. Trust thus plays a pivotal role in the sustainability and longevity of family businesses and yet its influence is frequently downplayed.

The study undertook a comprehensive examination of the role of trust by investigating the strategies employed by family businesses in the selection of future leaders while also assessing the significance of trust in the context of succession planning. Through this journey, the researcher managed to unravel the interplay of family dynamics, understanding of business dynamics, priority given to keeping the family business strictly within the family, leadership direction and the growing impact of external forces on family businesses. The findings provided rich in-depth data from participant narratives who shared their daily experiences running family enterprises. These findings were largely corroborated in the literature adding a layer in depth in the body of knowledge.

So does trust play a role in family business succession planning? Both the research findings and literature harmoniously confirm this. All the research questions, designed to explore in depth the role of trust, have been answered in the study. All the answers provided to address the research problem formed part of a cohesive unit

that unravelled the dynamics in family business succession processes with trust serving as the central aspect.

7.2 Main Findings And Their Significance

7.2.1 Strategies Used By Family Businesses To Appoint Future Leaders

The findings presented in Chapter 5 illuminated the subtle yet profound impact of trust in the processes surrounding the appointment of future leaders in South African family businesses. This is shown by the preference of family business owners to appoint internally and more importantly someone within the family circle. Even for those who seek external solutions, trust is the overarching theme as they still require someone they can trust to carry the business forward. The findings resonate well with literature findings particularly the works of Ge and Campopiano (2022) and Gkouna et al. (2023), who also affirm the significant influence of trust during strategising for the appointment of a future leader.

According to Ge and Campopiano (2022), a trusting relationship must be formed between the retiring leader and the successor. They pointed out that effective communication and belief in the successor's competence are fundamental to this process. In a related context, Gkouna et al. (2023) emphasised that external stakeholders, such as financiers and customers, need to be assured that the ongoing transformation will not hinder business activities. This confidence is a manifestation of trust. Adding to the debate Baltazar et al., (2023), remark that succession planning seeks to maintain the organisation's legacy, core values, and overarching vision while simultaneously encouraging innovation and responsiveness to evolving market dynamics.

The study added a layer into the field of family business successor preparation processes shading more light on the components of successor preparation programs namely mentorship programs, leadership development and the gradual delegation of responsibilities. The study also dug deeper into the reasons behind external appointments made by family businesses which previously was a grey area in literature. In the study, external appointments can either be part of the strategy or compelled by circumstances.

7.2.2 Importance Of Trust To The Success Of Family Businesses

The importance of trust in family business success was a key theme appearing frequently in the study. Trust was identified in the study as key to creating a shared

vision, business continuity, smooth transitions and leadership development. Literature findings by Nwuke and Adeola (2023), Gkouna et al., (2023), Georgiou et al, (2023) and Qiu and Freel (2020) not only corroborated the research findings but provided more insights regarding the importance of trust in leadership direction.

The family business can be viewed as a system of interconnected components namely, relatives, the business, employees and the clients (Nwuke & Adeola, 2023). A shared vision is needed to effectively connect these components. Customers are likely to patronise family businesses due to the higher levels of trust they have in them (Gkouna et al., 2023), this is key to the business continuity of family enterprises. In family businesses, relationships are intertwined with both business and personal dynamics. Trust fosters stronger bonds among family members, ensuring smoother collaboration and conflict resolution (Georgiou et al, (2023). When trust exists, leaders can make decisions more effectively, knowing they have the support and confidence of their family members and employees. This leads to more transparent and informed decision-making processes (Qiu & Freel (2020).

The study added trust as a dimension of the systems theory as the component connecting different facets of the family business namely: the family members, the employees and the clients. Previously the Systems Theory used communication as the dimension connecting all systems of the family business.

7.2.3 Factors Influencing Successful Succession In A Family Business

Succession is a product of both internal and external influences. The findings in Chapter 5 revealed that some of the main internal influences include aspects such as family dynamics, communication, CEO leadership style, planning and financial management. On the other hand, the main external influences include industry trends, global trends and the influence of external advisors. Matser et al., (2020); Rustam & Narsa, (2021) and Baltazar et al (2023) provided a discussion on internal influences of succession processes in support of the research findings. Neske et al., (2020) and Hoverd (2023)'s studies on external influences also closely mirror the study findings.

Non-succeeding siblings' acceptance of succession outcomes has a moderating effect on the success of the succession process (Matser et al., 2020). To quell possible conflicts founders must apply the principles of procedural and distributive justice during the succession process and the non-succeeding siblings must be left

with the perception that the process was fair. On the other hand, a visionary CEO is likely to approach succession planning with a frame of mind aligned with the business's long-term interests (Rustam & Narsa, 2021). In some family enterprises succession is a planned event necessitating a strategic methodical transfer of power and ownership (Baltazar et al, 2023). The overall goal is to preserve the legacy, values and vision of the business whilst simultaneously fostering adaptation and innovation. External influences like economic recessions have the potential to impact succession processes. Low profits as a result of economic recessions can result in family businesses allocating fewer resources for the training of potential successors as the priority shifts to immediate survival (Neske et al., 2020). Industry trends such as the adoption of new technologies would also result in the need for future leaders to be technologically proficient and adaptive compelling successors to understand and use these technologies (Hoverd, 2023).

Regarding factors influencing family business succession, the study provided key insights into the impact of the patriarchy, particularly in African businesses. Senior leaders tend to act as the father figure in family businesses, thus wielding more power in African family business succession processes. In terms of external influences, the study illuminated how economic, industrial and global occurrences can influence an immediate change in leadership. Literature, however, looks at these external influences from a future outlook, prioritising skill and knowledge acquisition for future leaders.

7.3 Contribution To Scholarly Debate And Practical Implications

7.3.1 Theoretical Implications

This study has contributed to the field of family business studies as it adds more understanding to the impact of trust on leadership transitions. The importance of trust within a family business context is amplified by their reliance on enduring relationships established with various stakeholders (Georgiou et al, 2023). Practically the study serves as a point of reference for family enterprises seeking to approach the journey to leadership transitions and seeking to ensure business continuity for future generations. The study illuminated the multifaceted nature of trust and its link with different fields of study namely sociology, management and psychology. This study bridges the gaps between these fields by providing a comprehensive understanding of how trust operates in the specific context of family business succession.

The study findings offer a deeper understanding of family businesses by examining the complexities of various succession types and their impact on trust in ensuring business continuity. By unravelling the complexities of family dynamics, the patriarchy, industry trends and global developments the study positions itself within the current timeframe providing contextually relevant and culturally grounded knowledge while also forecasting the future.

7.3.2 Practical Implications

The findings of the study will help family businesses understand trust. Understanding the importance of trust can help family businesses develop more effective succession plans. Trust-building strategies can ensure smoother transitions and reduce conflicts between generations. In addition, the insights gained from this study can inform practical strategies for family businesses to build and maintain trust during succession processes. This can lead to the development of best practices and guidelines that can be widely adopted. The findings are also valuable for policymakers, as the insights gained can help shape policies and strategies that promote the growth and long-term sustainability of family businesses.

7.4 Limitations

Despite the above-mentioned contributions of the study and insights, the study had its limitations. The qualitative approach adopted means that a relatively small sample was used and thus the findings of the study have limited generalisability. Being qualitative the study also relied on the subjective narratives of participants, thus caution must be applied in the application and interpretation of these findings.

Succession processes and the role of trust unfold over long periods. A cross-sectional study may not capture the temporal changes and evolving nature of trust within family businesses. Longitudinal studies can provide more comprehensive insights but are often more challenging to conduct.

The study tended to focus on successful family business transitions, potentially overlooking the lessons learned from failed successions. Including a broader range of experiences would have provided a more balanced understanding.

The research utilised self-reported information provided by family members, which may introduce a potential bias. Family members may present an overly positive or negative view of trust within the business, distorting the results.

The above limitations provide clarity on the extent to which the results can be interpreted and applied. They also provide opportunities for more research on the topic to close the gaps identified contributing to a greater understanding of the role of trust within the family business landscape.

7.5 Recommendations For Future Research

Future research on family business succession planning could consider using a larger sample size and quantitative measures to broaden the results. The study was only conducted in Gauteng, more coverage of family businesses across all the provinces in South Africa could be beneficial to capture the full scope of the diversity of family businesses in South Africa. Numerical and quantitative data could provide interesting findings on the topic and would also be beneficial for triangulation purposes.

Longitudinal studies could also be conducted to capture the evolution of trust over time in family businesses. This can provide insights into how trust is built, maintained, and eroded throughout the succession process.

The study revealed the impact of family dynamics in succession processes potentially raising another area of future research- conflict resolution strategies during family business succession. Future studies could examine the effectiveness of various conflict resolution mechanisms in building and maintaining trust during succession processes. Identifying best practices can help family businesses manage conflicts more effectively.

The aforementioned proposed avenues for future investigation have the potential to make significant contributions to the domain of family business research, thereby enhancing the comprehension of succession planning for family enterprises.

7.6 Conclusion

The findings of this study emphasised the importance of trust in family businesses in South Africa particularly succession processes. Appropriate methodologies were applied meticulously to explore the underlying issues and appropriate analyses were conducted on the data to give a thorough understanding of the topic.

Trust is the foundation upon which family businesses rest. Trust is critical for ensuring a shared vision between family members, the company and its employees, and the company and its client base. The outcomes of the study revealed how family business leaders rely heavily on the trust they have among family members and

employees to decide the future of the business for generations to come. The purpose is to maintain the legacy of the business while preserving its core values and vision.

When contrasted with the literature and theoretical insights, the research findings revealed consistencies. There were consistencies in aspects such as the desire for family businesses to maintain ‘family gravity’, that crucial aspect which renders family businesses unique. To keep the business within the family. Family gravity in the findings manifested itself in the reliance on internal options when considering future leadership appointments. However, family businesses have to be wary of potentially disruptive forces brought about by family dynamics and sibling rivalry. External forces also cannot be ignored as they can decide the future direction of family businesses. Industry and global trends are particularly difficult for family businesses to overlook. The study thus made crucial contributions to the ongoing debate on family business succession processes. It highlights the need to carefully plan succession processes with full knowledge of the factors critical for successful transitions.

In concluding the study, policymakers, business leaders, academics and stakeholders are invited to contribute to the field of family businesses in their capacity. Family enterprises represent 70% of the total business landscape in South Africa, highlighting their significance for the entire nation. The conclusions and insights gathered from the study call for action for the support and preservation of family businesses as their importance to the economy and employment creation cannot be understated.

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APPENDIX 1: Research instrument

RESEARCH QUESTIONS	INTERVIEW QUESTIONS
RESEARCH QUESTION 1: How is trust important during succession planning?	• Can you describe a time when trust played a critical role during the succession planning process in your family business? • How did you personally experience moments when trust was challenged or broken during the succession process, and how did you navigate those moments? • Reflecting on your family business, how has the level of trust between family members influenced key decisions in the succession process over the years? • Looking back, how do you feel trust (or lack of it) shaped the outcomes of the succession planning in your family business?
RESEARCH QUESTION 2: How is trust developed during succession planning?	• Can you recount a moment when you felt trust was built or strengthened within the family during succession planning? What led to this development? • Reflecting on your journey, how did the dynamics between family members contribute to the development of trust?

	• How does the CEO leadership style influence trust in a family business? • What other factors do you think trigger trust in your family business?
RESEARCH QUESTION 3: How do family business members describe their personal experiences with the strategies used for appointing future leaders?	• What strategies do you use to appoint future leaders for your business? • Can you share a story about how your family business went about appointing a new leader? How did trust factor into that process? • Looking back, what were some of the critical moments or discussions that shaped the leadership appointment process in your family business?

APPENDIX 2: Consistency Matrix

Research Question	Literature Review	Data Collection Tool	Data Analysis
RQ1: What is the importance of trust during succession planning in family businesses?	Trust is a critical element in the success of family businesses, particularly during succession planning, as it influences business operations and relationships (de Groote & Bertschi-Michel, 2021; Waldkirch, 2020).	Semi-structured interviews with family business leaders.	Thematic analysis of interview transcripts to identify themes related to the role of trust in succession.
RQ2: What factors lead to the development of trust during succession planning in family businesses?	Trust development is influenced by factors such as family governance, leadership style, and family harmony (Chaudharya et al., 2021; Qiu & Freel, 2020).	Semi-structured interviews with family business leaders.	Thematic analysis to identify key factors contributing to the development of trust during succession planning.
RQ3: What strategies are used by family businesses to appoint future leaders?	Succession strategies are driven by structured planning, trust in leadership, and alignment with business values (Bano et al., 2022; Fernández-Aráoz et al., 2019).	Semi-structured interviews with family business leaders.	Thematic analysis to uncover the strategies used in appointing future leaders in family businesses.

APPENDIX 3: Atlas Coding

#	Code	Frequency
1	RQ1 Trust in Succession Planning: Importance	160
2	RQ3 Strategies to Appoint Future Leaders: Strategies	88
3	RQ1 Trust in Succession Planning: Smooth Transition	73
4	RQ2 Factors for Trust Building: Transparency	50
5	RQ2 Factors for Trust Building: Trust Building	48
6	RQ2 Factors for Trust Building: Communication	46
7	RQ1 Trust in Succession Planning: Decision-making	45
8	RQ1 Trust in Succession Planning: Confidence	38
9	RQ2 Factors for Trust Building: Open Communication	33
10	RQ1 Trust in Succession Planning: Relationships	29
11	RQ1 Trust in Succession Planning: Reliability	25
12	RQ3 Strategies to Appoint Future Leaders: Decision-Making	25
13	RQ2 Factors for Trust Building: Factors	24
14	RQ1 Trust in Succession Planning: Continuity	23
15	RQ2 Factors for Trust Building: Shared Values	23
16	RQ3 Strategies to Appoint Future Leaders: Future Leaders	22
17	RQ3 Strategies to Appoint Future Leaders: Mentorship	22
18	RQ1 Trust in Succession Planning: Communication	21
19	RQ2 Factors for Trust Building: Building Trust	21
20	RQ1 Trust in Succession Planning: Collaboration	19
21	RQ1 Trust in Succession Planning: Open Communication	19
22	RQ1 Trust in Succession Planning: Crucial	17
23	RQ1 Trust in Succession Planning: Decision-Making	16
24	RQ2 Factors for Trust Building: Commitment	16
25	RQ1 Trust in Succession Planning: Commitment	15
26	RQ1 Trust in Succession Planning: Transparency	15
27	RQ2 Factors for Trust Building: Reliability	14
28	RQ1 Trust in Succession Planning: Smooth Transitions	13
29	RQ2 Factors for Trust Building: Experience	13
30	RQ2 Factors for Trust Building: Key Factors	13
31	RQ3 Strategies to Appoint Future Leaders: Building Trust	13
32	RQ3 Strategies to Appoint Future Leaders: Communication	13
33	RQ2 Factors for Trust Building: Support	12
34	RQ3 Strategies to Appoint Future Leaders: Training	12
35	RQ2 Factors for Trust Building: Decision-making	11
36	RQ2 Factors for Trust Building: Openness	11
37	RQ3 Strategies to Appoint Future Leaders: Assessment	11
38	RQ3 Strategies to Appoint Future Leaders: Commitment	11
39	RQ3 Strategies to Appoint Future Leaders: Experience	11
40	RQ3 Strategies to Appoint Future Leaders: Trust	11
41	RQ2 Factors for Trust Building: Trust	10

#	Code	Frequency
42	RQ3 Strategies to Appoint Future Leaders: Evaluation	10
43	RQ1 Trust in Succession Planning: Support	9
44	RQ2 Factors for Trust Building: Competence	9
45	RQ2 Factors for Trust Building: Understanding	9
46	RQ3 Strategies to Appoint Future Leaders: Appointment	9
47	RQ3 Strategies to Appoint Future Leaders: Involvement	9
48	RQ3 Strategies to Appoint Future Leaders: Open Communication	9
49	RQ3 Strategies to Appoint Future Leaders: Responsibilities	9
50	RQ3 Strategies to Appoint Future Leaders: Support	9
51	RQ1 Trust in Succession Planning: Delegation	8
52	RQ1 Trust in Succession Planning: Leadership	8
53	RQ1 Trust in Succession Planning: Respect	8
54	RQ2 Factors for Trust Building: Accountability	8
55	RQ2 Factors for Trust Building: Collaboration	8
56	RQ2 Factors for Trust Building: Confidence	8
57	RQ2 Factors for Trust Building: Responsibilities	8
58	RQ2 Factors for Trust Building: Trust building	8
59	RQ3 Strategies to Appoint Future Leaders: Appointing Future Leaders	8
60	RQ3 Strategies to Appoint Future Leaders: Decision-making	8
61	RQ3 Strategies to Appoint Future Leaders: Future leaders	8
62	RQ3 Strategies to Appoint Future Leaders: Qualifications	8
63	RQ3 Strategies to Appoint Future Leaders: Transparency	8
64	RQ1 Trust in Succession Planning: Accountability	7
65	RQ1 Trust in Succession Planning: Alignment	7
66	RQ1 Trust in Succession Planning: Success	7
67	RQ2 Factors for Trust Building: Dedication	7
68	RQ2 Factors for Trust Building: Effective Communication	7
69	RQ2 Factors for Trust Building: Succession Planning	7
70	RQ2 Factors for Trust Building: Vision	7
71	RQ3 Strategies to Appoint Future Leaders: Family Members	7
72	RQ3 Strategies to Appoint Future Leaders: Reliability	7
73	RQ1 Trust in Succession Planning: Autonomy	6
74	RQ1 Trust in Succession Planning: Credibility	6
75	RQ1 Trust in Succession Planning: Entrusting	6
76	RQ1 Trust in Succession Planning: Honesty	6
77	RQ1 Trust in Succession Planning: Responsibilities	6
78	RQ1 Trust in Succession Planning: Smooth transition	6
79	RQ1 Trust in Succession Planning: Succession Planning	6
80	RQ1 Trust in Succession Planning: Transition	6
81	RQ2 Factors for Trust Building: Alignment	6
82	RQ2 Factors for Trust Building: Autonomy	6
83	RQ2 Factors for Trust Building: Competency	6
84	RQ2 Factors for Trust Building: Family Business	6

#	Code	Frequency
85	RQ2 Factors for Trust Building: Honesty	6
86	RQ2 Factors for Trust Building: Integrity	6
87	RQ2 Factors for Trust Building: Mutual Respect	6
88	RQ2 Factors for Trust Building: Open communication	6
89	RQ2 Factors for Trust Building: Passion	6
90	RQ2 Factors for Trust Building: Relationships	6
91	RQ2 Factors for Trust Building: Respect	6
92	RQ2 Factors for Trust Building: Shared Vision	6
93	RQ3 Strategies to Appoint Future Leaders: Delegation	6
94	RQ3 Strategies to Appoint Future Leaders: Relationships	6
95	RQ3 Strategies to Appoint Future Leaders: Trustworthiness	6
96	RQ3 Strategies to Appoint Future Leaders: Vision	6
97	RQ1 Trust in Succession Planning: Expectations	5
98	RQ1 Trust in Succession Planning: Family Business	5
99	RQ1 Trust in Succession Planning: Growth	5
100	RQ1 Trust in Succession Planning: Influence	5
101	RQ1 Trust in Succession Planning: Leadership Roles	5
102	RQ1 Trust in Succession Planning: Openness	5
103	RQ1 Trust in Succession Planning: Perception	5
104	RQ1 Trust in Succession Planning: Relationship Dynamics	5
105	RQ1 Trust in Succession Planning: Shared Vision	5
106	RQ1 Trust in Succession Planning: Stability	5
107	RQ1 Trust in Succession Planning: Understanding	5
108	RQ2 Factors for Trust Building: Age	5
109	RQ2 Factors for Trust Building: Building trust	5
110	RQ2 Factors for Trust Building: Capability	5
111	RQ2 Factors for Trust Building: Expectations	5
112	RQ2 Factors for Trust Building: Expertise	5
113	RQ2 Factors for Trust Building: Knowledge	5
114	RQ3 Strategies to Appoint Future Leaders: Competence	5
115	RQ3 Strategies to Appoint Future Leaders: Feedback	5
116	RQ3 Strategies to Appoint Future Leaders: Grooming	5
117	RQ3 Strategies to Appoint Future Leaders: Guidance	5
118	RQ3 Strategies to Appoint Future Leaders: Mentorship Programs	5
119	RQ3 Strategies to Appoint Future Leaders: Respect	5
120	RQ3 Strategies to Appoint Future Leaders: Training Programs	5
121	RQ3 Strategies to Appoint Future Leaders: Values	5
122	RQ1 Trust in Succession Planning: Belief	4
123	RQ1 Trust in Succession Planning: Comfort	4
124	RQ1 Trust in Succession Planning: Cooperation	4
125	RQ1 Trust in Succession Planning: Decision Making	4
126	RQ1 Trust in Succession Planning: Decisions	4
127	RQ1 Trust in Succession Planning: Dynamics	4

#	Code	Frequency
128	RQ1 Trust in Succession Planning: Effective Decision-Making	4
129	RQ1 Trust in Succession Planning: Experience	4
130	RQ1 Trust in Succession Planning: Integrity Maintenance	4
131	RQ1 Trust in Succession Planning: Sustainability	4
132	RQ1 Trust in Succession Planning: Transfer of Responsibilities	4
133	RQ1 Trust in Succession Planning: Vision	4
134	RQ2 Factors for Trust Building: Ability	4
135	RQ2 Factors for Trust Building: Belief	4
136	RQ2 Factors for Trust Building: Challenges	4
137	RQ2 Factors for Trust Building: Cooperation	4
138	RQ2 Factors for Trust Building: Credibility	4
139	RQ2 Factors for Trust Building: Effective communication	4
140	RQ2 Factors for Trust Building: Empowerment	4
141	RQ2 Factors for Trust Building: Familiarity	4
142	RQ2 Factors for Trust Building: Feedback	4
143	RQ2 Factors for Trust Building: Guidance	4
144	RQ2 Factors for Trust Building: Hierarchy	4
145	RQ2 Factors for Trust Building: Key factors	4
146	RQ2 Factors for Trust Building: Mentorship	4
147	RQ2 Factors for Trust Building: Opportunities	4
148	RQ2 Factors for Trust Building: Personality	4
149	RQ2 Factors for Trust Building: Qualifications	4
150	RQ2 Factors for Trust Building: Success	4
151	RQ2 Factors for Trust Building: Willingness	4
152	RQ3 Strategies to Appoint Future Leaders: Accountability	4
153	RQ3 Strategies to Appoint Future Leaders: Alignment	4
154	RQ3 Strategies to Appoint Future Leaders: Appointing	4
155	RQ3 Strategies to Appoint Future Leaders: Appointing future leaders	4
156	RQ3 Strategies to Appoint Future Leaders: Competency	4
157	RQ3 Strategies to Appoint Future Leaders: Confidence	4
158	RQ3 Strategies to Appoint Future Leaders: Dedication	4
159	RQ3 Strategies to Appoint Future Leaders: Discussions	4
160	RQ3 Strategies to Appoint Future Leaders: Entrusting	4
161	RQ3 Strategies to Appoint Future Leaders: Growth Opportunities	4
162	RQ3 Strategies to Appoint Future Leaders: Open communication	4
163	RQ3 Strategies to Appoint Future Leaders: Openness	4
164	RQ3 Strategies to Appoint Future Leaders: Strategy	4
165	RQ3 Strategies to Appoint Future Leaders: Transition	4
166	RQ3 Strategies to Appoint Future Leaders: Understanding	4
167	RQ1 Trust in Succession Planning: Ability	3
168	RQ1 Trust in Succession Planning: Commitments	3
169	RQ1 Trust in Succession Planning: Competence	3
170	RQ1 Trust in Succession Planning: Competency	3

#	Code	Frequency
171	RQ1 Trust in Succession Planning: Confidence in Future Leaders	3
172	RQ1 Trust in Succession Planning: Delegating responsibilities	3
173	RQ1 Trust in Succession Planning: Empathy	3
174	RQ1 Trust in Succession Planning: Evaluation	3
175	RQ1 Trust in Succession Planning: Feedback	3
176	RQ1 Trust in Succession Planning: Future leaders	3
177	RQ1 Trust in Succession Planning: Future Leaders	3
178	RQ1 Trust in Succession Planning: Generations	3
179	RQ1 Trust in Succession Planning: Guidance	3
180	RQ1 Trust in Succession Planning: Integrity	3
181	RQ1 Trust in Succession Planning: Leadership Appointments	3
182	RQ1 Trust in Succession Planning: Opportunities	3
183	RQ1 Trust in Succession Planning: Performance	3
184	RQ1 Trust in Succession Planning: Productivity	3
185	RQ1 Trust in Succession Planning: Recognition	3
186	RQ1 Trust in Succession Planning: Relationship Maintenance	3
187	RQ1 Trust in Succession Planning: Roles	3
188	RQ1 Trust in Succession Planning: Security	3
189	RQ1 Trust in Succession Planning: Skills	3
190	RQ1 Trust in Succession Planning: Trust	3
191	RQ1 Trust in Succession Planning: Trust Building	3
192	RQ2 Factors for Trust Building: Alignment of Values	3
193	RQ2 Factors for Trust Building: Business Growth	3
194	RQ2 Factors for Trust Building: Conflict Resolution	3
195	RQ2 Factors for Trust Building: Congruence	3
196	RQ2 Factors for Trust Building: Consistent Performance	3
197	RQ2 Factors for Trust Building: Decision-Making	3
198	RQ2 Factors for Trust Building: Delegation	3
199	RQ2 Factors for Trust Building: Discussions	3
200	RQ2 Factors for Trust Building: Drive	3
201	RQ2 Factors for Trust Building: Dynamics	3
202	RQ2 Factors for Trust Building: Empathy	3
203	RQ2 Factors for Trust Building: Engagement	3
204	RQ2 Factors for Trust Building: Evaluation	3
205	RQ2 Factors for Trust Building: Fairness	3
206	RQ2 Factors for Trust Building: Family dynamics	3
207	RQ2 Factors for Trust Building: Family Dynamics	3
208	RQ2 Factors for Trust Building: Family Members	3
209	RQ2 Factors for Trust Building: Foresight	3
210	RQ2 Factors for Trust Building: Growth	3
211	RQ2 Factors for Trust Building: History	3
212	RQ2 Factors for Trust Building: Initiative	3
213	RQ2 Factors for Trust Building: Involvement	3

#	Code	Frequency
214	RQ2 Factors for Trust Building: Learning from Mistakes	3
215	RQ2 Factors for Trust Building: Mutual Understanding	3
216	RQ2 Factors for Trust Building: Proving Oneself	3
217	RQ2 Factors for Trust Building: Relationship Building	3
218	RQ2 Factors for Trust Building: Resilience	3
219	RQ2 Factors for Trust Building: Responsibility	3
220	RQ2 Factors for Trust Building: Shared Experiences	3
221	RQ2 Factors for Trust Building: Sharing Information	3
222	RQ2 Factors for Trust Building: Smooth Transition	3
223	RQ2 Factors for Trust Building: Stakeholders	3
224	RQ2 Factors for Trust Building: Succession Plan	3
225	RQ2 Factors for Trust Building: Sustainability	3
226	RQ2 Factors for Trust Building: Training	3
227	RQ2 Factors for Trust Building: Trustworthiness	3
228	RQ3 Strategies to Appoint Future Leaders: Ability	3
229	RQ3 Strategies to Appoint Future Leaders: Adaptation	3
230	RQ3 Strategies to Appoint Future Leaders: CEO	3
231	RQ3 Strategies to Appoint Future Leaders: Challenges	3
232	RQ3 Strategies to Appoint Future Leaders: Clear Communication	3
233	RQ3 Strategies to Appoint Future Leaders: Collaboration	3
234	RQ3 Strategies to Appoint Future Leaders: Consistent Performance	3
235	RQ3 Strategies to Appoint Future Leaders: Consultation	3
236	RQ3 Strategies to Appoint Future Leaders: Delegating Responsibilities	3
237	RQ3 Strategies to Appoint Future Leaders: Emotional Connections	3
238	RQ3 Strategies to Appoint Future Leaders: Evaluation Processes	3
239	RQ3 Strategies to Appoint Future Leaders: Expectations	3
240	RQ3 Strategies to Appoint Future Leaders: Expertise	3
241	RQ3 Strategies to Appoint Future Leaders: Family dynamics	3
242	RQ3 Strategies to Appoint Future Leaders: Family Involvement	3
243	RQ3 Strategies to Appoint Future Leaders: Hierarchy	3
244	RQ3 Strategies to Appoint Future Leaders: Influence	3
245	RQ3 Strategies to Appoint Future Leaders: Initiative	3
246	RQ3 Strategies to Appoint Future Leaders: Interviews	3
247	RQ3 Strategies to Appoint Future Leaders: Knowledge	3
248	RQ3 Strategies to Appoint Future Leaders: Leadership Development	3
249	RQ3 Strategies to Appoint Future Leaders: Observation	3
250	RQ3 Strategies to Appoint Future Leaders: Open Dialogue	3
251	RQ3 Strategies to Appoint Future Leaders: Opportunities	3
252	RQ3 Strategies to Appoint Future Leaders: Personal Relationships	3
253	RQ3 Strategies to Appoint Future Leaders: Recognition	3
254	RQ3 Strategies to Appoint Future Leaders: Shared Vision	3

#	Code	Frequency
255	RQ3 Strategies to Appoint Future Leaders: Succession Planning	3
256	RQ3 Strategies to Appoint Future Leaders: Trust-building	3
257	RQ1 Trust in Succession Planning: Abilities	2
258	RQ1 Trust in Succession Planning: Acceptance	2
259	RQ1 Trust in Succession Planning: Agreements	2
260	RQ1 Trust in Succession Planning: Alignment with Vision	2
261	RQ1 Trust in Succession Planning: Assurance	2
262	RQ1 Trust in Succession Planning: Capable Future Leaders	2
263	RQ1 Trust in Succession Planning: Challenges	2
264	RQ1 Trust in Succession Planning: Challenging Times	2
265	RQ1 Trust in Succession Planning: Character	2
266	RQ1 Trust in Succession Planning: Clear Expectations	2
267	RQ1 Trust in Succession Planning: Cohesion	2
268	RQ1 Trust in Succession Planning: Collaborative Decision-Making	2
269	RQ1 Trust in Succession Planning: Collective Decision-making	2
270	RQ1 Trust in Succession Planning: Collective Effort	2
271	RQ1 Trust in Succession Planning: Conflict Resolution	2
272	RQ1 Trust in Succession Planning: Congruence	2
273	RQ1 Trust in Succession Planning: Continuous Communication	2
274	RQ1 Trust in Succession Planning: Dedication	2
275	RQ1 Trust in Succession Planning: Delegating Responsibilities	2
276	RQ1 Trust in Succession Planning: Disagreements	2
277	RQ1 Trust in Succession Planning: Effective Communication	2
278	RQ1 Trust in Succession Planning: Effort	2
279	RQ1 Trust in Succession Planning: Engagement	2
280	RQ1 Trust in Succession Planning: Expertise	2
281	RQ1 Trust in Succession Planning: Family Dynamics	2
282	RQ1 Trust in Succession Planning: Family Relationships	2
283	RQ1 Trust in Succession Planning: Family ties	2
284	RQ1 Trust in Succession Planning: Foundation	2
285	RQ1 Trust in Succession Planning: Future Leader	2
286	RQ1 Trust in Succession Planning: Future Leadership	2
287	RQ1 Trust in Succession Planning: Future Leaders Support	2
288	RQ1 Trust in Succession Planning: Handing over control	2
289	RQ1 Trust in Succession Planning: Hard work	2
290	RQ1 Trust in Succession Planning: Hierarchy	2
291	RQ1 Trust in Succession Planning: Informed Decisions	2
292	RQ1 Trust in Succession Planning: Interests	2
293	RQ1 Trust in Succession Planning: Key Decisions	2
294	RQ1 Trust in Succession Planning: Knowledge	2
295	RQ1 Trust in Succession Planning: Knowledge Transfer	2
296	RQ1 Trust in Succession Planning: Leadership Decision-making	2
297	RQ1 Trust in Succession Planning: Leadership Style	2

#	Code	Frequency
298	RQ1 Trust in Succession Planning: Leadership Transition	2
299	RQ1 Trust in Succession Planning: New ideas	2
300	RQ1 Trust in Succession Planning: Open communication	2
301	RQ1 Trust in Succession Planning: Past Events	2
302	RQ1 Trust in Succession Planning: Personality	2
303	RQ1 Trust in Succession Planning: Personal Relationships	2
304	RQ1 Trust in Succession Planning: Progress	2
305	RQ1 Trust in Succession Planning: Qualifications	2
306	RQ1 Trust in Succession Planning: Relationship building	2
307	RQ1 Trust in Succession Planning: Responsibility	2
308	RQ1 Trust in Succession Planning: Separation	2
309	RQ1 Trust in Succession Planning: Stakeholders	2
310	RQ1 Trust in Succession Planning: Successful Outcomes	2
311	RQ1 Trust in Succession Planning: Succession Plan	2
312	RQ1 Trust in Succession Planning: Success or Failure	2
313	RQ1 Trust in Succession Planning: Training	2
314	RQ1 Trust in Succession Planning: Transition Process	2
315	RQ1 Trust in Succession Planning: Unity	2
316	RQ1 Trust in Succession Planning: Value	2
317	RQ2 Factors for Trust Building: Absence of Broken Trust	2
318	RQ2 Factors for Trust Building: Acceptance	2
319	RQ2 Factors for Trust Building: Active involvement	2
320	RQ2 Factors for Trust Building: Adaptation	2
321	RQ2 Factors for Trust Building: Appreciation	2
322	RQ2 Factors for Trust Building: Aptitude	2
323	RQ2 Factors for Trust Building: Boundaries	2
324	RQ2 Factors for Trust Building: Business Secrets	2
325	RQ2 Factors for Trust Building: Capabilities	2
326	RQ2 Factors for Trust Building: Capacity	2
327	RQ2 Factors for Trust Building: CEO	2
328	RQ2 Factors for Trust Building: Character	2
329	RQ2 Factors for Trust Building: Characters	2
330	RQ2 Factors for Trust Building: Clear Communication	2
331	RQ2 Factors for Trust Building: Clear Vision	2
332	RQ2 Factors for Trust Building: Collaborative Decision-Making	2
333	RQ2 Factors for Trust Building: Collective Decision-making	2
334	RQ2 Factors for Trust Building: Consistency	2
335	RQ2 Factors for Trust Building: Consultation	2
336	RQ2 Factors for Trust Building: Continuous Communication	2
337	RQ2 Factors for Trust Building: Contribution	2
338	RQ2 Factors for Trust Building: Convincing	2
339	RQ2 Factors for Trust Building: Delegating responsibilities	2
340	RQ2 Factors for Trust Building: Development	2

#	Code	Frequency
341	RQ2 Factors for Trust Building: Early Conversations	2
342	RQ2 Factors for Trust Building: Education	2
343	RQ2 Factors for Trust Building: Effective Leadership	2
344	RQ2 Factors for Trust Building: Family Involvement	2
345	RQ2 Factors for Trust Building: Family relationships	2
346	RQ2 Factors for Trust Building: Family ties	2
347	RQ2 Factors for Trust Building: Feelings	2
348	RQ2 Factors for Trust Building: Forgiveness	2
349	RQ2 Factors for Trust Building: Generations	2
350	RQ2 Factors for Trust Building: Governance	2
351	RQ2 Factors for Trust Building: Hard work	2
352	RQ2 Factors for Trust Building: Honoring agreements	2
353	RQ2 Factors for Trust Building: Honoring Commitments	2
354	RQ2 Factors for Trust Building: Humility	2
355	RQ2 Factors for Trust Building: Influence	2
356	RQ2 Factors for Trust Building: Leadership	2
357	RQ2 Factors for Trust Building: Leadership Roles	2
358	RQ2 Factors for Trust Building: Leadership Style	2
359	RQ2 Factors for Trust Building: Leading by example	2
360	RQ2 Factors for Trust Building: Maturity	2
361	RQ2 Factors for Trust Building: Motivations	2
362	RQ2 Factors for Trust Building: Mutual understanding	2
363	RQ2 Factors for Trust Building: Observation	2
364	RQ2 Factors for Trust Building: Patience	2
365	RQ2 Factors for Trust Building: People Skills	2
366	RQ2 Factors for Trust Building: Personalities	2
367	RQ2 Factors for Trust Building: Power Dynamics	2
368	RQ2 Factors for Trust Building: Problem-Solving	2
369	RQ2 Factors for Trust Building: Productivity	2
370	RQ2 Factors for Trust Building: Proving Capabilities	2
371	RQ2 Factors for Trust Building: Proving oneself	2
372	RQ2 Factors for Trust Building: Recognition	2
373	RQ2 Factors for Trust Building: Relationship Dynamics	2
374	RQ2 Factors for Trust Building: Roles	2
375	RQ2 Factors for Trust Building: Sacrifices	2
376	RQ2 Factors for Trust Building: Senior Management	2
377	RQ2 Factors for Trust Building: Shared Decision-Making	2
378	RQ2 Factors for Trust Building: Skills	2
379	RQ2 Factors for Trust Building: Strengths	2
380	RQ2 Factors for Trust Building: Supportive Environment	2
381	RQ2 Factors for Trust Building: Symbolic Acts	2
382	RQ2 Factors for Trust Building: Teamwork	2
383	RQ2 Factors for Trust Building: Trust-Building	2

#	Code	Frequency
384	RQ2 Factors for Trust Building: Validation	2
385	RQ2 Factors for Trust Building: Value Assessment	2
386	RQ2 Factors for Trust Building: Values	2
387	RQ2 Factors for Trust Building: Vision Alignment	2
388	RQ2 Factors for Trust Building: Willingness to Learn	2
389	RQ3 Strategies to Appoint Future Leaders: Active involvement	2
390	RQ3 Strategies to Appoint Future Leaders: Appoint future leaders	2
391	RQ3 Strategies to Appoint Future Leaders: Appointing leaders	2
392	RQ3 Strategies to Appoint Future Leaders: Appointment of Future Leaders	2
393	RQ3 Strategies to Appoint Future Leaders: Appreciation	2
394	RQ3 Strategies to Appoint Future Leaders: Aptitude	2
395	RQ3 Strategies to Appoint Future Leaders: Autonomy	2
396	RQ3 Strategies to Appoint Future Leaders: Balance	2
397	RQ3 Strategies to Appoint Future Leaders: Board Meetings	2
398	RQ3 Strategies to Appoint Future Leaders: Brainstorming	2
399	RQ3 Strategies to Appoint Future Leaders: Building trust	2
400	RQ3 Strategies to Appoint Future Leaders: Business Growth	2
401	RQ3 Strategies to Appoint Future Leaders: Capabilities	2
402	RQ3 Strategies to Appoint Future Leaders: Capability	2
403	RQ3 Strategies to Appoint Future Leaders: Capacity	2
404	RQ3 Strategies to Appoint Future Leaders: Collective decision-making	2
405	RQ3 Strategies to Appoint Future Leaders: Collective Decision-making	2
406	RQ3 Strategies to Appoint Future Leaders: Collective Decision-Making	2
407	RQ3 Strategies to Appoint Future Leaders: Conflict Resolution	2
408	RQ3 Strategies to Appoint Future Leaders: Congruence	2
409	RQ3 Strategies to Appoint Future Leaders: Continuity	2
410	RQ3 Strategies to Appoint Future Leaders: Corporate Structure	2
411	RQ3 Strategies to Appoint Future Leaders: Criteria	2
412	RQ3 Strategies to Appoint Future Leaders: Decision-Making Process	2
413	RQ3 Strategies to Appoint Future Leaders: Defined Roles	2
414	RQ3 Strategies to Appoint Future Leaders: Delegating tasks	2
415	RQ3 Strategies to Appoint Future Leaders: Earmarking	2
416	RQ3 Strategies to Appoint Future Leaders: Education	2
417	RQ3 Strategies to Appoint Future Leaders: Empathy	2
418	RQ3 Strategies to Appoint Future Leaders: Empowerment	2
419	RQ3 Strategies to Appoint Future Leaders: Engagement	2
420	RQ3 Strategies to Appoint Future Leaders: Family Dynamics	2
421	RQ3 Strategies to Appoint Future Leaders: Family Meetings	2
422	RQ3 Strategies to Appoint Future Leaders: Family ties	2
423	RQ3 Strategies to Appoint Future Leaders: Financial Stability	2

#	Code	Frequency
424	RQ3 Strategies to Appoint Future Leaders: Governance	2
425	RQ3 Strategies to Appoint Future Leaders: Hands-on Experience	2
426	RQ3 Strategies to Appoint Future Leaders: Hands-on Involvement	2
427	RQ3 Strategies to Appoint Future Leaders: Honesty	2
428	RQ3 Strategies to Appoint Future Leaders: Humility	2
429	RQ3 Strategies to Appoint Future Leaders: Leadership	2
430	RQ3 Strategies to Appoint Future Leaders: Leadership Appointment	2
431	RQ3 Strategies to Appoint Future Leaders: Leadership Roles	2
432	RQ3 Strategies to Appoint Future Leaders: Leadership Skills	2
433	RQ3 Strategies to Appoint Future Leaders: Leadership styles	2
434	RQ3 Strategies to Appoint Future Leaders: Leadership Styles	2
435	RQ3 Strategies to Appoint Future Leaders: Past Events	2
436	RQ3 Strategies to Appoint Future Leaders: Personal Connections	2
437	RQ3 Strategies to Appoint Future Leaders: Personal Experiences	2
438	RQ3 Strategies to Appoint Future Leaders: Perspectives	2
439	RQ3 Strategies to Appoint Future Leaders: Productivity	2
440	RQ3 Strategies to Appoint Future Leaders: Proving oneself	2
441	RQ3 Strategies to Appoint Future Leaders: Relationship Building	2
442	RQ3 Strategies to Appoint Future Leaders: Relationship Dynamics	2
443	RQ3 Strategies to Appoint Future Leaders: Reporting	2
444	RQ3 Strategies to Appoint Future Leaders: Responsibility	2
445	RQ3 Strategies to Appoint Future Leaders: Roles	2
446	RQ3 Strategies to Appoint Future Leaders: Seniority	2
447	RQ3 Strategies to Appoint Future Leaders: Sharing Information	2
448	RQ3 Strategies to Appoint Future Leaders: Skills	2
449	RQ3 Strategies to Appoint Future Leaders: Succession Plan	2
450	RQ3 Strategies to Appoint Future Leaders: Teaching	2
451	RQ3 Strategies to Appoint Future Leaders: Teamwork	2
452	RQ3 Strategies to Appoint Future Leaders: Trust building	2
453	RQ3 Strategies to Appoint Future Leaders: Value Assessment	2
454	RQ3 Strategies to Appoint Future Leaders: Vision Alignment	2
455	RQ3 Strategies to Appoint Future Leaders: Willingness	2

APPENDIX 4: Ranked Atlas Coding Informing Thematic Analysis

Rank	Code	Frequency
1	RQ1 Trust in Succession Planning: Importance	160
2	RQ1 Trust in Succession Planning: Smooth Transition	73
3	RQ1 Trust in Succession Planning: Decision-making	45
4	RQ1 Trust in Succession Planning: Confidence	38
5	RQ1 Trust in Succession Planning: Relationships	29
6	RQ1 Trust in Succession Planning: Reliability	25
7	RQ1 Trust in Succession Planning: Continuity	23
8	RQ1 Trust in Succession Planning: Open Communication	19
9	RQ1 Trust in Succession Planning: Commitment	15
10	RQ1 Trust in Succession Planning: Transparency	15

Research Question: "What is the importance of trust during succession planning in family businesses?"

1. **The overwhelming emphasis on the importance of trust in succession planning, with a frequency of 160, suggests that it is foundational for ensuring a smooth transition, the second most frequent factor.**
2. **A smooth transition, while highly valued, relies on trust in the decision-making process, the third-ranked factor, to ensure acceptance and minimize disruption.**
3. **Trust in the decision-making process builds confidence, the fourth-ranked factor, which is crucial for stakeholders to support the chosen successor and strategy.**
4. **Confidence is bolstered by strong relationships, the fifth-ranked factor, which are essential for navigating the complex dynamics of family businesses during succession.**
5. **Strong relationships foster reliability, the sixth-ranked factor, which ensures that commitments made during succession are honored and upheld.**
6. **Reliability is crucial for maintaining continuity, the seventh-ranked factor, ensuring the business's legacy and operational stability.**
7. **Continuity is supported by open communication, the eighth-ranked factor, which allows for transparency and addresses potential concerns.**
8. **Open communication demonstrates commitment, the ninth-ranked factor, which reinforces trust and strengthens the succession plan's implementation.**
9. **Commitment is demonstrated through transparency, the tenth-ranked factor, which ensures that all stakeholders have access to relevant information and feel included in the process.**
10. **Finally, transparency, while ranked tenth, underscores the fundamental importance of trust in succession planning, the top-ranked factor, which is essential for the long-term success of the family business.**

Rank	Code	Frequency
1	RQ2 Factors for Trust Building: Transparency	50
2	RQ2 Factors for Trust Building: Trust Building	48
3	RQ2 Factors for Trust Building: Open Communication	33
4	RQ2 Factors for Trust Building: Shared Values	23
5	RQ2 Factors for Trust Building: Commitment	16
6	RQ2 Factors for Trust Building: Reliability	14
7	RQ2 Factors for Trust Building: Experience	13
8	RQ2 Factors for Trust Building: Support	12
9	RQ2 Factors for Trust Building: Decision-making	11
10	RQ2 Factors for Trust Building: Openness	11

Research Question: "What factors lead to the development of trust during succession planning in family businesses?"

1. **Transparency, with the highest frequency of 50, is the leading factor for building trust, suggesting that without it, deliberate trust-building efforts, ranked second, will be less effective.**
2. **Deliberate trust-building, while crucial, needs to be supported by open communication, ranked third, to ensure that transparency is not just a policy but a lived experience.**
3. **Open communication fosters a sense of shared values, ranked fourth, which creates a foundation for mutual understanding and trust.**
4. **Shared values strengthen commitment, ranked fifth, demonstrating that the succession process is aligned with the family's long-term vision.**
5. **Commitment builds reliability, ranked sixth, by ensuring that promises and agreements are consistently upheld throughout the succession.**
6. **Reliability is enhanced by demonstrating relevant experience, ranked seventh, which instills confidence in the successor's capabilities.**
7. **Experience is complemented by providing support, ranked eighth, which shows a genuine investment in the successor's success and well-being.**
8. **Supportive actions reinforce trust in the decision-making process, ranked ninth, ensuring that stakeholders feel their voices are heard and valued.**
9. **Trust in decision-making is further strengthened by openness, ranked tenth, which allows for constructive feedback and adaptation during the succession.**
10. **Finally, openness, while ranked tenth, underscores the importance of transparency, the top-ranked factor, as it completes the cycle of trust-building by ensuring continuous dialogue and accountability.**

Rank	Code	Frequency
1	RQ3 Strategies to Appoint Future Leaders: Strategies	88
2	RQ3 Strategies to Appoint Future Leaders: Decision-Making	25
3	RQ3 Strategies to Appoint Future Leaders: Future Leaders	22
4	RQ3 Strategies to Appoint Future Leaders: Mentorship	22
5	RQ3 Strategies to Appoint Future Leaders: Building Trust	13
6	RQ3 Strategies to Appoint Future Leaders: Communication	13
7	RQ3 Strategies to Appoint Future Leaders: Training	12
8	RQ3 Strategies to Appoint Future Leaders: Assessment	11
9	RQ3 Strategies to Appoint Future Leaders: Commitment	11
10	RQ3 Strategies to Appoint Future Leaders: Experience	11

Research Question: "What strategies are used by family businesses to appoint future leaders?"

1. **The development of clear strategies, with the highest frequency of 88, is the most crucial approach to appointing future leaders, suggesting that effective decision-making, ranked second, relies on a well-defined strategic framework.**
2. **Strategic decision-making, while essential, must be focused on identifying and nurturing potential future leaders, ranked third, to ensure the succession plan's success.**
3. **Identifying future leaders often involves formal mentorship programs, ranked fourth, to provide guidance and support for their development.**
4. **Effective mentorship contributes to building trust, ranked fifth, which is crucial for fostering strong relationships and ensuring smooth leadership transitions.**
5. **Building trust is facilitated by clear and open communication, ranked sixth, which keeps all stakeholders informed and engaged throughout the process.**
6. **Communication should be complemented by targeted training programs, ranked seventh, to equip future leaders with the necessary skills and knowledge.**
7. **Training effectiveness is enhanced through rigorous assessment processes, ranked eighth, ensuring that potential leaders meet the required standards.**
8. **Assessment outcomes demonstrate commitment, ranked ninth, to developing future leaders and ensuring the business's long-term sustainability.**
9. **Commitment is validated by providing future leaders with relevant experience, ranked tenth, which prepares them for the challenges of leadership.**
10. **Finally, providing experience, while ranked tenth, underscores the importance of having well-defined strategies, the top-ranked factor, to guide the entire leadership appointment process.**