



## Bringing a Horse to Water: The Shaping of a Child Successor in Family Business Succession

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**Abstract** This study critically investigates and evaluates the childhood and adolescent year strategies, and efforts that parent-owners of family businesses incorporate to encourage and prepare children for a successful future succession. The sample consisted of six family businesses in the North East of Scotland: two successfully introduced a second-generation, two a third generation and one a fourth generation, with one still in the founder stage. The findings reveal that the succession planning process was an instantaneous event into generational bridging, where no formal planning process was commenced. Parent-owners influenced and facilitated knowledge transfer and education, leaving control to the child successors with career options. The research has also shown the difficulties in how the child successors of the future may find succession challenging and demanding with contextually complex issues.

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**Guiando al caballo hacia el agua: La formación de un sucesor infantil en la sucesión de la empresa familiar**

**Resumen** Este estudio investiga y evalúa críticamente las estrategias y los esfuerzos que los padres propietarios de empresas familiares llevan a cabo para incentivar y preparar a sus hijos para una futura sucesión exitosa. La muestra consistió en seis empresas familiares en el noreste de Escocia: dos en segunda generación, dos en tercera generación, una en cuarta generación y una todavía en la etapa de fundador. Los hallazgos revelan que el proceso de planificación de la sucesión fue un evento instantáneo en el puente generacional, donde no se inició ningún proceso de planificación formal. Los padres-propietarios influyeron y facilitaron la transferencia de conocimientos y la educación, dejando el control a los hijos sucesores con opciones de carrera. La investigación también muestra las dificultades de cómo los futuros sucesores pueden encontrar la sucesión desafiante y exigente con problemas contextualmente complejos.

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## 1. Introduction

A centuries-old custom dictated who would be handed down the family wealth and business. In days when parent-owners did not retire, it was only after their death that the eldest son would take up the reins of the family business, despite the individual's willingness, capabilities and consideration for other siblings (Yadav & Shankar, 2017). The daughters would generally be excluded from the succession (Wang, 2020). In the twenty-first century, family business succession planning is far more advanced and now considers various integrated influences, such as the predecessor's business knowledge and skill set, to develop a concrete foundation, leading to a successful succession (Ghee et al., 2015). Transfer of that knowledge to the successor can be a determinant factor for the survival of the business after succession (Corona, 2021; Wasim et al., 2020). Furthermore, succession planning is significant to any family business's realisation, survival, and growth (Pitcher et al., 2000) and succession to children is better for a firm than handing it over to other relatives or outsiders (Chiang et al., 2021). Bearing this in mind, Vera and Dean (2005, p. 323) highlight that: "only 30% of family businesses are expected to survive the first generation, around 15% are expected to survive to the third generation, and less than 3% are expected to survive to the fourth generation." Succession is imperative for family business continuity as it can be the last leg of the business cycle and is one of the most critical issues for a family business (Giménez & Novo, 2020). Wiecek-Janka and Mierzwial (2015) have researched the barriers successors face in the first stage of business succession. Results, considering Polish firms, concluded that other plans, fear of criticism and reluctance to run a business were the weightiest. These were deliberated to have been instilled in early years, in the successor's upbringing, and shaped into the successor's personality. The study also exposes some research gaps in this field, including shaping entrepreneurs' capabilities in the early years, the building of confidence to overcome anxieties, and the impact of worries of one day taking over the family business. How well a potential successor knows the firm and its operations is also imperative for a successful succession and the capability development of a successor. Furthermore, Parker (2016) brought resourced-based logic into the willing successor and ventured into the altruistic and dynastic motives of the founders of a family business with desires to see their children take the helm of the business. In a bid to entice successors, Parker (2016) explores founders

with greater incentives in targeted actions. However, combined with motives, the results may not be the effects both the parent-owner and child successor were seeking. Parker (2016) seeks further research in understanding child successors through parenting methods, supporting successors from an early age in assisting and providing foundations and energy in the preparation of setting the scene for the business in adult life. Focusing on family business in the North East of Scotland, this study addresses the research gaps and future research directions established by Wiecek-Janka and Mierzwial (2015), Parker (2016) and Wasim et al. (2020). The research aims to critically investigate and evaluate the childhood and adolescent year strategies and efforts family business owners experienced and have planned to encourage and prepare child successors for the family business considering the Self Determination Theory (SDT). To meet the aim of this study, three research questions have been established:

*RQ1: What steps do parent-owners consider to nurture their potential successor?*

*RQ2: How do parent-owners ensure that the critical learning needs of a potential successor are met?*

*RQ3: How do parent-owners nurture the interest and determination of a potential successor for the family business?*

This research provides theoretical and practical contributions. It extends the literature provided by Duh (2014), Parker (2016) and Merchant et al. (2018) regarding the succession planning in family businesses and identifies the major factors along with education in the learning and succession process initially considered in studies provided by Billett (2016) and Rivera et al. (2020). Furthermore, the findings of this research can help support organisations in the region to better address the challenges around the succession process. Parent-owners of businesses that envision a succession in the future can benefit from the research by shaping the child's successor from the early years and can also understand their appetite for business.

The study is organised into six sections. Within the first section, the topic is introduced, the literature gaps and contributions are highlighted, and the research questions are presented. The subsequent section contains the literature review focusing on existing research offering to provide evidence. The section also explores academic literature and research, providing the theoretical underpinnings for the empirical research. The following section describes the methodology used to gather and analyse the empirical data.

The next section delivers results of empirical evidence, which are analysed to identify findings from the research. The last section draws the research to a conclusion that reviews key findings and issues researched in this paper. It also provides some recommendations for future research by highlighting the limitations of this study.

## 2. Background

### 2.1. The predecessor parent-owner and child successor

Parker (2016) poses several relevant questions regarding parent-owner and child successor, such as: What strategies can be planned for the child successor to develop an interest, commitment, and motivation into the family business? Will the child successor have the competencies to ensure that all the hard work and investment of the parent-owner will create a lasting legacy without recruiting management of non-family members? Parent-owners have uncertainty whether the child's successor will develop a strong enough commitment to achieve business longevity. Planning the most beneficial parent-owner approach is no easy task when considering the family business and the child successor's development in childhood. McMullen and Warnick (2015) highlight ethical issues that may arise in bringing the two together and suggest maintaining a separate parenting approach from the family business.

The parent-owner tends to control the family (Lansberg, 1988; Rubenson & Gupta, 1996). It is an assumption that predecessors, to a vast extent, are heavily involved in the succession, from planning to initiation to managing the process. Bjuggren and Sund (2011) indicate another angle in which entrepreneurs may be reluctant or unable to initiate the plan. Entrepreneurs can be far too busy managing the family business or may have a fear of losing the principal role in the family. In comparison to this, Sharma et al. (2003) conclude that it is not the aspiration or goals of owners that are important in whether succession is planned, but more so the willingness and capability of a trustworthy family member. Another aspect related to the parent-owner is nepotism. Handing over the family business to offspring may cause more harm to the business than first thought, through lack of trust and abilities in the views of stakeholders or even other family members (Pollak, 1985). The change of ownership is challenging for all businesses, including family-owned ones (Merchant et al., 2018).

For the child successor being brought up in a family where the parents are business owners play a significant role in gaining insights into the entrepreneurial behaviours, challenges, and opportunities (Hernández-Linares and López-Fernández,

2020). The environment of the integrated role of the parent-owner in family and business develops and moulds the child successor into business. In contrast with the absenteeism of parents in successors childhood due to the family business constraints, potential child successors may wish to venture out of the family business to escape the responsibilities and lifestyle associated with it. Bearing this in mind, Zellweger, Sieger and Halter (2011) discuss that children from family businesses have a preferred intention through independent motivations to be a founder of their own business, not taking the succession path.

### 2.2. Learning and knowledge transfer

Mentoring and knowledge transfer are known to stimulate the progression of learning. Without knowledge transfer, there would be no appropriate learning strategy (Rowley, 2000). For Rowley's (2000), starting with gathering information, learning to create knowledge determines actions, behaviours, and decision-making.

Within the family business, knowledge transfer is a collective process (Borgatti & Carboni, 2007). As the key knowledge holder, the parent-owner is responsible for facilitating the knowledge transfer to complete a successful succession and maintain the family business's competitive advantage, depending on the nature of the business. It is also pivotal that there is an organisational culture of knowledge sharing in a family business (Botero et al., 2021). Strengthened levels of trust in the parent-owner, known as the child successor relationship, influence the amount of knowledge shared and the parent-owner's readiness to pass on knowledge. For the child successor, the willingness to learn further embraces the relationship (Bachmann, 2001). Within a family business, the knowledge transfer is enriched by experience-centred knowledge which is passed on through exchanges among family members. Organisational culture within a family firm that promotes participation of among the family and non-family employees also helps creation of new knowledge (Botero et al., 2021). Such participation can increase the involvement and interest of a potential successor within the business. However, knowledge loss is possible if this knowledge is not managed and sustained, significantly impacting the small family-owned firms (Wong & Aspinwall, 2004). In addition to that, generational interaction in family businesses can also put a strain on among family members which are particularly important during a succession process (Magrelli et al., 2022).

Contrasting with other types of businesses, family firms can be considered incredibly idiosyncratic. In non-family firms, the extent of knowledge and experience gained with hands-on working

produces a family of human assets to the firm (Klein, 1988). This tends to be lacking in the family businesses. In a family business, idiosyncratic knowledge is an intangible capital, based on non-codified knowledge, frequently individual-specific than business-specific. This knowledge may only be known to the owner. Therefore, successors must acquire this knowledge for business continuity and success, for successors to have exposure and work in business areas similar to owners or employees (Neubauer & Lank, 1988). In doing so, an additional benefit would be gaining credibility, trust and acceptance by members of the family and stakeholders (Osborne, 1991).

Business knowledge need not only be transferred from parent-owner to child successor. Non-family members of a business also need to transfer vital knowledge for the business to function. Wasim et al. (2020) studied the knowledge value of non-family members, how the exchange varies, and the levels of engagement across business cultures. Empirical evidence highlighted that crucial knowledge and hands-on involvement are achieved during the early stages of knowledge transfer and encouragement for the successor, albeit prior to succession completion. Rivera et al. (2020) presents an argument looking at knowledge sharing from a psychological safety and similar to Wasim et al. (2020), they found that knowledge sharing is a social process. Arzubiyaga et al. (2022) highlighted the importance of knowledge management within family businesses and how complex it is. They also suggested several knowledge creation, storage, sharing and application gaps in the literature within a family business context.

Knowledge from outside the firm is also as important as the internal knowledge. This can be done through formal education as well. Morris et al. (1997) note that educating the next generation through early intervention in family business succession planning is essential. With an appropriate long-term planning process, the child successors have an opportunity to access formal education, develop skills and knowledge, credibility and capabilities, which are crucial in the early stages of transition (Morris et al., 1997). It is required to obtain a good grounding in entrepreneurship knowledge, education and training that teaches and prepares individuals on entrepreneurship. This can be done through developing and creating mindsets for knowledge, innovation, motivations, and passion (Gundlach & Zivnuska, 2010), and to get minds thinking on individual intentions (Pruett, 2011).

Research surrounding entrepreneurship education emphasises classroom assessments instead of seeing a classroom environment as a part of the real working world (Wasim, 2019). Mixing education and work experience are demonstrated with

internships, which play a significant role in applying knowledge and theories gained in the university setting to the workplace in an attempt to narrow the issue of the theory-practice gap (Allen, 2011). The entrepreneurial learning approach to internships was studied by Ramsgaard and Ostergaard (2018). The findings highlight a need to incorporate assessment practice into the design of the internship to add value, increase reflection, encourage feedback and gain confidence in establishing professional identity. Although higher education seems a good fit for ensuring well-educated successors, working outside the family business gains the skills, knowledge and confidence to develop a sense of identity from this environment, to aid in the readiness of preparation which proves to be a valuable asset to the firm (Chirico & Salvato, 2008).

Alternatively, the apprenticeship program is an option where child successors can work full time in the family business. Informally formed through family and local workplaces, Billett (2016) recognises that apprenticeships are a highly recognised method of learning supported by educational practices. Dominated by school leavers, apprenticeships are work-based learning development, incorporating drivers of learning work with occupational tasks. This option may be a suitable vehicle for on-the-job training while gaining a qualification for the child successor of small family businesses, an ideal introductory phase combined with knowledge transfer which would be business-specific. Another beneficial element is forming relationships with non-family staff to build competencies and trust and incorporate business culture (Wasim et al., 2020).

### 2.3. The relevance of trust, motives and commitment

Hosmer (1995, p. 393) suggests that “trust is the reliance by one person, group, or firm upon a voluntarily accepted duty on the part of another person, group, or firm to recognise and protect the rights and interests of all others engaged in a joint endeavour or economic exchange.” By creating a supportive environment and displaying appropriate behaviours, trust begins to form. While forming good relationships and responding to physical and emotional needs, trusting relationships can be developed and improved. Trust would develop over time from the family bonds that are already strengthened to form a harmonious relationship from childhood to bring into the business (Zahra et al., 2007). Through experiences including possibilities and advice from the parent-owner, child successors can feasibly be nurtured into the family business (McMullen & Warnick, 2015). Successors with an upbringing feeling affective commitment within the fam-

ily are more likely to follow their parents into the family business. Therefore they are ideal for parents seeking ready and dedicated successors (Sharma et al., 2003).

McMullen and Warnick (2015) present the Autonomous Motivation Model of Family Business Succession. It highlights the non-financial goals the parent-owners seek from their successor in relation to the family business, especially the commitment and motivations attached with affective commitment. Associated with affective commitment are the qualities such as autonomy, elements of intrinsic and extrinsic motivations, self-determination, and content with psychological awareness for relatedness, and competency to effectively be confident and self-assured for joining a family business (McMullen & Warnick, 2015). For the successor already working within the family business, affective commitment is significantly important. It does not require tangible rewards or incentives. The reason for this is that successor would be satisfied with meeting the family business vision and goals with the behaviours instilled into them by the parent-owners. Commitment is critical to the succession and the family business's nontangible goals (Meyer et al., 2002). The successor also would be willing to take on the leadership role when the time comes for a handover.

In order to gain a greater understanding of the role of trust in the family business, Shi, Shepherd and Schmidts (2015) identify various types of trust, which featured interpersonal trust, which derives from family goodwill and individual competency. Beyond trust, the relationship is also an important area to consider within the family firm: relationships among family member employees and family and non-family member employees in a firm (Dalpiaz et al., 2014).

To conclude, "familiness", a concept that considers the individual family members and the business itself, signifies the resources at the centre of a family-owned business (Tagiuri & Davis, 1996). Roles that intertwine between family and the business may lead to a shared sense of identity for both child successor and parent-owner Tagiuri and Davis (1996). It can be reasonable to say that family in family business considers family before the business.

### 3. Methodology

The research design for the study followed an exploratory path where goals were explored to meet the aims and objectives of the study. This approach has the goal to explore unexplored areas to provide an increasing understating. Furthermore, following an interpretivist theoretical framework, this study has followed an inductive approach in that, in the beginning, observations

were noted and at the end of the research, theories were suggested and applied (Goddard & Melville, 2004).

The empirical nature of the research was fundamental and instrumental to the validity and reliability of the overall process. This study adopts a qualitative approach and, therefore, a non-probability purposive sampling method was used. To increase the validity and reliability of the data, this study used semi-structured interviews to explore the experience and expertise of family businesses. The interview questions (see appendix) were carefully designed to accommodate the research areas, allowing for the elasticity of free discussion on a face-to-face semi-structured approach within the investigation process. This allowed researchers to consider having data from family businesses as crucial for this study while gathering data from non-family businesses considered irrelevant (Densombe, 2010). A pilot was conducted with a founder of a family business to gain feedback and trial clarity. The interview guide was modified as a result of the pilot to eliminate elements that might drive the conversation away from the aim of the research. The questions were improved upon and practised in a more skilled and assertive manner to focus on the overarching research questions, enriching data and avoid unnecessary time loss. In the end, the interview contains 33 questions that explore topics such as respondent profile, founder, parent owner and child successor, knowledge, trust and commitment, and future successors.

Once the perimeters of purposive sampling were established, the participants were selected using LinkedIn, Facebook and company websites where it was displayed that the company is a family business. Initial contact was made with the Small Business Federation; they also recommended using social media for participant recruitment. It was decided that the geographical location of the participants could produce an unknown variable for the study. Therefore, the sample consisted of family firms from urban and rural areas to see any distinctive elements. Thereafter, around forty family businesses were contacted through email and requesting to participate in the research. Maximum variation sampling was planned for ten companies where it was felt that the point of saturation might occur. From the forty invitations sent, seven family businesses responded. One family business withdrew prior to the interview. Two family businesses found time constraints in weekday evenings and weekends and agreed to telephone interviews. Four family businesses were interviewed face-to-face on weekends to accommodate the participants. Consent forms were signed for the face-to-face interviews. For the telephone interviews, participants were reminded of the ethical

elements such as anonymity and voluntary participation prior to the interview and verbal consent was secured. The interviews were digitally recorded, with consents signed, using a Dictaphone and transcribed at the earliest opportunity. For the telephone interviews, note-taking was also used to record all data in the interviews. In total, the sample is composed of six family businesses located in the North East of Scotland.

Thematic analysis was used to analyse data. The main objective of thematic analysis was

to identify themes, for example, patterns presented in the data that were significant, interesting, and to use the patterns to address the research or highlight a question. The thematic analysis does not summarise data but interprets the data. Therefore, the main interview questions were not used as themes as this would only summarise and organise the data: the data was analysed (Braun & Clarke, 2013). Illustration of thematic codes is highlighted in Table 1 below.

First-order codes	Second-order codes	Statement
Relationship	Background	Understanding between predecessor and (potential) successor
		Common understandings
		Difference of work vision
	Attributes	Responsibility
		Understanding of the context
	Expectations	Autonomy
		Making a change
		Other expectations
	Successor's perception of the family business	Involvement
Doing chores but not working formally for the family business		
Formally working for the family business		
Commitment		Vision for the family business
		Thoughts about succession
		Investing time and effort before the succession
Knowledge and learning	Prior knowledge	Transferred from parent-owner
		Transferred from non-family employees
		Transferred from other sources
		About the business but learned away from the business
	New knowledge	Learning by doing
		Formal education
		Internet
		Books and magazines
	Business related learning	Directly related at the given time
		In-Directly related at the given time
		Directly related for a future time
	Educational background	Formal education
In-formal education		
Self-determination	Environmental and psychological factors	Autonomy
		Competence
		Relatedness

In Table 2, a profile of the research sample details the interviewed participants of the family business generational bridging succession. Table 2 includes information regarding the business sector, the founding year, and the current generational succession. Also included is entrepreneurial bridging, which indicates the generations currently working together in the family business.

However, apart the how they are defined, the challenges during succession are the same for family businesses in Scotland (Cromie et al., 1999; di Belmonte et al., 2016) and the rest of Europe (European Commission, 2009). Hence, considering the topic of the research i.e., succession of family business, the insights are applicable beyond the Scottish context.

**Table 2.** Profile of research sample

Sector/Identifier	Founding year	Generational succession	Entrepreneurial bridging
Engineering business	1999	Founders	Founder and son (son was not present)
Fabrication business	2009	Founder	Founder
Hospitality business	1995	Second generation	Second generation and daughter
Trade and joinery business	2001	Founder	Founder and son
Agricultural business-A	1975	Second generation	Second generation and son
Agricultural business-B	1959	Third generation	Third generation and son

There are many similarities between Scottish family businesses with European family businesses. As illustrated by Neubauer (2003) family businesses comprise family, property, business and management, which would be the same for all family businesses regardless of the location. Family Business United Scotland (2019) defines a family business as a business which is predominantly owned by a family where two or more family members are involved in the business. Whereas the European Commission (2009) used a definition by the Finnish Working Group on Family Entrepreneurship. They define a family business as “a firm, of any size, is a family business, if:

- 1) The majority of decision-making rights are in the possession of the natural person(s) who established the firm, or in the possession of the natural person(s) who has/have acquired the share capital of the firm, or in the possession of their spouses, parents, child or children’s direct heirs.
- 2) The majority of decision-making rights are indirect or direct.
- 3) At least one representative of the family or kin is formally involved in the governance of the firm.
- 4) Listed companies meet the definition of family enterprise if the person who established or acquired the firm (share capital) or their families or descendants possess 25 per cent of the decision-making rights mandated by their share capital.” (Kalss, 2015 p. 5).

## 4. Results

### 4.1. The parent-owner and child successor

From the findings, a common theme of non-planning was identified where parent-owners of Engineering Business Fabrication Business and Trade and Joinery Business formed businesses through challenging events in life or uncertainties with employers and payments. There was no evidence of desires or realisation of aspirations from the childhood of parent-owners to start a business or to start a venture. Parent-owners included in the research were brought up in families with no connections to business. Life had thrown challenges at the founders, which resulted in the formation of a business.

*“Classic tale of being made redundant at the age of 39 years old and with 20 years’ experience decided doing it for myself was the best pathway to securing my future”.*  
(Founder, Engineering Business)

Results showed that the parent-owners had an underlying desire for child successors to come into the business. At the start-up stage, thoughts were expressed on business growth and how the business would continue if successful. Over time, as businesses developed and grew, child successors became interested and willing to join the business. Founders were satisfied when the bridging occurred apart from Fabrication Business, where they have no children (is consider-

ing extended family), where succession has not bridged.

Although no formal succession plan was instigated, when bridging occurred, it seems to have been an instantaneous event,

*“I knew nothing else and had worked hard on the farm when being brought up, I remember my grandfather’s wishes, it’s the right thing to do, you feel a sense belonging.”*  
(Son, Agricultural Business-A)

For Agricultural Business-A and Agricultural Business-B, parenting techniques and encouragement focused on the child successor working most of childhood in the business (agriculture). From a very young age, the successors were integrated into the business to ensure the knowledge and skills were ingrained by the time of leaving school and working full time. Although nothing had been planned, upbringing had been designed on the parent-owner’s own childhood and taken the same route for their successor (i.e., the parent-owner had brought up the child successor in the same upbringing as the parent-owner had been brought up). Overall, in succession for an agricultural business, this was described as “a way of life” by both Agricultural Businesses.

Apart from Hospitality Business, parenting techniques did not involve the business-specific element in upbringing. For the successor of Engineering Business, it was only decided at the time of leaving school as the successor was unsure of a career path. With the influence from parent-owners at the time, the child successor decided to join the family business.

*“My son didn’t know what to do when he left school, now he is involved in the business, going back 14 years when he joined his mother and myself, the intention at that time was to train him up to eventually take over the reins.”*  
(Founder, Engineering Business)

For Trade and Joinery Business, memorable events inspired the successor to join the business by occasionally helping the father with at the weekends. This was viewed by the child successor as helping the father out and not the business. For Hospitality Business, instead of parent-owner’s desire, it was the desire of a sibling of the child successor who initially was supposed to be the successor. The chosen successor had chosen to pull out. This had given way for another sibling to take up the reins. On this occasion, the un-favoured sibling took control and decided to come into the family business with the approval of the parent-owner.

*“My son left school, went on to university and didn’t come back, I was hoping he would come back, to the business. I thought my daughter would do the same, however, she wanted to be involved, thereafter, I put thoughts of selling up to one side. I was very pleased and proud of her.”*

(Second Generation, Hospitality Business)

#### 4.2. Learning and knowledge transfer

In the findings, knowledge transfer in the agricultural sector was substantial. Knowledge transfer commenced very early for Agricultural Business-A and Agricultural Business-B (from under five years of age). Children were exposed to animal management and machinery such as tractors. The knowledge transfer was described as traditional by the child successors. In gaining the experience to learn knowledge, it was hard work for children. However, both felt it did them no harm, and this was a main part of the learning process through knowledge transfer.

*“You only learn by doing the job and seeing the results, seeing the whole circle, from when a lamb is born to going to the mart.”*  
(Son, Agricultural Business-B)

Son of Agricultural Business-A described the knowledge he gained at Agriculture College as “modern, enlightening and more cost-effective.” He described that the power of knowledge gradually transferred to him on his return to the subsequent learning from the knowledge, instead of it being his father in a short space of time.

Both agricultural businesses highlighted the transfer of knowledge from similar communities, in how neighbours and friends facing similar problems managed and dealt with issues, demonstrating networking in the local community even at a young age. In the remaining businesses, networking did not feature heavily as much as it did in the agricultural sector

Another theme within the findings demonstrated the importance of non-family employees in knowledge transfer. Engineering Business, in which there are two parts to the business, the successor chose to work in the department where the parent-owner had limited knowledge. Although this kept the successor away from the main centre of the business, but allowed him to grow in an area of his interest.

*“Our son very quickly showed promise in the machine shop and we assigned him a mentor who soon advised that he was keen to put him on an official apprenticeship, to learn the machinery and how the department works.”*  
(Founder, Engineering Business)

Working with non-family employees gave the child successor a good opportunity to build relationships and skills from experienced staff working on idiosyncratic knowledge, in terms of operational knowledge of specialised machinery, which was essential for the business stability and continuity skills. Another example of non-family knowledge transfer theme was Hospitality Business. The child successor had to “sink or swim”. The successor gained knowledge transfer from the experienced staff in the business. The front of house leader trained the successor in all dining room areas and workings within the kitchen, including the chef in cooking.

*“When at school I helped out in the kitchen and then in the dining room, I enjoyed the work and gained a good deal of knowledge on how the hotel worked and what everyone did, I become to know staff, they were like a “family”. You would be fair to say I was never forced to work, but you could say expected to, if we were short staffed.”*  
 (Daughter, Hospitality Business)

Alternatively, findings revealed that, for others, knowledge transfer was gained through quality time with family members in childhood through memorable activities. For Trade and Joinery Business, the child successor believes that building a treehouse with his father inspired him to join the business. The experience was memorable, and the structure is still there as a reminder.

*“I remember family time spent with dad in building a treehouse, I learnt a lot from that experience. It’s amazing what you learn just watching and listening, especially the watching than doing, looking back after the treehouse was finished, it gave me the bug.”*  
 (Son, Trade and Joinery Business)

For self-taught knowledge, the internet, television and publications emerged as a strong theme.

Successors viewed these media as a good source of knowledge to be used in an attempt to extend the knowledge base and keep up with trends and innovation. Son of Trade and Joinery Business predecessor described the television, particularly programs surrounding house building, as interesting and expanding the knowledge base on what others are doing around the country and keeping up with the new innovations. Daughter of Trade and Joinery Business predecessor also described the television as key to keeping up with the initiative in the industry.

Table 3 consists of a profile of research education, which illustrates the further education levels of some of the successors within the research.

There was no university attendance by any successors in any of the family businesses researched, and none were planned. For education, apprenticeships featured heavily and hands-on work experience with some weekly college attendance (part-time). In all cases, the apprenticeship embarked on considering the nature of the businesses also in the interests of the successor.

For Engineering Business, Hospitality Business and Trade and Joinery Business, successors took on apprenticeships to educate themselves and gain the skills required for core activities of the business.

*“Joinery was what I wanted to do, I wanted to be a good finishing joiner, which I was interested in. It also meant I could join the family business.”*  
 (Trade and Joinery Business, Son)

Apprenticeships were a popular theme, a popular choice with successors and mostly being the sole educational choice. This choice seemed to satisfy parent-owners, and successors, in that successors worked in the business and learned the business along with the occupational expertise and forming of relationships in staff. Parent-owners highlighted that, with parent-owners leaving the

Table 3. Profile of education sample		
Identifier	Generation	Qualifications
Engineering business	Second Generation - Son (Son was not present)	Son - Apprenticeship Mechanical Engineering
Hospitality business	Second Generation - Daughter	Daughter - Introduction to College, Hospitality and Bakery SCOF Level 4
Trade and joinery business	Second Generation - Son	Son - Apprenticeship Joinery
Agricultural business-A	Second Generation - Son	Son - Scotvecs in Agriculture Management

choice of course and occupation to the child successor, the child successor felt more in control to make their own choices. This led to a more individual commitment by the child successor, albeit the responsible mentors were non-family employees, although they were still working with parent-owners.

*“I just let my daughter do what she wanted to do, whatever made her happy, she works hard for the business, I can rely on her.”*  
(Second generation - Hospitality Business)

No other forms of education are highlighted for the successors and no entrepreneurship training is planned either. For the child successors, experience and knowledge transferred from the parent-owners had educated them for the business. For example, costings for jobs, accountancy, decision-making, and strategic planning for the business, successors learned these things from the parents. This indicated in-house education of what parent-owners had learned to be passed on to child successors, showing an interest in expanding knowledge.

**4.4. Trust, motives and commitment**

Table 4 provides an overview of the profile of child successors considering the SDT as proposed by McMullen and Warnick (2015). It consists of three main elements: (i) autonomy, defined as taking control of your life, in control of behaviours and your goals in life; (ii) relatedness, defined as feeling attachment to people, a sense of

belonging; and (iii) competence, for individuals to gain expertise and mastery of tasks and begin to learn new skills. Once all three elements are achieved and psychological growth is realised, one can achieve intrinsic motivation—this required ongoing sustenance with continual support from others. Intrinsic motivations drive one to work on and achieve personal goals.

The thematic analysis revealed that child successors developed a feeling where all were content, all had feelings of self-control and self-assurance, with no known issues with parent-owners.

*“My father lets me get on with it; when the only lead member of staff left, I took on the role, it saved the business money, nobody replaced my position as I felt we didn’t require no one, business was slow with the downturn. I knew the role anyway.”*  
(Daughter, Hospitality Business)

All successors had displayed feelings of attachment towards family. There were no conflicts revealed and from the apprenticeships working with staff, successors in Engineering Business, Hospitality Business and Trade and Joinery Business had developed attachments in the working environment with non-family staff.

Motivations appear to be centred on the family and business, and there seems to be no distinction. Findings show that successors are striving to get back business that had gone down since the oil and gas downturn in the Northeast of Scotland. Since leaving school, all successors have re-

**Table 4.** Profile of Self Determination Theory (SDT) on Child Successors

	Environmental Factors Parent-Owner Support of Child Successor Psychological Needs Satisfaction			Psychological Mediators Need Satisfaction of Child Successor		
	Support for Psychological Needs Satisfaction			Psychological Needs Satisfaction		
	Human’s Three Basic Needs					
	Autonomy	Competence	Relatedness	Autonomy	Competence	Relatedness
Engineering business	Yes	Yes	Yes	Yes	No	Yes
Hospitality business	Yes	Yes	Yes	Yes	Yes	Yes
Trade and joinery business	Yes	Yes	Yes	Yes	No	Yes
Agricultural business-A	Yes	Yes	Yes	Yes	Yes	Yes
Agricultural business-B	NO	Yes	Yes	No	Yes	Yes

mained with the family business and believe the business shall return to its prior to the oil and gas downturn.

*“We laid off three staff and now there is just one employee through lack of business, we get enough work to keep us going.”*  
(Son, Trade and Joinery Business)

In this quotation, an affective commitment and intrinsic motivation are displayed. Successors are not showing the desire for financial gains to be made (bonuses). Instead, they are more focused on being in the business through difficult periods, working and dedicating time and effort to help the family business.

Finally, another emerging concept was business values and goals, however not heavily featured. For Agricultural Business-A and Agricultural Business-B, business values and goals did not feature in the analysis: this was not a business rule. No successor could say that they had grown up with business values. However, reflecting on the parents' values that they had grown up with, an understanding was formed. The daughter in Hospitality Business explained that there were no goals and vision until the parent-owners introduced them a few years ago. In her upbringing, she recalls:

*“My mother never broke a promise, and through that alone I formed a good trusting relationship with her.”*  
(Daughter, Hospitality Business)

This reflects in one of the business goals. Another similar pattern emerges from Son, Trade and Joinery Business, in which one goal relates to a good service:

*“My father always told me to always do your best and do a good job, leave the customer happy.”*  
(Son, Trade and Joinery Business)

For child successors of Engineering Business, Hospitality Business and Trade and Joinery Business, goals were building the business up to what business had originally been prior to the oil and gas downturn when business was good. Successors identified those qualities in their upbringing related to family goals and business binding together.

## 5. Discussion

Out of the six businesses that took part in the research, two successfully introduced a second-generation, two a third generation, and one a

fourth generation. Founders of Engineering Business, Fabrication Business and Trade and Joinery Business started businesses on their own after difficult times in life. With no upbringing in business families and no entrepreneurship training, the founders took a leap of faith. Businesses grew from strength to strength over the years. Now with their own families in the entrepreneurship bridging for succession, apart from Fabrication Business. For all businesses, there was a denial of succession planning, which is also observed in the literature (Ferrari, 2021). Ferrari (2021, p. 11) also suggest that despite the the founder owners growing older, “there is little concern for future”, and a lack succession planning, especially when the successor is a daughter. However, the perception of gender difference was not a factor in the findings of this research. Work of Ghee et al. (2015) and Pitcher et al. (2000) indicate that planning is fundamental, the foundation to generational succession. A lack of succession planning identified as a key reason family business fail (Lansberg, 1988). Despite the importance succession planning highlighted by literature for years, it has been observed that lack of planning is still an critical cause for concern in family businesses. It can be debated that planning is included in the harmony of the family with the upbringing of the child successors. What the business means to the parent-owner was already established in the family and also how the business contributes to the family, financially and socially. All businesses are situated in a socio-cultural setting and are often started to support families (Ukanwa et al., 2022) Unconsciously, there may have been a plan through nurturing and influence from the parent-owners. Interest and commitment among successors of Engineering Business, Hospitality Business and Trade and Joinery Business were already developing prior to leaving school, which also reflects the findings of Sharma and Irving (2005) and Schroder and Schmitt-Rodermund (2013). However, with different parenting approaches, in Engineering Business, Hospitality Business and Trade and Joinery Business, McMullen and Warrnick's (2015) model of separate parenting from the family business prevail as the business was not involved in upbringing apart from occasionally working weekends for the family. For Agricultural Business-A and Agricultural Business-B, the same debate would apply. However, in a more controlled manner, as suggested by Rubenson and Gupta (1996), where managing the intense pre-school working of the farming business and managing family, with a strong sense of nepotism. For the child successors, having these elements rooted at an early stage through the parent-owners parenting approaches can only develop over time to integrate children into the family busi-

ness when required. For all participating businesses, parent-owners believed the trustworthiness in the child successors and their capabilities, as well as the willingness displayed to learn the business, similar to the findings of Sharma et al. (2003).

Knowledge transfer was a positive beginning in childhood for the successors, apart from Engineering Business and Fabrication Business. For Hospitality Business, Trade and Joinery Business, Agricultural Business-A and Agricultural Business-B, knowledge transfer commenced early and integrated into the childhood years by working in the business, some more than others. A generation passed knowledge commenced by actual involvement of daily and seasonal tasks associated with the business, especially for Agricultural Business-A and Agricultural Business-B. Therefore, by leaving school and entering the business, a good grounding knowledge had already formed; it had become second nature. For Hospitality Business and Trade and Joinery Business, this working environment knowledge and a good induction to the industry had already been undertaken. Knowledge transfer from the family and non-family employees is also a critical element for the success of a succession (Wasim & Taylor, 2017; Wasim et al., 2020).

Consequently, on commencing in the business, the knowledge transfer and acceptance by non-family members had been built and trust was already formed, confirming the work of Neubauer and Lank (1988) and Osborne (1991). With a willingness to learn from the successors, experience-centred knowledge relevant to the business is enriched, along with further bonding within the relationship (Bachmann, 2001). The literature is consistent within the research conducted for knowledge transfer. It can be demonstrated that individual and business-specific knowledge transfer commenced early for the child successors. Idiosyncratic knowledge transfer commenced with apprenticeships. Neubauer and Lank (1988) suggest that it is more so when child successors enter into other business areas, such as suppliers, pricing for new jobs, decision making and customer services. It is a strong theme within the research the value of non-family knowledge transfer, mainly when mentors for the apprenticeships were employees and not parent-owners. Furthermore, Wasim et al. (2020) recognise the importance of non-family members within knowledge transfer in the early stages of development of child successors with hands-on work experience and encouragement. This early relationship has bonded trust and commitment with non-family members, including a work ethic of willingness.

In education through attendance at Agriculture College for Agricultural Business-A, the knowl-

edge extended. The formal education was brought back to the business, resulting in the child successor feeling knowledge power where their knowledge exceeded the parent-owner. Formal education of the successor showed positive signs for a smoother succession (Porfírio et al., 2020). Level of parent owner's education also helps during succession (Fairlie & Robb, 2009). For further education, apprenticeships were the commonly chosen route. The nature of the businesses found more value in the apprenticeships scheme with being engineering, joinery, hospitality, agriculture businesses. For a school leaver who wishes to work in the business, it was an ideal method supported by educational establishments (Billet, 2016). The literature suggests the main attribute for this is the apprentice's capabilities and commitment (Billet, 2016). No successors or parent-owner in this research had attended higher education, apart from the chosen successor for Hospitality Business. The chosen successor of Hospitality Business studied at a university and pulled out of the family business to pursue an alternative career. For the child successor's, "next gens" university education features a negative factor as confirmed by Agricultural Business-B where the "next-gen" is studying medicine: where it looks unlikely to return to bridge into the business. No other forms of education came through in discussions; no specific entrepreneurial education was undertaken either. The existing literature pulls towards formal entrepreneurship education in developing knowledge and innovations of child successors (Gundlach & Zivnuska 2010; Morris et al. 1997; Pruett 2011). However, none of the businesses researched here consider this, calling a stronger need for policy intervention to promote the importance of formal education among family businesses.

Child successors from the Hospitality Business, Trade and Joinery Business, Agricultural Business-A and Agricultural Business-B seemed content with life. During the discussions, all appeared confident, had self-efficacy, pride and expressed how integration into the business had developed and matured similarly to what LaChapelle and Barnes (1998) and Zahra et al. (2007) indicated. Feelings of self-control were displayed along with remarks on the control and the decision making each successor had taken in life since leaving school. An attachment to the business had formed prior to leaving school and developed on leaving school along with consistent attachment to the family, where no conflicts were displayed, reflecting McMullen and Warnick's (2015) findings. A high sense of commitment was expressed in dealing with a business downturn through the oil and gas situation, which many businesses are incurring. This displayed non-financial motivation

and more care for the business as stated in [Poza-Valle \(2021\)](#). The commitment in application to the self-determination model concentrates on affective commitment leading to intrinsic motivations, which would indicate that financial goals are not the most important to the child successors, but rather the continuation of the business and “getting by”. [McMullen and Warnick \(2015\)](#) show that based on the self-determination theory that the parent-owners fostering affective commitment towards child successors has potential to achieve the desired outcome of a successful transition rather than the financial motivation.

## 6. Conclusions

The aim and objectives of the research, set in the North East of Scotland, focused on childhood, adolescent year strategies and efforts parent-owners experienced to encourage and prepare childhood successors. The research focused on four main areas: the desires and planning of parent-owners, the knowledge transfer through generations, the planning of education requirements, and the exploration of the motivations, commitment, and trust embedded to ensure a smooth transition.

The findings highlighted that no parent-owner had any formal planning process and lacked a focus for that as well. Generational bridging was an instantaneous event in businesses and described as a “way of life” by some. Even though there was no succession planning, child successors were willing and committed to joining the family business. The knowledge transfer came through passing knowledge from generation to generation and early working life when leaving school in apprenticeships. The study also highlighted that knowledge transfer came from non-family members working alongside child successors since before joining the business. The non-family member knowledge transfer also came into education where non-family members featured in mentoring apprenticeships with child successors acting as an educational program. Apprenticeships featured heavily with child successors. This may be deemed through the nature of the businesses within the research, where no formal higher education was necessary. However, it was the only educational route after leaving school. Trust, motivation and commitment came through from upbringing values instilled into child successors to form the values for the business.

Results portrayed a less formal, less demanding generational succession, in that parent-owners left choices up to the child successors and did not impose or force their desired decisions. However, through nurturing, encouragement and facilitating, parent-owners achieved desires, leaving con-

trol of career options to the child successors, to build self-esteem and confidence. A kinship relationship was evident in families with strong social units held together with high trust, regard, and emotional bonds. The businesses within this study are currently in entrepreneurship, bridging with concerns for the future through ill health, retirement, and alternative career choices for the “next-gens”. It is not always the case for the parent-owner to wait for the child successor to join the family business. The family business is important to all family members; the research has shown that parents-owners’ efforts to build trust, motivation, and be proactive in upbringing by instilling values and harmony into the family and business can persuade the child successor to come on board.

### 6.1. Implications for theory and practice

There are many worries and complexities for parent-owners in family business, whether the parent-owner has already planned for succession or is in the process of planning a succession line. It was found that succession planning requires commencing initiation within the childhood years of the child successor under the control of the parent-owner. Additionally, this study concluded that to provide a good foundation for developing values, qualities, attitudes, and behaviours, all family members need to be involved in building a strong commitment and trust. This study allows us to extend the literature by identifying that trust, affective commitment, and motivation are major key aspects along with education in the learning and succession process. There are no guarantees for the parent-owner of a successful succession. However, literature has highlighted that the process begins through parenting strategies and approaches that align with the family business’s visions and qualities are reflected through upbringing.

This study also offers relevant practical implications by focusing on family business in the North East of Scotland and applying its results in this context. However, it was observed from the literature that the process of succession is somewhat similar regardless of the geographical location of a family business. Many elements that are critical for succession such as knowledge transfer, succession planning and personal attributes and determination of a successor are same everywhere. The study allowed characterising the plans of the parent-owner concerning family business succession, the transfer of knowledge strategies, the role of formal and informal education, and the role of motivation, commitment and trust. Their knowledge is important for the establishment of public policies of support at a regional level that allows increasing the competitiveness of family

businesses, which are essential in an economy where small and micro businesses with a strong generational weight. Especially for this region because of the high number of family-owned businesses.

## 6.2 Study limitations and further research opportunities

Some restrictions affected the research study. The lack of response from generational succession companies was unavoidable and with more company participation, this research would have been more enriched and informative. A limiting factor for the research may have been that interviewees felt uncomfortable with questions on childhood and upbringing, resulting in consciously withheld information. To minimise such elements, consent forms were signed, and a relaxed environment was created to reassure the participants.

It would be worthwhile if further research were conducted into generational succession in the agricultural sector to analyse the willingness of the child successor when considering a longitudinal approach that occurs to achieve ownership. Through highlighted concerns in the research, the length of time in attaining ownership may bridge into three generations still working within the business. It may prove that this factor would negatively affect the “next-gen” to make plans for an alternative career choice?

Another area of research that may be considered is the parent-owners choice of child successor for a small business. Within this study, a sibling of the chosen successor took on the reins of the business, where the chosen sibling decided to attend university in an alternative career choice. The parent-owner assumed that the succession would bridge. However, it was bridged by another sibling. Further research into child successor choice in small businesses may help understand whether the old custom of the eldest son taking on the business is still in practice.

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## Appendix - Interview/Guide

### Background information of interview participant

1. When was the business founded?  
(What year was start up with the business?)
2. What generational succession is the business in?  
(What successions are in the entrepreneurship bridging?)
3. How many years have you been in the business?  
(If not the founder, how many years has the parent-owner been in the business)
4. Business Sector?  
(Sector the business is in)
5. Urban or rural location?  
(Whether any differences arise when comparing rural and urban areas)

### Founder

6. Are you the founder of the business?  
(Can you tell me about your business experience prior to your start up, what aspired you to venture into business?)
7. Did you get involved with a business at a preschool leaving age?  
(Discuss whether interviewee gained insights, experience into business in early years through a part time job and what qualities were instilled through working as part of an upbringing)
8. Have you a higher formal education?  
(Discuss educational background, depending on the business nature prior to start up and since commencing in business)
9. Did you commence your own business at a young age, did you feel you were prepared?  
(Discuss tools that gained knowledge, did family members/friends/professionals assist with aspects from business planning to start up and continuation)

### Parent owner / Child successor

10. From a preschool leaving age did you know for certain you would be joining the family business on leaving school?  
(Discuss whether it was certain that parents' wishes were for their chosen offspring to enter into the business, were parents thinking of traditional methods)
11. Did you want to join the business or had you other ideas/thoughts on your future, were you a "willing successor"?  
(Discuss whether predecessor desired an alterna-

- tive career or was it their wish to join the family business as part of their upbringing)
12. Did you work in the business prior to leaving school? (Discuss whether parents set the scene encouraging you to work in the business during holidays and weekends in gaining an insight into business and what qualities this instilled as part of your upbringing)
  13. Did your parents give you the option to work for an alternative employer to eventually come back to the family business with experienced gained? (Discuss whether this option was suggested)
  14. Do you feel a good foundation was created through parent strategies to set you up in the business through childhood and adolescent years? (Discuss whether there were any anxieties or worries resulting from what they already knew regarding the family business)  
Did you feel part of business when you commenced working? (Discuss whether involved in any decision making or contributions to the business)

#### *Knowledge*

15. What strategies did parents use to pass on idiosyncratic (specialised) knowledge transfer? (Discuss how parents passed on unusual knowledge, ie knowledge only known to them or key members of staff, this could mean customer preferences, machinery. Was there a development plan for specific knowledge transfer or a when it happened basis)
16. Explicit knowledge can be easily conveyed and understood by others, what strategy did parents use to convey tacit knowledge, how was this mentored or delivered?
17. (Discuss if work experiences incorporated this type of knowledge transfer whether through experience or passing on of skills)
18. What value of knowledge have non family members brought to your knowledge base within the business regarding all areas and did you encounter any barriers to gain this knowledge? (Discuss how employees or external sources contributed to your knowledge development)
19. Did you do anything on your own to develop knowledge in early development? (Discuss any research of innovation on traditional practices, did you recognise any culture communication)
20. Have you a formal higher education and did the business require it? (Discuss whether education took place prior to entering the family business or has any taken place since)
21. If so has it closed the theory-practice gap, did the education prepare you for work? (Discuss if education has benefited the business)
22. Did you embark on an internship? (Discuss was it beneficial in the business setting)
23. Did you embark on an apprenticeship within the business? (Discuss skills/knowledge developed through an apprenticeship)
24. Were you employed by the business when you left school? (How did this employment commence, was there any induction/development plans)
25. Was this your decision or your parent not to education prior to coming into the business? (Discuss what successor would have preferred)
26. Had you ever had any second thoughts with entering the business? (Discuss whether they liked the business or was there family commitment being considered)

#### *Trust, Motives and Commitment*

27. What values and qualities did your parents instill into your childhood? (Discuss values such as hard work, discipline, honesty)
28. Would you consider your values to be similar to your father or mother? (Discuss if personal values is made up of similar values to mother and father)
29. Do you think your parents instilled these to reflect the business philosophies? (Discuss same as above)
30. What motivates you at your work considering working in a family business? (Discuss on whether motivations are for a financial gain or non-financial)
31. Were you willing and committed when joining the business considering it was your first job?
32. Has these values protected you and the business through hard times, ie have they benefitted you and the business? (Discuss through reflection whether upbringing has protected the successor and the business)

#### *Future Successors*

33. With your own children, would you handle strategies differently? (Bearing in mind your own experiences)