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A family affair: A quantitative analysis of third-generation successors' intentions to continue the family business

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# A Family Affair: A Quantitative Analysis of Third-Generation Successors' Intentions to Continue the Family Business

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**Abstract.** Family businesses face a succession crisis where only 13% survive until the third generation (Lee-Chua, 2014). While there is sufficient literature on family business succession planning, research on the motivations behind next-generation engagement in family firms, especially for third-generation successors, is limited (Garcia, Sharma, De Massis, Wright & Scholes, 2018). Thus, the present study tested the model of Garcia et al. (2018) where perceived parental support and psychological control predict nextgeneration engagement, with family business self-efficacy and commitment to family business mediating this relationship. 118 third-generation successors were surveyed using established and newly developed scales based on previous literature. Mediation analysis showed that normative commitment partially mediated verbal encouragement and next-generation engagement, while affective commitment fully mediated parental psychological control and next-generation engagement. Results were also compared against 124 second-generation successors, revealing that there were no significant differences between generations. Combining these two datasets led to a new conceptual framework, where normative commitment partially mediated verbal encouragement and next-generation engagement, while affective commitment partially mediated parental psychological control and next-generation engagement. The results of the study can contribute to the enrichment of family business literature, particularly on the factors that influence the intentions of third-generation successors, and to the creation of effective succession plans.

**Keywords:** family business, third-generation successor, perceived parental support, perceived psychological control, family business self-efficacy, commitment to family business, next-generation engagement

#### Introduction

Family businesses are globally relevant socially and economically (Zellweger, Sieger & Halter, 2010) as they encompass two-thirds of the world's businesses (Go, 2018) and generate an estimated 70-90% of global gross development product (GDP) (Lee-Chua, 2014). In 2012, family businesses created 50%-80% of jobs worldwide (European Family Businesses, 2012).

Due to having invested family capital in the business, family businesses care about their long-term prospects that impact the family's future well-being (Williams Jr., Pieper, Kellermanns & Astrachan, 2018). Thus, family business succession is important. Despite this, only 13% of family businesses survive until the third generation (Lee-Chua, 2014). To circumvent this, some family businesses would employ the use of succession planning (Griffeth, Allen & Barrett, 2006). While cultures and priorities differ, there is a consensus that an effective succession plan entails considering the values, traditions, and dynamics of the family (Eggleton, 2016; Harland, 2018).

Thus, there is a need to understand the factors that contribute to an effective succession plan and transition, particularly on next-generation members and their career goals. Research (Garcia, Sharma, De Massis, Wright & Scholes, 2018) shows that successors have little intention to enter the family business, highlighting a lack of understanding on the next-generation members' thought processes. Despite this, studies on factors that contribute to next-generation engagement in the family business are scarce,

as family business literature is more focused on incumbents, succession processes and outcomes (De Massis, Sieger, Chua & Vismara, 2016). Studies concerning third-generation successors are even more limited.

From family business literature, family relationships are found to strongly predict intra-family succession (Sharma, Chrisman & Chua, 2003). For example, perceived family obligation increases likelihood for successors to enter the family business (Dawson, Irving, Sharma, Chirico & Marcus, 2014). Core to the family is the parents, their behavior and parenting style (Garcia et al., 2018). Studies have looked at parents grooming their potential successors from the founder's perspective (McNullen & Warnick, 2015), but little is known about the successor's perspective (Garcia et al., 2018). Studies have shown that while successors may feel confident of their abilities (Sieger et al., as cited in Garcia et al., 2018), they may not choose to engage in the family business for fear of losing their autonomy (Zellweger et al., 2010). Given this, there is merit in inspecting how parental behaviors influence next-generation's engagement in the family business.

Garcia et al. (2018) proposed a model that linked perceived parental support and parental psychological control to next-generation engagement through the mediating variables of self-efficacy and commitment. This model has not been empirically tested, which then becomes the objective of the present study. The model pertains to the next-generation as the second generation, but it can be assumed to be applicable to third-generation members as well. Given the alarming rates at which family businesses are transferred to the third generation, the third generation will be the focus of the study (Lee-Chua, 2014; Schooley, 2004; Cruz, 2019).

#### 1.0 Review of Related Literature

#### 1.1 Perceived Parental Behaviors

There are two dimensions wherein parental behaviors are linked with a child's optimal functioning and well-being that affect career choice: parental support and parental control (Barber, as cited in Garcia et al., 2018). Parental control is further classified into behavioral and psychological, with parental psychological control as the focus of the Garcia et al. study (2018). These behaviors were not assessed in terms of presence but based on the child's perception (Garcia et al., 2018). Such frame is aligned with Bandura's idea that behavior is guided by cognitive appraisal processes, and that people actively interpret their contextual outputs (as cited in Lent, Brown & Hackett, 1994).

# 1.1.1 Parental Support

McMullen and Warnick (2015) explained that parental support is characterized by parents' expressions of acceptance, warmth, and responsiveness toward their children, and this support contributes to a child's normal development. These can be expressed through praising, encouraging, and physical affection (Barnes & Farrell, 1992).

Parental support is associated with positive outcomes in career development. In family business succession planning, parental support can be deemed inappropriate or unethical because parents deliberately direct their children towards the family business instead of letting their career interests develop autonomously (Kaye, as cited in Garcia et al., 2012).

## 1.1.2 Parental Psychological Control

Parental psychological control is the parent's excessive restriction by manipulating emotions, limiting interactions, and invalidating feelings and/or choices that encroaches a child's sense of self (Barber et al., as cited in Garcia et al., 2018). It appeals to pride and guilt, and involves expressing disappointment, withdrawal of love, isolation, and shaming (Barber, 1996), harming adolescent differentiation and causing internalized problems (Bean, as cited in Garcia et al., 2018). In terms of succession planning, Garcia-Alvarez and Lopez-Sintas (as cited in Garcia et al., 2018) claimed that this behavior is motivated by parents' desire to have their child follow their footsteps.

#### 1.2 Next-Generation Attributes

Garcia et al. (2018) posited that next-generation engagement in family firms is predicted by two attributes: family business self-efficacy and commitment to the family business, which are affected by parental behavior.

# 1.2.1 Family Business Self-Efficacy

Bandura defined self-efficacy as the belief that one can perform a behavior and arrive at the desired outcome (Zellweger et al., 2010). High self-efficacy means being persistent and resilient in achieving goals despite the presence of stressors (Bandura, as cited in Zellweger et al., 2010). Self-efficacy also determines the activities a person will choose and the expended effort, thought patterns and emotional reactions resulting from challenges (Lent et al., 1994), since people are more likely to engage in a task they feel they can perform well in (Lent et al., 1994).

Family business self-efficacy pertains to successors' beliefs in successfully managing the family business (Garcia et al., 2018). This differs from other career-related self-efficacy because succeeding a family business requires a unique set of skills and capabilities (Chrisman, Chua & Sharma, 1998). This idea is aligned with Bandura's (1986) recommendation of creating domain-specific self-efficacy scales to properly assess the variable.

## 1.2.2 Commitment to the Family Business

Meyer et al. defined commitment as a "psychological state that compels an individual toward a course of action" (as cited in Garcia et al., 2018). In the family business setting,

there are four types of commitment that spur career intention: affective, normative, calculative and imperative (Wennberg, Bau, Hellerstedt & Nordqvist, 2013). Affective commitment concerns the successor's emotional attachment to the family business because he/she shares the same values as the business and feels he/she can significantly contribute to it (Wennberg et al., 2013). Normative commitment refers to feelings of obligation for the successor to join the business out of loyalty and preservation of family heritage (Wennberg et al., 2013). Calculative commitment is a result of the successor's desire for the wealth he/she thinks the family business can provide, while imperative commitment comes from risks of non-engagement such as lack of opportunities and unemployment (Wennberg et al., 2013). In Garcia et al. model (2018), calculative and imperative commitment are subsumed under continuance commitment, or the costs related to engagement or non-engagement.

Commitment to the family business is defined as the state of mind that compels a next-generation successor to manage the family business (Garcia et al., 2018), which is different from commitment to the family. Commitment to family business typically leads to engagement in the family firm, but commitment to family may lead to non-engagement to avoid family conflicts (Garcia et al., 2018). Other studies also showed that commitment to business is a top attribute of good successors and is key to the firm's survival (Chrisman et al., 1998; Dawson, Sharma, Irving, Marcus & Chirico, 2015).

# 1.3 Next-Generation Engagement in Family Firms

Citing Bandura, Lent et al. (1994, p.85) defined a goal as the "determination to engage in a particular activity or to effect a particular future outcome." Using this definition, goals become synonymous with intention (Lent et al., 1994). Therefore, children can organize, guide and sustain a behavior by setting goals with the help of their parents, which can lead to the desired outcome (Lent et al., 1994). Career-related goals or intentions are substantially influenced by family experiences, interests, financial issues and personal incapability (Bronfenbrenner, as cited in Zellweger et al., 2010). Therefore, the experiences and psychological impact parents have on their children can lead to desirable or undesirable outcomes in succession planning.

In the context of succession planning, the desired outcome would be third-generation successors choosing to run the family business in the future. Applying this to Garcia et al. model (2018), next-generation engagement in family firms refers to the successor's intention to lead the family business (Zellweger et al., as cited in Garcia et al., 2018).

# 2.0 Framework and Hypotheses

Drawing from Bandura's social cognitive theory (SCT), Lent et al. (1994) introduced the social cognitive career theory (SCCT), an extension of the SCT focused on career

development. Building on SCT, SCCT and other studies on career development, Garcia et al. (2018) applied constructs of these theories onto next-generation engagement in family business. They proposed that parental support and psychological control affect next-generation engagement in family firms through family business self-efficacy and commitment to family business (Garcia et al., 2018). Their specific claims served as the study's hypotheses; this framework was tested on third-generation successors. Figure 1 illustrates this framework.

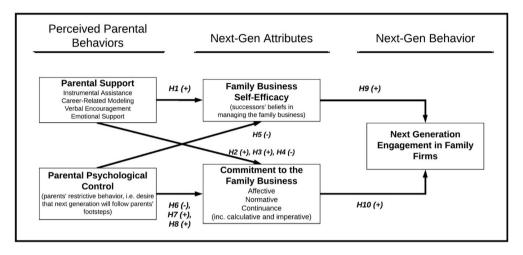


FIGURE 1. Garcia et al. model (2018) of next-generation engagement in family firms

Source: Garcia et al. (2018), p.3

Previous literature indicated that self-efficacy can be increased by four types of parental support: instrumental assistance, career-related modeling, verbal encouragement and emotional support (Garcia et al., 2018; Turner & Lapan, 2002). In the family business context, instrumental assistance or assistance in their children's career-related skill development can be through providing formal education, internship, and other activities for professional development (Zhao et al., as cited in Garcia et al., 2018). Career-related modeling or learning via observational learning can increase family business self-efficacy when successors view their parents as successful role models (Zellweger et al., as cited in Garcia et al., 2018). Verbal encouragement or realistic performance feedback from trusted others can develop the successor's interest in joining the family firm (Handler, as cited in Garcia et al., 2018). Finally, emotional support or "influencing children's affective reactions toward participation in the family business" (Garcia et al., 2018, p.6) can help successors manage negative emotions such as fear and anxiety and increase their family business self-efficacy (Dunn; Zellweger; Zellweger & Dehlen, as cited in Garcia et al., 2018). From this, the researchers hypothesized that:

*H1:* All four dimensions of perceived parental support have a statistically significant positive influence on family business self-efficacy.

Parental support can also increase affective and normative commitment but decrease continual commitment. For affective commitment, successors may feel the needs, goals and values of their identity are aligned with the family business, thus developing belongingness and pride toward the business (Dawson et al., 2015; Garcia et al., 2018). For normative commitment, successors may feel obligated to their parents due to the concern they have shown regarding their career development and well-being and will, therefore, join the family firm (Garcia et al., 2018). Conversely, for continuance commitment, successors may feel that not joining the family business can result in higher social or financial costs, leading them to engage with the family firm (Garcia et al., 2012). However, parental support should have reduced any feelings of entrapment due to continuance commitment (Garcia et al., 2012). Given these, the researchers hypothesized that:

*H2:* All four dimensions of perceived parental support have a statistically significant positive influence on affective commitment to family business.

*H3:* All four dimensions of perceived parental support have a statistically significant positive influence on normative commitment to family business.

*H4:* All four dimensions of perceived parental support have a statistically significant negative influence on continuance commitment to family business.

Perceived parental psychological control was posited to lead to the decrease of self-efficacy and affective commitment (Garcia et al., 2018). Because parental control can interfere with individualization and restrict decision-making and autonomy, the successor may find himself/herself with fewer opportunities to explore the self and the environment, both of which are needed for greater levels of self-efficacy (Garcia et al., 2012). For business self-efficacy, such parental behavior can inhibit personal standards and competence from developing and lead successors to simply be parent-pleasers (Bandura, 1986; Givertz & Segrin, as cited in Garcia et al., 2018). Moreover, parental psychological control can lead to successors experiencing unfair treatment and devalued contributions, resulting in reduced affective commitment (Garcia et al., 2018). Following this, the researchers hypothesized that:

*H5:* Perceived parental psychological control has a statistically significant negative influence on family business self-efficacy.

*H6:* Perceived parental psychological control has a statistically significant negative influence on affective commitment to family business.

Conversely, perceived parental psychological control may lead to the increase of normative and continuance commitment. For normative commitment, parental con-

trol can reinforce feelings of obligation (Dawson et al., 2015), while for continuance commitment, controlling parents can limit choices and autonomy, highlight risks, and provide financial incentives, all of which make joining the family firm the less costly decision (Dawson et al., 2015; Nicholson, as cited in Garcia et al., 2018). Given this, the researchers hypothesized that:

*H7:* Perceived parental psychological control has a statistically significant positive influence on normative commitment to family business.

*H8*: Perceived parental psychological control has a statistically significant positive influence on continuance commitment to family business.

Finally, next-generation engagement in family firms can be influenced by family business self-efficacy and commitment to family business. According to Bandura (1986), it is likely for individuals to engage in tasks where they feel they have high levels of self-efficacy. Similarly, individuals who feel emotionally attached and obligated to an organization -- in this case, the family business, are more likely to engage (Dawson et al., 2015). As such, the researchers hypothesized that:

*H9:* Family business self-efficacy has a statistically significant positive influence on next-generation engagement in family firms.

H10: Affective, normative and continuance commitment have a statistically significant positive influence on next-generation engagement in family firms.

#### 3.0 Methods

## 3.1 Design and Participants

Correlational research was performed, and Garcia et al. theory (2018) was empirically tested through a mediation analysis. Surveys were distributed and administered online using Google Forms, and participants were gathered via criterion and snowball sampling.

The study collected responses from 118 Filipino third-generation successors (52 males, 66 females), which means that any of their grandparents had founded a business, and their parents are currently managing the business. Ages ranged from 18 to 28.

To strengthen results for this study, 124 Filipino second-generation successors (46 males, 78 females) were surveyed to compare against the third-generation successors and determine any significant findings exclusive to them. Ages ranged from 18 to 29.

According to Daniel Soper's (2019) A-priori sample size calculator for multiple regression, the minimum required sample size was 118. This calculator accounted for the anticipated effect size (i.e., 0.15), desired statistical power level (i.e., 0.8), number of predictors (i.e., 10), and the probability level (i.e., 0.05), and was based on the works of Abramowitz and Stegun (1965), Cohen (1988), and Cohen, Cohen, West and Aiken (2003).

#### 3.2 Instruments

Perceived parental support was measured using Career-Related Parent Support Scale developed by Turner, Alliman-Brissett, Lapan, Udipi and Ergun (2003), a 27-item scale assessing educational and vocational development of adolescents, as recommended by Garcia et al. (2018). It was divided into four subscales representing the four sources of Bandura's self-efficacy information (Turner et al., 2003); each source was treated as a separate variable in the data analysis. In the final questionnaire, the questions from the four subscales were mixed, and questions were made specific to family business.

Perceived parental psychological control was measured using Barber's (1996) Psychological Control Scale -- Youth Self-Report (PCS-YSR), as recommended by Garcia et al. (2018). The scale had eight items.

Bandura (2006) advised that self-efficacy scales must be domain specific. Because there is no existing family business domain-specific scale, the study used DeNoble, Ehrlich and Singh (2007)'s framework to construct the scale items. The eight items were then phrased using Cunningham, Doherty and Gregg's (2007) format, which obtained a Cronbach's Alpha of 0.86.

Commitment to family business was measured using Allen and Meyer's measures for the three bases of commitment, as revised by Dawson et al. (2015), wherein the term "organization" was replaced with "family business." It is a 19-item scale that assessed affective, normative, and continuance commitment. These three bases were treated as separate variables in the data analysis.

Next-generation engagement in family firms was measured using items developed for this study. These four items were formatted based on the operationalization of intention as "the extent to which one intended to, tried to, and planned to conduct a certain behavior" (Hagger, Chatzisarantis & Biddle, as cited by Cunningham, Bruening, Sartore, Sagas & Fink, 2005, p.128). Cunningham et al. applied this to their own study on entering the sport/leisure industry and was able to obtain a Cronbach's Alpha of 0.91.

To assess the reliability of the research instruments, a pre-test with a sample of 31 respondents was conducted. Cronbach Alpha results for each instrument garnered a score of at least 0.7, indicating acceptable internal consistency. Following data collection, the means, standard deviations and Cronbach's alpha of each instrument are outlined in Table 1. All measures obtained a Cronbach's alpha of at least 0.65, indicating consistent and reliable data.

The main analysis was a mediation analysis conducted using jamovi Advanced Mediation Models (Field, 2013). Through this program, the path models and their interactions were obtained, as well as simple mediational effects and estimates of which mediation model is more probable (jAMM, n.d.).

TABLE 1. Mean, Standard Deviation, Cronbach's Alpha, Correlation Matrix for Survey Results

Measures	Mean			Standard Deviation			Cronbach's Alpha			Pear-	
	2G	3G	Total	2G	3G	Total	2G	3G	Total	son's R	p-value
Parental Support:											
Instrumental Assistance	3.13	3.19	3.16	0.790	0.770	0.78	0.733	0.735	0.861	0.499	< 0.001
Career-Related Modeling	4.22	4.12	4.16	0.782	0.780	0.79	0.854	0.851	0.875	0.335	< 0.001
Verbal Encouragement	2.98	3.04	3.00	1.14	1.17	1.16	0.905	0.918	0.854	0.609	< 0.001
Emotional Support	2.96	2.98	2.97	0.990	0.984	0.98	0.853	0.868	0.854	0.575	< 0.001
Parental Psychological Control	1.78	1.68	1.73	0.536	0.491	0.51	0.827	0.811	0.887	-0.204	< 0.001
Family Business Self-Efficacy	5.02	5.04	5.02	1.10	1.08	1.10	0.880	0.875	0.882	0.330	< 0.001
Commitment to the Family Business:											
Affective Commitment	3.06	3.08	3.06	1.01	0.885	0.95	0.765	0.672	0.865	0.655	< 0.001
Normative Commitment	3.06	3.08	3.07	0.952	0.959	0.96	0.817	0.824	0.854	0.768	< 0.001
Continuance Commitment	2.52	2.51	2.52	1.05	0.919	0.98	0.914	0.892	0.863	0.573	< 0.001
Next-Gener- ation Engage- ment in Family Firms	3.73	3.75	3.75	1.71	1.48	1.61	0.901	0.867	0.86	-	-

#### 4.0 Results and Discussion

A correlation matrix was obtained, presented in Table 1 as well. All variables were correlated to each other. Normative commitment was most correlated with next-generation engagement at 0.768, while parental psychological control was least correlated with next-generation engagement at -0.204. While all variables are correlated to each other, not all relationships are significant. For this study, effects are considered significant if *p*-value < 0.05, and all values in the confidence interval belong to the same side of zero (positive or negative).

For third-generation successors, there were only two significant mediating relationships. With 95% C.I. [0.15769, 0.54153] and p < 0.001, normative commitment positively mediated the relationship between verbal encouragement and next-generation engagement in family firms. Since verbal encouragement had a total effect of p < 0.001 and 95% C.I. [0.24944, 0.69707], and a direct effect of p = 0.014 and 95% C.I.

[0.07503, 0.6595] on next-generation engagement, this relationship was a partial mediation. Given that, one can assume that parents' praise, recognition and performance feedback towards their children contributed directly to their children's intentions to continue the family business, an effect seen in Handler (1990), where leadership interest in the family business was formed due to parental encouragement. Beyond that, verbal encouragement reinforced one's sense of obligation towards the family business, which leads to increased interest in joining the family firm.

With a 95% C.I. [-0.35599, -0.04985] and p = 0.009, affective commitment negatively mediated the relationship between parental psychological control and next-generation engagement. Since parental psychological control had no significant effect (95% C.I. [-0.38115, 0.32566], p = 0.878) on next-generation engagement, this relationship was a full mediation. This means that parental psychological control reduced one's intention to join the business only when controlling and manipulative behaviors from parents have led to negative feelings toward the family business. This was supported by Bean, Barber and Crane (2006), who found that such psychological control contributes to internalized problems such as depression and anxiety, which can impact affective commitment. Withdrawal and rebellious behaviors resulting from parental psychological control can negatively influence affective commitment, too. A lack of emotional attachment to the family business can then decrease intentions to join the business.

Beyond mediation, some of the constructs were significantly related to each other. Career-related modeling (95% C.I. [0.14035, 0.66259], p = 0.003) had a positive and significant effect on family business self-efficacy. As Garcia et al. (2018) reasoned, individuals who grew up observing their parents achieve positive outcomes through the family business were inclined to think that the same will apply to them if they follow their parents' example. This then built their confidence in being able to continue the family business.

Meanwhile, verbal encouragement had a positive and significant effect on continuance commitment (95% C.I. [0.20881, 0.61954], p < 0.001). This finding contradicted the hypothesis of Garcia et al. (2018) that parental support was either unrelated or negatively related to continuance commitment. However, this can be explained by how contingent reward in the form of verbal encouragement can increase one's investment or need to stay in the family business (Bycio, Hackett & Allen, 1995). Furthermore, it was possible that third-generation successors view parents' verbal encouragement as sufficient reward, which was why they were more likely to be invested in the family firm (Rafferty & Griffin, 2004).

Furthermore, parental psychological control (95% C.I. [-1.02838, -0.29052], p < 0.001) had a negative and significant effect on family business self-efficacy. As Garcia et al. (2012) explained, unwanted parental control can hinder the self-development and decision-making capacity of the child. Due to high reliance on their parents, children can become parent-pleasers without the ability to form personal standards and learn from failure (Garcia et al., 2018). As such, the more control the parents exert on their

child, the more reliant the child becomes on his/her parents, and the less likely the child will be able to think for himself/herself and develop the needed skills and competencies to continue the family business.

Lastly, there was surprisingly a lack of evidence on the significance of family business self-efficacy's effect on next-generation engagement (95% C.I. [-0.01712, 0.29221], p = 0.081). Although self-efficacy may contribute to next-generation engagement, the effects of other factors were more salient. While Bandura (1986) and Lent et al. (1994) hypothesized otherwise, Johnson, Stone and Phillips (2008) found that despite having high levels of self-efficacy in the field, very few African Americans chose to pursue a career in information technology (IT). Zellweger et al. (2010) also found that family business successors may choose against joining the family firm for fear of losing their autonomy regardless of self-efficacy. However, lack of evidence may be due to inadequate sample size since the obtained p-value was 0.081, which can still be considered significant to a certain degree.

While results showed that family business self-efficacy does not have a strong effect on next-generation engagement, further analysis revealed this effect or the lack thereof was more apparent in males, rather than females. In females, intention to join the family business was increased by family business self-efficacy, while in males, such self-efficacy was not as relevant. This finding is supported by several works that studied gender differences in the family business context. According to Griffeth et al. (2006) and Ahrens, Landmann and Woywode (2015), families preferred male successors over female successors despite female successors being more capable than their male counterparts. Respondents may be aware of this preference, and this awareness is reflected in the factors that contribute to their joining the family business.

To make results more robust and determine any relationships exclusive to third-generation successors, the results of the second-generation successors were analyzed and compared to those of the third-generation successors. To determine the differences between generations, the datasets underwent a GLM mediation analysis where the mediation p-values were compared. The analysis revealed that emotional support and parental psychological control had significant effects on next-generation engagement for second-generation successors only, but the same cannot be said for third-generation successors.

However, a second layer of analysis by using tags to filter generation revealed that even these differences were not significant after all. Davis and Harveston (1998) claimed the lack of difference was because the family business is rooted in family, so its presence and influence remained largely consistent across generations. Moreover, Parks and Roberton (2008) claimed that individuals belonging to a particular age group are influenced by certain significant societal events that can influence their attitudes for the rest of their lives. As such, although the generation within the family may be different, the factors that contribute to second- and third-generation successors' intentions to join the family business may be similar since they belong to the same age group and grew up exposed to similar societal events and trends.

Because there were no significant differences between the second- and third-generation successors, it was possible to combine the datasets from both generations into one dataset. Another mediation analysis was conducted to reveal a new conceptual framework, which is illustrated in Figure 2.

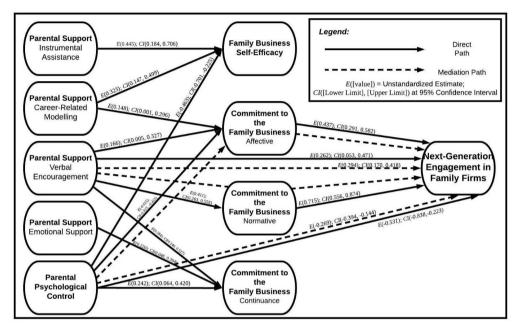


FIGURE 2. Diagram of New Conceptual Framework

Normative commitment positively mediated the relationship between verbal encouragement and next-generation engagement in family firms (95% C.I. [0.170, 0.418], p < 0.001). Since verbal encouragement had a total effect (95% C.I. [0.395, 0.891], p < 0.001) and a direct effect (95% C.I. [0.053, 0.471], p = 0.014) on next-generation engagement, this relationship was a partial mediation. Additionally, affective commitment negatively mediated the relationship between parental psychological control and next-generation engagement (95% C.I. [-0.394, -0.144], p < 0.001). Since parental psychological control had a total effect on next-generation engagement (95% C.I. [-0.838, -0.223], p < 0.001), this relationship was also a partial mediation.

According to Bean et al. (2006), parental psychological control can lead to delinquent behaviors in children. In this case, the children rebelled against their parents' wishes for them to continue the family business, resulting in decreased intention to join the business in the future.

Findings that only surfaced from this aggregate analysis are the significant effects of career-related modeling (95% C.I. [0.001, 0.296], p = 0.049) and verbal encouragement (95% C.I. [0.005, 0.327], p = 0.044) on affective commitment. Dawson et al.

(2015) explained that career-related modeling may be viewed as a form of apprentice-ship, which can socialize successors to the goals and values of the business. Moreover, verbal encouragement may be perceived as a reflection of their parents' trust, thus increasing their attachment to the business (Garcia et al., 2018). This may mean that career-related modeling and verbal encouragement can overcome the lack of feelings of ownership discussed in the earlier sections.

It was likely that lack of evidence supporting the significance of these relationships in the first two iterations of data analysis was due to inadequate sample size. As such, when data from both generations were combined, these two relationships became significant, highlighting the importance of large sample sizes.

Furthermore, affective and normative commitment had significant influence on next-generation engagement, while family business self-efficacy and continuance commitment had weak influence. It can be noted that affective and normative commitment were rooted on emotions and feelings, while the other two were more rational by nature. Because of that, it was reasonable to assume that successors decide on their family business career intentions based on emotional rather than rational thinking. This insight was supported by Meyer, Stanley, Herscovitch and Topolnytsky (2002), who found that while continuance commitment had the weakest influence on turnover intentions, affective commitment had the strongest influence. Moreover, Murtagh, Lopes and Lyons (2011) found that the decision-making processes behind women changing careers were rooted in positive emotions rather than a systematic approach.

Family business self-efficacy, a personal factor in SCT, lacked strong statistical evidence in directly influencing a successor's intention to join the family business. This seems to contradict a priori expectations of theories. As this study showed, it seems probable that factors other than self-efficacy are more salient when it concerns intentions to succeed the family business, indicating that the SCCT and Garcia et al. (2018) model are only applicable to certain career intentions. Perhaps a more focused theory on family business career intentions can be further developed and tested, taking into consideration the unique context of different emerging economies.

On the other hand, parental behavior and commitment influenced by this behavior, an environmental influence in SCT, does strongly affect one's intentions. From this, we can say that for the act of engaging in the family business, the environment seems to affect intentions -- and possibly behavior, more than personal factors do. Furthermore, the study's results came from a sample raised in a collectivist society (Hofstede Insights, n.d.), wherein parents have great influence on their children's decisions. It is socially acceptable for children to obey their parents and consider their expectations when it comes to their career aspirations and actions (Sawitri, Creed & Zimmer-Gembeck, 2014). This is supported by studies that show career choice in collectivist cultures was directedly associated with parental involvement but not personal interests (Sawitri et al., 2014). In contrast, a similar study using Finnish participants, who are raised in an individualist society (Hofstede Insights, n.d.), showed that affective commitment

predicted primarily by identity alignment and career interest had strong statistical evidence of affecting career intentions, while normative commitment predicted by family expectations and orientation lacked statistical support (Rautamaki & Romer-Paakkanen, 2016).

These differences indicate that other environmental influences such as culture and sociostructural considerations (Lent et al., 1994) also affect family business intentions, widening the scope of Garcia et al. model (2018) and supporting the proximal and background environmental influences posited in the SCCT. For the latter theory, it could even be that such environmental influences play a larger role than originally hypothesized. This has a significant implication in the way family business succession is viewed in collectivist emerging economies; theories originating from western perspectives should be adapted, if not thoroughly revised, to consider cultural differences.

Regardless of dissimilarities with the theoretical framework, the study still affirmed that characteristics of the individuals influence family business succession (LeBreton-Miller et al., as cited in Garcia et al., 2018), and complement existing research of the incumbents' role in the succession process (De Massis et al., as cited in Garcia et al., 2018) and the factors that determine an incumbent's decision to succeed the business (Zellweger et al., as cited in Garcia et al., 2018). As such, the study provided a more holistic understanding of the succession process and its elements. The methodological limitation of this study, however, was its inability to measure the feedback loop or the bi-directionality of its constructs, which is the unique aspect of SCT and SCCT. Because the tested model was scoped to only include intention, this current iteration of the study was not able to examine if the behavior has a feedback loop with personal and environmental factors.

The study results also raise ethical questions on the extent of parental influence on career intentions. Since the successor's career intention is associated with the family business which the parents are inextricably linked to, it is possible that parents are motivated not only by their children's welfare but also by their own vested interests. Thus, researchers and practitioners should examine whether a successor's career intention, in an ethical perspective, must be allowed to develop independent of parental involvement (Garcia et al., 2018). To a certain degree, this study's participants provide hints to this ethical question. On a consequentialist perspective, respondents-perceived parental control and parental manipulation has been found unwelcome and can produce results opposite to what the parents had intended. From a socially-oriented perspective, another consideration is to examine whether such high level of involvement is socially acceptable given the norm of collectivist cultures. Furthermore, from a self-determination perspective, it can be argued that an individual should be free to pursue one's career without being forced by other stakeholders. These theoretical implications provide numerous areas for further study.

#### Conclusion and Recommendations

From the study's results, parental encouragement can increase intentions to join the family business, an effect mediated by one's sense of obligation to the business. Conversely, parental control and manipulation may decrease intentions to join the business. Moreover, having parents as career role models and having parents use psychological control tactics can significantly affect the successors' confidence in their abilities to join the family business. However, confidence in ability had no significant effect on their intentions to join the business.

These results illustrated that only certain dimensions of perceived parental support and commitment can directly affect the successors' intentions to join the family business, which meant that research on this field should be more focused and specific. Overall, the model of Garcia et al. (2018) was partially confirmed and can apply to both second- and third-generation successors. Moving forward, researchers may further test the modified conceptual framework.

## **Management Implications**

Results can be used to create effective and actionable succession plans for the family business to ensure longevity and sustainability. Part of the plan can be to introduce the successors to the business early, exposing them to opportunities in line with the business, highlighting the principles, values and impact of the business, and the opportunities within the business (Harland, 2018). However, aware of the inherent power dynamics between the parent-owner or incumbent and the potential child-successor, the succession plan should retain respect for the self-determination of the said potential successor. Such succession plans should merely present the family business as a viable career option, and the exposure has to be void of manipulation or the perception thereof.

These initiatives build on the successors' affective commitment and encouragement to join the family business as a possible career option. It may also be effective to emphasize the benefits of the family business toward the successor, the family and even society to reinforce normative commitment, and instill in the successor a sense of obligation to continue the business in the future.

Furthermore, parenting styles can be adjusted based on the study's results. Parents can take care to provide their children with more verbal encouragement through praises, recognition and realistic feedback directed to the talents and capabilities of the child and share how these can be developed by joining the family business. Such parental support will not only directly affect their intention to continue the business, but it would also reinforce the child's sense of gratitude and responsibility toward the business. This can also foster the professional development of the successors. In addition, parents are advised to refrain from using psychological control tactics on their children. This means

that parents must allow their children to grow and develop on their own without manipulation on their part, and that parents must be less domineering and controlling.

#### Recommendations

To build on the existing study, it is recommended for future researchers to conduct a qualitative study on this topic for a deeper exploration of the framework and to effectively capture the nuances that cannot be observed in mere numbers. Moreover, the present study surveyed second-generation and third-generation successors who belong to the same age group. Future researchers can survey different generations who belong to different age groups to determine any significant differences between them. Furthermore, researchers may consider conducting a longitudinal study by following up on the present study's respondents and checking if they ultimately joined the family business, that is, if their intention matched their behavior. This can facilitate an assessment on how the feedback loop works for family business successors, resulting in a more accurate conceptual framework.

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