

ABSTRACT

The Family Business Succession Model: An Analysis of Factors Influencing Succession Planning in Family Businesses in Barbados

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Succession planning is a major problem within Small, Micro and Medium enterprises (Garg and Weele 2012). In seeking to address this problem, this thesis consists of three research topics. The first research topic examines the differences in succession planning and measures of performance between family and non-family businesses. A qualitative approach using the cross-sectional method is applied to obtain responses from 27 manufacturing family and non-family businesses. The findings suggested that non-family businesses have formal plans to a larger extent than family-owned businesses. The non-family businesses tend to plan as they deem it as important for the continuation of their business. However, family-owned businesses have informal plans and they tend to believe that this is adequate. The findings also indicated that family-owned businesses do not use quantitative measures as their prime measure of performance. Their performance is measured based on the ability to satisfy their family requirements and long-term survival of the business. For family-owned businesses, it is mainly about non-economic goals. The second research topic looks directly at the succession process in family-owned businesses. The research paper investigates the factors that influence the quality of succession planning in family-owned businesses in Barbados and the extent to which familiness impacts the process of leadership succession. The data was collected and analyzed from thirty-six family-owned businesses in Barbados, using a qualitative approach. Although all of the factors played a key role, the key factors were the presence of a succession plan, early planning, early successor involvement in the business, experience of previous successions and harmonious relationships between family members. The third research topic sought to examine the process of succession planning across generations at Goddard Enterprises Limited (GEL). The case study method is utilized for this research topic. The research found that many of the internal and intervening factors in the theoretical framework were evident in GEL and became more formalized over time. The findings indicate that GEL's governance processes became more formal as the business grew, succession became more structured, management became more professional, training became more formalized and more external candidates were employed. The thesis concludes that it is important for family-owned business owners to have an understanding of the factors that influence the succession process. The findings provide family business advisors with important insights for crafting recommendations for improving family business succession preparedness and to provide policy implications for business owners.

Keywords: Family businesses; Succession planning; Familiness; Performance