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University of Westminster

**ENTREPRENEURIAL LEARNING IN  
MULTIGENERATIONAL  
FAMILY BUSINESS SUCCESSION**

**ANYAMANEE CHERDCHAI**

This thesis submitted in partial fulfilment of the requirements for the degree of  
Doctor of Philosophy (PhD) of the University of Westminster

## Declaration

I hereby declare that this thesis entitled “Entrepreneurial learning in multigenerational family business succession”, has been composed entirely by myself with the purpose of being solely submitted for the degree of PhD in the University of Westminster. It embodies the result of my own work, and to the best of my knowledge, the material it contains has not previously published or written by other people(s) except where due reference has been made.

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Anyamanee Cherdchai

# ABSTRACT

The most significant challenge faced by family businesses is to survive and carry on the legacy from one generation to the next. Within the extant body of literature, little known as to how entrepreneurial learning process could potentially help in multigenerational family businesses to succeed. The main purpose of this study is to explore the role of entrepreneurial learning contributing to the multigenerational family business succession. This study illuminates the relationship between entrepreneurial learning processes that foster the succession of intergenerational transition of family enterprise. In addition, the concept of co-creation is introduced to this study in order to further investigate the family business succession based on social theories. Further investigation of how entrepreneurial learning process may differ across the family business life cycle, and how co-creation is the key driver to create and transfer knowledge and at each succession point.

A conceptual framework of entrepreneurial learning in multigenerational family business proposal are based on life cycle process theory, which comprised of three major succession stages: Pre-succession stage, Planning and Managing succession stage and Post-succession stage. These three approaches will provide the theoretical lens to the understanding of the succession in multigenerational family business.

To enhance the purpose of this research, Pragmatism has been chosen for this study. Thus, it allows the research to move beyond the conceptual constraint imposed by interpretivist, positivism and realism, and adopt the most effective way of analysing the research problem, outside of the philosophical debate. Not only the pragmatist focuses on whether a proposition fit a particular ontology, but also align with the purpose and enable solutions. In terms of research methodology, this study adopted qualitative approach to explore this phenomenon. Primary qualitative data will be collected from five families owned businesses through semi-structure in-depth interviews with the incumbent, successors and family members.

Due to the deductive and inductive nature of this study, data were harvested and thematically analysed by coding into pre-existing categories suggested by the conceptual framework, whereas new themes have been emerged from these data. The study highlights

the importance of exploring this phenomenon using successors as a unit of analysis, as opposed to the firm, in order to move the field forward. Future research should be testing the conceptual framework that emerged from this study in family business from other industries and context will lie within Asian culture countries.

In addition, research on the interception between entrepreneurial learning and family business succession still nascent in developing country context. Hence, Thailand has been selected as the preferred research geographical area. Since family business contributes play an important role in Thailand economy with an issue of decline in family business transition succession. This issue has led to further investigation in this region. This has implications for the competitions of firm overtime and largely consequence on growth, survival and innovation and the succession of generational transition.

In summary, the key finding shows that entrepreneurial learning is profound in family business succession process. Specifically, entrepreneurial learning activities derived from this research are demonstrated to be essential process in family business succession. Six fundamental entrepreneurial learning activities for multigenerational family business are discovered. By introducing a new concept such as co-creation into entrepreneurship and family business studies, it helps widen perspective in family business succession life cycle and process. Hence, this new concept will provide a powerful model to strengthen and support multigenerational family business transition in the future.

## Acknowledgements

This thesis submission is the conclusion of a very enriching chapter in my life and the beginning of another one. For the former, I am forever grateful to many people who contributed immensely for me to reach this milestone.

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# Chapter 1

## Introduction

### 1.1 Aim of the PhD thesis

This thesis is a contribution to the understanding of entrepreneurial learning in multigenerational family business succession. The aim is to introduce and examine the concept of intergenerational entrepreneurial learning in family business succession and to what extent does entrepreneurial learning process influence in family business succession.

There is a large stand of literature on entrepreneurship as well as on family business studied. However, literature on the interception of the two field is still nascent, whilst other areas within the family business research domain have received far more attention. In addition, this thesis also introduces the concept of co-creation in further uncover family business succession process from another angle. Hence there are the need to further discover the unknown and unexplored concerning to how entrepreneurial learning could help with family business succession process.

Furthermore, Gupta et al. (2008), acknowledge that previous studies have been predominantly conducted in developed countries, whilst research on this relationship developing countries remains minor. This thesis chooses to further explore this problem in Thailand where over 80% of businesses in Thailand are still family owned or controlled by family member with an impressive figure of approximately three-fourth of all businesses listed on the stock exchange of Thailand are family-run (Grant Thornton, 2019).

Therefore, this study may further knowledge and potentially help with family business succession in developing country such as Thailand and also under researched region (De-Massis, et al., 2012).

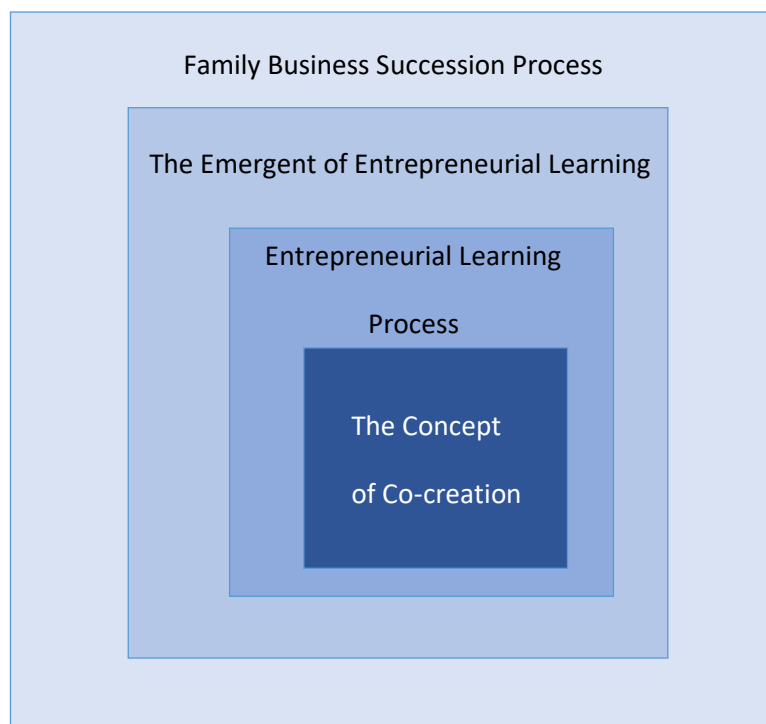
## 1.2 Aim of the Chapter

The aim of this introductory chapter is to explain the reason that made apparent the need for the writing of this thesis. In particular, it focuses on the important of entrepreneurial learning process toward family business succession. In addition, it also explains the extent to which concept of co-creation is valuable in family business succession process. Thus, the next section(Section1.3) review the motivation for this thesis. Section 1.4 and 1.5 explain research background and the context for this study. Lastly, in section 1.6 4-research objective that focus on this thesis is introduce.

### 1.3 Motivation

In recent years, there been growing number of scholar publication on entrepreneurship and family business studies in separate domains. Although extensive, the literature on family business succession especially the succession process, however, little research has been done in the intersection of both entrepreneurial learning process toward family business succession field (Nordqvist & Melin, 2010; Randerson et al, 2015). In this study, the concept of co-creation has been introduced and investigate as a tool to create value either on succession rate or innovation outcome. Figure1.1 illustrates the distinctive points that are of central importance in the motivation for writing the thesis. This also helps with positioning this research within the broad topic of entrepreneurial learning process.

Figure 1: Positioning of the thesis



Source: Current thesis

## 1.4 Background to the Study

'Succession' of the leadership in family business is considered one of the biggest challenges. It emerges as an important area of study because succession is one of the significant reason behind family the could lead to failure of the company (Benavides-Velasco et al., 2011; Zahra and Sharma, 2004). For both family businesses that are start-up and established firm have been recognised as a great contributor to the world's economy. They consider as a world predominant form of business worldwide generating employment and wealth creation (De-Massiss, 2013). On the other hand, these businesses are revealed as a complex system due to the interaction of three elements, the family, individual and the business (Eddleston et al., 2008). Recent decades have witnessed a great surge in family business research focusing on western's family firms rather than Asian family firm (Sharma 2004; Sharma and Chua, 2013). In fact, from the recent research scholar reported that 73% of family business research focuses in North American and European family corporate while, there still remains limited in family business research on Asian region (Trung Quang Dinh and Andres Calabro, 2019). In addition, 80% of the business operate in Thailand are still family owned business within an approximately three-fourth of all businesses listed on the stock exchange of Thailand are family-run (Grant Thornton, 2019). Therefore, it is important to fill this gap through further explore this family business context in Thailand.

Entrepreneurial learning is defined as the acquisition and development of the propensity, skills and abilities to found, to join or to grow a venture (Hamilton, 2011). Even though, there appears to be a consensus that entrepreneurship and family business studies are overlapping fields of interest (Zahra and Sharma, 2004), there has still lack in research investigation of entrepreneurial learning in the context of family business succession. In addition, scholar report that entrepreneurial learning in family business succession has not yet been explore (Hamilton, 2011; Rae and Wang 2015), thus this study has taken another slant in exploring the family business succession through introduce the concept of entrepreneurial learning theory and the emergent of concept of co-creation in helping with the succession process.



## 1.5 Research Context

One of the contribution of this study is to explore the phenomena of entrepreneurial learning practice in family business succession within a context where little is known, whereby it addresses several calls made by scholars in the field.

First of all, family business research have acknowledged that research in the field have been predominantly conducted in north America and European region (Bird et al., 2002; Gupta et al., 2008; Trung Quang Dinh and Andres Calabro, 2019). Hence, research in other geographical areas around the world are needed. In particular, researching in family business in developing countries raised attention as these corporation account for countries vital economics activities and functions related to entrepreneurship. In addition, Wright et al. (2005), have advised researchers that when extending theories and methodologies used in different counties must play extra cautions as the social political, culture and economic are contextual unique.

Family owned businesses in Thailand have dominated the business landscape diversify in every industrial sector with a combined wealth of more than 30 trillion bath and ranked seventh in Asia Pacific in 2018. Thailand family owned business are also a key driver of the economy and accounting for more than 80% of GDP while also contributing to society and developing talent (Bangkok post, 2018). One third of the family enterprise also listed on the stock exchange of Thailand (SET).

One of the most important in family business succession are the preparation of the next generation to become a successor and transition between generation smoothly. On the other hands, the authority and management power that the current leaders need to pass on to the next generation is still a problem in family businesses. Those challenges include emotional involvement, lack of training and preparation and unprofessional attitude. Most of Thai family owned firms adopt a succession plan with an unprofessional approach which

can lead to difficult when the transition time arrives. Therefore, with introduce the concept of entrepreneurial learning and co-creation can potentially solve those challenges.

## 1.6 Research Objective and Research Question

The objective of this thesis is to explore the relationship between entrepreneurial learning and intergenerational family business succession. Particularly, this thesis to be determine how and to what extent does entrepreneurial learning process influence on the family business succession. To fill the research gap and extend the previous research, the four main research question are emerged:

1. to explore the relationship between entrepreneurial learning and succession in family business
2. to examine the experiences of multigenerational family businesses and to explore how and what they might learn from each other
3. to identify how entrepreneurial knowledge, skills, and abilities are acquired, developed, and transferred throughout the family firm
4. to investigate how entrepreneurial learning could foster innovation in family firm

In addition, the overall objective of this study is to expand the understanding on how entrepreneurial learning process and practice influence family business succession process. Therefore, the overreaching research objective and research question are listed below:

1. How do entrepreneurial learning happen in the family business?
2. How entrepreneurial learning help shape the intention to pursue family business succession?
3. Where do co-creation happens Entrepreneurial learning process?
4. What is the relationship between entrepreneurial learning and co-creation?

## 1.7 Structure of the thesis

From the research objective and research question identified above, this thesis is structured as following:

First of all, in order to answer the research question, literature review is highlight on both entrepreneurial learning and family business literature. In addition, to implement a new concept such as co-creation into family business succession, a literature review on co-creation is also identify and further explain in the literature review chapter.

After all the literature view that point out, Chapter3 the theoretical framework is created base around the literature review and research question in order to achieve the research objective. This framework will then use in further structure the methodology for this study.

In Chapter 4 Methodology are explained with the research design and data collection process. Chapter 5, finding from within-case study are analysis from all the case study. Furthermore, cross-case analysis is use to examine the relationship across all the case study displayed in chapter 6. Conclusion and discussion are then finalised in the last chapter 7.

# Chapter 2

## Literature review

### 2.1 Chapter Outline

This chapter presents the main contextual background of the study starting by reviewing the theoretical foundation of the entrepreneurial learning, family business succession, and the interception of both fields. It begins with the foundation understanding of what is entrepreneurial learning and the importance of entrepreneurial learning in family business (section 2.2). Then the next section (section 2.3 and 2.4), is discussed on the family business succession issue focusing on the learning and co-creation aspect of the family business. Thirdly, the process theory is explained and justify to be the main theoretical background for studying both entrepreneurial learning and family business succession and frame the construct of theoretical framework of this study (section 2.5). Lastly research gap and research objective are identify as following in the section 2.6.

## 2.2 Entrepreneurial Learning

### 2.2.1 Overview of Entrepreneurial Learning

Researchers describe entrepreneurship as a complex process-based and multidimensional phenomenon. Past research has emphasised the importance of entrepreneurship in identifying the traits of successful entrepreneurs or the characteristic of their successful and fast growing new venture (Bhave, 1994; Etzkowitz & Klofsten, 2005). However, during the 1990s, there was a shift from the static meaning of entrepreneurship toward a more process-oriented view of entrepreneurship, and this has directed attention to understanding it as a continuous learning process (Minniti & Bygrave, 2001). As Minniti and Bygrave (2001) also stated, 'Entrepreneurship is a process of learning, and a theory of entrepreneurship requires a theory of learning.' Therefore, to understand the entrepreneurial process, it is important to define what entrepreneurial learning is and to grasp what and how entrepreneurs learn (David Rae & Wang, 2015).

Indeed, the concept of entrepreneurial learning is rooted in entrepreneurship theory. While the concept of entrepreneurial learning has a relatively recent history, the use of cognitive metaphors of learning and knowledge for conceptualising entrepreneurship and innovation can be traced further back to (Schumpeter, 1934). For example, Schumpeter defined the entrepreneurial function in terms of a dynamic process that has been developed by economic dynamic and evolutionary theories. With growing attention given to promoting entrepreneurship in the policy realm, research on entrepreneurship education and entrepreneurial learning is becoming increasingly relevant.

In the past decade, entrepreneurial learning research has grown and established certain characteristics. Initially, entrepreneurial learning has emerged as a promising area of research at the interface between learning and the entrepreneurial context (Harrison & Leitch, 2005). While the notion of learning is a difficult concept to define, it is understood that learning represents an ongoing process through which knowledge is acquired and generated and that through this process, changes in behaviour can be observed (Harrison & Leitch, 2005; Hergenhausen & Olson, 2005). Perhaps, most important is that this highlights learning as having been achieved only where it becomes or leads to some intention to behave in a modified way.

In contrast, (Kolb, 1984) viewed learning as an experiential process, which is defined as “a process whereby concepts are derived from and continuously modified by experience knowledge of the future”.

Previous research has drawn a wide range of theoretical insights regarding entrepreneurial learning in terms of experiential learning (Cope, Cave, & Eccles, 2004; D. Kolb, 1984; Minniti & Bygrave, 2001; Politis, 2005), organisational learning (Deakins & Freel, 1998; Harrison & Leitch, 2005; Wang, 2008) and social cognitive theory. In more recent studies, researchers have highlighted the role entrepreneurial learning plays in the educational context. For example, (David Rae, 2009) used case study to illustrate the importance of entrepreneurial learning in developing an enterprising culture in a university. Later, (Jones & Underwood, 2017) also stressed that entrepreneurial learning in education is important for students' propensity to have a positive attitude toward starting a new business. However, there is still scant research examining entrepreneurial learning in the context of family business. Although there appears to be a consensus that family business and entrepreneurship are important overlapping fields of interest (Shaker A Zahra & Sharma, 2004), yet it remains relatively undeveloped (Hamilton, 2014). However, first, it is important to provide a clear understanding of what is meant by entrepreneurial learning.

### 2.2.2 Concept of Entrepreneurial Learning

According to Cope (2005) and Minniti and Bygrave (2001), it is also important to note that the central issue of entrepreneurial learning is not only what entrepreneurs should do or learn during the process of exploring and exploiting an entrepreneurial opportunity in the creation of a new venture or management of existing firm, but, more specifically, it is important to understand the processes of learning that takes place. Nonetheless, much of the concept of entrepreneurial learning, which is mainly defined from the perspective of entrepreneurial theory and the cognitive paradigm, has dominated the study of learning. Table 1.1 displays the variety of definitions of entrepreneurial learning with different research contexts.

Table 1.1 Definition and Key feature of entrepreneurial learning

Author	Definition of Entrepreneurial learning	Key feature Entrepreneurial context	Contribution
<b>Politis (2005)</b>	"complex process where entrepreneurs transform experience into knowledge in disparate ways"	<ul style="list-style-type: none"> <li>- Transformation process</li> <li>- Experiential</li> </ul>	Dynamic framework of career, transformation & knowledge, distinguishing learning process & knowledge outcomes
<b>Cope (2003)</b>	<p>"learning experienced by entrepreneurs during the creation and development of a small enterprise, rather than a particular style or form of learning that could be described as entrepreneurial"</p> <p>"recognize the unique range of experiences, skill and abilities that shape the learning task of every prospective once they enter into the new venture creation process"</p>	<ul style="list-style-type: none"> <li>- Learning by doing</li> <li>- Three level of learning</li> <li>- Critical incident</li> <li>- Learning from failure</li> <li>- Individual learning (2000)</li> <li>- Experiential learning (2003)</li> <li>- A dynamic learning perspective of entrepreneurship (2005)</li> </ul>	Dynamic learning process with phases, processes & characteristics
<b>Kolb (1984)</b>	"experiential process in which entrepreneur develops knowledge and turns it into functional learning outcome"	<ul style="list-style-type: none"> <li>- Trial and error</li> <li>- Learning-by-doing</li> <li>- Experiential learning</li> </ul>	Acquisition and transformation experience in central of learning process.
<b>Minniti and Bygrave (2001)</b>	"how entrepreneurs accumulate and update knowledge"	<ul style="list-style-type: none"> <li>- Learning style</li> <li>- Experiential learning</li> <li>- Social theory</li> </ul>	Algorithmic model of entrepreneurial decision-making based on experience
<b>Corbett (2005)</b>	"a process of individual acquiring, assimilating of new knowledge from direct experience. This can be done through observing behaviour, action, consequence and how learning affects entrepreneurial action"	<ul style="list-style-type: none"> <li>- Learning from failure</li> <li>- Experiential learning</li> </ul>	Experiential Learning within the process of opportunity identification and exploitation
<b>David Rae and Carswell (2001)</b>	"learning to recognize and act on opportunities, and interacting socially to initiate, organize and manage ventures"	<ul style="list-style-type: none"> <li>- Personal theory (2000)</li> <li>- Social theory of learning (2005, 2006)</li> <li>- Experiential learning</li> <li>- Contextual learning</li> </ul>	Confidence & self-belief connect learning resources with achievement

A cognitive body of research on entrepreneurship is valuable in explaining how each individual's mental makeup is related to his or her ability to identify and exploit an entrepreneurial opportunity. For example, (David Rae, Gee, & Moon, 2009) educational case study defines entrepreneurial learning as learning to recognise and act on opportunities and interacting socially to initiate, organize, and manage ventures. This learning process has a double connotation of both learning to behave in, as well as learning through, an entrepreneurial way. Related research supports the hypothesis that creativity, cognition, and opportunity identification processes are correlated (Lichtenstein & Lumpkin, 2002; Y. Wang, Watkins, Harris, & Spicer, 2004). Together, this research suggests that there is a difference in knowledge stocks and the various manners in which each might process information related to opportunity identification (Shane & Venkataraman, 2000).

Beyond cognitivism, Kolb (1984) and Mumford (1995) developed experiential and social theories of entrepreneurial learning, which combine action, conceptualization, and social practice. Kolb (1984) stated that learning was experiential: "a process whereby concepts are derived from and continuously modified by experience ... an emergent process whose outcomes represent the only historical record, not knowledge of the future" (D. A. Kolb, 2014). This concept of "emergence" or continuous development is one that sits well with contemporary thought and "ideology" such as total quality management and organisational learning. Other researchers (D Rae & Carswell, 1999; Watson & Harris, 1999) have claimed that the notion of emergence can help us explore how people learn continually through changing, doing, experimenting, and redefining their sense of work in a whole-life process of development.

Based on Kolb's (1984) theory, entrepreneurial learning can be regarded as an experiential process in which the entrepreneur develops knowledge and turns it into a functional learning outcome. The outcome can be developed through four distinct learning abilities, namely, experience, reflecting, thinking, and acting (Birley, 1986). Similarly, Cope (2005) identified entrepreneurial learning as an experiential process where the entrepreneur learns from past experience, negotiations, and the relational process. Following the same ideas, Holcomb (2009) and Corbett (2005) assumed that entrepreneurial learning is the process of an individual acquiring and assimilating new knowledge from direct experience. This can be done through observing behaviour, action, and consequence and understanding how learning affects entrepreneurial action.



In a recent framework, Politis (2005) developed an entrepreneurial learning process framework, illustrating that entrepreneurial learning is a process that facilitates the development of necessary knowledge for being effective in starting up and managing a new venture. His study emphasised the important role of prior start-up experience as a source of learning in the entrepreneurial process in order for the entrepreneur to cope with liabilities of newness, preference for effectual reasoning, and attitudes toward failure (Politis, 2008).

From an experiential theorist point of view, entrepreneurial learning is a form of integrative approach that combines the construct of previous knowledge, perception, cognition, and experience. This means that the entrepreneurial learning process is where individuals continuously develop their entrepreneurial knowledge throughout their professional lives (Politis, 2005). Entrepreneurial learning can also be conceived as a lifelong learning process, where knowledge is continuously shaped and revised as new experiences occur (Sullivan, 2000).

From these definitions, we propose that there is a strong relationship between entrepreneurial process and learning. Research into entrepreneurial learning has focused on the following areas: opportunity, experience, knowledge, and social. These four key terms provide the scope of further research into entrepreneurial learning.

### 2.2.3 Cognitive Aspect of Entrepreneurial Learning

To date, the cognitive philosophies have dominated the literature on entrepreneurial learning. They provide an explanation of the underlying entrepreneurial behaviour (Kolb, 1984; Politis, 2005; Daimov, 2003; Rae, 2004; Shane, 2000). Therefore, it is important to understand what cognitive theory is. Young and Sexton (1997) highlighted the role of memory in defining effective entrepreneurial learning as a problem-solving process centred on the acquisition, storage, and use of entrepreneurial knowledge with long-term memory. A study by (Mitchell et al., 2002) suggested that entrepreneurial cognition is the knowledge structure that people use to make assessments, judgments, or decisions involving opportunities evaluation, venture creation, and growth. However, this theory has its limitations, as it focuses too much on the knowledge created rather than on learning and behaviour, and it ignores the contextual real life world of the people being studied. Therefore, the next section will explain another significant theory approach.

#### 2.2.3.1 Experiential Theory Approach

A central idea of experiential learning theory originated from Kolb's work in 1984, when he defined experiential learning as a cyclical process where individuals move back and forth between opposing modes of reflection vs. action and feeling vs. thinking (Kolb, 1984). Experiential theories study entrepreneurial learning as a process in which prior experience is transformed into entrepreneurial learning. This approach emphasizes the role of experience in the process of entrepreneurial knowledge production (Politis, 2005). Indeed, Kolb (1984) emphasized the role of learning-by-doing, which refers to two basic dimensions of experiential learning: acquisition, and transformation of experience. Kolb's (1984) models of experiential learning suggest that to develop effective learning, the entrepreneur has to develop knowledge through four distinctive learning abilities: experiencing, reflecting, thinking, and acting (Bailey, 1986). Such learning can produce new behaviour patterns, judgemental structures, and generative mechanisms for action (Holcomb, Ireland, Holmes Jr, & Hitt, 2009). More recently, Politis (2005) produced the conceptual framework of entrepreneurial learning as an experiential process, where the process of entrepreneurial learning is proposed to consist of three main components: entrepreneurs' career experiences, the transformation process, and entrepreneurial knowledge in terms of increased effectiveness in opportunity recognition and in coping with the liabilities of newness. In addition, O'Shea, Allen, Morse, O'Gorman, and Roche (2007) indicated that entrepreneurship can be taught or at least encouraged by entrepreneurship education. Later on, work by

(Henry, Hill, & Leitch, 2005) also suggested that entrepreneurship is perceived as behaviour patterns and can be influenced from an early age through experience, family education, or cultural imprinting. Based on Kolb's (1984) idea, Politis (2005) and Henry et al. (2005) confirmed that entrepreneurial learning is an experiential process in which knowledge is developed through experiencing, reflecting, thinking, and acting.

These factors will influence the development of the entrepreneurs' ability to discover and exploit entrepreneurial opportunities as well as coping with the traditional obstacles facing new ventures. The framework consequently suggests a need to draw a distinction between the events experienced by an entrepreneur and the knowledge thereby acquired when studying the process of entrepreneurial learning (Reuber, Dyke, & Fischer, 1990). Furthermore, effective entrepreneurial learning will take time through an individual learning journey, which then allows them to accumulate experience over time and transform those experiences into knowledge to assist in the decision-making process.

Experiential learning creates path-dependencies in which prior experience within a particular domain channels entrepreneurs' attention to those domains, making it more efficient to acquire and assess diagnostic cues and identify opportunities (Holcomb et al., 2009). Also, the different information approach and transformation can result in various learning styles. This prior knowledge can be used to explain why certain entrepreneurs are more successful than others (Politis, 2005; Shane & Venkataraman, 2000; Wright, Robbie, & Ennew, 1997).

#### *2.2.3.2 Cognitive Learning and Knowledge*

Entrepreneurial knowledge is also a major manifestation of the human capital necessary for entrepreneurial success (Wu, Chang, & Chen, 2008). A good definition of 'entrepreneurial' refers to the level of knowledge an individual requires to start and operate a business; this subsumes the expertise on entrepreneurial opportunity recognition and exploitation and the know-how on the functional aspects of starting and running a business, such as financial management, marketing, production, and human resource management (Honig, 2004).

Prior research suggests that these key relationships are central in learning, as they tend to involve higher levels of interaction and knowledge transfer and provide more strategically valuable knowledge (Dyer & Singh, 1998; Yli-Renko, Autio, & Sapienza, 2001). With this knowledge, a potential entrepreneur is able to comprehend, interpret, and apply new

information in new ways and new activities, which are at the core of entrepreneurship (Shane, 2000). The extant studies suggest that the difference between an individual's stock of knowledge and their behaviour is based on their cognitive process (Baron, 1998; Shane & Venkataraman, 2000). These are contributing factors as to why some people recognise opportunities while others do not. Knowledge is a form of experience that is a primary factor in one's ability to identify opportunity. Corbett (2005) considered that knowledge and opportunity recognition will increase with existing knowledge, special interest, prior knowledge of the market, customer problems, and the way to serve the market (Argyris, 1977).

However, as learning asymmetries exist, knowledge is not equally distributed depending on individual difference and on how knowledge is processed and used (Corbett, 2007). (Cope & Watts, 2000) agreed that entrepreneurial information can be created through individual learning and education, but knowledge about exploiting opportunity can only be created through 'learning by doing' (Eckhardt & Shane, 2003). Similarly, Politis (2008) argued that formal training and education are not likely to have any strong direct impact on the development of entrepreneurial knowledge. Education can only provide cultural, personal support, and skill development, but the art of entrepreneurial practice is learning mainly in the business environment through inductive, practical, and social experience rather than in the education environment (Rae, 2006; Gibb, 1993). Similarly, O. Jones, Macpherson, and Thorpe (2010) research shows that an entrepreneur creates a highly efficient way to acquire knowledge and information by learning through experience, learning from others, and self-directed learning. Therefore, individual knowledge is mostly generated and used based on prior knowledge and the 'learning by doing' aspect (Politis, 2005; Corbett, 2005).

### *2.2.3.3 Learning Level and Critical Learning Event*

In addition, when analysing the learning mechanisms, it is vital to note that different levels of learning occur throughout the entrepreneur life. The different levels of learning can be distinguished between the more practical, routine, adaptive learning and the more fundamental learning that generates new understanding and new cognitive theories for action. Kim (1997) claimed that there are two meanings to the term 'learning': operational and conceptual. Operational learning regards the acquisition of 'know-how', i.e., what people learn, whereas conceptual learning refers to the acquisition of 'know-why', which refers to how individuals develop a conceptual understanding of an experience and subsequently apply this learning.

One of the most popularized notions of different learning levels is the work from (Argyris, 1977), who distinguished three different levels of learning that an individual may experience. First of all, level 1 learning, also known as single-loop learning, is considered as a lower level of learning, and it applies to the routine and immediate task. This is the assimilation of factual information that has immediate utility, but has no real long term or development implications. The individual remains essentially unchanged by the experience and undergoes no significant personal development or increase in awareness (Cope, 2003).

Level 2 or double loop learning is a higher-level learning, which assimilates something that is transferable from the present situation to another. The individual will change his/her conception about a particular aspect and his/her point of view towards the world in general higher-level learning developed through complexity rules and association regarding with new action. Therefore, it is a development of an understanding of causation. This is often concerned with activity, growth, strategic planning, management systems, and the development of function in the organisation.

The Level 3 or triple loop learning process is the most important in terms of stimulating a fundamental change by encouraging the individual to reflect on the underlying value and perception that drive this behaviour; this includes the identification of role models and the reinforcement of self. In level 3 learning it has capacity to affect deeper underlying value, concept and orientation (Burgoyne & Hodgson, 1983). Burgoyne & Hodgson (1983) also differentiated between more deliberate problem solving, or learning "how to" and more reflective learning. Similarly, Megginson (1996) study shows that learning can be in both

planned and emergent processes. To engage in high-level learning, the individual needs to engage in both capabilities simultaneously and learn to proactively reflect on the past event to learn how to learn effectively (Megginson, 1996). However, Sadler-Smith (2001) pointed out that differentiating between different levels of learning is often very difficult, as they remain inextricably linked and indistinct. As a result, identifying where adaptive learning stops and generative learning starts is difficult and often relies to a certain extent upon the subjective assessment of the analyst.

Within the individual literature, learning is a continuous process that where challenges and problems can be a rich source of learning (Mumford, 1991). Learning from a discrete and unusual event can often be transformational in the sense that when entrepreneurs face such non-routine situations, their learned response and habitual way of learning prove ineffectual (Marsick & Watkins, 2001). Thus, transformative learning can be triggered by a discontinuous event during the entrepreneurial process (Cope, 2003). This provides evidence that these non-routine events represent a key entrepreneurial learning mechanism that involves much more than the gradual accumulation of habitual low-level learning (Fiol & Lyles, 1985). Also, (Taylor & Thorpe, 2004) suggested that network interactions during discontinuous events can stimulate reflection and learning. Similarly, Sullivan (2000) reported some success in facilitating higher-level learning from critical incidents using previous or existing entrepreneurs as mentors.

Critical learning events and performance-error learning are other concepts that researchers use in broadening the understanding of how people learn entrepreneurship. These types of concepts fall under the so-called “effective” mode of learning, which involves direct experience, immersion in an experience, and impact on emotions (Cope, 2005). Critical events have been chosen as instruments in studying entrepreneurial learning because they are seen as a key to the unintentional and accidental process of learning (Cope and Watts, 2000). Although mostly negative in their nature, the critical events or episodes have been recognised as positively affecting the personal development of the entrepreneur (Snell, 1992), and as being instrumental in moulding the entrepreneur’s approach to life and work and capable of producing “higher-level” learning outcomes and double-loop learning (Cope, 2005).

Furthermore, Fiol and Lyles (1985) emphasized that a crisis is a prerequisite for a challenging and fundamental form of learning, which is necessary for unlearning, new high-level learning,

and re-adaptation to take place. This suggests that entrepreneurs could experience a distinctive form of high level learning from facing, overcoming, and reflecting on significant opportunities and problems during the entrepreneurial process.

#### *2.2.3.4 Entrepreneurial Preparedness*

Another important concept that contributes to the understanding of entrepreneurial learning is that of “entrepreneurial preparedness.” According to Cope (2005), critical events and episodes examine the concept of entrepreneurial preparedness as prior cumulative learning that enables the entrepreneur to be a better fit for the trials of the entrepreneurial endeavour. His work identifies typologies of experiences that contribute to the process of learning accumulation. These typologies involve looking outward, which allows the entrepreneur to interact with the environment and accumulate prior learning regarding the broad environment and looking forward to project the future growth of the business (Cope, 2005). This concept of looking forward proposed by Cope (2005) connects with the position Rae (2000) took related to entrepreneurial learning. Rae (2000) argued that entrepreneurial learning is not only retrospective and experience-based, but is also a future-oriented thinking process of creating a prospective reality.

The concept of entrepreneurial preparedness was taken a step forward in the work of Hamilton (2011). She argued that entrepreneurial preparedness has different cycles and different levels in the context of family business; therefore, it needs to be re-conceptualized as cyclical and generational. The concept can be applied both to the founder and to the successors and their preparedness to join the business (Hamilton, 2011).

#### *2.2.4 Non-Cognitive Aspect in Entrepreneurial Learning*

##### *2.2.4.1 What is Non-Cognitive?*

As much as the literature has focused on the cognitive aspect in entrepreneurial learning, Rae (2000) also mentioned that entrepreneurial effectiveness comprises both psychological and cognitive elements, such as self-belief, confidence, personal motivation, values and known capabilities, and socially-based elements, such as learning through action and through relationships. Although several explanations of learning are offered in the literature, including cognitive, experiential, and behavioural, such approaches have been criticised for failing to account for the influence that others can have on the learning process (Hamilton, 2011; Corbett, 2005)

#### *2.2.4.2 Social Situation Learning*

More recently, research initiatives (Hamilton, 2006; Cope, 2005; Rae, 2000) have taken entrepreneurial learning into the sphere of social learning, building on the social learning theory of Lave's (1992) situated learning theory and the theory of learning as a social practice of learning (Lave, Wenger, & Wenger, 1991). These studies examine entrepreneurial learning as embedded in the day-to-day interactions that occur in communities of practice. Lave's theory of social situated learning argues that knowing and learning are embedded in the activities, interactions, and relationships of a community of practice and that the new set of skills acquired during this process of learning is part of what the learners will become (Lave, 1992). Therefore, learning is a learning-by-doing type of process, which fully engages the learner and gives meaning to the knowledge and skills acquired.

#### *2.2.4.3 Communities of Practice*

The community of practice as developed by Lave et al. (1991) represents a group of people who share an interest and collaborate over time to exchange ideas, find solutions, and build innovations based on ability rather than hierarchical positions (Wenger, 1998). In this context of learning, through legitimate peripheral participation (LPP), beginners gradually acquire knowledge and skills through interaction with the experts or more experienced practitioners in the context of everyday activities of the community and move from the periphery of the community of practice to its centre, becoming experts themselves. Therefore, learning in a community of practice is described in the literature as a process of progressive engagement in the practices of that community.

According to Warren (2004) and Deakin (1998), enterprise is a complex adaptive system process that can be influenced by networks and relationships including close family members. In the context of networking, it is important that it should consist of a two-way learning process such that members learn from each other and facilitate the learning of network members. This will enable them to meet current needs and to anticipate further threats and opportunities, which in turn, will help them survive in a dynamic event or a period of uncertainty (Warren, 2004).



### 2.2.5 Opportunity Identification and Prior Knowledge

Why are some entrepreneurs successful while others are not? This problem is the core of opportunity identification (Shane, 2000). The extant literature suggests that there are differences in individuals' stocks of cognitive process and that these constructs are a contributing factor as to why some people recognise opportunities while other do not (Baron, 1998; Ward, 2004; Lumpkin et al., 2004). According to Hayek (1945), knowledge is not given to anyone in totality. This provided the basis for entrepreneurship scholars to investigate further. For example, Shane's (2000) empirical study of discovery of entrepreneurial opportunities fulfils the incomplete existing explanation of entrepreneurship. He proposed that not all people are equally likely to recognise the same entrepreneurial opportunities, which result from a prior stock of knowledge and a technological change.

Later (Ardichvili, Cardozo, & Ray, 2003) took on Shane's (2000) work and developed four specific propositions positing a relationship between knowledge and opportunity recognition. Specifically, the author proposed that (1) special interest knowledge and general industry knowledge, (2) prior knowledge of markets, (3) prior knowledge of customer problems, and (4) prior knowledge of ways to serve markets will all increase the likelihood of successful entrepreneurial opportunity recognition. Both Shane (2000) and Ardichvili et al. (2003) concluded that for entrepreneurial learning to take place in the first place, entrepreneurs themselves must be able to discover and identify opportunities. Although recognition of entrepreneurial opportunities is a subjective process, the opportunities are objective phenomena that are not known to all parties at all times.

Entrepreneurship is defined as an inter-related process of creating, recognizing, and acting on opportunities, which combines innovation, decision making, and enacting (Rae, 2005). Opportunity identification is central to the domain of entrepreneurship research (Shane, 2000). Identifying and selecting the right opportunities are among the central abilities of a successful entrepreneur (Stevenson & Jarillo, 2007). Subsequently, explaining the discovery and development of opportunities is a key part of entrepreneurship research (Venkataraman, 1997). Entrepreneurial opportunities differ from the larger set of all opportunities for profit particularly opportunities to enhance the efficiency of existing goods and services, but it requires the discovery of new means, which ends the relationship (Shane, 2000).

Rae (2009) defined entrepreneurial learning as being able to recognise and act on opportunities. His entrepreneurship model centres on opportunities and includes four clusters of activities that enhance the learning process. The four clusters include personal enterprise connecting opportunities with goals and identity, creating and exploring opportunities, planning to realise opportunities, and acting on opportunities (Rae, 2000). He also further investigated whether entrepreneurial learning occurs due to entrepreneurs seeking to recognise opportunities, i.e. to create value and make a profit or seeking the opportunity to learn. This view is supported by Politis (2005), who claimed that when entrepreneurial knowledge is being created, the entrepreneur must firstly recognise and act on opportunities to overcome traditional obstacles including coping with liabilities of newness. Both Rae (2000) and Politis (2005) emphasised aspects of entrepreneurial learning as acting on opportunities for learning. Therefore, opportunities can play a central role in the initial process of entrepreneurial learning, which then results in further entrepreneurial action.

Kolb (1984), however, tried to explain this through experiential learning theory, such that learning is grounded in experience, and new knowledge is created when an individual acquires information and transforms it into existing knowledge. When identifying opportunities for entrepreneurial ventures, an individual's existing knowledge base is crucial to opportunity identification because it serves as a base for interaction with new experiences and we use it as a foundation to interpret and understand new stimuli (Kolb, 1984). Shane's (2000) study shows that individual knowledge about the existing market, about how to serve the market, and about customers' problems is an important factor that influences the opportunities discovered. However, Daimov (2003) argued that while knowledge and human capital are important, how knowledge is applied and used is perhaps more important. March (1991) considered that both ways of transforming opportunities and experience into knowledge are essential to sustain learning. This is consistent with the definition by Shane (2000) that learning is an emergent sense-making process in which people develop the ability to act differently, comprising knowing, doing, and understanding (Mumford, 1995).

In conclusion, entrepreneurial opportunities provide an initial understanding of how entrepreneurial learning comes about. For instance, before the learning can take place initially, the entrepreneur must either seek for opportunities or seek opportunities to learn, as without seeking opportunities, entrepreneurial learning may not occur. Given that,

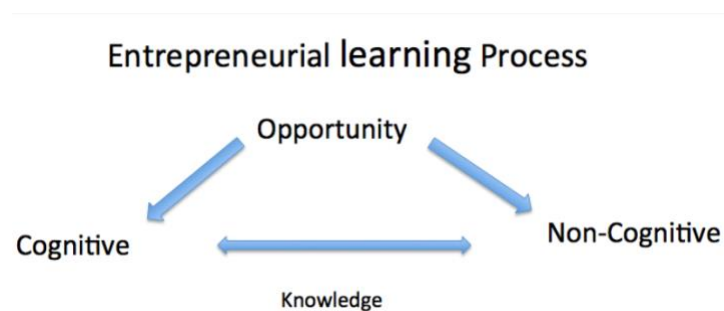
whether entrepreneurs explore or exploit opportunities, learning will occur throughout the process. Nevertheless, the process of opportunities identification can also be influenced by the entrepreneur's prior knowledge and human capital. This will then shape the way entrepreneurs approach learning, resulting in a different learning process.

## 2.2.6 Valuable Outcome

### 2.2.6.1 Knowledge is Emergent of Learning

From the factors that have been mentioned, the author has developed a proposition of the entrepreneurial learning process and the role of knowledge in this process, which is illustrated in Figure 2.

*Figure 2 proposition of entrepreneurial learning process*



Source: Current thesis

This suggests that the starting point for entrepreneurial learning to take place is when entrepreneurs themselves need to identify an opportunity to learn. As opportunity is the key factor that drives entrepreneurial activities, entrepreneurs then can actively seek opportunities to learn or can learn from opportunities. Once the opportunities are discovered, learning can be either cognitive or non-cognitive; either way, knowledge will be created and used in different situations. As David Rae (2006) mentioned, entrepreneurial learning is a lifetime journey of the entrepreneur; at different stages of their life cycle, learning will create different types of knowledge and skill sets to help the entrepreneur with future entrepreneurial activities.

In terms of the cognitive approach to learning, it consists of those activities that stimulate or influence entrepreneurial behaviour to act in a certain way, including the use of knowledge and experience. It is also important to identify different learning levels as they can help

indicate the result of learning that the entrepreneur will need in certain activities. For example, a critical learning event will encourage an entrepreneur to engage with higher-level learning; this will result in not only the use of routine-based experience to learn, but will also stimulate fundamental change, encouraging the individual to be critical and to reflect on the underlying value and perception that drives this behaviour. The non-cognitive aspect of the entrepreneurial learning process consists of relationships and networking. So, learning takes place not only individually, but also in a social context.

#### *2.2.6.2 Transformative of Knowledge*

Hamilton (2011) argued that entrepreneurial learning also has taken place from a situated learning perspective through communities of practice, legitimate peripheral participation, and the cycle of reproduction and transformation. This concept will be very important when we analyse intergenerational learning within the family business, as within the family business context, entrepreneurs are involved with a family member; this will be influenced by their ability to identify opportunity learning, capabilities, and decision making. When speaking in the intergenerational family business context, another crucial factor that needs exploring is the essential requirements that stimulate entrepreneurial learning in both the first generation and the second generation of family business. This will take us to further explore the literature of family business succession.

#### *2.2.7 Summary of Entrepreneurial Learning*

This section of the review has demonstrated the nature of entrepreneurial learning and has explored how it develops within a business. It has focused on the value of opportunity identification for business success and the importance of considering both cognitive and non-cognitive aspects to develop the necessary levels of knowledge and to stimulate learning. The chapter has also demonstrated the value of communities of practice, LPP, and the cycle of reproduction and transformation, thus laying the foundations for the future analysis of entrepreneurial learning in family businesses. It has hence set a strong foundation against which to complete the present research.

## 2.3 Family Business Succession

This section of the proposal considers the issue of family business succession, and examines how learning and entrepreneurship play a role in this process. It thus considers the nature of family business succession and how it interacts with learning in family businesses. This includes a consideration of communities of practice in family businesses, and also the transfer of knowledge between generations.

### 2.3.1 Overview of Family Business Succession

Researchers advocate that family businesses have played a significant role in economic and social development (Chrisman, Chua, Le Breton-Miller, Miller, & Steier, 2018; Chrisman, Chua, & Steier, 2003; Handler, 1989; Miller, Steier, & Le Breton-Miller, 2003). One of the most critical processes in family business is the succession process (Brockhaus, 2004). Succession is defined as those actions and events that lead to the transition of leadership from one family member to another (Sharma, Chrisman, Pablo, & Chua, 2001). Similarly, Ward (1988) also defined family business as a business that will be passed from one generation to another. The initial statistic suggests that about only 30% of family businesses survive into the second generation, 10-15% are still viable into third next generation, and only 3% operate into the fourth generation or beyond (Beckhard & Dyer Jr, 1983; Dyer & Singh, 1998; Ward, 1988). Unfortunately, those statistics have not changed much in Family-firm-institute report hence, there is a need for further investigation of the process of succession.

In general, family business succession is seen as similar to business succession in general in that it refers to the replacement of a senior leader, such as the CEO, with another figure. However, the management of succession is seen as more vital to family-owned businesses, as they often limit their talent pool to the available family members (Ayres, 1990; Dyck, Mauws, Starke, & Mischke, 2002). Evidence shows that failure to ensure that the succession process is effective and aligned with the needs of the business is one of the major causes of failure for a family-owned business (Danco, 1987). In particular, the succession decisions of family-run firms have often focused on the needs of the family rather than the needs of the business (Birley, 1986). Indeed, in many cases, the choice of a successor for a family business will be influenced by family politics rather than the quality of the individual and their value to the business, which tends to undermine business performance (Aronoff & Ward, 1995). Ultimately, this has increased the level of focus on how family businesses can ensure successful succession and can choose the best candidate (Ayres, 1990).

The importance of the family business succession process has thus been widely recognized and studied, with various researchers (Dyer Jr & Handler, 1994; Handler, 1989) defining family businesses based on their approach to the succession process. Specifically, the literature has developed a five-stage model of family business succession, with the five stages being identifying the right successor ahead of time, training them, handing the firm over to them in advance, providing them with mentoring during the transition process, and adjusting the firm's roles to the succession process (Dyck et al., 2002). At the same time, the literature indicates that the role of the current leader has a major impact on succession, particularly if the current leader is the founder of the business and has helped develop the culture and direction of the business (Handler, 1994; Sharma & Srinivas Rao, 2000). This can create a desire for the leader to maintain continuity in moving the business ahead, as well as causing a potential successor to attempt to differentiate their approach from their predecessor even if this is not in the best interests of the business (Sharma et al., 2001; Y. Wang & Poutziouris, 2010).

As a result of this, it has been argued that family business succession occurs on multiple levels throughout the business, and is influenced by a number of different systems, politics, and institutions. In particular, the ownership and decision-making structure of the business acts to influence internal politics within the business, and determine how stakeholders respond to the succession process (Churchill & Hatten, 1987; Dyer Jr & Handler, 1994). As such, whilst it is important to ensure a balanced succession process and the provision of strong mentoring to incoming leaders, this provision can be disrupted by politics and the influence of stakeholders (Morck & Yeung, 2004; Wang et al., 2004). In this case, succession can become a process of negotiation rather than a process of selecting the most appropriate candidate.

### 2.3.2 Defining family business

How to define a family business remains problematic in family business research. Prior to the 1980s, Handler identified the family firm as the first and most obvious challenge facing family business research (Handler, 1989). Although many scholars have tried to develop a satisfactory definition, there is still no consensus about a widely accepted definition (Chua, Chrisman, & Sharma, 1999). Instead, various definitions are reported in the literature. However, the typical family business has been characterised as an organisation controlled and usually managed by multiple family members (Gersick, Lansberg, Desjardins, & Dunn, 1999), and often by multiple generations (Anderson & Reeb, 2003). Table 2.2 shows the various definitions of family firms that have been used in various studies around the world. It suggests that there is a wide variety of types that face parallel varieties of condition. For example, Barth, Gulbrandsen, and Schønea (2005), Anderson and Reeb (2003), and others have defined a family firm as any firm in which the founding family or founding individual owns a fraction of the company or serves on the board. However, Donnelley (1964) was concerned more about the generational transfer of the family business.

*Table 2 Definitions of family business in Literature*

#	Author (s)	Data location	Family firm definition
1	Allen and Panian (1982)	U.S.	whenever the members of a descendent group and their affine own or control at least 5 percent of the voting stock in a corporation and are represented on the board of directors. Other definitions include direct family control when the CEO is a member of the controlling family
2	Anderson and Reeb (2003)	U.S.	there exists a fractional equity ownership of the founding family and / or the presence of family members serving on the board of directors. Other definitions include the ratio of board seats held by family members to board seats held by independent directors / CEO founder indicates a founding family firm when the CEO is the founder of the firm / CEO descendent indicates a founding family firm when the CEO is a descendent of the founder during the past decade
3	Barontini and Caprio (2006)	Europe (11 countries)	the largest shareholder owns at least 10% of ownership rights and either the family or the largest shareholder controls more than 51% of the direct voting rights or controls more than double the direct voting rights of the second largest shareholder
4	Barnes and Hershon (1976)	U.S.	controlling ownership rests in the hands of an individual or of a member of a single family
5	Barth et al. (2005)	Norway	at least 33% of the shares of the firm are owned by one person or one family
6	Claessens, Djankov, and Lang (2000)	9 East Asian Countries	One family (group) controls more than 5% of the company's votes. A family group is identified through published family trees in each country and may consist of one family or a group of families.
7	Chua et al. (1999)	U.S.	governed and or managed with the intention to shape and pursue the vision of business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of a family or families
8	Chen and Jaggi (2000)	Hong Kong	members of the founding family hold positions in top management, are on the board, or are block holders of the company.
9	Churchill and Hatten (1987)	U.S.	the occurrence or the anticipation that a younger family member has or will assume control of the business from an elder member
10	Denis and Denis (1994)	U.S.	two or more family members are present as officers/directors or if founders are officers.



<b>11</b>	Davis and Tagiuri (1985)	U.S.	two or more extended family members influence the direction of the business
<b>12</b>	Donelley (1964)	U.S.	the firm has been closely identified with at least two generations of a family and when this link has had a mutual influence on company policy and on the interest and objective of the family
<b>13</b>	Gomez-Mejia, Larraza-Kintana, and Makri (2003)	U.S.	two or more directors have a family relationship, and family members own or control at least 5% of the voting stock. Family relationships include father, mother, sister, brother, son, daughter, spouse, in-laws, aunt, uncle, niece, nephew, cousin. Other definitions employed: Family controlled, and the CEO is a family member/percentage of family equity ownership/family controlled and family member(s) are on the compensation committee.
<b>14</b>	Handler (1989)	U.S.	major operating decisions and plans for leadership succession are influenced by family members serving in management or on the board
<b>15</b>	Lansberg, Perrow, and Rogolsky (1988)	U.S.	members of a family have legal control over ownership
<b>16</b>	Miller et al. (2003)	Worldwide	multiple members of the same family are involved as major owners or managers, either contemporaneously or over time.
<b>17</b>	Litz (1995)	U.S	ownership and management are concentrated within a family unit, and to the extent that its members strive to achieve, maintain, and/or increase intraorganizational family-based relatedness.
<b>18</b>	McConaughy, Walker, Henderson Jr, and Mishra (1998)	U.S.	a public corporation whose CEO is either the founder or a member of the founder's family.
<b>19</b>	Pratt and Davis (1986)	U.S	two or more members of the extended family influence the direction of the business through the exercise of kinship ties, management roles, or ownership right
<b>20</b>	Suehiro and Wailerdasak (2004)	Thailand	meets three major conditions: (1) owner family members control its ownership through various means; (2) exert control over its top management; and (3) have succeeded or otherwise will intend to succeed to the business of their founder (the succession of the office).

In addition, after reviewing the literature from 1996 to 2010, De Massis, Sharma, Chua, and Chrisman (2012) concluded that recurring criteria began to be used in family business definitions. The most frequently observed criterion was ownership, followed by management, with both included in more than 50% of the definitions (De Massis et al., 2012). Two other criteria occurred in more than 10% of the operational definitions for family business studies. Hence, there is a diversity and cohesion in the definitions. This suggests that conclusions can be drawn from the conceptual and empirical studies being published.

Similarly, in a review of important trends in family business research, Chua et al. (1999) presented two approaches to defining family business. They distinguished between the component of involvement approach and the essence approach. The component of involvement approach is based on the belief that family involvement is sufficient to make a firm family including when 1) a family is the owner, 2) the firm is family-managed, or 3) the firm is controlled by a family. If one of these three characteristics applies, then it can be defined as family business. In contrast, the essence approach is more restrictive and defines a family business as when family involvement leads to a distinct and specific behaviour. In the essence approach, the following four characteristics are required: 1) a family's influence regarding the strategy of the firm (Davis and Tagiuri, 1989); 2) a family's vision and intention to keep control and hand the firm over to the next generation (Litz, 1995); 3) the family firm's behaviour (Chua et al., 1999) and 4) unique, inseparable, and synergistic resources and capabilities arising from family involvement and interaction (Habbershon et al., 2003).

A definition must be capable of being measured to the extent that the subsequent research findings can be measured and replicated (Klein, Astrachan, & Smyrnios, 2005). The definition of a family business applied in this research follows Chua et al. (1999) and their use of the essence approach in defining a family firm, as the essence approach provides clear characteristics of a family business in order to investigate the entrepreneurial learning process in the context of family business succession. This definition is consistent with the research purpose since it emphasizes the importance of the intention for the generational pursuance of a vision and the unique behaviour of a family firm. In addition, entrepreneurial learning and succession are both concerned with the process of transferring information and knowledge to the next generation in order to proceed to the succession stage.

### 2.3.3 Learning in Family Businesses

In general, learning in family businesses is similar to that of learning in business in general. Specifically, family businesses learn through a process of formal education and training, experiential learning within the business, and the use of mentoring to identify and address specific learning needs (Salvato, Sharma, & Wright, 2015). At the same time, the somewhat insular nature of family businesses means that they need to focus on attaining learning to avoid becoming stagnant and falling behind the market. In particular, organisational learning is usually the result of a proactive process where family members actively develop, acquire, share and transfer, and use new knowledge (Christensen & Raynor, 2013; Nonaka & Takeuchi, 1995). This indicates that learning in a family firm must not focus only on the needs of individuals, but must also be applied at the level of the firm as a whole in order to maximize outcomes.

At the same time, the insular nature of a family business also acts to increase the importance of formal external education. In particular, "Education is seen as an essential precondition to effective continuity and succession planning. Essentially, it provides awareness, language, direction, and hope-all key ingredients for planned generational change" (Lansberg & Gersick, 2015). This demonstrates the importance of formal education in overcoming the issues that can occur during succession processes, and it has, in turn, led to business schools expanding their offering of family business courses in recognition of the fact that "educators are challenged to identify and select useful learning resources that could be used to teach family business topics" (De Massis, Kotlar, Campopiano, & Cassia, 2015). This demonstrates the existence of a gap in the provision of formal learning around family-run businesses, and the need to address this gap in order to ensure effective education.

The process of succession learning is also of increasing importance in the contemporary literature. Specifically, "Although training successors have been widely discussed, noticeably missing are investigations into the role that family business education can play" (Barbera, Bernhard, Nacht, & McCann, 2015), and whilst family run businesses can use mentoring and other forms of learning to support the development of successors, formal education can also contribute to this area and provide a higher chance of a successful succession process. This is particularly important for family businesses with external investors or powerful stakeholders, who will expect some level of formal development and involvement in the succession process (Morck & Yeung, 2004). Indeed, it is also important for family run businesses to learn about

continuity in the succession process as a facet of organisational learning (Konopaski, Jack, & Hamilton, 2015). This raises the issue of developing communities of practice to aid in this area.

#### *2.3.2.1 Communities of Practice in Family Business*

According to De Massis, Chua, and Chrisman (2008), the effective succession process within a family business depends on the investment of time and effort in both planning and learning in order to be successful. This means that effective succession must be a phased process, whereby the incumbent, the successor, and the business as a whole look to develop and manage their relationships prior to the formal handover of control (Churchill and Hatten, 1987). According to Sharma (2004), this process must focus heavily on transferring tacit knowledge throughout the business, and ensure this knowledge is retained in the business. This thus necessitates the development of communities of practice and knowledge resources, which can be used to create value for the business and will be maintained during the succession period (Cabrera-Suárez, De Saá-Pérez, & García-Almeida, 2001; Chirico & Salvato, 2008). Habbershon and Williams (1999) defined this process as developing the level of 'familiness', which reflects the value a family can add to its business ahead of competing firms.

According to Sirmon and Hitt (2003), these communities can create unique capabilities, which blend the capabilities of the firm with the capabilities of the family. Indeed, a family can be seen as its own community of practice, which perpetuates a clear culture and learning approach over time (Chrisman et al., 1998). However, this process can be undermined if the family business focuses too much on the family ahead of the business, breaking the link between the community of practice and the needs of the company (Chua et al., 2004). This is particularly valid in light of the importance of continuity in a family business and as a driver of how the family and the business can endure and survive across generations (Konopaski et al., 2015). Communities of practice thus need to be aligned with the needs of the business, and the development of a family business as a learning organisation that can drive performance forwards, whilst at the same time maintaining continuity and clear approaches to practice and value creation (Birdthistle & Fleming, 2005).

### *2.3.2.2 Family Relationship*

As seen in the section above, the relationship between the family and the business is a vital driver of success and value creation. At the same time, conflict between the business and the family is always likely to exist, particularly when the founders and leaders of family businesses commit so much of their time and effort to achieving the goals of the business (Carr & Hmieleski, 2015). Evidence indicates that the extent to which a business can be seen to possess a high level of 'familiness' can be linked to the performance of a family business. This is because the level of 'familiness' of a business refers to the extent to which the business is linked to the family, and the family is committed to the success of the company (Monroy, Ilián, Ramírez Solís, & Rodríguez-Aceves, 2015). Hence, this also measures the extent to which the inevitable conflicts between business and family are managed and addressed by the succession and leadership process.

Unfortunately, the relationship between family and business is complicated by the fact that family members with a level of management control over the business have different goals when compared to family members with only partial ownership of the business (Singla, Veliyath, & George, 2014). The family relationship will thus be compromised to a degree by the extent to which the different family members have different goals and aims for the business. In addition to this, the level of entrepreneurial orientation of different family members will also influence the goals of the business, with family businesses needing to have a high number of members with an innovative orientation if the business is to be sufficiently effective at growing and developing over time (Stenholm, Pukkinen, & Heinonen, 2016). Thus, the main individuals within a family business must not only have a sufficiently high level of entrepreneurial orientation, but must also be able to establish and agree on coherent goals for the business if they are to maximize levels of succession effectiveness and business value creation.

This argument also has implications for the succession process in family businesses. Specifically, the process of succession is not only influenced by the nature of a family business, but also by the relationship between the business and the family. Specifically, Canterino, Cirella, Guerci, Shani, and Brunelli (2013) noted that family businesses can have their succession process influenced by family relations and family superiority rather than business value and seniority within the business. Such an issue can be resolved through the inclusion of professional managers and outside directors within the business, who are able to

implement clear succession processes (El-CHAARANI, 2013). This is linked to the argument that the most successful family run businesses "establish good governance practices that separate the family and the business and ensure oversight from a professional board" (Fernández-Aráoz, Iqbal, & Ritter, 2015). This governance can resolve family business conflicts, ensure effective leadership styles, and guide effective succession and transition. There is thus an argument that these capabilities can also be acquired by the business through a process of focused learning and development.

### 2.3.3 Generative Learning

This process of focused learning and development occurs at an organisational level, but must also take place over a prolonged period of time if the business is to continue to develop and keep pace with the market as new generations of the family take control. This requires a significant focus on generative learning for small businesses to allow existing knowledge and insight to be combined with new ideas and information in order to ensure effective learning outcomes. In particular, evidence indicates that "the outcomes of generative learning are the enhancement of absorptive capacity, the transfer of knowledge, shared identities, and shared contextual understanding" (Li & Dasgupta, 2016). This provides businesses with a competitive advantage on an ongoing basis whilst also enabling them to remain small and family focused in order to maintain their core family-based advantages. However, Argyris (1994) argued that in spite of the importance of generative learning, it represents an aspect of learning that few groups or organisations are able to engage in successfully.

The process is particularly challenging in the case of a family business that comprises two complex systems - the family and the business - that must engage in a generative process in order to maintain their own future and relationship (Hamilton, 2006). In such a situation, the existing knowledge of the family and the business must be both maintained and developed without losing sight of any existing knowledge and learning. This requires that the family and the business be viewed as overlapping communities of practice, with both forming a centre of practice-based knowledge and learning. According to Hamilton (2011, p. 8), the two core systems that form a family business thus need to engage in an ongoing "generative process of producing their own future" in order to maintain the business. This is important in the context of family business succession, as it relates to how knowledge and learning are developed when new leaders take over, but also how existing knowledge is incorporated into

the style and learning approach of the new leader. This process must thus be maintained over the life cycle of the business in order to develop its competitive position.

#### 2.3.4 Transferring of Knowledge between Generations

There has been a significant level of interest in the accumulation of knowledge and human capital in the family business, particularly around how this knowledge is created, shared, and transferred over time. According to Chirico (2008), whilst family businesses can develop pure knowledge and skill from education and experience, the accumulation of knowledge in family businesses across generations takes a greater level of time and effort to achieve. This relies heavily on knowledge transfer both within and between generations in family businesses. According to Barroso Martínez, Sanguino Galván, and Bañegil Palacios (2013), "Knowledge is best transferred when family members value the following factors: trust between family members, commitment to the family business, intergenerational relationships, psychological ownership of the family business, successor's aspects and training, predecessor involvement in the successor training, organisational culture and relationships with Family Business Associations". This demonstrates the importance of relationships and trust, as well as the process of succession in driving knowledge transfer. Further to this, Ciao (2015) argued that knowledge transfer occurs not only from predecessor to successor, but also from successor back to predecessor and to the organisation as a whole, and this must be considered to ensure effective succession outcomes.

Finally, knowledge transfer across generations is also influenced by the level of professionalization within the family business. In particular, the involvement of external professionals can influence the transfer of knowledge across generations, and between the family and the professional managers (Giovannoni, Maraghini, & Riccaboni, 2011). This is important in light of the role of business succession both as a process through which intellectual capital and knowledge can evolve, and because knowledge can also be lost as incumbent tacit knowledge holders retire (Bracci & Vagnoni, 2011). As such, the quality of the direct relationship between successor and predecessor, and with other managers in the business, is vital to intergenerational knowledge transfer and learning in order to ensure tacit knowledge is also spread and retained in the business (Hatak & Roessl, 2015).

### 2.3.5 Innovation in family firm

Innovation is a significant factor in the long-term survival of any firm (Hult, Hurley, & Knight, 2004). Since the seminal work of Schumpeter (1934), scholars have considered innovation a critical determinant of a firm's long-term succession. Innovation is particularly important for family firms as it increases the likelihood of survival across generation (Jaskiewicz, Combs, & Rau, 2015; Zellweger, Nason, & Nordqvist, 2012). Such that innovation activities are considered vital for a firm's survival, competitive advantages and performance. Innovation is concerned with generating, adopting and implementing new ideas, process, product or services. Hence, the activities typically associated with research and development and technological breakthroughs (Cassia, De Massis, & Pizzurno, 2012). In today complex environment, firm do need to adapt to changes and innovation has been acknowledged as one of the most important competitive advantage (Schumpeter, 1934).

In the context of family businesses, innovation is crucial in succession process where its increase the likelihood of survival across generation (Jaskiewicz et al., 2015). Family firm survival require to build capabilities that ensure their responsiveness to changing business and family-related demands for the continuity of the firm. As a consequences, they likely support innovation as a sources of firm growth and survival (Shaker A Zahra & Sharma, 2004).

There have been increase in momentum of a family business research in this field of innovation. Prior research has concluded that there are mixed finding regarding the relationship between family involvement and innovation (De Massis, Frattini, & Lichtenthaler, 2013). Some studies suggesting that family firm are particularly innovate e.g. (De Massis & Kotlar, 2014; De Massis et al., 2015) and other suggesting that family firms are less innovative e.g. (Block, 2012). For example, study from Carney (2005) report that the capital constraints imposed by family ownership structure and the centration of decision-making authority could prevent them from investing on innovation activities. In addition, family firm also take noneconomic factor into consideration when deciding how to invest their funds which could also prevent a family firms from investing in high risk innovative activities (Naldi, Nordqvist, Sjöberg, & Wiklund, 2007). On the other hand, family firm's characteristic such as low levels of bureaucracy, flexibility of organisational structure and loyal employees, have been shown to promote innovative activities (Craig & Moores, 2006; de Vries, 1993; Duran, Kammerlander, Van Essen, & Zellweger, 2016). In a more recent



research, researcher proposes that family firms are faced with an ability willingness paradox with regards to innovation. Such that Chrisman et al., (2015), argue that family firms have a great ability to engage in innovation activities but family firms have lower level of willingness to do so when compared to nonfamily firm.

From reviewing articles on innovation in family businesses highlight that innovation is an important factor in family business succession. In particular, family firm innovation have been linked to stronger performance outcomes in family firms (De Massis et al., 2013). Therefore, innovation must also be consider as a significant factor in multigenerational family business succession especially during the entrepreneurial learning process.

#### 2.3.6 Successor intention to pursue Family business value

Family member involvement in management with the intension of controlling and maintain family firm by transferring it to the next generation is the key attribute defining a family business (Chua et al, 1999). However, in order for family business to move forward after the first generation, their heirs are not only willing to take on the leadership role but also willing to commit to family business value. Intergenerational transition become another interest in scholar as it is the most crucial part in family business succession (Chua et al, 2003; Raj et al, 2020). Many studies have established that the successor's lack if entrepreneurial drive (Sardeshmukh and Corbett, 2011) and insufficient levels of commitment (De Massi, 2013; Sharma and Irving, 2005), rather than lack of management and business competences, may explain the poor performance and high mortality rate observed in successor family firm. Among the explanation facilitating intergenerational transition, scholar have highlight the role of heirs affective commitment to the family firm (Raj et al 2020).

Furthermore, Davis (1968), suggested a relationship between different life-stages of incumbent and successor in the family business life cycle involvement in the business. He found that successor ages between seventeen and twenty-five want to break for from their family tradition including business and create their own identity. Whiles those who are in their twenty-seven to their thirty-three seek to explore their career choice and look for role

model in their father. Thus, their most ideal period for a leadership transition should be ages around twenty-seven to their thirty-three (Ward, 1987).

Family firm scholar's empirical findings in the literature suggest that committed family member are more satisfied even when the financial performance is less that remarkable (Mahto, Davis Pearce and Robinson Jr, 2010). In this study, Entrepreneurial learning process can be help further explanation on the successor intention to pursuer the family business value.

#### 2.3.7 Summary of Family Business Succession

This chapter so far has demonstrated the complex nature of family business succession and the factors that affect the process. In particular, it has shown how politics, trust, and relationships influence succession and the related learning and knowledge development processes. This hence challenges family businesses to ensure a succession process that ensures continuity and retains existing knowledge whilst also stimulating cognitive and non-cognitive entrepreneurial learning within the company.

### 2.4 Concept of Co-creation

Although an entrepreneurial learning process has taken place throughout an entrepreneur's life, it may not guarantee the success of the family firm transition. Research of co-creation as a process in knowledge sharing and knowledge integration could explain a segment of the entrepreneurial learning process in family businesses. This will provide further analysis of the level of succession in family firms.

Co-creation has attracted the attention of academics and practitioners as an overreaching concept that describes collaboration between multiple stakeholders (Prahalad & Ramaswamy, 2000). Co-creation is defined as the joint collaborative, concurrent, and peer-like process of producing new value, both materially and symbolically (Galvano and Dalli, 2014). The term has become widely used to describe a shift in thinking from viewing the organization as a definer of value to a more participative process where people and organizations together generate and develop meaning (Ind & Coates, 2013).

The significance of co-creation processes is in how they drive a learning strategy that enables organizations to cope with an uncertain external environment and increasing market demand (Payne, Storbacka, & Frow, 2008). Knowledge and information acquisition during the learning process is used to improve customer experience and to drive the innovation process for new service development or product development. Therefore, the main output from the co-creation process is value, which is dependent on the use of service and the experience of the stakeholder (Prahalad & Ramaswamy, 2004; Vargo, Maglio, & Akaka, 2008). In this case, that of a family firm that develops path-dependent knowledge, co-creation is viewed as a vital tool for relationship learning, i.e., knowledge sharing, joint sense making, and the integration of experience (Kohtamäki & Partanen, 2016). Co-creation in a family firm could be in the form of learning by doing through the communities of practice, where skills and knowledge are shared consistently among family members. Differences in the generations may lead to gains in expertise, skill, and experience in different areas; thus, co-creation has been viewed as a path for exploiting knowledge to generate new sources of surplus value (Ritzer & Jurgenson, 2010).

#### *2.4.1 Sharing of knowledge*

Once the learning has been taken place within individual family member it also very significant for knowledge to be share and pass onto the next generation. Sharing of knowledge is a central activity in most firms particularly in family firm. Transferring tacit, complex knowledge or family wisdom across the family business is essential for survival and development of firm to benefit the future generation (Nelly Trevinyo-Rodríguez & Bontis, 2010). Research on knowledge sharing in family business research consider that family firm strive to maintain knowledge long term within the family (Cabrera-Suárez et al., 2001; Miller, Steier, & Le Breton–Miller, 2016). Such that interaction between family members leading to shared norms and values of a family (Nelly Trevinyo-Rodríguez & Bontis, 2010). Many family firm belong to traditional industries including primary industry and manufacturing. In such industries knowledge tends to be deeply rooted in well-established practice and developed through trial and error learning process (Hirsch-Kreinsen, 2008). However, the valuable knowledge in family firms are often held by only a few individual in the senior generation (Shaker A. Zahra, Neubaum, & Larrañeta, 2007). Most of the time knowledge is stored in form of tacit knowledge which can only be pass further if the individual possessing the knowledge engages actively in the process of knowledge sharing

(Nonaka & Takeuchi, 1995). This can be transfer through articulating or guiding other in an apprenticeship or in a coaching situation (Nonaka, 2008).

Several studies engage the issues related to sharing of incumbent's knowledge. This type of knowledge sharing process often refer as mentoring (Distelberg & Schwarz, 2015) or knowledge accumulation (Chirico & Salvato, 2008), enabling intra family business succession with new family members. Other studies focus on difference between knowledge sharing within the family and with employees such that sharing knowledge with key employees can tend to be significantly more restricted compare to the knowledge sharing take place between family member (Cunningham, Seaman, & McGuire, 2016). The common between these study assume that knowledge sharing is one directional such that sharing between senior generation to next generation. However, what is largely omitted in the existing literature is an investigation into issue related to both knowledge sharing and knowledge creation between incumbent and the next generation. In a recent study Daspit, Holt, Chrisman, and Long (2016), suggest the need for further understanding of factor that affect knowledge exchange, however their argument is still presented in the context of incumbent and successor exchange through untiring of the successor.

In the context of succession, for family firm to survive, the next generation should add new knowledge gained through education as well as work experience form outside the family firm (Cabrera-Suárez et al., 2001). For example, where the succeeding generation has international experience and a higher level of education than the incumbent this can lead to triggering an internationalisation pathway (Steiger, Duller, & Hiebl, 2015). If the next generation's knowledge base is different to the tacit, experience-related knowledge base of the senior generation, one of the generation would expect a need to changes in knowledge sharing practices within the family firm. Often the power and decision authority is typically consolidated with a few senior family member. This could potential limit the innovation level if the next generation cannot break an imposed of path dependency. When the incumbent does not accept new idea or thinking from the successor generation, this can create inertia within the organisation and discontinue the succession process. Therefore, a careful examination of how knowledge is shared between generations is imperative.

## 2.5 Process Theory

According to Mohr (1982), there are two fundamentally different approaches to scientific explanation in the social sciences: variance theory and process theory. Variance theory is the common sort of hypothesis or model, which is orientated toward explaining the dependent variable based on one or more independent variables. This predominant theory is based on a model that is compatible with experimental logic and that permits the use of statistical methods for testing hypotheses. In contrast, process theory represents a series that occurs in a sequence over time to explain how some phenomena come about (Mohr, 1982). The key elements in variance theories are variables and causality, while the key element in process theories are discrete state and events where the time ordering among the events is critical for the outcome. Process theories are often used in the study of longitudinal field research in organisational change (Van de Ven and Huber, 1990). Alternatively, in family business study scholars also identify process theory as a very fundamental theory in study change (Morris et al, 1996). For example, Morris et al (1996) and Porffrio (2020), use a principle of process theory in study of family business generational succession.

Researchers use process theory as a fundamental organisational change taken place as they view organisation as a consisting of things or processes (Tsoukas and Chia 2002). Furthermore, Van De Ven and Poole (1995) identified four basic theories to explain the process of organisational change and innovation. The four ideal types of development theories are the life cycle process, the dialectical process, the teleological process, and the evolutionary process. These four explanations of the process rely on a different driving force to the process. The table below summarises the four process theories with their main characteristics and different driving forces.

Table 3: The difference process theory

Process theory Key Characteristic	Life Cycle Process Theory	Dialectic Process Theory	Teleology Process Theory	Evolution Process Theory
Key Metaphor	Organic growth	Opposition, conflict	Purposeful cooperation	Competitive survival
Logic	Imminent program, prefigured sequence, compliant adaptation	Contradictory forces, antithesis synthesis	Envisioned end state, social construction	Natural selection among competitor in a population
Event Progression	Linear and irreversible  Sequence of prescribed stage in unfolding of immanent potentials present at the beginning	Recurrent, discontinuous sequence of confrontation, conflict and synthesis between contradictory values of events	Recurrent, discontinuous sequence of goal setting implementation and adaptation of means to reach desired end state	Recurrent, cumulative, and probabilistic sequence of variation, selection and retention events

Source: Adopted from Poole & Van de Ven (2004)

### *1. Life cycle process*

The life cycle theory assumes that change processes proceed through a necessary sequence of phases of development (Poole and Van de Ven, 2004). This has had a tremendous impact on policy and research (Rosenberg, 1994). Although the life cycle model has been criticised as being too rigid (Madsen, Neergaard, & Ulhøi, 2003), it still provides a clear process of the stages from its initiation to its termination. Life cycle theory often describes change as imminent; the developing entity has within it an underlying form that regulates the process of change and moves through the entity from a given point of departure toward a subsequent end that prefigured the state. Thus, the life cycle model can potentially provide a useful framework for understanding how family business transition occurs between generations as well as between different stages of learning.

The life cycle theory was initially derived from biological analogies, as the organisation is viewed as having a life that can be compared to that of a living organism. Organisations, at some point, give rise to development and undergo a series of predictable transitions, and eventually, they will decline or die (Greiner, 1989; Hanks, 1990). Regarding the enterprise life cycle, scholars have used different models to divide it into different life stages and to describe the characteristics of each stage. Therefore, the life cycle theory has become a useful tool in the study of organisations especially in relation to organisational change and strategy application (Hoy, 2006). The literature on organisational change also often claims that change processes typically occur through multiple steps (Armenakis & Bedeian, 1999), and the most prevalent way of representing this process is dividing the process into different stages (Bhave, 1994; Churchill and Lewis, 1983). Many researchers have investigated life cycles in both conceptual and empirical models (Adizes, 1988; Gersick et al., 1999; Greiner, 1989). For example, from the perspective of organisational goals, Churchill and Lewis (1983) developed a five-stage model: existence, survival, success, take off, and resource maturity. The model shows that a company grows from existence to maturity; it becomes larger in size, more diverse, and more complex (Gao & Alas, 2010). More recent studies have extended life cycle research beyond product and organisation. One recent application is on organisational learning, exploring the efficiency and effectiveness of a company over time (Arthur & Huntley, 2005).

## *2. Teleological Process*

The teleological theory assumes that it is the purpose of the final goal that guides the development process. Thus, the process can be seen as a repetitive sequence of goal formulation, adaptive evaluation, and modification of goals. In a dynamic model of entrepreneurial learning, Cope (2003) identified entrepreneurial learning as learning-by-doing, which emphasises that knowledge is acquired through a process of learning-by-doing. Therefore, entrepreneurship is a change in the content of entrepreneur knowledge in some areas (Minniti and Bygrave, 2001). This provides an example of the teleological process that emphasises the individual's accumulation of useful knowledge for reaching their individual goals, while learning itself maintains an evolutionary element that includes the influence of random events and path dependency. However, the teleological theory does not prescribe a necessary sequence of events or specify which trajectory development the entrepreneur will follow.

## *3. Dialectic Process*

However, dialectic theory describes the process developed through a conflict between entities and refers to the balance of power between opposites. Change occurs when these opposing values, forces, or events gain sufficient power to confront and engage the status. Over time, this results in synthesis, which can become the new thesis as the dialectical process continues (Van de Ven and Poole, 2004). For instance, Rasmussen (2011) applied dialectic process theory to the context of the emergence of university spin-off ventures, using the theory to explain how the transition from academic to business context shapes the venturing process. Nevertheless, there is no assurance that dialectical conflict will produce a creative synthesis. Thus, it may not be feasible in the context of family business succession.

## *4. Evolutionary process*

Lastly, the evolutionary process argues that the process of change occurs through a continuous cycle of variation, selection, and retention. The evolutionary process, as in biological evolution, is dependent on the three sub-processes of variation, selection, and retention (Aldrich, 1999). Variations occur as both intentional and blind variations (Campbell, 1974), selection occurs through the competition for scarce resources and the environment selects entities that best fit the environmental niche (Hannan & Freeman, 1977), while retention involves the forces that perpetuate and maintain certain



organisational forms, and this serves to counteract the self-reinforcing loop between variation and selection. The family business literature has also been widely accepted in the evolutionary process theory, as it underpins the scientific discipline of how firms evolve over a period of time (Cushing, 1989). However, compared to the life cycle theory, evolutionary theory may not be the most suitable method to explain entrepreneurial learning in the context of family businesses.

This explanation of the four main process theories clearly shows that in this study, a life cycle process was the best method, since the study aimed to understand the process of entrepreneurial learning that develops in the context of family business succession and the transitioning process. These approaches helped identify clear periods of stability and transition, which offer the promise of predictability over time.

#### 2.5.1 Is Entrepreneurial learning a process?

Scholars agree that entrepreneurship is also a dynamic phenomenon wherein research extends beyond a focus on new venture creation including entrepreneurial learning (Cope, 2005; Kolb, 1984; Mumford, 1995). Entrepreneurial learning is derived from different schools of thought including experiential process, cognitive process, and social process. The definition of entrepreneurial learning often includes the process of recognising and acting on opportunities (Rae, 2009), the process development of necessary knowledge (Politis, 2005), and the experiential process acquired over time (Kolb, 1984; Cope, 2005; Politis, 2005). Hence, entrepreneurial learning can be understood as a process where individual entrepreneurs learn to facilitate the development of necessary knowledge by prior experience.

For instance, from the experiential perspective, entrepreneurial learning focuses on the experiential process through which concepts are derived from and modified by prior experience (Kolb, 1984). Entrepreneurial learning argues that entrepreneurial knowledge can be continuously shaped, revised, and developed throughout an entrepreneur's professional life and so can be conceived as a lifelong learning process (Politis, 2005; Sullivan, 2000). In terms of the cognitive perspective of entrepreneurial learning, scholars have emphasized that effective entrepreneurial learning is a problem-solving process centred on the acquisition, storage, and use of entrepreneurial learning in the long-term

memory (Young and Sexton, 1997). However, the social perspective states that entrepreneurial learning is a social practice that is embedded in the everyday interactions that occur in communities of practice (Lave and Wenger, 1991). Mueller and Anderson (2014) explored entrepreneurial learning in the context of European education, and the result shows that entrepreneurial learning is a crucial development process that has an impact on the personal development of knowledge and on personal qualities.

In addition, (Belak, Duh, & Milfelner, 2012) claimed that the long-term development, succession, or even existence of an enterprise can be highly endangered if there is no knowledge development throughout the life cycle. (Duh, 2014) supported this view, claiming that the knowledge creation process is of crucial importance in any firm due to its influence on creativity, change, and innovation. This becomes especially significant when a family's new generation has to take over the business from the previous generation. Clearly, the greater knowledge transfer of one generation to the other and the evolution of one generation in various life cycle stages need to be fully understood, as do their transition process and the type of assistance necessary for their survival and continuity. However, Rowley (2000) argued that knowledge creation will not always lead to an effective organisational learning process. Entrepreneurial learning plays a vital role in the process of knowledge creation and transformation across generations. In fact, the majority of the literature stresses the importance of an area of the knowledge creation process and of transmitting knowledge throughout the organisational life cycle and organisational learning (Dyck et al., 2002; Le Breton-Miller et al., 2004; Giovannoni et al., 2011).

In another field of entrepreneurship study, (Belak, 2016) applied life cycle theory to investigate the differences in Slovenian enterprises' organisational culture in various stages of the organisational life cycle. The study concludes that there is a difference in the type of strength of organisational culture, and this depends on the stage of the enterprise's life cycle. During an enterprise's life cycle transition from pioneer toward enterprise turnover, the cultural strength also transitions from a stronger to a weaker culture. Therefore, this will foster a higher degree of flexibility, which can result in a further increase in the innovation level and in learning opportunities (Belak et al., 2012). Having an explicit culture is, however, not enough. To succeed in breaking with the past and to allow for double-loop learning, the culture must also be open, that is, it must accept and actively encourage new, challenging, and radical thoughts and actions. If this is not the case, the members of the organization

might act in a more defensive way that delays the occurrence of higher levels of learning (Hall, Melin, & Nordqvist, 2001).

From all the different perspectives, it can be concluded that entrepreneurial learning can therefore be seen as a crucial process which develops over an entrepreneur's life time. However, there is still a lack of research exploring the area of entrepreneurial learning in the context of family businesses and knowledge creation through the life cycle process theory.

#### 2.5.2 Life Cycle in Family Business

As mentioned earlier in this chapter, both entrepreneurial learning and family business are considered to be a dynamic process; hence, it is crucial to use a dynamic theory to support this. A life cycle theory was adopted in this research, as it provides an explanation in the change process through clearly defined stages of development in family business succession.

Life cycle theory is a major theory that explains the development of all businesses, from the introduction to growth and maturity, and potentially on to eventual decline. However, in the case of a family business, the life cycle theory also has additional considerations and stages. In particular, Le Breton-Miller and Miller (2013) demonstrated "how changes in patterns of family involvement in the business can influence several socioemotional wealth priorities and how these, in turn, can shape the board composition required to enhance firm survival" as a family business develops over time. In addition to this, family businesses tend to show different patterns of opportunity creation and exploitation over time. Whilst most businesses are more aggressive in opportunity creation and exploitation in their early growth phases, family businesses tend to vary their behaviour depending on their leader and the goals of the family. Indeed, (Sharma & Salvato, 2011) argued that "a strategic split of innovation responsibilities between family and nonfamily professionals is likely to be useful, contingent on the firm's life cycle and size". This is because the involvement of non-family professional managers can help to ensure behaviour remains aligned with the needs of the business based on its position in the life cycle.

At the same time, there is evidence that family businesses tend to have generations to support this process. In the context of business, life cycle theorists assert that a certain type of critical incident occurs at a certain development stage within the small business (Cope, 2000). This indicates that at each stage of the business life cycle, an entrepreneur may

encounter a different crisis. Thus, the entrepreneur will effectively learn from each episode and readapt to the event. For example, during the growth stage, demand for expansion may be one of the most likely crises. To help smooth this transitional process of growth and help entrepreneurs move through a different stage, a higher level of learning and prior knowledge of experience is essential (Cope, 2003). In fact, Warren (2004) also stated that entrepreneurial learning must be dynamic and adaptive and must change according to the different stages of the life cycle, as successful adaptation is inseparable from the emergent properties of entrepreneurial learning.

Rae (2004) introduced the five life story stages of the entrepreneur that people go through in terms of developing their entrepreneurial career. The first two stages are the entrepreneurial career stage of formative experiences, including 1) early life, such as family background and education, and 2) early career involving entrepreneur first job, and vocational or professional learning. After these stages, the stage of entrepreneurial careers seems to fall into three phases of being involved with specific enterprise: 3) engaging and entering a venture, 4) growing a venture, and 5) moving out and on from a venture. These latter three stages are the process of entrepreneurial learning. In an entrepreneur's career life, learning will take place throughout their life cycle.

Thus, the learning journey will take time, and will represent a dynamic sense-making process, such as the more experienced entrepreneur encounters. It will likely help them to cope with uncertainty and increase the chance of efficiency in problem-solving (Rae 2006; Cope, 2005).

Theoretically, businesses are thought to evolve through some type of organisational life cycle (Churchill and Lewis, 1983; Griener, 1972). The life cycle model proposes that organisational growth and development is similar to the growth and development of a living organism, and the organisational life cycle model assumes that a firm outgrows the managerial capabilities of the founding entrepreneur, and evolves in such a way that ownership and management become separate (Morris et al., 1993).

Family firms are characterised by a relatively stable system as long as the founding entrepreneur is in place. For example, Kepner (1983) research concluded that the interdependencies between family life cycles and the family business cycle is magnified when transitions in the family coincide with transitions in the firm. She argued that each system is concerned with maintaining itself and become more resistant to the

differentiation and separation. The outcome could lead to dysfunction in the family firm relationship.

## 2.6 Research Gap and research Objective

According to the literature review, the entrepreneurial learning process and family business succession process are interrelated; however, to date, there are still gaps in this area of study. First, there is a gap in the knowledge about entrepreneurial learning in the family business context itself. Although a few researchers have studied entrepreneurial learning in family business, there are still many more aspects to be explored (Hamilton, Cruz, & Jack, 2017), such as entrepreneurial learning in multigenerational family businesses, specifically the learning process that takes place throughout the family business succession phenomenon.

However, there is a gap in knowledge regarding how succession can be planned and managed to maximise the entrepreneurial learning process. In particular, the model of the entrepreneurial learning process developed in the third chapter indicates that learning proceeds through opportunity identification, followed by cognitive and non-cognitive methods of learning, supported by knowledge and the firm life cycle, ultimately leading to a process of entrepreneurial learning. In a family business, the succession process can influence cognitive and non-cognitive methods of learning, and thus it is important to understand how these influences may alter the relationship between opportunity identification and entrepreneurial learning in a family business. Hence, this is the key research gap to be addressed.

Secondly, the area of co-creation between the different generations of a family business has not been explored. The learning that occurs through co-creation could potentially have a major impact on family business continuity, as knowledge from different generations is being transferred across the generations. The significance of the generation gap must also be stressed, as it makes an important contribution to learning. Previous research has explored the area of knowledge transfer (Cabrera-Suárez et al., 2001; Higginson, 2010; Woodfield & Husted, 2017); however, there is still little research on co-creation within family businesses.

The other main research gap relates to the link between the life cycle process of the family business and the role of knowledge in the entrepreneurial learning process. This specifically refers to how the life cycle of the family business differs from the life cycle of other businesses, and hence how these differences can influence the learning process. In particular,

as noted in the literature, the life cycle of the family business shows a greater level of variation across the cycle, linked to the succession of the business and which generation is leading the business at which part of its life cycle. There is thus the potential for a family business to be much more or much less entrepreneurial at different stages of its life cycle if the succession process brings in a leader whose approach is not aligned with the life cycle stage of the business. This issue thus requires a consideration of how the succession process and the selection, training, and development of a successor are aligned with the entrepreneurial learning needs of a family business, dependent on where the business sits in the life cycle.

Further to this, the life cycle of a family business can also be influenced by politics, conflicts, and family relationships. These factors play the strongest role in mediating the nature of entrepreneurial learning in family businesses. As a result of this, life cycle theory can be used to merge entrepreneurial learning and family business theories in order to develop a coherent outcome. In particular, by incorporating the specific family life cycle phase and the family life cycle behaviours of the family business into the entrepreneurial model, it is possible to demonstrate how the family business changes its process of learning over time. For example, when a family member succeeds to lead the business, it is possible to analyse their learning and leadership style, and determine how this influences the outcomes of the business and its learning style. By incorporating this learning and leadership style into the entrepreneurial learning model, it is possible to merge entrepreneurial learning and family business theories and thus demonstrate how the life cycle and succession in a family business context can influence the level of entrepreneurial learning in the business, and the resultant levels of knowledge and success.

Hence, the overall purpose of this thesis is to expand our understanding regarding entrepreneurial learning and family business succession by exploring how and why entrepreneurial learning takes place in such a context. The next chapter introduces the theoretical framework that was used in guiding this investigation.

## 2.7 Chapter summary

This chapter has presented the relevant literature pertaining to this thesis. It has covered two strands of the literature, namely, entrepreneurial learning and family business succession, with each being introduced separately. Section 2.2 provides the basic background and different aspects of entrepreneurial learning, in particular, the importance of the entrepreneurial learning process and the transformation of knowledge. In section 2.3, family business was clearly defined, as this is crucial in any methodology design. Learning in family business is discussed in terms of communities of practice and family relationships. Then the concept of co-creation was introduced, as this notion has not yet been investigated in the area of family business succession, and hence, it is important to explore further its background. In section 2.5, process theory was identified as the main theory for this study, as it provides the most appropriate scheme in the study of the phenomena of both the entrepreneurial learning process and the family business succession process. In the final part, the research gap and research objectives were identified and these were then used in forming the theoretical framework in the next chapter.

# Chapter 3

## Theoretical Framework

### 3.1 Theoretical Framework

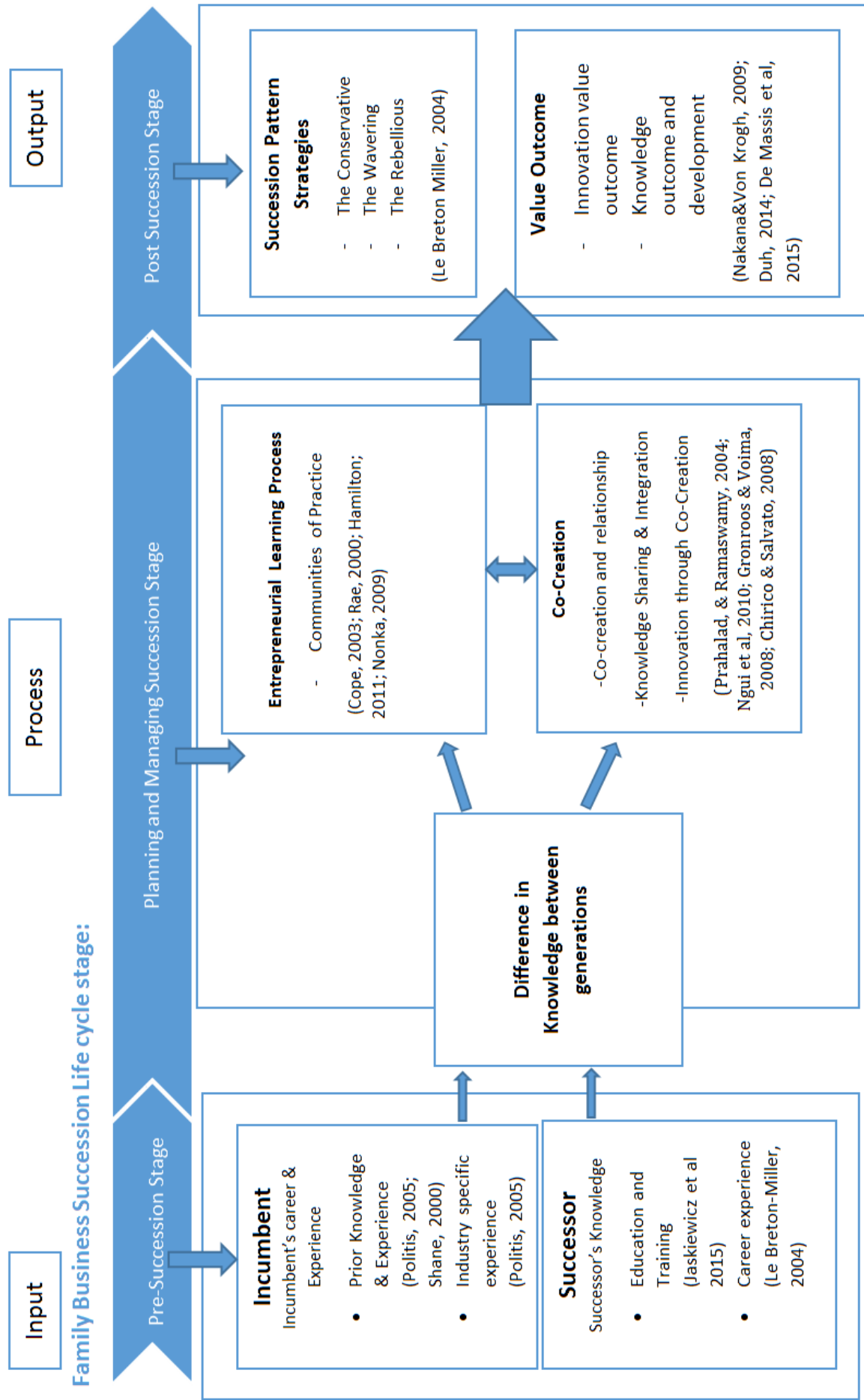
Succession is vital for the survival of family firms. It is not a static event or a process that begins once heirs are involved in the business; it is a long-term process initiated early in the heirs' lives. This chapter will discuss the proposed research framework with reference to the relevant literature review from the previous chapter and will explore the different research propositions that emerged from it. This research focuses on different strands of entrepreneurial learning and its relationship with the multigenerational family business. This involves a complex interplay of different factors, as this relationship is affected by the family business context, the different skill and knowledge levels of the business, and the ability gained and transmitted at different levels and time periods (Discua Cruz, Howorth, & Hamilton, 2013). This means a detailed understanding of this aspect is needed especially grounded in a theory, which explains these multi strands adequately. As mentioned previously in the literature review, life cycle theory is most relevant in this context, as it sets the tone by sub dividing the family business into different stages and relates it to the business' knowledge and skill level (Singla et al., 2014). This research framework will try to understand different relationships based on the assumptions of this theory.



To fill the research gap and extend the previous research, a theoretical research framework has been derived from the research objective. The main four research objectives emerged from the literature review as state in Chapter 1

From the literature review, this study has derived the emerging theoretical research framework, presented in Figure 3 below. The framework comprises input (difference in knowledge between incumbent and successor), the process (the entrepreneurial learning process and co-creation) and the output (the value outcome and the strategy after transition). All of these components move along the family business life cycle process, and they will be discussed in the next section. As discussed earlier, entrepreneurial learning should be treated as an ongoing process where skills and knowledge are continuously transferred, improved, and updated in accordance with the business realities. This means it is necessary to identify certain dimensions of these areas of learning to understand the process. These broader areas are structural, cognitive, and relational. They will be discussed briefly and will be related to the research framework. This will help identify the direction and magnitude of the relationship

Figure 3 Theoretical Framework



## 3.2 Process Theory

The aim of this study is to provide a better theoretical explanation of how entrepreneurial learning could influence the succession of a family business. The life cycle theories assume that the change process proceeds through clearly defined stages of development. Hence, in the context of entrepreneurial learning in family business succession, the process of transitioning can be seen as the progress of different phases in the firms. In the literature review chapter, the explanation of different process theory and the theory best suits entrepreneurial learning in the context of family business succession were identified. A full detail explaining different type process theory was explain earlier in the literature review section 2.5. Life cycle process theory has been chosen for this research.

### *Life cycle process*

Life cycle process was adopted in this study as it provides the most valuable explanation toward the entrepreneurial learning process in family business succession phenomenon. The life cycle theory assumes that change processes proceed through a necessary sequence of phases of development (Poole & Van de Ven, 2004). Life cycle theory often describes change as imminent; the developing entity has within it an underlying form that regulates the process of change and moves through the entity from a given point of departure toward a subsequent end that prefigured the state. The life cycle model can potentially provide a useful framework for understanding how family business transition occurs between generations as well as between different stages of learning.

### 3.2.1 Is Entrepreneurial learning a process?

Scholars agree that entrepreneurship is also a dynamic phenomenon which research extends beyond a focus on new venture creation including entrepreneurial learning (Cope, 2005; Kolb, 1984; Mumford, 1995). Entrepreneurial learning is derived from different schools of thought including experiential process, cognitive process, and social process. The definition of entrepreneurial learning often includes the process of recognising and acting on opportunities (Rae, 2009), the process development of necessary knowledge (Politis, 2005), and the experiential process acquired over time (Kolb, 1984; Cope, 2005; Politis, 2005). Hence, entrepreneurial learning can be understood as a process where individual entrepreneurs learn to facilitate the development of necessary knowledge by prior experience.

For instance, from the experiential perspective, entrepreneurial learning focuses on the experiential process through which concepts are derived from and modified by prior experience (Kolb, 1984). Entrepreneurial learning argues that entrepreneurial knowledge can be continuously shaped, revised, and developed throughout an entrepreneur's professional life and so can be conceived as a lifelong learning process (Politis, 2005; Sullivan, 2000). In terms of the cognitive perspective of entrepreneurial learning, scholars have emphasized that effective entrepreneurial learning is a problem-solving process centred on the acquisition, storage, and use of entrepreneurial learning in the long-term memory (Young and Sexton, 1997). However, the social perspective informs that entrepreneurial learning is a social practice that is embedded in the everyday interactions that occur in communities of practice (Lave and Wenger, 1991). Mueller and Anderson (2014) explore entrepreneurial learning in the context of European education, and the result shows that entrepreneurial learning is a crucial development process that has an impact on the personal development of knowledge and on personal qualities.

In addition, Belak and Duh (2012) claim that the long-term development, succession, or even existence of an enterprise can be highly endangered if there is no knowledge development throughout the life cycle. Duh (2014) supports this view, claiming that the knowledge creation process is of crucial importance in any firm due to its influence on creativity, change, and innovation. This becomes especially significant when a family's new generation has to take over the business from the previous generation. Clearly, the greater knowledge transfer of one generation to the other and the evolution of one generation in various life cycle stages need to be fully understood, as does their transition process and the type of assistance necessary for their survival and continuity. However, Rowley (2000) argues that knowledge creation will not always lead to an effective organisational learning process. Entrepreneurial learning plays a vital role in the process of knowledge creation and transformation across generations. In fact, the majority of the literature stresses the importance of an area of the knowledge creation process and of transmitting knowledge throughout the organisational life cycle and organisational learning (Dyck et al., 2002; Le Breton-Miller et al., 2004; Giovannoni et al., 2011).

In another field of entrepreneurship study, Belak (2016) applies life cycle theory to investigate the differences in Slovenian enterprises' organisational culture in various stages of the organisational life cycle. The study concludes that there is a difference in the type of

strength of organisational culture, and this depends on the stage of the enterprise life cycle. During an enterprise's life cycle transition from pioneer toward enterprise turnover, the cultural strength also transitions from a stronger to a weaker culture. Therefore, this will foster a higher degree of flexibility, which can result in a further increase in the innovation level and in learning opportunities (Belak and Milfelner, 2012). Having an explicit culture is, however, not enough. To succeed in breaking with the past and to allow for double-loop learning, the culture must also be open, that is, it must accept and actively encourage new, challenging, and radical thoughts and actions. If this is not the case, the members of the organization might act in a more defensive way that delays the occurrence of higher levels of learning (Hall et al., 2004).

From all the different perspectives, it can be concluded that entrepreneurial learning can therefore be seen as a crucial process which develops over an entrepreneur's life time. However, there is still a lack of research exploring the area of entrepreneurial learning in the context of family businesses and knowledge creation through life cycle process theory.

### 3.2.2 Process of succession through life cycle

Many researchers acknowledge that succession is a long-term and complex process (Breton-Miller, Miller, & Steier, 2004; Shepherd & Zacharakis, 2000; Westhead, Howorth, & Cowling, 2002). No single theoretical lens will unravel that complexity, but this study demonstrates that applying a learning lens brings theoretical insights to the study of family businesses. In particular, an examination of entrepreneurial learning as a process sheds light on the complex processes of transition in family business.

This perspective is crucial to understand the learning aspect that families, both as individuals and as members, develop as they move together in life, especially the concept of entrepreneurial learning, as entrepreneurial learning is an important issue at the micro level of individual development (Hamilton, 2011). The choice of a successor, training and development, and the transfer of managerial power are at the core of family businesses.

Succession is not simply a single step of handing the baton from one generation to the next; rather, it is a multistage process that occurs over time. However, the effectiveness of a succession is not limited to whether a president has been designated, as the family

dynamics are critical to the success of the succession process (Handler, 1994; Chrisman, & Chua, 2004). Hence, the succession and transitioning of family businesses can be also be viewed as a process that develops over a period of time. Viewing succession as a process, scholars have developed several models that apply either the life-cycle approach (Churchill & Hatten, 1987) or role transition theory (Handler, 1990; Katz & Kahn, 1978). In both cases, it is agreed that succession happens over a long period of time. It begins before the heirs have even entered the firm and then proceeds through the formal nomination of the successor, the transition phase, and the actual takeover (Handler, 1990; Le Breton-Miller et al., 2004). In particular, authors have identified several phases between the next-generation's entrance and their actual takeover, during which the next generation moves from a more career "developmental" phase, where knowledge and functional and leadership skills are built, to a "transitional" phase leading to the takeover (Aronoff & Ward, 1995; Mazzola, Marchisio, & Astrachan, 2008). Life cycle models have also been applied by family business succession literature.

In order to understand the process of how transition between different generations of a family enterprise takes place, scholars have used concepts and theories of the life cycle process in various disciplines ranging from the psychological aspect of child development (de Vries, 1993) and family relationships (Davis & Tagiuri, 1989) to correlate with succession transition (Morris, Williams, Allen, & Avila, 1997). The study by Jaskiewicz et al. (2015) concludes that identifying an entrepreneurship legacy and the imprinting of entrepreneurial legacy on the next generation of a family business is one of the most crucial processes that will enhance the succession in transition. This process develops through the actor reconstructing past events to influence the present and the future, which could be represented throughout the entrepreneur's life span.

Theories also agree that the continuity of business from one generation to the next depends highly on the succession planning (Handler, 1989; Lansberg, 1988; Ward, 1988). Dyck et al. (2002) has developed a five-stage model of family business succession, including identifying the right successor ahead of time, training them, handing the firm over to them in advance, providing them with mentoring during the transition process, and adjusting the firm's roles to the succession process. According to Santiago (2000), bringing forward the succession process, that is, if it is in line with the values of the family, means the succession is more likely to be successful, whether formally planned or not. If the children are involved in the

family business early on, it increases the possibility of them leading a smooth succession process. This is in line with the finding of Goldberg (1996), who demonstrated that successors with extensive prior experience from within the family firm are more successful than late entrants. Although no formal plans are made, there can be both informal and unintended preparations, like early exposure of the family business to family members (Santiago, 2000). Therefore, using life cycle theory can be very beneficial in understanding the process of generational transition.

Several studies have adapted the work on organisational life cycles to take into account distinctive features of family businesses and the family's generational progress in particular as well as the relationship between family and non-family members. For instance, Moores and Mula (2000), explore how formal and informal control develops within family businesses through the different life cycle stages in the context of Australian family enterprises. The study shows that although a family provides stability over generations, non-formal controls tend to lose their potency, as family firms experience transitions between different stages of the life cycle, especially if threatened by the timing of a succession-related transition. Similar to this research, Moores and Barrett (2003), introduce a 4 learning (4L) life cycle framework for family business learning by presenting the finding of their study into how owners of successful family businesses learn to manage various transition phases in their business and in their lives. The life cycle framework is appropriate for understanding the uncertainties in the business environment and how an organisation copes with them so that the change can follow a predictable set of development stages. These stages also occur as a hierarchical progression involving in broad range of organisational activities and structures.

However, this 4L model does not give the complete picture of family business learning, as it focuses only on individuals in a single generation. Thus, it provides only the information of how the learning of an individual goes through different stages of the business cycle, but it does not provide details of the learning cycle for the next generation, which must go through the change in conjunction with the first generation, as the learning curve for family businesses is closely linked to both generations. Another limitation of this model is that it does not specify the exact moment in time for each learning phase to take place. For example, it states only the four learning phases, but it does not mention when each phase

will happen. In addition, the model emphasises only the apprenticeship, stewardship, and leadership aspect of learning.

Although the family business literature mentions the importance of formal and well-designed training plans to develop the next generation after they have joined the family firm (Dyer, 1986; Ward, 1987), there are still some gaps in the identification of specific entrepreneurial learning processes that enhance the next generation's possibilities of acquiring knowledge, developing capabilities, and achieving credibility and legitimacy. For the purpose of this research, the family business transition period will be treated as a dynamic phenomenon, and three clear phases will be introduced as comprising the succession process. The first phase is the pre-succession phase; this is the time even before the heir enters the business. This is followed by the planning and managing of the succession, in which the majority of knowledge and functional and leadership skills are built.

Finally, post transition leads to the takeover, and the incumbent learns to let go. Drawing on both the entrepreneurship perspective and life cycle theory allows us to discuss further how viewing succession as part of the entrepreneurial learning process is also a development over time.

This lead to the first research question:

***RQ1: How do Entrepreneurial learning happen in the Family Business?***



### 3.3 The Pre-succession phase

Studies of the pre-succession phase have investigated the resource and actions of former owners that may facilitate succession, as well as the role of the incumbent, emphasising the ability to let go and leave the control to their successor (Cabrera-Suarez et al., 2001; Le Breton Miller, 2004, Shane, 2000). For instance, Cabrera-Suarez et al. (2001) claimed that in order to maintain and improve organisational performance, the successors must have the ability to acquire the key knowledge and skills of the incumbent throughout the learning process.

At the early stage in the life cycle stage of the succession process, the incumbent is trying to push the next generation to gain exposure to education, training, and personal development as much as possible, as well as develop a sense of belonging in the family business. This will help the potential successor develop specific knowledge and skills in managing businesses. Researchers have claimed that early exposure to the family business through summer- and lower-category jobs provides valuable experience for successors, as they are able to acquire tacit knowledge, which is often linked to the everyday life of the founder (Cabrera-Suarez et al. 2001).

Morris et al. (1997) stated that the successor needs a thorough training regimen to acquire firm-specific knowledge and to develop his or her own capabilities. Furthermore, Cater et al.'s (2009) study found that the incumbent can facilitate the knowledge and leadership development of their successor even before they enter the business. The incumbent is often found to be serving as a mentor for the successor; this is where the experienced leader passes his or her knowledge on to the follower in a close relationship (Cater et al. 2009). Similarly, Dyck et al. (2002) identified the initial sequence in the family business succession process of educating and training a successor. They found that regarding rapidly acquiring company and industry knowledge, often the aid of mentor was important in the development of successor (Carter et al. 2009; Dyck et al. 2002).

Research on the pre-succession phases of family business succession can benefit from the use of a theoretical framework on the entrepreneurial process related to nascent entrepreneurship, such as the concept of prior knowledge and experience. To explore how different generations potentially learn from each other, it is crucial to initially understand the different background of each generation's knowledge.

### 3.3.1 Incumbent's Career & Experience

Incumbent knowledge plays an important role in the succession of family business intergenerational transition. From figure 3, the two main experience knowledge factors could be categorised into two forms, namely, experience and knowledge and industry-specific knowledge.

#### 3.3.1.1 Prior Knowledge & Experience

Research has indicated that prior knowledge can be used to explain why certain entrepreneurs are more successful than others (Politis, 2005; Wright et al. 1997; Shane, 2000). Therefore, it is crucial to identify which type of career experience and knowledge can be considered to have an impact on entrepreneurial learning, especially in the context of family business transition. The term that is widely used in the entrepreneurial learning research is 'prior experience'. Although the concept of prior experience has received considerable attention in the entrepreneurship literature (Shane, 2000; Politis, 2005; Aldrich, 2003), the majority of the research has been devoted to studying prior knowledge to help identify the entrepreneur opportunity recognition. However, little research has been done regarding the context of the intergenerational family business transition.

Politis (2005) introduced a conceptual framework of entrepreneurial learning as a process in which the entrepreneur's prior career experience and industry-specific experience form the most significant foundation for the entrepreneurial learning process. He argued that entrepreneurial learning is based on an experiential learning process (Cope, 2003). His framework emphasised that the prior knowledge of the entrepreneur will then further lead to the transformation of knowledge through the exploitation and exploration of opportunity. In addition, Politis (2008) empirically studied the role of prior experience, especially the aspect of prior start up experience as a source of learning in the entrepreneurial learning process. By comparing habitual and novice entrepreneurs, he concluded that prior start up experience leads to several distinct learning outcomes including that entrepreneurs who have prior start up experience are more likely to have better skills for coping with the liabilities of newness and to be more effective in effectual decision making, and they perceive an entrepreneur's attitudes towards failure as a learning outcome.

Similarly, Shane's (2000) study also concluded that prior knowledge and experience play a very critical role in the opportunity identification and generation process. More recent work

done in high-tech start-up firms in Singapore, Beijing, and China shows that by using resource dependence theory and social network theory, it can be concluded that an entrepreneur's prior knowledge provides a source of uncertainty reducing information that enables them to conduct resource acquisition and opportunity identification (Zhange et al., 2014). They also suggested that entrepreneurs are likely to seek an opportunity through indirect ties, and this helps to expand the existing literature on new venture creation, which primarily notes only the role of the prior knowledge of the entrepreneur (Kirzner, 1997; Shane 2000; Venkataraman, 1997).

Since experience is a key contributor to the development of entrepreneurial knowledge (Minitti and Bygrave, 2001; Rae and Carswell, 2001), exploring the role of prior knowledge can offer important insights into the role of the entrepreneurial learning process. In the context of family businesses, it is important to look at the incumbent prior knowledge and experience, which if often trace back to their expertise in the field of work. As entrepreneurs develop certain skills, preferences, and attitudes through their involvement in multiple business start-ups (Westhead et al. 2005). Therefore, it is important also to explore the area of the incumbent's experience, particularly their industry-specific experience.

#### *3.3.1.2 Industry Specific Experience*

One explanation for how the incumbent becomes a specialist in the particular field of work is through the concept of industry-specific experience. The main argument in this area would be that the longer an individual operates within a given field, the better they become in absorbing new knowledge and combining concepts within that particular field (Politis and Gabrielsson, 2010).

According to Shane (2000), entrepreneurs have different stocks of information because information is generated through people's individual life experience. In addition, information is also distributed through a stochastic process, which means that people possess information differently, resulting in differences in knowledge about customer problems, market characteristics, and how to create particular products or services (Venkataraman, 1997). As the incumbent of a family business often works for a long period in their current field of industry, it seems fair to assume that industry-specific experience

can have a strong influence on their development of entrepreneurial knowledge (Shane, 2003). This implies that individuals with prior experience as a customer or supplier in an industry often have a better understanding of how to meet the demand conditions in that market or industry. A study by Aldrich (2003) demonstrated that founders tend to start businesses in industries in which they were previously employed because employment experience allows them to take advantage of information of the exploitation of opportunities gathered from their previous employment.

Industry-specific knowledge is often considered to provide valuable knowledge that can help entrepreneurs to overcome the traditional problems and obstacles that new ventures face. Based on this argument, prior experience can be expected to facilitate the development of knowledge that helps entrepreneurs overcome the obstacle thereby increasing the likelihood that they can successfully exploit and explore the entrepreneurial opportunities.

On the other hand, having to keep to a specific field of industry for a long time could potentially lead to restrictions in the generation of new business ideas. The finding from Politis and Gabrielsson (2010) shows that the longer the entrepreneur has operated within an industry, the less likely they are to come up with new business ideas. However, in the context of family business succession, the incumbent being a specialist in the current field of industry could be beneficial to the successor when it comes to entrepreneurial learning and the transformation of knowledge.

Since incumbents can play a significant role in successor knowledge and the development of capabilities, it is also important to look at the successor's perspective, including the factor that influences the successor's knowledge development. In the context of family business succession, the education and training of the next generation is one of the most critical factors to be explored.

### 3.3.2 Successor's Knowledge

Before the successors join or take a role in the leadership in the family business, they are likely either to be guided and trained by the incumbent or to receive another sort of education so that the potential successor also develops certain specialist skills, knowledge, and capabilities. However, the two main factors that are significant in the entrepreneurial learning process are discussed below.

#### *3.3.2.1 Education and Training*

Becker (1964) found that entrepreneurial activities are largely a function of the education, training, and practical learning that people experience throughout their career and professional lives. Morris et al. (1997) claimed that the education of a successor is positively correlated with a smooth transition and with post-transition performance. The training a successor goes through to acquire knowledge, develop capabilities, and achieve credibility and legitimacy is another vital factor for effective succession (Morris et al. 1997; Le Breton-Miller, 2004). An empirical work by Jaskiewicz et al. (2015) introduces the concept of strategic education, which illustrates that the next generation's education and work experience plays an important role in entrepreneurship. Strategic education involves families with an entrepreneurial legacy pushing their children toward education and work experience that are both high quality and related to the firm and that have potential future opportunities. Therefore, a strategic education is used by a family aiming to bring the latest knowledge to the firm for the purpose of capitalizing on emerging entrepreneurial opportunities (Jaskiewicz et al. 2015). In addition, strategic education goes beyond learning basic job skills for taking up an ordinary succession, as it also focuses on opportunity recognition and innovation for future firm development (Baron and Ensley, 2006; Shane, 2000).

However, Seymour (1993) found no relationship between successor training and formal succession planning, though it should be noted that he did not investigate the impact that the educational level of the owner has on either successor training or succession planning. These studies provide no clear confirmation of a positive relationship between owner education and succession planning. Nevertheless, based on these studies, one could conjecture that depending on the extent to which planning for organizational succession is innovative and represents a commitment by the current owner to prepare the organization for its future, then the relationship between the owner's level of education and succession planning would be positive.

#### *3.3.2.2 Work experience and the successor*

Prior research found that work experience plays a prominent role in increasing an entrepreneur's ability to assess, evaluate, and combine resources in relation to the process of entrepreneurial discovery (Shane, 2000; Politis and Gabrielsson, 2010). This experiential

influence can come from a different range of sources. However, in this context of the role of successors in family firms, career experience is considered to be one of the most important inputs for triggering entrepreneurial learning in family business succession.

Family firms should consider that internal work experience is as important as external work experience. Internal career development allows the successor to become familiar with the company's culture, values, and legacy. It also provides an opportunity to develop the capabilities needed by the firm (Cabrera-Suarez et al. 2001). This will encourage the successors to build relationships and creditability by successfully moving up the organisational ladder before fully taking over the ownership. In contrast, outside work experience enables them to keep up with the trends and technology that are developing in the market; this helps the successor develop a knowledge base, a sense of identity, and self-confidence. Jaskiewicz et al.'s (2015) study supports this and concludes that pushing the successor to undergo external work experiences could potentially help them to become more innovative in the industry.

Politis and Gabrielsson (2010) emphasised the importance of human capital investment including developing experience across different fields of work in helping the entrepreneur to come up with new business ideas. It has also been suggested that the production of novel ideas regarding products, services, and processes is guided by existing knowledge elements that are available for combination into new variations (Ward, 2004; Amabile, 2005). Experience from a broader array of different areas can stimulate cognitive processes that contribute to developing creative combinations, which in turn, may result in a more careful evaluation of the alternatives (Ward, 2004; Ward, 1995). Politis and Gabrielsson's (2010) study supports this view that possession of relevant information and inputs gained from experience across different business functions can permit association and linkages with the higher generation of new business ideas. In this context, the combination of knowledge from different domains may thus increase the likelihood that the successor is able to connect seemingly unrelated events or trends, which further results in something different emerging or an innovation outcome.

However, in the family business the successor not only develops their capability through education and work experience but also from the mentoring of the incumbent. This gives rise to further investigation of how differences in family business generation knowledge

could potentially benefit the family enterprise succession. Therefore, a study is needed of the process of how knowledge is created and of integration.

### 3.3.3 Difference in knowledge based across generation

Based on these arguments, there will always be a knowledge, skill, and capabilities gap between the two generations of family members due to them existing in different cultural and social environments (Hamilton, 2011). Since they both exist in different eras with different levels of education and practice, both generations are likely to specialise in different areas of knowledge. For instance, the first generation may have good experience in the skills and capabilities of the current field of business and industry whereas the second generation perhaps lacks this, but they will be more advanced in new updated versions of the knowledge and keep up with the current trends and social environments. Furthermore, the first generation has significant knowledge about the traditional ways of doing business while the younger generation may not have as much practical experience, but instead, may have knowledge about the evolution of new technology.

Empirical work from Woodfield and Husted (2017) also found that the knowledge base of the next generation had different features and key characteristics than that of the senior generation. While the senior generation's knowledge base was typically established through trial and error, the next generation displayed education and work experience from both related and unrelated fields. The senior generation often relies on deep experience-based knowledge to assess what works and what does not, whereas the next generation's knowledge relies on more formal scientific criteria or knowledge validation mechanisms that they learn from outside the organization (Woodfield & Husted, 2017).

In order for both generations to benefit from each other, the literature has identified different dimensions of structured and non-structured activities. These include creating ties either through formal training and team building or through informal activities designed to increase cooperation and coordination (Chua J H, Chrisman and Chang, 2004). As the first generation is more experienced, they can choose between formal and non-formal activities, keeping in view the specific requirements of the younger generation (Singla, Veliyath and George, 2014). This also helps in creating a customised environment for better learning and development for both the generations, as they both learn from each other. However, there

is still a lack of research on the entrepreneurial learning process in the field of family business succession (Hamilton, 2011).

Therefore, it is significant to explore how these differences in the knowledge gap will enable generations to help each other. One of the ways of exploring this is through the entrepreneurial learning process where learning has taken place and knowledge is being shared and integrated to understand how the differences in knowledge play an important role in family business succession. In this study, it is important to explore further the area of the entrepreneurial learning process. This argument gave rise to the second research question:

***RQ2: How do Entrepreneurial learning help shape the intention to pursue family business value?***



### 3.4 Planning and Managing Succession phase

The studies on how succession planning in family firms is related to key entrepreneurial processes and outcomes could provide interesting input to this debate from a fresh multi perspective. Typically, family members experience entrepreneurial learning from an early age, as the specific family business environment provides a source of situated learning experience. In doing so, the next generation could benefit from situated learning since even before they enter the business, they are able to learn-by-doing in the communities of practice context and so absorb the explicit and tacit knowledge. This will further enable the potential successor to recognize future opportunities.

Another important aspect to consider while exploring entrepreneurial learning is the medium adopted by the older generation to impart skills and knowledge. This choice of medium is strongly affected by the structures in place for them either within or outside the company (Chua J H, Chrisman and Chang, 2004). If channels are not aligned with the younger generation's needs, then the chances are learning can suffer due to noise and reluctance (Chrisman, Chua and Sharma, 1998). Co-creation makes that aspect easy, as both stakeholders decide what the best way forward is and devise a common strategy to achieve it. This helps in improving the message delivery and skill enhancements (Chua J H, Chrisman and Chang, 2004). Non-structured methods like informal meetings and mentoring also help, as they remove the formality and make the younger generation more disposed to listen and consequently to apply the concept in real world settings. However, the choice of the method should be left to both the stakeholders to obtain the best results (Discua Cruz, Howorth and Hamilton, 2013).

### 3.4.1 Entrepreneurial Learning Process

To develop our theoretical framework of the entrepreneurial learning process, firstly it is vital to understand how the entrepreneurial learning concept is derived. Entrepreneurial learning is often described as a continuous process that facilitates the development of necessary knowledge for being effective in starting up and managing new ventures (Politis, 2005; Cope, 2003). Supported by the Schumpeterian perspective, the initial part of the entrepreneurship is entry into a new market with goods or services based on a new combination of existing resources (Schumpeter, 1934). From this point of view, an understanding of the entrepreneurial process can be viewed as a dynamic rather than a static process regarding identifying opportunities for creating or releasing value and forming ventures, which bring together resources to exploit those opportunities (Rae, 2000).

Learning is also a dynamic process, which enables entrepreneurial behaviour to be enacted. Deakins and Freel (1998) claimed that experiential learning is crucial in entrepreneurship; the entrepreneur is forced to alter their behaviour through experiential learning. Experience can generate new meaning and bring about consequent change in thinking and behaviour.

Entrepreneurial learning could be used in explaining the process and mechanism by which learning takes place and knowledge is generated. For instance, it could give a better view of the dynamic process of accumulating or updating knowledge (Minniti and Bygrave, 2001), the development of new knowledge (Politis, 2005), and the acquisition of new knowledge (Holcomb et al. 2009). Moreover, the outcome of entrepreneurial learning presents new insights into the behaviour and the modification of the behaviour of an entrepreneur (Wang, 2013).

One limitation of these dominant views on entrepreneurship as an individual identifying and acting on opportunities and the emphasis on creating or entering a new business by an individual entrepreneur, is that they neglect the situation where an individual or team come together by taking over an existing organisation. This is where family business research can enrich the general understanding of the current research.

#### *3.4.1.1 Communities of Practice*

Although several explanations of learning are offered in the literature, including cognitive (Cope, 2003; Politis, 2005), experiential (Rae, 2001; Corbett, 2005) and behavioural (Holcomb et al. 2009; Lumpkin and Lichtenstein, 2005), such approaches have been criticized for failing to take into account the social factors that influence the learning process. However, family business learning is perceived to be inherently a social phenomenon that is embedded in participation in the everyday practice of a family business (Lave and Wenger, 1991; Hamilton, 2011). Therefore, there is a view emerging that a theory is needed to understand how a family business learns.

A situated learning perspective will be a useful framework in exploring the form of learning that takes place in a family business context. Building on Lave and Wenger's (1991) original work, they argued that a family business can be conceived as communities of practice. 'Communities of practice' refers to when a group develops, negotiates, and shares the understanding of the world, an intrinsic condition for the existence of knowledge (Lave and Wenger, 1991). The theory suggests that communities of practice can act as effective sites of innovation as much as of the preservation and transmission of practice (Lave and Wenger, 1991). Experiences are shared between members and through communicating and interacting with each other in the social context (Hamilton, 2015). In this case, from the differences in the knowledge and experience of the two-family business generations, the communities of practice enable the incumbent and the successor to consistently both intentionally and unintentionally share under the family condition.

Both generations articulate the specifics of entrepreneurial learning embedded in participation in the everyday practice of the family business. Hamilton (2011), drawing on the empirical study of two-generation family business, with the use of socially situated learning theory, developed a conceptual framework whereby she claimed that entrepreneurial learning is an integral process between everyday situated practice in business and other social settings. The study revealed that a family business is a social dynamic of communities of practice, the incumbent bringing accumulated learning from a number of communities of practice to form other family business communities of practice including their own family, their work being based on educative communities of practice (Hamilton, 2011).

Similarly, Fotea et al (2012) studied the Romania family business to evaluate how different generations within a family business learn from each other. They also concluded that the main factor in entrepreneurial learning in a family business is communities of practice and the willingness to collaborate combined with the openness to communicate between the two generations. Recently, Hamilton and Konopaski (2015) also used the concept of communities of practice and legitimate peripheral participation to explore how family business members learn about continuity. They concluded that the learning and continuity that takes place in the family context is non-linear and unpredictable.

However, the limitation of this perspective is that it does not provide a specific process or the medium of how the information and knowledge is actually transferred between generations, as this could be of further benefit in the family business entrepreneurial innovation process. To date, there remains a gap in the area of intergenerational transition succession in the perspective of entrepreneurial learning through co-creation in family businesses. Therefore, this study elaborates further on this from the point of further benefits of entrepreneurial learning and the actual process of knowledge integration through co-creation.

#### 3.4.2 Concept of Co-creation

The significance of co-creation processes is in how they drive a learning strategy that enables organizations to cope with an uncertain external environment and increasing market demand (Payne et al. 2008). Knowledge and information acquisition during the learning process is used to improve customer experience and to drive the innovation process for new service development or product development. Therefore, the main output from the co-creation process is value, which is dependent on the use of service and the experience of the stakeholder (Prahalad and Ramaswamy 2004; Vargo, Maglio and Akaka 2008). In this case, of a family firm that develops path-dependent knowledge, co-creation is viewed as a vital tool for relationship learning, i.e., knowledge sharing, joint sense making, and the integration of experience (Kohtamaki and Partanen 2016). Co-creation in a family firm could be in the form of learning by doing through the communities of practice, where skills and knowledge are shared consistently among family members. Differences in the generations may lead to gains in expertise, skill, and experience in different areas; thus, co-

creation has been viewed as a path for exploiting knowledge to generate new sources of surplus value (Ritzer and Jurgenson, 2010).

#### *3.4.2.1 Co-creation and relationship*

Collaboration is considered essential in today's competitive environment. Prahalad and Ramaswamy (2004) suggested that in the context of co-creation, building the capacity to collaborate is essential in building the capacity to compete. For firms to collaborate effectively, it is important that they develop a strong relationship between the stakeholders (Kohtamaki and Partanen, 2014).

A notable characteristic of co-creation is that it occurs in the context of ongoing interaction between the stakeholders, where interaction is a physical, virtual, or mental contact (Vargo & Lusch et al. 2008; Gronroos & Voima, 2012). Prior studies have indicated that for successful co-creation, businesses require positive collaborative relationships, and that interacting, learning, and sharing knowledge are vital to value co-creation (Gronroos & Voima, 2012; Lush et al. 2010). Therefore, enabling the activities of co-creation and adopting the concept of relationship learning are an important part of learning (Payne et al. 2008).

In the context of a non-family firm, relationships and the network of co-creation may be examined from the perspective of value creation from customers, value creation from suppliers, and joint customer-supplier value creation (Ngugi et al., 2010). However, in a family enterprise, another relationship that further benefits the firm is the relationship between the incumbent's and the successor's knowledge creation. For instance, from the discussion above, different gaps exist in the knowledge from both the incumbent and the successor. Through co-creation, the expertise, knowledge, and capabilities of the incumbent are combined and integrated with the new capabilities developed by the successor, thereby enabling firms to achieve something that none of the other parties could have achieved alone.

An enhanced understanding of relationship value is important for all the stakeholders of the organisation. In a complex and dynamic environment, the inability to see the value of relationships and the value created in relationships may lead to a loss of business opportunities (Ngugi et al. 2010). More recent work by Kohtamaki and Partanen (2016) took

a co-creation perspective of knowledge intensive business services in manufacturing firms. They emphasized that the co-creation of knowledge in an intensive business service requires a deep understanding not only of the customer experience and the process from the supplier, but also of the relationship learning within the supplier and customer relationship. Co-creation occurs specifically in joint value spheres between supplier and customer. Supported by Kindstrom (2013), he found that a new service orientation implies not only learning, but also the willingness to unlearn and to reject obsolete routines by providing evidence of the role of relationship learning in the context of knowledge intensive business services in the manufacturer-customer relationship.

In addition, Knowledge sharing between family members often including in a share of norm and value which has a strong effect on individual in form of emotional which can be positive or negative effect on the knowledge sharing process. For example, family rivalry has been suggested to reduce the willingness of the senior generation to pass experience based knowledge on to the next generation (Lansberg, 1999). Therefore, the importance of relationship within family member should be explore along with the co-creation process in order to understand the reason behind why certain co-creation and collaboration taken place.

#### *3.4.2.2 Knowledge sharing and Knowledge Integration through Co-creation*

Many studies have emphasized the importance of knowledge as a source of competitive advantage in family businesses (Cabrera-Suarez et al. 2001; Ramaswamy, 2009). Specifically, Bjuggren and Sund (2001) indicated a form of family idiosyncratic knowledge, which makes intergenerational succession within the family firm more profitable than other types of succession. However, while having knowledge is crucial, it may not be enough to remain competitive over time (Grant, 1996). Accordingly, over time, family firms need to develop entrepreneurial change capabilities in order to shed or redeploy resources, which erode in value and become obsolete quickly in changing markets (Habbershon and Pistrui, 2002; Chirico and Salvato, 2008). The process of continuous entrepreneurial learning and knowledge integration no doubt becomes another significant factor that may lead to a higher chance of succession in family firms.

Knowledge integration has been described as a collective process where various organization members recombine different pieces of specialized knowledge (Chirico and Salvato, 2008). Knowledge sharing has a strong relationship and connectedness resulting from effective entrepreneurial learning (Treviño-Rodríguez & Tapie, 2006). Recently, authors have attempted to understand better how distinctive features of family businesses are reflected in the ways knowledge is transferred and integrated through time and potentially amongst generations of the controlling family (Chirico and Salvato, 2008). Research on knowledge integration in particular has potentially significant relevance for family-firm research, considering that the family firm then has to strive to maintain knowledge in the long term within the business (Cabrera-Suarez et al. 2010; Miller, Steier & Le Breton-Miller, 2016). There is evidence to show that the next generation spends significant time outside the family business before taking up a more long-term role in the business, which can potentially prove highly valuable for a family firm.

Woodfield and Husted's (2017) empirical study of New Zealand family enterprises indicates that the integration of the knowledge from inside and outside a family firm can increase the ability of the family firm to adapt to changes in the business environment and so increase its chance of long-term survival. Therefore, knowledge sharing and integration is not only the responsibility of the senior generation, but rather the duty is likely to be reciprocal (Woodfield & Husted, 2017). This is why it is important to understand the concept of the co-creation process that will lead to successful knowledge integration and to understand how this knowledge can be utilized within the family firm.

On the other hand, Chirico and Salvato (2008) argued that learning all the knowledge possessed by other family members may not be enough for the succession process; rather, it is more efficient to integrate individual family members' specialized knowledge while reducing the time spent transferring knowledge between them. For instance, Chirico and Salvato (2008) provided a theoretical model of knowledge integration in family firms to explain the development of dynamic capabilities, as they are affected by knowledge integration. The evidence indicates that effective knowledge transfer integration has positive effects on company performance and provides a competitive advantage (Zhong et al. 2013). Integrating and transferring knowledge between different generations affects a family firm's capability and development because they are valuable resources and are

difficult to imitate (Carr and Ring, 2017). This is particularly true when the knowledge being transferred is tacit in nature and highly context-specific especially with family firms, as each family business is highly path dependent, and tacit knowledge becomes more difficult to transfer.

More recently, Carr and Ring (2017) studied the importance of knowledge integration in American family businesses. The findings show it is important to transfer idiosyncratic knowledge, which has been acquired over time by individual family members. However, knowledge integration between family members becomes most significant during the process of creating non-economic value, such as the transitioning process of passing on the baton to the next generation.

Drawing on the perspective of life cycle theory and entrepreneurial learning theory, the knowledge sharing process is also developed over a period of time through members both of the first generation and the next generation. Therefore, in the entrepreneur's life cycle, both explicit and tacit knowledge will be consistently generated and, over time, will develop into a useful source of competitive advantage for the entrepreneur. This argument leads to the next research questions:

***RQ3: Where do Co-creation happening the Entrepreneurial learning process?***



### 3.4.3 Innovation through Co-creation

According to innovation network theory, locus of innovation is not the individual but rather its network (Dyer and Sing, 1998). The review of the literature shows that the process of co-creation and collaboration between multiple stakeholders simultaneously can lead to innovation and knowledge creation (Kazadi et al. 2016; Ngugi et al., 2010). The ability of firms to create knowledge during the innovation process has been identified as a key source of competitive advantage (Bierly, Damanpour, & Santoro, 2009; Grant, 1996). In recent years, firms have realized that such knowledge creation cannot happen solely within the firm. To expand their knowledge base, firms increasingly co-create knowledge with external stakeholders during the innovation process (Hoyer, Chandy, Dorotic, Krafft, & Singh, 2010; Mahr, Lievens, & Blazevic, 2014). For example, leading car brands, such as BMW, engage thousands of consumers across the world to co-create innovative features in new cars (Poetz & Schreier, 2012). Various streams of marketing and management literature have detailed the process by which firms integrate one type of external stakeholder into their innovation process (Horn & Brem, 2013).

Innovation could potentially be derived from the inspiration of individual insight, but ideas tend to be developed by groups working together (Sawyer, 2008; Johnson, 2010). This demonstrates that rather than focusing on how to spot individual creativity, co-creation practitioners should concentrate on how to make groups productive by working to create an atmosphere where people trust each other and the organization.

Innovation management is another key area of knowledge in the co-creating activities. This can be a source of competitive advantage and can result in new business opportunities. These opportunities are important for family-owned businesses, which work on close networking and tapping into unknown avenues help them grow and prosper (Discua Cruz, Howorth and Hamilton, 2013; Chua, Chrisman and Chang, 2004 ). Innovation plays a key role in directing the firm towards new opportunities. The older generation can help the younger generation by investing in their training and familiarising them with the previous innovation of their time which affected their business. This can be achieved with face-to-face interaction with different people who share their experience of innovation management and by the sharing of the tacit knowledge of the business as well (Chua J H, Chrisman J and Chang, 2004). This creates a combination of values where the generation of new ideas is supported and shared for the stakeholders' mutual benefit. This is also an important part of

knowledge transfer for both parties as well. They learn how new technologies are shaping the world and how this results in new opportunities for the business and its competitive advantage.

In the last few years, co-creation has emerged as an appealing label used by different research traditions within marketing, management, and innovation to depict a new and promising vision of innovative phenomena (Vargo and Lusch 2004; Vargo 2009; Prahalad and Ramaswamy 2004; Michael et al. 2008; Prahalad and Krishnan 2008 ). There are three main research streams that provide a starting point for the co-creation perspective through innovation management, including technology-driven (Chesbrough, 2004, 2006; Enkel and Chesbrough, 2010), customer-driven (Franke and Piller, 2003; Taitler et al. 2011; Fuller, 2010) and service driven (Vargo and Lusch, 2011; Gummesson et al., 2010) research. In addition, Ngugi et al. (2010) investigated the influence of relational capabilities developed by small and medium sized firms on value co-creation and innovation. They concluded that innovation will never be a purely internal issue within the firms, but rather stakeholders such as suppliers and customers play an important role in the innovation of product development (Ngugi et al. 2010).

However, to date, there is a lack in research into co-creation innovation in the context of family enterprises. The majority of the research of innovation through co-creation emphasises that it is a process that is influenced by a company's external factors, such as customers and technology. Therefore, this issue led to another research question

***RQ4: What is the relationship between Entrepreneurial learning and Co-creation?***

### 3.5 Post-Succession Phase

Another vital issue in family business succession planning is the timing of the succession. The actual point in time where ownership is transferred from one generation to another varies depending on each family firm. The transition often happens due to the retirement of the owner or the sudden loss of the incumbent (Sharma et al., 2017). At the post succession stage, we can now further investigate the outcome of this family business transition. In this paper, there are two categories of output: the succession pattern and the value outcome.

#### 3.5.1 Succession pattern

A change in ownership of a family business often dramatically affects the firm either in a positive or negative manner depending on how well the next generation is prepared to take on the role and how they plan the long-term strategy after the incumbent has departed. According to Miller et al. (2003), there are three succession patterns that result after the transition has been made.

##### 3.4.1.1 *The Conservative*

The first succession pattern is the conservative succession; this is where the new CEO remains in many ways dependent on the old even after the latter has left or died. This conservative behaviour will lead to specific type of governance and strategies including the successor keeping to the same way of doing things, and the same hierarchy, rituals, compensation schemes, and modes of communication remain. However, this can have negative consequences for firms, especially in changing environments. Conservative succession may reject freethinking employees and alienate customers wanting new products.

##### 3.5.1.2 *Wavering Succession*

Wavering succession is characterized by indecision. The successor wants to make their mark on their firm, but is uncertain as to how. The old organization is normally left standing, but new units may be added. The major consequence of a wavering succession is that a firm is never able to converge on a new strategy. This may blur the organization's strategy and images, allowing a more distinctive competitor to steal the market share.

### *3.5.1.3 Rebellious Succession*

This is where the new CEO rejects the legacy of the previous generation and establishes a new way of doing things. The strategy for this succession is characterized by far-reaching changes in product, market scope, and functional business strategies.

### *3.5.2 The Value Outcome*

At the post-succession phase, the outcome of intergenerational transition could result in various value outcomes. From an entrepreneurial perspective, evaluation of the post succession in family firms could be done by comparing performance consequences, such as growth, innovation, and survival. With reference to entrepreneurial learning, it would be relevant to learn more about what happens to the innovation capabilities, new knowledge creation, and growth of a firm. On the one hand, it may be expected that the new generation will bring in new resources and capabilities and thus inject new entrepreneurial energies into the firm. On the other hand, researchers argue that many family businesses over time create unique and rare resources that are difficult to imitate; this may have a negative implication for the innovative capabilities and growth potential of post succession firms (Miller et al. 2003).

In this study, the value outcomes that will benefit the understanding of family business succession and entrepreneurship literature are classified into three dimensions, namely, the knowledge creation and development outcome, the innovation value outcome, and the successfulness of the transition outcome.

#### *3.5.2.1 The Knowledge creation and development outcome*

While an increasing amount of research on entrepreneurial family businesses has focused on transgenerational value creation (Hall et al. 2001; Kellermanns and Eddleston, 2006), there is a lack of research into the process of how family businesses create value across the different generations, which further results in a greater chance of successful transition.

The knowledge creation process is of crucial importance in any firm due to its influence on creativity, change, and innovation (Nonaka and von Krogh, 2009). As numerous succession issues are closely linked with the intergeneration transition, especially during the selection and development of a suitable successor, research has focused on the transfer of knowledge from an incumbent to a successor (Sharma, 2004; Duh, 2014). Duh (2014) claimed that the successful realisation of succession depends not only on traditional knowledge creation, but

also on the active involvement of the successor in many aspects of how the business functions. Knowledge creation between generations broadens not only the successor's knowledge, but also the firm's tacit and explicit knowledge, triggering a new spiral of knowledge. This will further enhance the level of creativity, change, and innovation (Nonaka and con Krogh, 2009).

Duh (2014) claimed that socialization makes possible the sharing of tacit knowledge among individuals and is a process of creating tacit knowledge through face-to-face interaction or shared experience. In addition, by externalisation, it allows tacit knowledge to develop into explicit knowledge in such a way that knowledge can then be easily transferred. Therefore, this process is crucial in helping expand knowledge beyond what a single individual might know. In the context of family firms, it is important for tacit knowledge to be transferred during the succession process (Sharma, 2004). The transfer of knowledge from the incumbent to the next generation is the key process in developing and protecting knowledge and guaranteeing the continuity of the family business, as family businesses often maintain their own ways of doing things (Cabrera-Suarez et al. 2001). For these reasons, different studies have been done to address the role of career development outside work experience, apprenticeship, on-the-job training, formal education (Le Breton Miller, 2014), training of next generation family members after they have joined the management team (Mazzola et al., 2008), importance of communities of practice in the continuity of family businesses (Jack and Hamilton, 2015), and knowledge accumulation in family firms (Chirico, 2008).

A knowledge-creation derived process of entrepreneurial learning and co-creation could potentially become a good measurement of succession, as it is very beneficial for the family business given that it also creates a new source of competitive advantage for the firm. Knowledge creation is also a key factor in driving the level of innovation, which will help a family firm to gain a sustainable competitive advantage (Classen et al. 2014). Thus, it is important to look into innovation outcomes in order to assess the outcome of business successions.

### *3.5.2.2 The innovation outcome*

Family business researchers rate innovation as highly important for the economic development and growth of a company (De Massis et al. 2015; Nieto et al. 2015). Innovation not only positively affects the long-term business performance, but also ensures the survival of a firm against competitors (De Massis et al. 2016). Innovation entails both an outcome and the process to reach this outcome at the same time.

One way to measure the succession of entrepreneurship in a family business is the innovation value outcome. A different approach to co-creation revolves around design and innovation at the front end of the product and the service development process, which is often the main focus of co-creation activities (Prandelli et al., 2006).

Researchers claim that there are various ways to measure the innovation outcome, including research and development expenditure, the number of patents registered, the number of technologies introduced, and incremental and radical innovative capabilities based on products. However, this could be limited in its application to family businesses, as family firms have a range of different sizes and may adopt different strategies from non-family firms (Quintane et al. 2011). For example, research and development funding of SME-sized family firms may not be as much as for the non-family businesses; thus, it will not be appropriate to use this comparison and measurement.

In this study, innovation not only means the introduction of new products and processes, but it is also measured by the major changes in management practices, business structure, organization or marketing strategies, and investments in the implementation or development of future products or processes (Mahroum et al., 2008).

Since innovation is a key contribution to business performance, it is a source of a family firm's competitive advantage, and it is fundamental for the survival and growth of enterprises (Werner et al. 2017). Thus, it becomes another variable in assessing the value outcome of a family business succession.

### 3.6 Chapter Summary

In this chapter, the theoretical framework on the succession of a family firm through entrepreneurial learning and co-creation processes has been discussed. The research questions have emerged from the literature review in Chapter Two. These will be used to inform the interviews and the questionnaire of the study carried out in a multigenerational family firm in order to be able to identify the issues that will enhance the investigation.

In the next chapter methodology approach for this thesis is discussed including research philosophy, research design, sampling design and data collection tools.

No.	Research Objective:	Research Question
1	To explore the relationship between entrepreneurial learning and succession in family business	How do entrepreneurial learning happen in the family business?
2	To examine the experiences of multigenerational family businesses and to explore how and what they might learn from each other	How entrepreneurial learning help shape the intension to pursue family business?
3	To identify how entrepreneurial knowledge, skills, and abilities are acquired, developed, and transferred to throughout the family firm	Where do Co-creation happen in entrepreneurial learning process?
4	To investigate how entrepreneurial learning could foster innovation in a family firm	What is the relationship between co-creation and entrepreneurial learning?

# Chapter 4

## Methodology

### 4.1 Methodology Introduction

The aim of this chapter is to explain the investigative approach used in this study. Based on the previous chapter, the research objectives and research questions were determined based on the gap in knowledge identified in the literature review. To meet the identified research objective, this chapter aims to provide a rational argument to support both the methodology and the research method. The scope of this chapter includes choosing a research paradigm, discussing the specific method adopted, and justifying the technique selected for the research inquiry. This chapter also describes the method and procedures used to answer the research question whilst justifying their capacity to meet the research objectives. Following this introductory section, the chapter is divided into five further sections, which discuss the following elements: the chosen research paradigm, the research design, the method selection, and data collection.

### 4.2 Research Philosophy

In a research study, it is important to be clear about the research philosophy, as it will broaden the explanation of the methodological route taken; it will also explain the definition and highlight the connection between the simultaneously fixed reality of the concept and each participant's experience of it.

The research philosophical guidelines concern ontology and epistemology, that is, what reality is and how we acquire the knowledge about it. Ontology is the study of being, of the nature of existence, and of what constitutes reality (Gray, 2017; Crotty, 1998). The ontological debate is related to the structure of reality, and questions whether reality exists in a hard, tangible, and relatively immutable structure or whether it is the product of individual consciousness (Crotty, 1998). Thus, ontology is the starting point of all research, after which, the researcher's epistemological and methodological position follows logically.



Epistemology is one of the core branches of philosophy, and the choice of the research methodology and methods depends to some extent on the epistemological stance adopted. Epistemology is concerned with assumptions about nature and the grounds of knowledge, and is related to the meanings attached to reality (Crotty, 1998). It provides a philosophical background for deciding what kinds of knowledge are legitimate and adequate (Gray, 2017).

Therefore, it is crucial the researcher understands how a particular view of the world affects the entire research process. By establishing a clear interrelationship between what the researcher thinks can be researched (ontology) and linking that both to what the researcher can know about it (epistemology) and to how the researcher should go about acquiring that knowledge (methodology), researchers can identify the importance of the ontological position, which can influence what the researcher decides to investigate and how.

#### 4.3 Research Paradigm

This section provides the four classical dominant views of philosophical research paradigms which are the subjects of major debate in the existing social research body of literature.

Table 4 below displays the different types of research paradigm, with the key points and a summary of their approach.

*Table 4 Key research paradigms, and the approach*

<b>Research Paradigms</b>	<b>Epistemology</b>	<b>Logic</b>	<b>Key Points</b>	<b>Approach</b>
<b>Positivism</b>	Objectivism	Deductive	Reality exists externally to the researcher and must be investigated through a rigorous process of scientific inquiry	Experimental and quantitative method of research to testify and verify
<b>Interpretivist</b>	Constructivism	Inductive	Truth and meaning do not exist in some external world, but are created by the subject's interaction with the world. The world is interpreted through the classification schemes of the mind (Williams and May, 1996)	To understand the social situational context; qualitative based (Crotty, 1998)
<b>Post-Modernism</b>	Subjectivism	Primarily deductive	Combination of two different world-views (Kincheloe and McLaren, 1994)	Material world is both real and is produced by and through capitalist modes of production
<b>Pragmatism</b>	Mixing of epistemological position	Inductive and deductive	Accept external reality. Choose explanations that best produce desired outcome. Ideology is true only if it works and generates practical consequences for society (Gray, 2017)	Mixing of both qualitative and quantitative data in single study

(Adopted from Yin (2009))

From the table above, it can be seen that there are differences in the views of how knowledge can be obtained, and this has created different schools of thought. The positivist approach argues that the social world exists externally to research and knowledge, and that information can be scientifically identified through a positive technique design to identify a universal rule (Gray, 2014). In contrast, the interpretivist approach is more concerned with objective reality and meaning, viewing knowledge as independent of people's thoughts. However, such a paradigm is limited by its lack of definitive theoretical prediction or by how it identifies the relationship. Both approaches have philosophical limits regarding data, which can reduce their application in a real-life context.

Pragmatism underpinned this research and guided the methodological decisions considered throughout the investigation process. In pragmatism, the focus is on the consequence of research, on the primary importance of the question asked rather than the methods applied, and on the use of multiple methods of data collection to inform the problems under study; therefore, it is pluralistic and oriented towards what works and towards practice (Creswell and Clark, 2011).

The pragmatic approach underpinning this research makes possible the incorporation of a pluralistic stance toward the choice of methodology. The rationale for this is that pragmatism considers theories, concepts, ideas, and research findings not in an abstract form, but in terms of the role they play as instruments of thought and action. It thus allows the researcher to move beyond the conceptual constraints imposed by interpretivism, positivism, and post modernism, and to adopt the most effective way of analysing the research problem. Hence, this paradigm does not focus on what propositions fit the ontology, but instead focuses on whether it suits a specific purpose and is capable of creating action (Rorty, 1998).

Pragmatism is said to be facilitated by the use of a mixed-methods technique, which can offer greater insight into the practical consequences in a specific social context. This makes it an ideal paradigm for analysing the entrepreneurial learning in the context of family business succession, as it is distinct from both nature and social science in its focus on the process of design and emergence and so highlights the theoretical and empirical importance of the contingent.

In addition, pragmatism advocates the view that research always occurs in social, historical, political, and other contexts that require multiple worldviews and different assumptions to be understood (Creswell, 2013). Therefore, the adoption of pragmatism as a research paradigm makes possible the use of comparative case study designs including both inductive and deductive reasoning through the use of qualitative data collection (Creswell, 2008). Pragmatists' views of the measurable world are related more closely to an experiential world with both objective and subjective elements (Dewey, 1925). As Cope (2000) and Rae (2007) argue, entrepreneurial learning is fundamentally experiential and is considered to be an individual construction process bound to the particular time and the specific context of the experiential learning. As an individual's experience can be perceived to be subjective in value, the experiential nature of entrepreneurial learning implies that the process itself is highly pragmatic and is driven by the circumstances facing the learner; therefore, pragmatism was considered an appropriate research philosophy for the proposed research.

The inductive approach allowed this study to build on a context-specific theory. Given the setting of the work in the area of Thai family firms, and building on the existing theory of family succession, this was the most appropriate pathway. Although there are existing theories about family firms and the causes of succession failure, it is not clear whether these are applicable in the context of Thailand. The extant literature indicates that not much research into family businesses has been done through the lens of entrepreneurial learning. As such, there is a need to undertake a deductive approach for a case study to develop a new theory or framework underlining this research problem (Sonfield and Lussier, 2012). Thailand was chosen as the target country because of the researcher's personal interest in and experience of the country, and due to the emerging nature of the Thai economy where family businesses continue to play a vital role in the local economy. It is therefore of significant economic importance to consider the nature of learning in Thai family businesses, and thus consider how entrepreneurial learning concepts can be applied to improve performance outcomes.

## 4.4 Research Approach

Before going on to explain the data collection procedure, it is important to explain the approach that was selected in relation to the research aims and objectives. As can be seen from the research gap, research has been carried out to investigate the nature of entrepreneurial learning in family businesses (Hamilton, 2011); however, no such work has been carried out specifically in Thailand. This indicates a need to conduct exploratory research in a pragmatic context, which would enable the study to explore the nature of entrepreneurial learning in Thai family businesses.

The qualitative approach would successfully address the research objective in what is a sensitive and culturally specific area within family business succession research, and researcher recognized that whilst a wider numerical and statistical perspective would add value to the scope and breadth of the research, the ability to focus on details and to explore themes more closely in the context of the incumbent and the successor of family firms would be extremely valuable to the investigation.

The goal of qualitative research is to develop concepts that enhance our understanding of social phenomena in natural settings, with due emphasis on the meanings, experiences, and views of all participants (Neergaard and Ulhøi, 2007). Therefore, the qualitative approach is very powerful when investigating the real-life learning process in the family business context. In addition, qualitative studies can further be used to identify the kinds of concepts or variables that might later be tested quantitatively during the data analysis (Gray, 2017). Therefore, to make the research more robust, qualitative data collection was adopted, and both qualitative and quantitative analyses were applied. The combination of different methods of data analysis was beneficial in increasing the study's reliability and validity by taking advantage of different research methods (Collin, Onwuegbuzie, and Sutton, 2006). However, before exploring the chosen approach, it is useful to consider some of the well-known arguments about the differences between qualitative and quantitative methods.

Creswell (2009) claims that there are three main research strategies for business research, namely, qualitative, quantitative, and mixed methods. This division reflects the difference in the epistemological perspective and the research approach. Several authors have attempted to distinguish between the nature of qualitative and quantitative data. For example, Bryman

(1993) summarises the key differences between quantitative and qualitative methods in terms of epistemology and the methods used.

*Table 5: Difference between quantitative and qualitative approach*

Dimension	Quantitative	Qualitative
Epistemological position	Objectivism	Constructivism
Logic	Deductive	Inductive
Researcher and subject relationship	Distance	Close
Stance of researcher in relation to subject	Outsider	Insider
Relationship between theory and researcher	Confirmation	Emergent
Research strategy	Structured	Unstructured
Scope of finding	Nomothetic	Ideographic
Image of social reality	Static	Processual

(Adopted from Collin et al. (2006))

This table shows that the relationship between the qualitative research and the subject is closed, and the research tends to be more internal. Qualitative research is highly contextual, and data are collected in a natural real-life situation. Hence, it goes beyond giving a snapshot of the event and shows how and why a thing might happen (Gray, 2017). This method, therefore, was useful in the study of learning between family members, as the process of learning is the processual flow of the event, which involves personal emotions and attitudes. The main characteristic of qualitative research is that it provides the researcher with a better view of the world by allowing them to get closer to their subject and become an insider within the research setting (Bryman, 1993).

In contrast, quantitative studies emphasize the use of measurements to describe objects and relationships by generating data in a numerical form, often depicted positively as reliable and rigorous (Neuman, 2009). This is because quantitative research is associated with science, and concentrates on the gathering of facts so that concrete claims can be established. It is argued that such facts are less likely to be tainted by the biases of the researcher if the researcher maintains a distance from the subject under study (Gray, 2017). However, keeping a distance between the subjects and producing only numerical data will not be enough to explain the reasons behind a complex topic, such as a family business setting.

#### 4.4.1 Methods used by previous research in Entrepreneurship

The literature is fairly equally divided on the merits of using the quantitative research method for understanding the different phenomena of entrepreneurship. Previous studies have highlighted different issues, which include anti failure bias, procedural issues, failure to take into account context, and weakness in understanding different relationships (Molina-Azorín, López-Gamero, Pereira-Moliner, and Pertusa-Ortega, 2012; Wang 2008). A literature review of two well-known journals within the field of entrepreneurship research, Entrepreneurship Theory and Practice (ETP) and Journal of Business Venturing (JBV), revealed that little qualitative research has been published regarding this aspect of the field (Aldrich 2000; Gartner and Birley 2002).

Similarly, Wang and Chung's (2014) systematic literature review also illustrated that there is a clear emphasis on quantitative methods and the unit of analysis employed by entrepreneurship (Wang, 2008). Quantitative methods are also being used to explore the phenomena of entrepreneurial learning at both the individual level and the organisational level (Politis, 2009; Rhee, Park and Lee; 2010; Sardana and Scott Kemmis; 2010). Mitchell, Busenitz, Lant, McDougall, Morse, and Smith (2002) did a comprehensive review of quantitative methods in entrepreneurship research. They concluded that the constructs, proposed relationships, and variables developed through quantitative research needed more explanation and, at times, missed important elements of an explanation. In the same way, Bird, Welsch, Astrachan, and Pistrui (2002) contended that family business research is

increasingly becoming more rigorous and sophisticated. They observed that 32 percent of studies used qualitative research, and 41 percent of research belonged to the quantitative domain. They highlighted that different complex factors, like successions, relationships, and cultures, cannot be adequately explained by use of a single method, as they are overlapping themes. It is also considered better to address issues using the qualitative approach to ensure the reliability and rigour of the academic research (Huberman and Saldana 2013).

However, more recent research has sought to synthesise quantitative research with qualitative research to reveal a richer perspective and provide new insights into the complex and interactive process of entrepreneurship (Pittaway et al., 2009; Zozimo; Jack and Hamilton, 2017). Wang and Chang (2014) further commented on the importance of the qualitative approach in developing studies on entrepreneurial learning. Other research has advocated the need to examine specific domains of entrepreneurship with intense qualitative research, such as creativity (Fillis and Rentschler, 2010), family firms and succession (Heck et al., 2008), and entrepreneurial networks (Jack, 2010). Moreover, scholars have suggested that the researcher should highlight the diversity of their theory and methods (Brush, Manolova, and Edelman, 2008; Gartner, 2001), with emphasis on the process of theory development to enable the creation of new theoretical lenses. These should be phenomenon-driven to obtain results that have implications for educators and practitioners (Hoy, 1997; Rispaal, and Laffitte, 2014).

Neergaard and Ulhøi (2007) showed that qualitative research is a powerful tool to understand the complex phenomena of entrepreneurial learning, as it accommodates greater complexity and accurately reflects the life of entrepreneurs. Recent research by Rae (2017) adopted a case study approach to explore the relationship between entrepreneurial learning and peripherality, which illustrated the contextual data in a relevant situation as well as making it possible to study the social process of entrepreneurial learning. Similarly, based on previous research with similar objectives, Hamilton (2011) investigated how entrepreneurial learning might be understood as being socially situated and embedded in everyday practice in the context of family businesses. Here, she used a qualitative approach to capture the situated learning and the practice based on knowledge and experience between the two generations of the family firm. The researcher mainly used the interview approach with a small sample size of five different family firms. On the other hand, much of



the research on entrepreneurial learning has been done using either a quantitative approach or a qualitative approach whereas Ya Man (2012) used the qualitative semi-structured interview to improve the understanding of entrepreneurs' behaviour during entrepreneurial learning.

For this research, semi structured interviews are adopted. The semi-structured interview is a powerful tool, as it is a combination of structured and unstructured questions giving both the respondents and interviewers the freedom to understand the phenomena while maintaining the focus of the investigation. Since the research objective of this study involves the incumbent's and the successor's life experiences, the qualitative approach was considered the most suitable to achieve an in-depth result. One of the ways in which this was achieved was by establishing what entrepreneurial learning is in an absolute and objective way through providing interviewees with a clear definition of the concept so that clarity could be established and comparisons could be made. Nevertheless, it is also crucial that sufficient value be placed on the individual realities created by the incumbent's and the successor's life experiences throughout the transition period.

## 4.5 Research design

‘Research method’ and ‘research design’ are terms that are sometimes used interchangeably; however, according to Bryman and Bell (2007), these terms refer to different concepts and are concerned with different elements when building a piece of research. For instance, a research design provides a framework for the collection and analysis of data while a research method is simply a technique for the collection of data (Bryman and Bell, 2015). Having acknowledged their differences, scholars suggest five different research designs: quasi experimental, cross-sectional or social survey design, longitudinal design, case study design, and comparative design.

This research applied a qualitative data collection approach for understanding multiple phenomena, like learning, innovation, succession, transition, and family business. These areas are diverse disciplines in entrepreneurship, and each warrants a separate inquiry; however, as the nature of this investigation is to study different strands of these themes and their impact on each other, therefore, a multiple case study design was selected, as this was ideally suited to a comparative exploration of the entrepreneurial learning process in a family businesses context while still capturing the businesses’ particular characteristics (Yin, 2003). Comparison between cases by following replication logic ensures a more robust approach to the study.

The study is directly developed from the theoretical framework previously outlined in Chapter 3. The focus is on the role of the interplay between the entrepreneurial learning process of the incumbent and the successor in the family business context. Case study was chosen for this study, as it is the most appropriate approach in order to understand the phenomenon of learning and knowledge accumulated throughout the entrepreneur’s life; however, the experience factor needs to be further explored.

## 4.6 Case Study

The purpose of this study is to explore how the entrepreneurial learning process could contribute to family business succession. As discussed in the previous chapter, the choice of method should be guided by the level of development of research in the field of inquiry in general and the nature of the research questions in particular. Based on both these criteria, a multiple case study was deemed an appropriate method of inquiry for this study.

Yin (2009) defines case study as “an empirical inquiry that investigates a contemporary phenomenon in depth and within a real-life context, especially when the boundaries between phenomenon and context are not clearly evident.” In this instance, little is known about the specific entrepreneurial learning process within multigenerational family businesses in relation to the family business succession.

Yin (2003) further categorises case studies as descriptive, exploratory, and explanatory. In this research, all three of these approaches are utilised to get a better understanding of the research question. A descriptive approach is used to show the entrepreneurial learning process, and the exploratory approach is followed to bring insight into the ‘what’ issues that may arise. An explanatory approach then considers the questions of ‘why’ and ‘how’, the aim being to establish a comprehensive causal relationship between the entrepreneurial learning and family business succession. Therefore, the qualitative approach allows the study to address the learning process within the family business context.

The use of a qualitative approach is appropriate to this study of phenomena, such as learning, which requires a methodology that can trace the processes as they unfold over time and that is sensitive to the broader context and the perspective of the involved actors (Mile and Huberman, 1994). Past research has fruitfully adopted qualitative methods for data collection and analysis to investigate the learning process that takes place in the lifeworld of entrepreneurs (Rae, 2004) or the learning processes that lead to the identification and exploitation of opportunities (Corbett, 2005).

A case study is a particular strategy for qualitative empirical research that allows an in-depth investigation of a contemporary phenomenon within a real-life context (Demassis and Kotlar, 2014; Yin, 2003). Among qualitative methods, case study has played a particularly

important role in family business research to date (De Massis, Sharma, Chua, Chrisman, and Kotlar, 2012). De Massis and Kotlar (2014) further consider that the case study is a powerful methodology that can be used in a rigorous, creative, and wide-ranging variety of ways to advance research in the context of family businesses. The feature of case studies could be particularly relevant to family business research, as family firms exist at the intersection of two systems – the family and the business (Tagiri and Davis, 1992).

Furthermore, there is a long tradition of case studies as the most used qualitative design in family business research (Sharma and Irvin, 2005; De Massis et al., 2012). For instance, Kontinen et al. (2012) conducted a literature review specifically to identify the use of case studies in family business research. The result shows that from the year 2000 to 2012, of the 402 family business studies identified according to the established criteria, 83 used a qualitative approach and 71 were case studies. This result is further supported by a recent study by Leppaaho et al. (2015), which shows that family business research relies heavily on case study as a qualitative method; hence, case study is a powerful design which can advance family business research. To understand fully the entrepreneurial learning process that takes place in the family business context, the researcher needs to combine multiple perspectives and to navigate multiple levels of analysis. Following this approach, multiple case studies were appropriate to this research for several reasons.

First, this research is concerned with the complexity and particular nature of the case in the family business setting. Its purpose is to advance knowledge by exploring family firms where the complexity of their dynamic has been acknowledged (Chua et al., 2014; Hamilton, 2014). Secondly, it investigates areas that are relatively under-researched (Yin, 2009); hence, this selection is consistent with the nature of the phenomenon herein explored, which is supported by previous studies in the family business field (Hall et al., 2001; Kotlar and De Massis, 2013). In this case, there is still a lack of research of the entrepreneurial learning process in the context of family businesses, which needs to be further explored (Hamilton, 2014; Wang and Chang, 2008).

The case study approach facilitates the provision of descriptive, exploratory, and explanatory research questions, thus creating a variety of perspectives within this field (Yin, 2014). In this respect, the exploratory case study design appears to be a well-suited methodology, as it aims to understand how the learning process takes place over two

generations of a family business. In addition, the case study approach is also suitable for situations in which there are manifold variables of interest embedded in the context of the investigation.

From the observation during the pilot study, it can be seen that each family business is unique and has its own path, which leads to differences in the type of learning process. Therefore, the case study strategy facilitated the in-depth investigation of the learning process and the phenomenon of family business that is difficult to study outside the family and national settings. This further enabled exploration of the process-related conditions that influence the successful learning in entrepreneurs who operate in family businesses.

#### 4.6.1 Thailand as a research context

It is important to note that Thailand was chosen as the main location for this research because, as identified earlier in the first chapter, family businesses in Thailand play an important role in driving the economy. Indeed, family businesses are found to have a significant impact on Thailand's economy to the extent that they contribute 80% of the gross domestic product (GDP). Furthermore, family firms account for 70% of the total number of businesses (Stock Exchange of Thailand, 2016). Thus, it is crucial to investigate further the reason for failure in business succession, and it is hoped that the development of a practice framework will prevent such failures. Within this geographical area, family businesses were selected from different parts of Thailand, including the central, northern and southern parts of the country, where most of the service industry operates, and the north-eastern part, where the majority of the manufacturing sector is located. The manufacturing industry has played a significant role in Thailand's economic growth, as a majority of the products are export items, which bring a significant amount of income into the country. The major manufacturing industries in Thailand include textile and garment, agricultural, beverages, cement, plastic, integrated circuits, and automotive parts. In addition, tourism plays an important role in driving Thailand's economy to the extent that in 2016, travel and tourism contributed USD82.5 billion or 20.6 percent of the GDP, and this is forecast to rise by 9.4 percent in 2017 (Travel & Tourism Impact, 2017). Hence, research into a different industry will help a variety of family businesses operating in different sectors with different levels of experience and with diverse backgrounds.

#### 4.6.2 Language

Recent trends in linguistics and philosophy emphasise that language is more important than just a medium for communication; rather, it is a cultural resource that produces the social world (Duranti, 1997). Language is closely linked with culture, as it shapes both the individual and the collective perception of the world of those who speak the same language (Kumar and Usunier, 2001). Language can be used to define a social group and to provide a barrier to those who speak a different language (Glenn and Glenn, 1981). Tsang (1998, p. 511) argues that “communicating in the respondent’s language is of paramount importance” for three reasons: it allows respondents to “fully express themselves”, it establishes “good rapport”, and it enables the interviewer to interpret the interviewee’s statement with “cultural understanding”.

Since all the family firms were located in Thailand, the respondents were given the opportunity to communicate in their native language. With the author being a native speaker of Thai, the respondents’ choice to speak in their mother tongue was beneficial, as it could reduce the risk of losing key information due to misunderstanding or misinterpretation, given that meaning might be lost when communicating in a different language.

After the interviews had been conducted in Thai, they were then transcribed and translated into English. To reduce the risk of loss of meaning, particularly when there was no direct English equivalent to a Thai word or term, only one professional translator was used to guarantee consistency in the translation.

#### 4.6.3 Selecting the Cases

The researcher’s decision to undertake a qualitative approach and to use case studies was followed by other careful decisions that would affect the investigation. It is crucial that the importance of such decisions is not underestimated, but that these decisions are explicitly presented and thoroughly explained, as this could facilitate the interpretation of the findings, and it may have an impact on creating the opportunity for research to be conducted in other settings. Particularly, in the area of family business, scholars can encourage researchers in the field of family business to provide a clear rationale for the case study selection and sample details to allow the reader to appreciate the researcher’s sample choice (De Massis and Kotler, 2014).

#### *4.6.3.1 Multiple-case study*

Yin (2009) illustrates that there is a variety of case studies in the inclusion of both a single and a multiple case study. The selection of a single case study can correspond to several rationales, such as a critical case in testing a well-formulated theory, an extreme case or unique case, and a representative or typical case (Yin, 2009). However, the single case study suffers from several limitations, including a lack of validity (De Massis et al., 2014). On the other hand, multiple case studies have become increasingly common in business and management research (Bryman and Bell, 2007). A multiple case study also overcomes the limitation of the single case study especially with regard to validity (De Massis et al., 2014). The evidence obtained from multiple case studies is claimed to be more robust, as it enables the researcher to conduct a cross-case comparison and to identify patterns between the cases (Yin, 2009). Multiple case studies in family businesses will help with the analysis of the results within and across different settings, such as a different industry (De Massis and Kotlar, 2014).

This thesis adopted a multiple case study, as it was regarded as the most suitable for the research purpose. In order to explore the entrepreneurial learning process phenomenon that takes place in family business succession, the researcher found it more enriching and furthermore, it was necessary to compare patterns among different firms.

In total, five family business cases were carefully selected according to the set criteria to understand fully the different learning processes in different types of family firms. In order to see the learning that passes from the incumbent (first generation) to the successor (second generation), both generations were interviewed. Multiple-cases enable comparisons to be made that clarify whether an emergent finding is simply idiosyncratic to a single case or if it is consistently replicated by several cases (Demassis and Kotler, 2014).

## 4.7 Sampling Design

Selecting a case or sampling is one of the most important issues related to the type of research (Ghauri and Gronhaug, 2005), as “it has a profound effect on the ultimate assessment of quality on the research finding” (Neergaard, 2007). In addition, selecting the sample for case study research in qualitative studies is very different when compared to other quantitative studies. According to Silverman (2013), in qualitative research, the choice of cases should always be guided by the theory, meaning that the case is not based on statistical grounds. However, Patton (2002) argues that perhaps nowhere is the difference between quantitative and qualitative methods better captured than in the different strategies, logics, and purposes that distinguish statistical probability sampling from qualitative purpose sampling. Therefore, it is evident that scholars agree that in qualitative studies, sampling is purposeful, selective, or theoretical. Hence, purposeful sampling of the multiple-case study was adopted for this research, as it could provide a good learning opportunity about the phenomenon in question (Neegaard, 2007).

In addition, consideration regarding the number of cases needed remains unresolved. Each methodology, in turn, has different expectations and standards for determining the size of sample required to achieve its aims (Palinkas et al., 2015). Similarly, Silverman (2013) argued that it depends upon the research problem, how rich and complex the within-case sampling is. Nordqvist (2005) showed that deciding on the number of cases involves finding a balance between breadth and depth. The price of having too many cases is usually thinner data, and it is worthwhile posing the question, “Why not to do a survey?” Silverman (2013). However, Yardley (2000) addresses this problem of the size of sample needed with four sampling criteria for evaluating qualitative case study research regarding benchmarks for assessing the validity of a study (Robinson, 2014). These four criteria are sensitivity to context, rigour, transparency, and the coherence and impact of importance. Hence, a well-conducted sampling strategy encompasses all these four elements. In this study, the criteria for selecting the sample are discussed in the next section.



#### 4.7.1 Purposive Sampling

First of all, the purposive sampling technique was selected to obtain the sample of incumbents and successors for family businesses for the qualitative research. A purposive sample is determined by identifying the processes being studied that any particular individual or group may be able to draw upon (Patton, 2002). Individuals are selected, therefore, on the basis of being “information rich” about issues related to the purpose of the research. Purposive sampling is a type of non-probability sampling technique that focuses on the particular characteristic of a population that is of interest and that will best enable the researcher to answer the research question. The use of purposefully selected multiple case studies was considered critical to this research, as it allowed a broader view to be undertaken across the family business succession phenomenon. This method helped the researcher to gain important knowledge or information that could not be gained from other sample designs.

First, a clearly defined sample must be explained. In this thesis, family firms were selected according to the main definition of a family business given in chapter 1 section 2.3.2. In addition, the size of the family firm was also an important aspect to be defined, as it would help with the scope of the study and produce a more representative result for generalization. In this study, the focus is on large family-owned businesses. According to the EY Family Business Year Book (2014), Ernst and Young Global Ltd and the Industry Ministry of Thailand report that in Thailand, 80 percent of businesses are still family-owned businesses, which means more than 33% of the Thailand stock exchange comes from large-sized family-owned businesses (Forbes Thailand, 2016). Therefore, it is important to undertake a study of medium to large-sized family enterprises, as they are the main source of employment in Thailand and act as a revenue generator for the country as a whole. In addition, investigating the large family-firms could demonstrate how they could become successful and grow from a small family-owned firm to a large family-owned firm. Moreover, it is important to select companies from a range of industries in order to get a wider understanding of the learning behaviour of Thailand’s family businesses. Thailand is an export-oriented economy with exports accounting for around 65% of the GDP (Tradingeconomies, 2018). The country mainly exports manufactured goods (86% of total shipments). Indeed, the manufacturing sector constitutes Thailand’s main industry, producing a wide variety of goods, such as textiles, garments, plastic, and cement.

Nevertheless, the service sector is also a key economic driver in Thailand, as 40 percent of the Thai work force is employed in this sector (Chaimahawong and Sakulsriprasert, 2013).

#### *4.7.1.1 Five main criteria in selection of family-owned business cases*

According to the research gap, research objective and theoretical framework, five cases criteria are proposed to endure that the research carry out provide the most effective research which will hopefully lead to the contribution to knowledge.

The five criteria of case selection are discussed below:

##### *I. Pre-succession stage of family business*

First, in the initial stage of family business succession, it is crucial to examine the pre-succession stage of the family business life cycle, as this is often where the most important knowledge about a family business is developed and is transferred to the next generation in preparation for them taking on the family business. In order to gain an understanding of how the entrepreneurial learning process and behaviour take place and contribute to the succession, it is fundamental to explore the initial stage of developing a successor. The key factor of pre-succession stage is also including both incumbent's prior knowledge and experience and successor education and training which were discussed in the theoretical framework (section 3.3). Therefore, in the first case, it was decided both the incumbent and the potential successor must be present in the business. They were both asked to fill in a questionnaire survey about their background and company background and to participate in an in-depth interview. In this case, the potential successor could have been preparing to take over or for when the successor just join/working in the family business. In addition, the study purposely selected a large size family business which define by a sale turnover of 1,000 million baht or more per annum. Therefore, the study can analysis how each family grow and bring the succession until today.

##### *II. Planning and managing succession stage of family business*

In this stage, it is important to explore the extent to which transferring and integration of knowledge from different generation might influence firm succession, as in order to close

generation gap in knowledge, the knowledge must be communicated between the incumbent and the successor. This might include the case where both incumbent and successor are now working toward the same business goal. The case section in this criteria is the case where both generations are starting up a new business together as a result of the incumbent's vision.

### *III. Post succession stage*

This stage seeks to understand how family businesses ensure and sustain the continuity after the incumbent has stepped down. This is where the ownership and leadership from the incumbent is shifted toward the successor, owner might be fully entitle to the successor. It is interesting to explore how the successor could bring the business to its current level of success. However, often at the post succession stage, the incumbent might not be present. Therefore, to ensure that the ownership is all due to the successor, a case is considered where the incumbent had left the family business or had died.

### *IV. Not continuing Family Business*

A family business develops through different stages, and there might be a point when the incumbent is not willing for the successor to take on the business or when the successor himself/herself is not willing to carry on with the legacy. Therefore, it is important to understand the rationale behind the learning and to know how that learning accumulates since the start of the enterprise as this could help develop and potentially diversify the business or industry.

### *V. Family-owned business limited company VS family-owned business public limited company*

Of all the businesses listed in the stock exchange of Thailand (SET), those businesses recognized as family-owned businesses or controlled by members of the founding family account for up to 50% (Srihong, 2014). In order for a family business to become a public limited company, the family firm structure must develop some level of professionalism, including hiring a professional management team to help with the business. Therefore, it is important to explore the different learning processes between these two types of firm

structure. The case selection must consider a public limited company, but the companies selected still had to have a large ownership by family member. According to the stock exchange of Thailand (SET), the categories that consider firm to be large size firm are those who turnover is £25 million or more per year. Therefore, in this sample criteria are also required a family business which have turnover of £25 million or more per year.

#### 4.7.2 Snowball sampling

Subsequently, after the pilot study interview data had been collected, sampling for the interview phase was introduced using snowball sampling. The network of family businesses that I had contacted or had links with was then built up by encouraging them to recruit another potential participant through the snowball effect. Regarding the use of the snowball sampling technique, it is particularly suited to a situation where the focus of the study is a sensitive issue and, therefore, requires insider knowledge of the located respondent (Biernacki and Waldorf, 1981). In this case, the snowball sampling effect meant that word-of-mouth contacts and associates would be encouraged to name other potential participants, and this could potentially open up a larger network access to larger family-owned businesses.

#### 4.7.3 Rationale in case selection

According to literature and theoretical framework developed (see section 2.5). It suggested that entrepreneurial learning in family business succession is a contextual phenomenon that developed across life cycle. Therefore, a case study is the most effective method in looking into this new phenomenon at each stage of the succession in life cycle. In this research, a clear three stage of family business succession life cycle are clearly define including pre-succession, preparing and managing succession and post succession. This different stage provide a clear objective in the investigation.

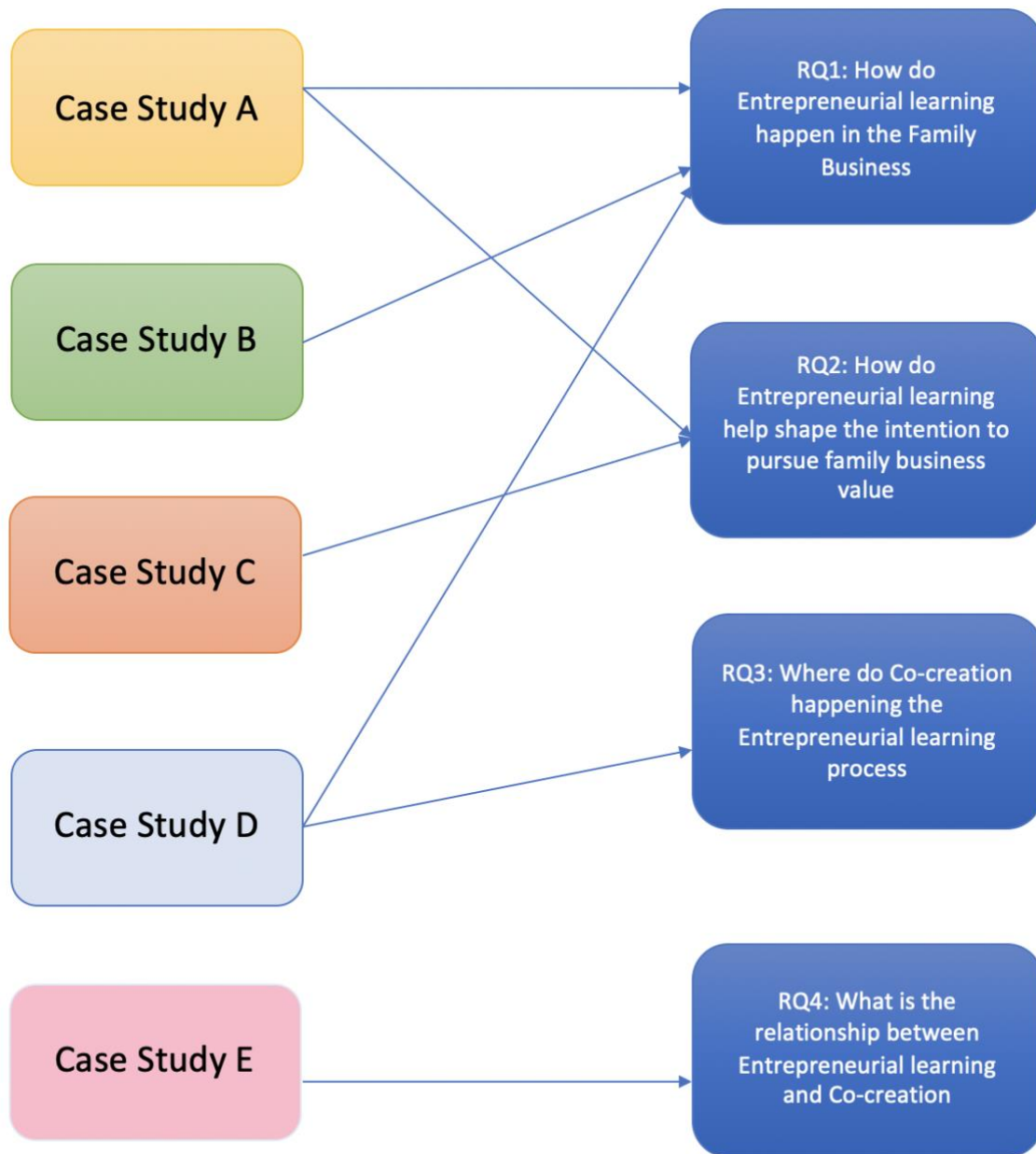
In addition, there also a case where family member decide to exit the family business which lead to diversification of knowledge and learning. Such that according to Nordvist et al (2012), they argue that succession in family firms can related to both entrepreneurial exit of a previous owner and the entry of a new owner, where entrepreneurial exit of family firm do not always mean failure of family business. However, it mean that entrepreneur exit to continue pursuing a new opportunity. Hence, entrepreneurial exit of family firm could shed

new light into the learning toward co-creation, innovation and diversification of family business.

Furthermore, an entrepreneurial learning comparison between public limited company family business and private limited company family business are also signification in this investigation. Such that what are the different learning, knowledge generate and valuable outcome that generate from company where all management team are family member in a comparison to the company with a professional board member.

This have led to a five criteria selection which are discussed in section 4.7.1.1. From the case selection criteria, this provides an overview of how each case study might be related to each of the research questions. The figure below illustrates the purpose linkage of each case study to the research question

Figure 4 Potential linkage of case study



Source: Current thesis

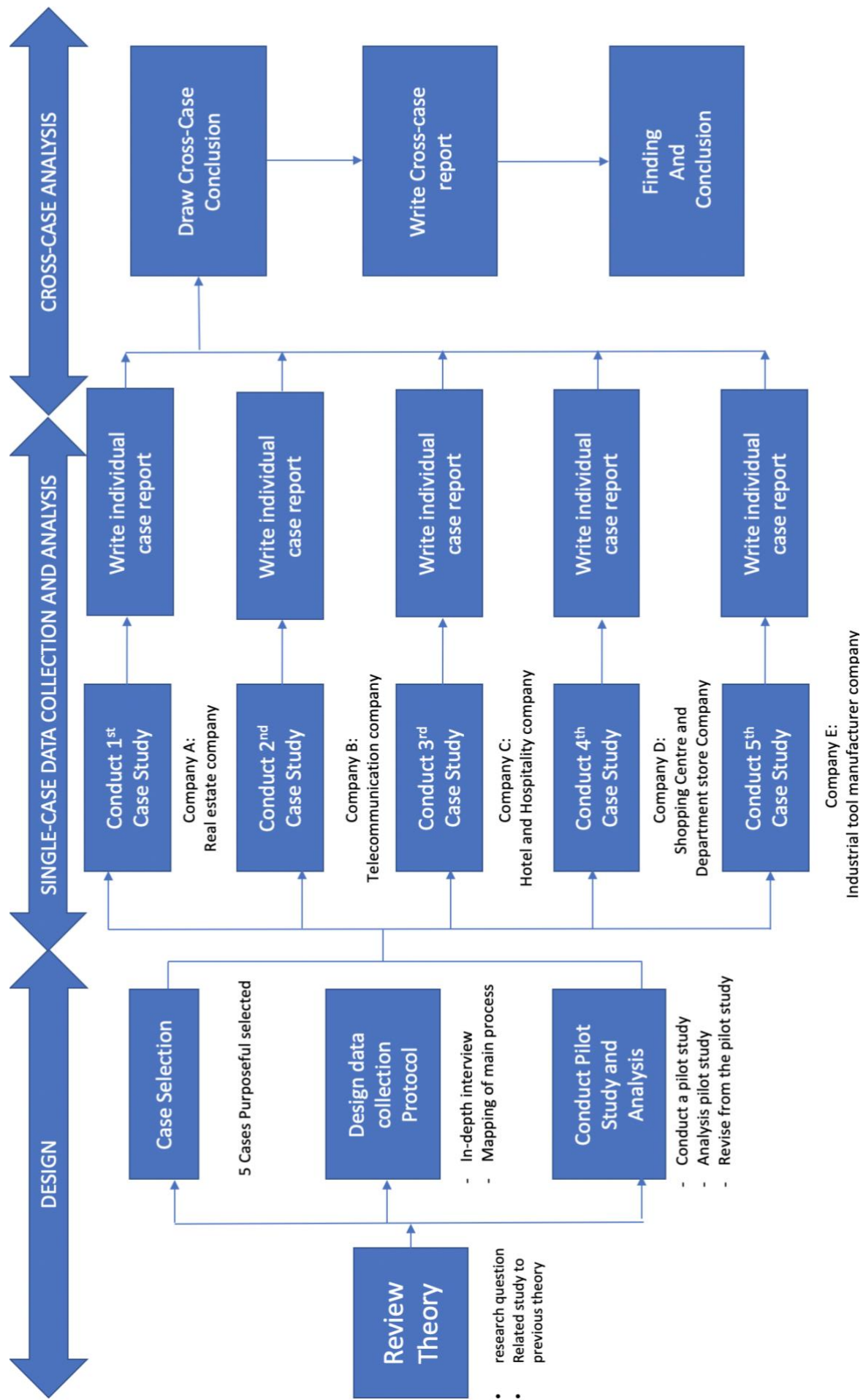
## 4.8 Case study data collection process

This section provides details of the steps the researcher followed to collect the data through the means of the previously discussed tool, namely, in-depth interviews. Adopting a qualitative approach made it possible to explore participants' views and experiences in greater depth.

In terms of the data collection, the initial starting point was to run a pilot study to get the feel for the industry and to identify appropriate research questions to maximise the validity and generalisation of the findings. This was followed by the in-depth interviews with the family business members, and then by analysis of the collected data.

The diagram below demonstrates the overall process of designing a case study from generalizing the theory to analysis of the findings and the conclusions. The theory was explained earlier in this chapter where it was decided which research paradigm would be the most appropriate in this study with reference to the research question. Five case studies of family businesses were purposefully selected according to the criteria established above. In the next section, the actual data collection process is illustrated starting from the pilot data collection.

Figure 5: Case study process





#### 4.8.1 Case study protocol

As part of overall research planning, case study protocol was conducted to ensure a consistent planning process. Following on from Figure 5, the case study protocol is explained in more detail in Table 6 below.

*Table 6 Case study Protocol*

Stage	Element	Criteria
Design	Purpose of the study	<ul style="list-style-type: none"> <li>- Review from the research objective and research question</li> </ul> <p>Research question: see section 3.6</p>
	Review theory	<ul style="list-style-type: none"> <li>- Review from literature review chapter</li> <li>- Previous family business using case study design</li> </ul>
	Case selection	<ul style="list-style-type: none"> <li>- 5 criteria of case selection</li> </ul> <p>I. Pre-succession stage of family business</p> <p>II. Planning and managing succession stage of family business</p> <p>III. Post succession stage</p> <p>IV. Not continuing family business</p> <p>V. Family-owned business limited company vs family-owned business public limited company</p>
	Conduct Pilot study	<ul style="list-style-type: none"> <li>- Pilot study was conducted with five family-owned businesses including both incumbent and successor</li> </ul>
	Pilot Study Analysis	<ul style="list-style-type: none"> <li>- Areas that need to further investigation including co-creation between family members, role of working with siblings, the importance of diversify and innovation in family firm</li> </ul>
	Preparing for data collection	<ul style="list-style-type: none"> <li>- General training includes qualitative data collection training, interview technique, case study analysis, thematic analysis</li> <li>- Revise interview question from pilot study</li> </ul>
	Field work procedures	<ul style="list-style-type: none"> <li>- Gaining access to interviewees:</li> </ul> <ol style="list-style-type: none"> <li>1) Send a letter to participant for the willingness to participate in the study</li> <li>2) If agree, phone call to arrange the prefer interview place and time</li> </ol>
Single case data collection and analysis	Conduct 6 cases study	<ul style="list-style-type: none"> <li>- Semi-structured interview</li> <li>- Identify data to be collected through creating interview questions</li> <li>- Data collection planned with diary</li> <li>- Data is recorded and stored in Google drive</li> </ul>
	Write individual case report	<ul style="list-style-type: none"> <li>- Within-case-study analysis including case background and company information</li> <li>- Case study database</li> <li>- Multiple sources used</li> </ul>

Cross-case data analysis	Draw cross-case conclusion	- Analysis across different cases to see the pattern and similarities
	Write cross case report	- Conclusion from the cross-case analysis - Consider range of possible outcomes
	Finding and conclusion	- Finding and conclusion of the whole case study

The use of a protocol provides an important means of improving the rigour of case study and other related evaluation methods (Host and Runeson, 2007). A protocol has many benefits with respect to ensuring that the data collection and analysis procedures are able to reliably answer the research questions. It also provides a baseline against which a case study plan can be revised if necessary.

#### 4.8.2 Pilot study

To understand better the relationships between entrepreneurial learning, innovations, and family succession in the Thai context, it was important on many levels to test our ideas in that specific setting. Firstly, Thailand is a developing country, and entrepreneurship is becoming more established. However, there are not many studies to help explain this phenomenon in that country. This means many aspects of entrepreneurship, like the business environment, succession policies, individual behaviours, and the social set up, are unknown. Also, limited understanding of these concepts is further aggravated by the fact that this study requires a detailed understanding of many sub areas like transition, innovation, and the relevance to theoretical understanding.

All these above factors can affect the accuracy of these investigations, which could result in assumptions being made that are not based on the reality of the situation. Similarly, a pilot study highlights the potential issues in designing questions, sample size, common themes, and the possible development of theory. This means all these complex phenomena have to be seen via the lens of reality, which may help narrow the research scope. A pilot study sets the milestone for further investigations, as it highlights the limitations and possible future direction for entrepreneurial ventures in this developing country. This will further benefit future researchers who want an in-depth understanding of this phenomenon in this country.

A pilot study was essential in this research, as it was necessary to test the feasibility of the research design. This research aims to study family business succession in Thailand, an area of research that is highly culturally specific. Therefore, a pilot study was required to improve and refine the interview questions and to identify and eliminate any problems (Sanders et al., 2015). A pilot study was also part of the questionnaire and interview question design process to check the reliability of the proposed framework on a small scale.

#### *4.8.2.1 Findings from pilot study*

Five family-owned businesses in Thailand were chosen for the pilot study, from which eight people were interviewed (three from the first generation (incumbent) and five from the second generation (successor)). In-depth interviews with open-ended questions were used; each interview lasted approximately 30-60 minutes, and all the interviews were recorded using a voice recorder. The first few questions were mainly ice-breaker questions to start the interviewees talking. Then, the main interview questions were asked; these were divided into five different themes including personal experience, the learning process in family businesses, the challenges and problems of working with the family, the generation-gap issue, and the future of their family firm. At the end of the interview process, the interviewees were asked whether the interview could be improved in any way or whether certain areas lacked clarity. As the interviews were all conducted in Thai, the data then needed to be first transcribed into Thai and then translated into English for further thematic decoding. The table below shows the details of each of the family business cases.

Figure 6: Pilot Case Study Profile

Firm	Sector	Industry	Year Founded	Size*	Generational involvement	Total interview	Interviewees	Rel. to founder	Company Role	Interview duration
1	Real estate	Real estate Land developer	1970	Large	3	2	2 <sup>nd</sup> Generation	Oldest Daughter	Creative director	00:58:35
							3 <sup>rd</sup> Generation	Youngest son	Board member	00:28:07
2	Service	Warehouse rental business	1988	Large	2	2	1 <sup>st</sup> generation	Founder	CEO	61:22:35
							2 <sup>nd</sup> generation	Oldest daughter	Manager	00:26:21
3	Real estate	Real estate Land developer	2006	Large	2	1	Founder 1 <sup>st</sup> Generation	Founder	CEO	00:36:26
4	Service	Transportation	1967	Large	2	1	2 <sup>nd</sup> Generation	Oldest daughter	CEO	00:35:38
5	Manufacturing	Paper manufacturing	1983	Large	2	1	2 <sup>nd</sup> Generation	Oldest son	Creative director	00:45:27

From these five cases, the pilot study raised three main issues. First of all, as the businesses operated in different industries, the importance and value of personal experience was likely to vary, and so new knowledge creation might differ among the firms. Therefore, a pilot study was conducted to answer the research questions associated with the incumbent's and the successor's personal experiences and with knowledge creation, while taking into account that the businesses operated in different industries. The survey question and interview was piloted using a convenience sample of participants in family-owned firms in Thailand based in the real estate sector, the service sector, and the manufacturing sector. The reason behind the selection of those particular industries was that different sectors may require different levels of experience based also on the different ages of the successor.

However, data from the pilot study showed that the first generation always select their children's education in accordance with their future businesses. The future business that the incumbent considers is not always in the same industry or sector. In this case, all of the family businesses mentioned that there is an important move into the real estate sector in Thailand, as the country is growing, and there are many opportunities in this sector. This

resulted in incumbents applying a different strategy when preparing the next potential successor to take on the leadership role.

For example, an interviewee from the second generation gave their perspective when they gave the following comment:

Our family business began as a steel company; however, during the economic downturn of Tom Yum Kung Crisis, my father saw the potential in the real estate and land development sector. So in order to move into a new industry, he encouraged my brother and me to do a degree in landscape architecture at university. (Second Generation Firm1)

Therefore, while it is important to consider the different industries family businesses operate in, it should be noted that the family business does not always stay in the same industry. Thus, the entrepreneurial learning within family businesses may vary according to whether the incumbent is willing to move into the new industry.

Secondly, family-owned businesses are unique, and each develops an independent path. Therefore, the questions that need to be asked must be designed specifically for the family member being interviewed. Thus, the pilot study interview was constructed to ask several questions related to entrepreneurial learning and the co-creation aspect dependent on the succession pattern each business adopts. This pilot interview tested the feasibility of the questions as well as improving the questionnaire and interview questions to be used in the research. Given that Thailand's culture is specifically eastern, the questions that have been asked in previous studies may not be appropriate to be asked in a high culture country. Thus, developing an initial set of questions would shed light on a certain type of response from both the incumbent and the successor and would further check the validity of the questionnaire and whether it was in tune with the culture.

Another significant theme that emerged from the pilot study is the importance of human resources within the family business. The interviews with members of the first generation showed that members of the first generation from all the cases were concerned with finding the right people and management team for the second generation. Therefore, this reflects that it is also important to explore the theme of learning between the family members as well as the employees.

#### 4.8.3 Qualitative Study

In order to get a deeper understanding of the quantitative result, the qualitative element for the research was designed to explore further specific underlying issues. Qualitative research enables the researcher to understand the deeper perspective that can be captured through face-to-face interaction with key participants (Marshall and Rossman, 2011).

##### 4.8.3.1 *In-depth interview design*

Designing interviews to understand specific phenomena is a skill that requires considerable experience. This involves asking the right questions underpinned by the theory and the literature review, as badly designed questions will result in answers that will not accurately reflect the reality of the situation. This should be coupled with the right resources and tools to address the issue without involving any personal bias. Personal bias is a major issue to be addressed when designing and conducting interviews, as researchers have the tendency to frame questions that are skewed towards their perceived answers.

In this research, this issue of designing the right questions for the interviews became more critical, as overlapping themes emerged from the research objectives, which could affect the accuracy of the outcome. Also, the researchers needed to be aware of the specific context of Thailand where this research took place, as culture plays an important part in this society, and asking direct questions is not looked upon favourably. Therefore, the interviewer had to design ice-breaker questions initially to understand the direction and content of the respondents. These were followed by leading questions in order to understand the complex issues around entrepreneurship.

As these were semi structured interviews, they included a combination of closed and open-ended questions. This means the focus of the closed-ended questions was initially to filter the respondents and their responses. It also helped guide the direction of the interview. Meanwhile, the open-ended questions gave both the respondents and the researcher the freedom to understand better the complex relationships between learning, innovation, succession, and transition. However, a later challenge was to code them properly to identify the common themes arising from them. This is because the respondents tried to give irrelevant information or too much information, which could have hampered the outcome of the interview. In such situations, a skilful researcher needs to take back control and relate the interview to the research topics.

As there is not much literature available on this research topic, the researcher needed to benchmark similar studies to get meaningful information from this exercise. This meant reviewing others' work in this area, studying their interview questions, and modifying them for local needs specific to the research setting. Gehart, Ratliff, and Lyle (2001) state that direct quotations from the transcripts should be used to highlight the theme. They contend that this helps in knowledge creation and information identification. However, caution should be exercised, as using too many direct quotations from the interview would have left less space for analysis and for the validation of relationships, which was an important area in this research.

The justification for using interviews as one of the data streams is that the information-rich potential of in-depth interviews can provide high levels of insight into a particular area of investigation. Given the lack of information in the field regarding succession and entrepreneurial learning in Thai family firms, it was felt that this was an appropriate method of data collection.

#### *4.8.3.2 Conducting the interview*

The interview questions were elaborated based on the previous literature as well as on the pilot study conducted earlier in January 2018. After each interview had been conducted, the researcher made notes in a fieldwork diary to record the themes that were worth exploring further and general elements from the interview that could have meaning to the research.

In this study, each interview was recorded using an audio recording device. This was delivered by hand to a professional transcriber, who then carried out full transcriptions. It was necessary to explore the transcriptions in relation to the research questions to identify any pattern or new theme that could be further used in the analysis of the data.

The in-depth semi-structured interviews were conducted with eight selected family-owned companies in Thailand between May to August 2018. It is crucial to note that after the first round of interviews had been conducted, two firms were removed from the final case-studies that were included in this investigation. This was because the participants refused to give their personal experience and explicitly explained they did not want to proceed. Thus, this research is based upon five case studies. However, the sample of five case studies

provided sufficient insight into the processes and outcomes in line with similar work into family-owned businesses, such as that by Bhattacharyya (2016). From the systematic literature review study conducted by Wang and Chang (2009) indicated that the number of case study is best to be frame by research question. Hence in this study, from the 4 research question mention in chapter, 1 and 5 different case study are selected accordingly to the issue.

In total of 10 interviews were conducted within the five firms. The total length of interviews was around 15 hours; hence, the average duration was about an hour per interview. All the interviewees gave permission for the interview to be voice recorded and transcribed. Interviews were expected to be carried out with the generation that founded the business and with those family members who had taken over the business, or who had the potential to be the next generation of owners. The reason for focusing on these groups was their representation of different stages of the succession process to further understand how there may be different perceptions of the succession process based on the family members' role in entrepreneurial learning. The different perspective of what is crucial in enhancing the process of transition was expressed. Therefore, in each case, the interviews were conducted with two different generations; the generation difference could range from generation 1 to generation 5. This number was not pre-set and is due to reaching theoretical saturation and for pragmatic reasons. The process of arranging an interview appointment was a challenging task, as many of the interviews had to be re-scheduled several times. This may be because the research period coincided with several national holidays in Thailand.

During the interview process, the researcher found that it was important to interview the incumbent and the successor individually. This is because often there was information that the successor was reluctant to share with the incumbent especially regarding their feelings toward the family business. Repeatedly during the interviews, the incumbent would stop the successor while he/she was telling a story about the family. Hence, in order to gain further information about the feeling for the research topic, the interviews had to be conducted separately.



## 4.9 Data collection tools

As discussed previously, the researcher used semi-structured in-depth interviews to address the research question of this thesis. As there was a large amount of information for each case and it accumulated rapidly, thus it was essential to establish several strategies to maintain control of the data. First, computer-assisted qualitative data analysis software (CAQDAS) was used to store the data in one place, and it was also capable of processing large amounts of data (Yin, 2009). More specifically, NVivo 12 was selected, as it is the most well know, stable and up-to-date software (Silverman, 2013). Secondly, a case study database was built by creating a folder for each company in NVivo. Each folder contained the data collected from each different source, including the company website and press releases. The full transcription of interviews that were conducted in Thailand were translated into English and stored in the case study database.

### 4.9.1 Interview: Qualitative data analysis procedure

As mentioned previously, each interview was recorded using an audio recording device. This was delivered by hand to a professional transcriber, who then carried out full transcriptions. It was necessary to explore the transcriptions in relation to the research questions to identify patterns or new themes that could be further used in analysis.

### 4.9.2 Triangulation

Triangulation can be defined as the use of multiple sources of data, which is one of the major strengths associated with case study data collection (Yin, 2009). The process of triangulation involves corroborating data from multiple perspectives to enhance the depth of understanding of a particular theme and to provide verification (Creswell, 1998). Despite the benefit, it has been criticised by researchers who claim that if it is not used effectively, it could be subject to interpretation and misunderstanding (Atkinson and Delamont, 2005). However, Miles and Huberman (1994) argue that case study research can benefit from the use of multiple cases, as this adds confidence to the findings. The evidence from multiple cases is often considered more compelling, and therefore, the overall study is regarded as more robust (Herriot and Firestone, 1983).

Furthermore, the triangulation of data collection methods helps to understand not only the different perspectives of learning in family businesses, but also the historical context within which such events occurred. Particularly in family businesses, triangulation is important because decision-making is usually affected by family relationships and business issues; hence, the use of a variety of different data can further our understanding of the entrepreneurial learning process. In addition to the interviews, data were generated through participant observation as well as qualitative and quantitative secondary sources, such as media reports and company documents. In this case participant observation is crucial in the study as it provide a good start to gain insights about family cultural practice and the phenomenon while keeping field notes about the event and later complemented by other data such interview (Hall, Melin and Nordqvist, 2001). These documents were particularly useful for providing a sense of the historical context as well as the background of the family business and family members.

The use of secondary data gathered from the organisation or external source could prove a critical component to this study. These data sometimes contradicted statements made by the participants during the interviews or highlighted incidents that were not mentioned in an interview for various reasons. Therefore, secondary sources of data also provide tangible examples of issues alluded to in the interviews.

There are four different types of triangulation (Denzin, 1978 and Patton, 2002):

1. Data triangulation is the use of multiple sources.
2. Investigator triangulation is the involvement of different evaluators.
3. Theory triangulation is when different perspectives are used with the same data set.
4. Methodological triangulation is the use of multiple research methods.

Although data triangulation may have some weaknesses, according to Yin (2009), studies that use more than single source of information are rated higher in terms of quality.

Therefore, in this study, data triangulation was adopted by including sources from the interviews (transcripts, memos, and researcher's notes) and secondary data (newspapers, websites, social media, magazine articles, and press releases).

In family business research, De Massis and Kotlar (2014) report that there are two more principles that help establish the validity and reliability of case study; these are conducting a

case study database and establishing a chain of evidence. In this thesis, the case study database is adopted, as discussed below.

#### 4.9.3 Case study Database

Effective and efficient data collection for case study research requires careful planning and judicious use of both the case participants' and the researcher's time. A well organized and categorized set of data facilitates the task of analysing the case study evidence to address the research questions. Case study data includes case data or evidence, such as notes and other observations made by the researcher during data collection activities. In this thesis, the case study database is intended to ensure the evidence came from different sources to ensure the validity and reliability. Table 8 illustrates the different sources used to collect data for the database of each case study company.

Table 7: List of documents to complement the data analysis

The (\*) indicates the source was used/available for each firm.

Case Study Company	Interview	Company Website	News article	Annual/ Interim report	Corporate presentation	Press release	Social media	Blog	Wikipedia	Industry report and database	Company brochures
A	*	*	*	*	*	*	*	*	*		*
B	*	*	*		*	*	*		*		*
C	*	*	*	*	*	*	*		*		
D	*	*	*	*	*	*	*		*		
E	*	*	*			*	*		*		*

## 4.10 Coding the data: Thematic analysis

For the research purpose, a thematic analysis approach was adopted to address the research questions. According to Braun and Clarke (2012), thematic analysis is defined as follows:

*A method for systematically identifying, organizing, and offering insight into patterns of meaning (themes) across a data set. Through focusing on meaning across a dataset, thematic analysis allows the researcher to see and make sense of collective or shared meanings and experiences.*

The process of thematic analysis provides a form of pattern recognition within the data where emerging themes become the categories for analysis (Fereday and Muir-Cochrane, 2006). In this research, these enabled the study to provide a better understanding of the shared meanings and experiences of family members within family firms. This analysis method provided a meaningful and unique insight from the dataset. As such, an inductive approach was taken to the coding of the data, which allowed the subsequent theme development to be driven by the data rather than by the researcher's own pre-conceptions (Braun & Clarke, 2012). According to Braun and Clark (2012), there is a six-phase approach to thematic analysis, which is displayed in the table below.

*Table 8 Six phase thematic analysis (adopted from Braun and Clark (2012))*

Phase	Description of process
1. Familiarize yourself with your data	Transcribing data, reading and re-reading the data, noting down initial code
2. Generating initial codes	Coding interest feature of the data in a systematic fashion across the entire data set, collating data relevant to each code
3. Searching for themes	Collating code into potential theme gathering together all relevant to each potential theme
4. Reviewing the themes	Checking how the themes work in relation to the codes extract and entire data set, generating clear definitions and rename for each theme
5. Defining the naming themes	Refining each theme, generating clear definitions, and naming and identifying the story that each these tells
6. Producing the report	Selecting vivid and compelling extracts related to the original research questions and the literature

This study employed this six-phase approach to undertake the movement from a raw corpus of data to a fully formulated analysis. This approach to coding was selected as it appears to offer a more comprehensive and systematic method of coding. Therefore, chunks of data were coded, such as lines, paragraphs, or points related to the large theme.

In addition, memos were created when the coding process was taking place. Glaser (1978) defines this as the theorizing write up of ideas about codes and their relationships as they strike the analyst while coding, which could be a sentence, a paragraph, or a few pages.

Memos also provide the research with space to reflect on and record the ideas that were emerging in relation to the pieces of data being coded as well as other pieces of data.

Following on from Braun and Clarke's (2012) approach, Yin's (2009) technique was adopted in the next analysis process. Yin's (2009) technique consists of a first stage where within-case analysis is conducted, followed by a cross-case analysis. Moreover, from the start, the process of data analysis should be interweaved with the process of data collection, as it helps to correct blind spots and strengthens both stages of the research (Ghauri, 2004; Yin, 2009; Braun and Clarke, 2012).

The process of coding is not conducted in a single stage, as it is necessary to recode for each case until the point is reached where no additional codes can be extracted from the data (Braun and Clarke, 2006).

#### 4.10.1 Within-Case analysis procedure

The within-case analysis is guided by the case study protocol and has been structure and presented as following:

1. Building a case profile: offering specific aspect of each company characteristic such as company background, ages, size, industry, ownership and generational involvement.
2. Coding for Entrepreneurial learning and Family business succession:  
Codes were based on previous literature, conceptual framework and empirical studies of each cases. The table below represent coding element which use to guide this study for entrepreneurial learning and family business succession respectively. In the table, according to each factor that been identify previously through conceptual framework, element of coding are classify as following:

Table 9 Coding element - Entrepreneurial Learning

Entrepreneurial learning: “Acquisition and development of the propensity, skill and abilities to founds join or to grow a venture” (Hamilton, 2011)			
Aspect	Factor	Element	
<p>Entrepreneurial learning process</p> <p>continuous process that facilitate the development of necessary knowledge for being effective in starting up and managing new ventures (Politis, 2005).</p>	Prior Knowledge & Experience (Politis 2005, Shane, 2000)	<ul style="list-style-type: none"> <li>- Working experience</li> <li>- Start-up business experience</li> <li>- Opportunity recognition</li> </ul>	Incumbent incumbent
	Industry specific experience (Politis, 2005)	<ul style="list-style-type: none"> <li>- Previous job</li> <li>- Industry specialist skill</li> <li>- Connection and network</li> </ul>	
	Education and Training (Jaskiewicz et al, 2015)	<ul style="list-style-type: none"> <li>- Choice of education</li> <li>- Learning from expertise</li> </ul>	Successor
	Career Experience (Le-Breton-Miller, 2004)	<ul style="list-style-type: none"> <li>- Career plan</li> <li>- Previous work from outside</li> </ul>	
	Communities of practice (Cope, 2003; Rae, 2002; Hamilton, 2015; Nonka; 2009)	<ul style="list-style-type: none"> <li>- Learning by doing</li> <li>- Absorption of knowledge</li> </ul>	Incumbent & Successor
	Co-Creation (Prahalad & Ramaswamy, 2004; Ngui et al, 2010; Gronroos & Voima, 2008; Chirico & Salvato, 2008)	<ul style="list-style-type: none"> <li>- Knowledge sharing and transfer</li> <li>- Gap in knowledge</li> </ul>	Incumbent & Successor



Table 10 Coding element: Family Business Succession

Family Business: as “a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families.” Chua, Chrisman, and Sharma (1999, p. 25)		
Aspect	Factor	Element
<p style="text-align: center;">Family Business Succession Process:</p> <p>The <i>succession process</i> is defined as the actions, events, and developments that affect the transfer of managerial control from one family member to another (Sharma, Chrisman, Pablo, &amp; Chua, 2001).</p>	<p>Development of Successor</p> <p>(Handler, 1990; Longenecker and Schoen, 1978; Morris et al, 1996)</p>	<ul style="list-style-type: none"> <li>- Preparation of heirs</li> <li>- Formal education and training choice</li> <li>- Work experience (outside)</li> <li>- Entry level position</li> <li>- Year working within firm</li> <li>- Motivation to join FB</li> <li>- Self-perception of preparation</li> </ul>
	<p>Planning and control activities</p> <p>(Chrisman et al, 2009; Mokhber et al, 2017)</p>	<ul style="list-style-type: none"> <li>- Succession planning</li> <li>- Selection of the successor</li> <li>- Use of outside board</li> <li>- The use of professional outsider</li> </ul>
	<p>Relationship among family and business member</p>	<ul style="list-style-type: none"> <li>- Communication</li> <li>- Trust</li> <li>- Commitment</li> <li>- Loyalty</li> <li>- Sibling rivalry</li> <li>- Conflict</li> </ul>
	<p>Succession pattern</p> <p>(Le-Breton Miller, 2004)</p>	<ul style="list-style-type: none"> <li>- The conservative</li> <li>- The Wavering</li> <li>- The Rebellious</li> </ul>

According to Yin (2009), the purpose of analysis within-cases is to allow the pattern of each specific case to emerge before comparing them with other cases. Therefore, the table 10 and 11 provide a protocol to the next chapter when presenting the data and engaging with the within-case discussion for each firm.

### 4.11 Data Display

Presenting data is a vital aspect of case study research, especially in family business research. However, data are often presented in manuscripts that are long, unreadable documents (De Massis and Kotlar, 2014). This study, therefore, adopted two stages of data analysis, namely, “within-case” analysis followed by “cross-case” analysis. Within each analysis stage, tables and figures are used to better present the data in a more comprehensive way.

The within-case data analysis parallels that of chapter 4 of this research. It starts by presenting the case profile, followed by a detailed and systematic view on each case in order for the data to be compared at a later stage. Similarly, the cross-case analysis and discussion displayed in chapter 5 follows a systematic approach within a two-stage analysis. Firstly, each construct, namely, entrepreneurial learning and co-creation, were analysed separately based on the findings of all five cases. Secondly, patterns between cases and constructs were identified and discussed in relation to the previous literature. The relationships found led to the development of a new conceptual framework that emerged from this study.

#### 4.11.1 Case profile

During the interview, a profile of case’s family businesses were asked to construct a case profile. The table 4.12 summaries some key aspects of the five cases included in this study. It includes characteristics such as industry, ages, size and generational involvement. It also indicated the interviewees’ role in the family and the family firm. This case profile will be further discussing in the next chapter (chapter 5). Within case-analysis provides a detailed account for each one of the five cases.

Table 11 Case Study Profile

No.	Company	Industry	Year Founded	Generation Involvement	No. Employees	Total Interviews	Interviewees		
							No. of Generation	Company Role	Relative to Founder
1	A	Real Estate	1970	4	200	2	3rd Generation	Director	Oldest Daughter
							4th Generation	Board Member	Youngest Son
2	B	Tele-communication	1989	2	23,000	1	2nd Generation	President	Second Son
3	C	Hospitality	1958	4	2,500	2	3rd Generation	Board Member	Oldest Daughter
							4th Generation	Board Member	Second Daughter
4	D	Shopping Centre and Department Store	1978	2	13,000	1	2nd Generation	Chairwomen	Co-founder
5	E	Machining Tools Manufacturing	1980	2	2,000	4	1st Generation	President	Founder
							2nd Generation	Vice President	Son
							2nd Generation	Marketing Director	Daughter
							2nd Generation	Chief Financial Officer	Youngest Daughter

## 4.12 Research credibility

There is ongoing debate about how qualitative research should be evaluated. For example, scholars (Yin, 2009) often suggest that qualitative criteria can be applied to qualitative research, while others (Miles and Huberman, 2000) advocate for different criteria to be used. On the other hand, Healy and Perry (2000) advocate that the criteria for evaluating qualitative data should be undertaken not only according to the approach, but also according to the paradigm the researcher is following.

*Table 12 Comparison of qualitative research credibility criteria*

Authority				
Paradigms	Yin (1994)	Denzin and Lincoln (1994); Lincoln and Guba (1985)	Miles and Huberman (1994)	Healy and Perry (2000)
<b>Positivism</b>	Construct validity	Construct validity	Construct validity	
	Internal validity	Internal validity	Internal validity	
	External validity	External validity	External validity	
	Reliability	Reliability	Reliability	
			Objectivity, neutrality	
<b>Realism</b>	Referred to corresponding tests such as credibility	Post-positivism instead of realism	Creditability	Construct validity
	Trustworthiness		Transferability	Contingent validity
	Confirmability		Dependability	
	Dependability		Confirmability	Trustworthiness
				Analytic generalisation
<b>Critical theory and constructivism</b>		Credibility		
		Transferability		
		Dependability		
		Confirmability		

Source: Adopted from Andreas Riege (2003)

Table 12 compares the various criteria suggested by different authors to evaluate the credibility of qualitative research identified by Riege (2003). However, the researcher decided to follow the four criteria suggested by Yin (2009), as these have been widely acknowledged by several researchers including family business scholars (De Massis and Kotlar, 2014; Gibbert et al., 2008). The different criteria related to credibility are discussed in the following section.

#### 4.12.1 Construct Validity

This criterion needs to be considered during the data collection process, as it refers to the extent to which a study investigates what it claims to investigate (Gibbert et al., 2008).

There are three strategies adopted to ensure this (De Massis and Kotlar, 2014; Gibbert et al., 2008).

1. Triangulating data from multiple sources and multiple case studies: In this thesis, it was widely developed within the data collection section (see section 4.8.2)
2. Sharing transcripts and drafts with participants as well as with other investigators and having them peer-reviewed.
3. Establishing a clear chain of evidence by providing a detailed and systematic account of all the procedures undertaken: In this study, the researcher took careful steps to explicitly present the assumptions and decisions behind each of those procedures. This includes a clear explanation of the step-by-step application of the case study criteria presented in a process (section 4.5), of how the empirical evidence was obtained, and of how it is linked to the data source, clarifying the circumstances of data collection and data analysis. More explicitly, the case study protocol was conducted to ensure the consistency of the data collection process (section 4.7.1).

#### 4.12.2 Internal validity

Internal validity refers to the research's analysis phase. The issue is whether the research provides a plausible causal argument and logical reasoning that is powerful and compelling enough to defend the research conclusion (Gibbert et al., 2008). The following strategies were adopted to enhance internal validity.

1. Formulating a clear research framework: In this thesis, the initial theoretical framework was explicitly derived from the literature.
2. Within-case analysis then cross-case pattern matching: Through pattern matching, comparing patterns is essential in family business research (De Massis and Kotlar, 2014), and in the analysis of each case, the case's background and the company background are considered.

#### 4.12.3 External Validity

External validity is also known as 'generalisability'. However, it is important to note that case study research does not allow for statistical generalisation due to its small sampling. By selecting such a research design, the researcher needs to seek 'analytical generalisation', meaning the generalisation from empirical observations to theory rather than population (Riege, 2003). Eisenhardt (1989) argues that the case study approach can contribute to theory development, as it allows new theoretical understanding or clarification of a phenomenon. Several strategies could be used to help with external validity in case study research. For example, a clear definition of the research scope and boundaries in the research design phase must be given to achieve a reasonable analytical generalisation. Gibbert et al. (2008) suggest that researchers must ensure the reader appreciates the sampling choice by providing a clear rationale for each case study selected and the case context. Similarly, De Massis and Kotlar (2014) advocate using replication logic as a strategy for building the sample in an iterative process one case at a time.

#### 4.12.4 Reliability

This refers to the absence of random error, enabling subsequent researchers to arrive at the same findings if they were to conduct the study following the same steps (Gibbert et al., 2008). The main elements to enhance reliability are transparency and replication. This can be achieved by adopting two strategies including elaboration of a case study protocol and development of a case study database. Both strategies were followed throughout this study, as was explained in more detail in section 4.7.1.

### 4.13 Research Ethic and Limitation

Every study has to consider its implications; hence, precautions need to be taken when conducting the research with human subjects as well as when showing the findings and the conclusions. This section explains the possible research limitations and ethical issues.

#### 4.13.1 Ethical issues

The research procedure undertaken throughout this investigation followed the code of ethical guidelines of the University of Westminster. The ethical application was proposed to the university and approved. The letter of participation and consent was sent out to the participants in advance to inform and assure them about the ethical issues, including:

1. the research purpose and objective
2. the lack of any obligation to remain part of the investigation if they did not wish to continue
3. the guarantee that the information provided in the interview would be treated as confidential and only used for research purposes; the identity of the self-employed and their businesses would remain anonymous in the text of the thesis.

At the initial stage, a letter of consent was to be signed by the participants; however, during the pilot study research, it was found that putting the participants in a situation involving signing the letter could create anxiety and concern about being thought to be impolite. Therefore, in this study, no signed consent was required.

#### 4.13.2 Research limitation

All studies face challenges, such as weaknesses and limitations. The aim is not to hide them, but to acknowledge and understand them in order to provide further investigation of the topic. In this study, the first limitation derives from the exploratory nature of the research. Its purpose is to understand how and to what extent the entrepreneurial learning process influences family business succession; thus, a small sample of firms was investigated. This implies that the findings may not be generalised to the population of firms. Secondly, the mixed methods approach was initially introduced to minimise the limitations of the single method research and to increase the validity and rigour of the study. However, due to the limited time and resources available when doing a PhD research, a mixed methodology could not be adopted. Another limitation is the possible respondent bias; this means that during the interviews, the respondents may provide the answer that they assume the researcher wants to hear, which could potentially obstruct the reality of the situation. However, the researcher has outlined and clarified the possible bias to allow the reader to understand the research position and to show how such a bias or assumption may affect the research and the steps taken to minimise this.

In addition, there are also methodological problem that researcher countered such that the interview process had to stopped a few times due to the interviewees got very emotional about the question. Later on, the interviewees reported back that the questions it links to their history experience. Therefore, the interview process took longer than expected as it has to be stopped and continue with the question on the other day.



## 4.14 Chapter Summary

This chapter presented in detail the research methodology adopted for this investigation, and began by revisiting the research purpose and research question. This was followed by section that reviewing a number of philosophical paradigms that have been used in social science research. For the purpose of this study, the pragmatism paradigm was chosen to underpin and guide the methodological decision and consideration through the investigation process. In order to validate and generalise the data, the case study was justified as an approach for investigating entrepreneurial learning in the context of family businesses, and so an exploratory research design was adopted. Such a design provides a clear framework for identifying the different phases and activities, and the flow of the research process. In the next chapters, Chapters 5 and 6, data collected from the qualitative study are analysed and discussed in terms of the research findings.

# Chapter 5

## Findings and within-case analysis

### Chapter outline

The previous chapter (Chapter 4) discussed the research methodology guiding this research investigation. It explained and justified the use of multiple-cases studies. This chapter provides a detail for within-case analysis of all five cases, including familiarity, and enabling identification and analysis of unique patterns within each case. This will feed into the subsequent stage where case study protocol is facilitated for cross-comparison. Within-case analysis procedure will be present in the next section.

## 5.1 Entrepreneurial learning methods and activity

In order to understand how entrepreneurial learning develops in the family business, it is crucial to explore what the major entrepreneurial learning methods and activities are that happen across the entrepreneur lifecycle. Based on the literature review, different successor entrepreneurial learning activities are identified for the case study analysis typology of successor entrepreneurial learning, and displayed below in table 5.1 (Cope, 2005; Rae, 2005; Polities, 2005, Del Giudice; 2011, Lave and Wenger, 1991; Senge, 2006).

*Table 13. Typology of successor entrepreneurial learning activities*

<b>Entrepreneurial learning activity</b>	<b>Main learning activity</b>	<b>Author</b>
Learning by doing	Trial and error: explicit problem solving and discovery	Rae (2005), Polities (2005)
Learning from self	Reflective thinking and introspection	Rae (2005)
Learning from other: individual	Vicarious learning, education, training, mentoring and coaching	Del Giudice (2011)
Learning from other: group	Knowledge transfer, communities of practice, organisational learning	Lave and Wenger (1991) Senge (2006) Cope (2005)
Learning from non-linear event, discrete events	Salient learning episodes and critical learning event, crisis, failure	Cope (2005)
Learning from routine and habitual activities	Working in daily activities	Cope (2011)
Learning through immersion in family entrepreneurship	Family fathering and dinner talk	Observation during data collection, observation during data collection

Source: Current thesis

### 5.1.2 Overview of the analysis

This section highlights the result of the analysis conducted in the five-case study. The embedded units of analysis are focused on the successor learning activities and learning process throughout the successor entrepreneurial learning life cycle. The literature review highlighted earlier brings out a set of factor and variables that are significant in understanding the successor entrepreneurial learning process. Seven variables have been identified from this and put against the main learning factors.

With regards to the analysis, the typology of the successor entrepreneurial learning factors will be guided along with a successor entrepreneurial learning life cycle. Therefore, this will be based on to what extent, where and how entrepreneurial learning happens in family business succession.

## 5.2 Case A

### 5.2.1 Company background

The interview was conducted with the co-founder of the company and the potential successor of the next generation. This company was founded by a father and the third daughter of the family. Currently the family business is in the process of preparing and passing the baton to the next generation.

With a long history of over four generations, originally Company A has its roots in the 1970s and was founded as one of Thailand's earliest steel companies involving iron and structural iron manufacturers and distributors. The father of the interviewees was a member of the second generation in the steel company. However, due to a large number in family members, he decided to diversify from the main family business and set up a new business for his six children. The new business he set up is a real estate company with a variety of products and services including townhouses, home offices, detached houses and city condominiums. The company was established in 2003, co-founded with the third daughter in the family, and her youngest brother is the potential next-generation successor.

Currently, Company A is termed a public limited company but the majority of the ownership is still sitting with family members. The company revenue is approximately 1,000 million baht per annum. It is managed by both generations three and four. The co-founder has been occupying this position since the firm's foundation.

### 5.2.2 Interviewees' profile of Case A

a) Co-founder of the company (interviewee 1)

\* The interview was conducted on 19<sup>th</sup> January 2018

The co-founder of the company is the third daughter of the family. She graduated from Thailand's university in the faculty of architecture and is a specialist in landscape architecture. Later she took another entrepreneurship degree at Babson College in the U.S.

Before setting up this real estate company with her father, she had already gained significant work experience through various internships and job positions in landscape decoration and a property development company. Initially, this new company was a result of a rebrand and diversified from the main family business, and the first project launch was done straight away after she graduated. With the help of her father, who has high

experience in land trading, steel trading know-how, and a valuable network and connection in this industry, the company managed to gain great attention from the public and has grown significantly within the past 10 years.

b) The next potential successor (interviewee 2)

\* The interview was conducted on 19<sup>th</sup> January 2018

The next potential successor for this family business is considered to be the youngest child of the family. By growing up being cared for by all his siblings, most of his family business know-how and information therefore comes from this well. He was chosen and graduated with an international programme in a faculty of architecture which had in mind returning to help with his family business. Later he then continued his masters degree as a real estate professional. In addition, he also went to the United States to attend workshops in entrepreneurship. However, he only managed to do three months of internship outside family business work experience as it was his family's desire for him to come straight back to help with the family business. He managed to join the family business after only two years. Currently he is still learning important management and different systems in the business.

5.2.3 Timeline analysis for Case A

Figure 7: Case study A Life cycle

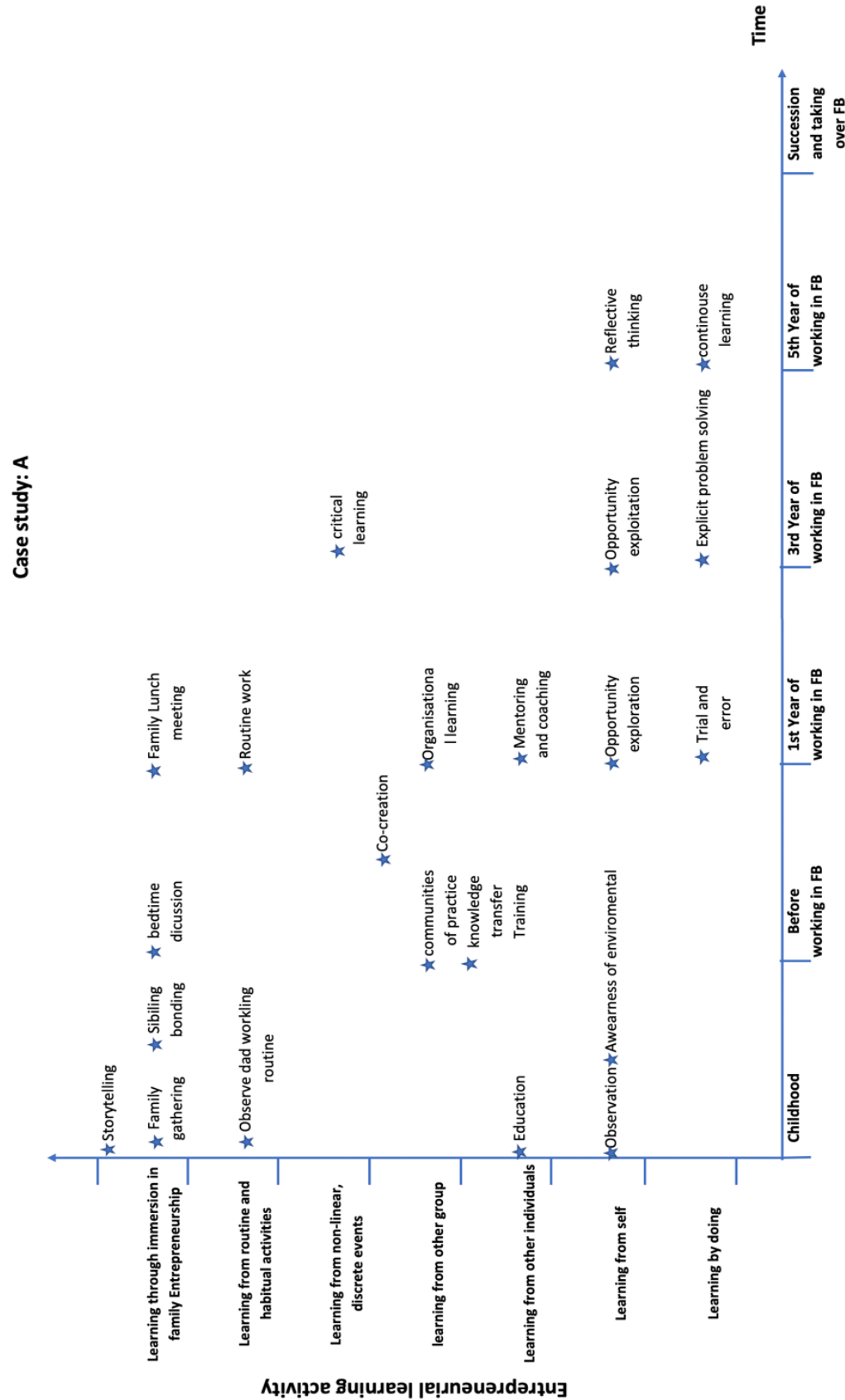


Figure 7 further explains the different types of entrepreneurial learning activity that occur over a period of time. In this case, seven main entrepreneurial learning activities are displayed again with the life cycle of the successor to demonstrate what the entrepreneurial learning methods are that happen during a certain period of time.

#### 5.2.4 Case A: Entrepreneurial learning journey

*Table 14: Case A entrepreneurial learning journey*

Period	Entrepreneurial learning methods	Entrepreneurial learning activities	Primary learning outcome
1960s	Learning from others: individual	Education: architecture and specialist in landscape architecture	Technical skill
1970s	Learning by doing	Discovery: work with father to set up new diversity company	- Start up skill - Collaborative learning
1970s	Learning from non-linear discrete event	Critical learning event: - external family issue, economic crisis learning to withdrawal of partner - Mistake in order of stock lead to huge loss	- Business dynamic - Learning from failure
1970s	Learning from others: group	Knowledge transfer: knowledge transfer during working site visit	- Co-creation
1970s	Learning from individual	Mentoring from father	- gain confidence and recognition
1980s	Learning by doing	Trial and error: discovery	- knowledge sharing with brothers
1990s	Learning through immersion in family entrepreneurship	- Family lunch and dinner and bedtime discussion - Mentoring	- business acumen
1990s	Learning from others: group	Organisational learning: learning from expertise in the company	- generate business ideas
2000s	Learning from self	Opportunity exploitation: new business expansion	Entrepreneurial ideas and innovation
2010s	Learning from others: group	Continuous learning: seek learning from expertise	Technical skill
2010s	Learning from self	Reflective thinking: preparing to handover the company to successor	Letting go



This case study showed a rich portfolio of entrepreneurial learning activity. Entrepreneurial methods and relevant entrepreneurial learning activities in their learning journey shows that the successors are keen learners. They learnt while doing and critically reflected on their own experience. They found that learning from others, including family members, non-family members and employees can be very beneficial. They also learnt from the crises, failures to adapt and change over time. In the following section, different entrepreneurial learning activities that occurred in different corporate development phases are explored.

#### 5.2.5 The start-up phase:

##### *Preparation of the successor*

In many family businesses, often the incumbent management have already made a plan to direct their children's education and training in order to develop the right skill set, knowledge and experience before entering work at the family business. The interviewees here have been sent to study in the subject area of the new business model that was going to be set up at that time.

*"But I graduated from the Faculty of Architecture, so I'm a Landscape architect, which is different from others who graduated in business. So, my father had the idea to do other businesses beside steel that my siblings had already taken care of. Personally, my father had been doing the land trading for decades, so he could see the opportunity then." (interviewee 1)*

*"I also joined an entrepreneurship course at Babson, we went on a five-day training course on innovation in the company. It had a keyword that made me think of my father, they said that entrepreneurship is a playground. The best success is in learning by doing, and finally, we have to learn about mistakes and get up to do it again." (interviewee 2)*

This phase was characterised by the establishment of the business. The focal point was the incumbent manager has learnt from her father's previous business model and saw an opportunity to diversify into a new field of industry. She also emphasised how she survived the hardship of start-up via learning by doing. Entrepreneurial learning was more learning with her father and her siblings in the development of this new business.

*"When I was a senior student, I had an idea to try to develop the land of my father. I and my father, we were working at night to sketch up the layout. After that, my father brought the land plot to talk to the district officer about the land development law, simultaneously with the competitor's gap to be our products. We started developing our product since my fifth year... But we have to diversify from the factory-based business to property development; which is different in this kind of industry and its nature. So, simply said, we are learning by doing, and the difficulty of making changes was happened in many stages. We have learning by doing, then we have a project to restructure, then we run a second project. Now we can do it, we do not have to hire others to sell, we start selling by ourselves."* (interviewee 1)

At the initial stage of setting up the company together, the successor claims that mentoring is a great method that is used in order to pass on the knowledge between generation. In addition, apart from watching every step in the decision making and mentoring, her father also gave her an opportunity to explore new possibilities through coaching.

*"My father will be the mentor every step. As father gave a proposition I went back to rethink what he said was right. If I agree I adjust accordingly, but if not, I will go back to talk about what I think. But if my father persists in the idea, he will say that I need to try to think this way. But his style is to never say "no", as he is a psychologist. His style is not to say don't do it, but he'll just give the reason for me to accept that I need to defend my point."* (Interviewee 1)

### 5.2.6 The expansion phase:

*Seeding transgenerational entrepreneurship via immersion and learning by doing*

While the successor continues his learning by doing, the significance of learning from family members' past experience has increased in his learning journey.

In this case, the knowledge that been transferred from generation to generation is experiential-based knowledge from both father to children and among the children themselves.

*"When my father taught me. He teaches me with experience. He does not have a fancy phrase like in the MBA, but everything he teaches us, if it is a business term, is really what it is: it is input, process, output, plan-do-check-act, doing research. His teaching is an action, which if I understand what he intended to teach, I will adapt it to terms of my own and will be able to practice. I could say that I can manage a business professionally, but basically it was from what my father taught me, but he just did not use the business term because he did not study as much as I did, but I believe it is the same."* (Interviewee 1)

The nature of these family learning methods are to let their children try to do things on their own by opening up the opportunity for their children to explore and try. Therefore, learning by doing must happen when the incumbent manager is willing to give the successor space to explore and exploit the entrepreneurship opportunity.

*"When we have ideas, father will use the words 'let's try' every time, this is his keyword. He never said no, I've never heard the word no from him and I think that this is all I have learnt from working with him for 15 years. Father's entrepreneurship is to try, because we have no way of knowing if it was right or wrong if we did not try. But if we try to invest all 100 million, then it collapses, where will we get the money to solve the problem? So, if we try 5 thousand or one hundred thousand and it is wrong, instead of 100 million, we should try to do so. It makes the business gradually grow from the experiences we learn. I've tried 10 million and succeeded, then can go to 100 million and 1000 million. It's all about learning, everything is learning."* (interviewee 1)

### *Embedded family business vision through storytelling*

By passing on incumbent passion and vision onto a successor so it provides a clear goal and sense of direction for the successor in term of preparing to returning to a family business. In this case, her father said that he gives a freedom in whatever his children want to study but they need to return to the family business after they graduate.

*“Our parents are very cute, they never stressed us to study well. My father only asked when we would graduate, we can learn anything we want but after we have graduated, we need to be back helping our family business.” (Interviewee 1)*

### *Sibling collaboration and co-creation*

Apart from learning by doing, collaboration also been found to be a strong factor in the entrepreneurial learning process.

*“I learned from our father as learning by doing, but today the world has changed, the era of learning changed. I and the younger family study in the same place as the world of education. We use the same terms of concept and language. We do not use the word coaching; but we rather use the word collaboration because today - even though we are - we couldn't call ourselves the boss. We are just working together as a function, but we only have more 10-year experiences” (interviewee 2)*

The absorption of responsibly has developed through everyday life within the family routine. For example, the successor already engages in the business ideas even before he started joining the work in the family business. The recognition happens through family talk before bedtime.

*“I did not learn the business directly but came to know when my siblings started their work. Every evening before bedtime, they always had meetings late at night, talking about their ideas. They talked about their work very often because they had just started. This is the opportunity for me to listen and learn, and that is the beginning of my business learning. But if you ask me, “What they taught me about business?” My answer would be, never, I have never had that kind of help.” (Interviewee 2)*

### 5.2.7 Transitioning phrase:

*Mentoring and guidance through successor experiential knowledge*

Communication become an important aspect in mentoring their children in order to open up the learning mind set. In this family, experiential learning lead to experience passing from the from the successor to subsequence successor.

*"I think that it is what we call how to manage your boss, it is the art of communicating within family. I have to listen to his experiences, but I have to bring the experience to adapt to what is happening in the present. It means new management is about learning new things. I do the research, I have a know-how-management system which I learn from foreign countries; this is a new management style. But listening to my father's actual experience, 40-50 years of experience, I can adapt and mix it, then ask for admission from the board of committee by convincing and running the meeting to make the old executives accept my point." (interviewee 1)*

*Learning from and together with family members through communities of practice*

Although Family Firm A consists of a large number of family members, it appears to have a strong bond and high levels of engagement with all family members. They also share the common goal and work under the same communities (family) including all the siblings where family consistently talk about the family business topics and issues throughout their everyday life.

*"I have six siblings, so the house has been quite chaotic since my childhood. Our house is just a two-story house, when I was born there was not enough room for me and another brother so we have to live together all the time in the living room. We shared the bedroom, like three or six persons slept together, so we could talk to each other about every aspect since we were young.*

*From mistake to reflective thinking*

In this family business, the incumbent always gives a successor the opportunity for learning by doing and to try everything they want.

*"But his style is to never say "no", he is a psychologist. His style is not to say don't do it, but he'll just give the reason for me to accept that I need to defend my point. But at last, if he insists on his idea, he will try give a reason for me to rethink. I have to run a loop, then I will know that his reason is right, and I do it his way. His management teaches me about learning by doing. He manages us to use the passion to work and keep the target, let me look at all the loop in research," (interviewee 1)*

In this incident, the incumbent is willing to give the successor empowerment and to learn to try to make the decision themselves even though it is going to create a loss. This result is a hard style of learning.

*“Every time, father will not hurt us until we feel bad. For example, I have had one deal to buy products of about 20 million. I used to make mistakes in the deal, I got sued, I lost 20 million. But father did not blame me, because he knew that I was ruined, and let the lawyers take care of it. The conclusion is that I was painful in seeing, but I learned. But if you ask if I’m afraid of dealing, now I’m hiring over 100 million, but my father taught me that if he did not help me with that 20 million, for the next 30 million, 50 million, or 100 million, I may not dare sign it. So, my daddy’s keyword is that I’m going to have freedom, but he will not let me hurt until I cannot get back.” (interviewee 1)*

#### 5.2.8 Revival phase:

*Organisational learning for innovation*

The successor here engaged in his team in the learning process, he built a strong belief in empowerment in decision making. In this light, organisational learning appeared to link the successor’s entrepreneurial mind-set to family firm innovation.

*“They gave an opportunity to try for anything. Previously, last year, my work was still given in the framework, but as I started to show my achievement more and more, I have an idea to make up this company. I like to find new technology, like now the companies in the USA put their system into the IERT, into the server, into the Cloud already. I think we should try it, and I will put it into our discussion. I am always looking for new technology to help innovate the company. I put it into the presentation and prove that this is really good for us. I gradually put it into acceptance and wait for an approval to try it out. Everything is not that easy, I have to plan. This is what I learned from syndicate business.” (interviewee 2)*

## 5.3 Case B

### 5.3.1 Case profile

The interview was conducted with the second son of the second generation who is now a president of the company. The company was established as a limited company in August 1989 by family members. The company provides wireless telecommunication services in Thailand. The founder (his father) started his business when he was employed as a salesman in a camera selling company. After his marriage, he set up his own camera retail company serving higher end services. From luck and his network connection, he managed to work with the government and became the only provider of telecommunication at that time.

The business was doing very well until the economic crisis, when the company was largely in debt. Together with the passing away of the founder/leader, the company have faced a huge transformation in managing debt and changing the leader. The only two sons of the founder then had to return to the family business and direct this crisis. Today company is operating under a public limited company, but the main ownership still remains with family members. It operates with a 2-billion-baht revenue per annum.

### 5.3.2 Interviewees profile Case B

a) The successor of the family business (interviewee 3)

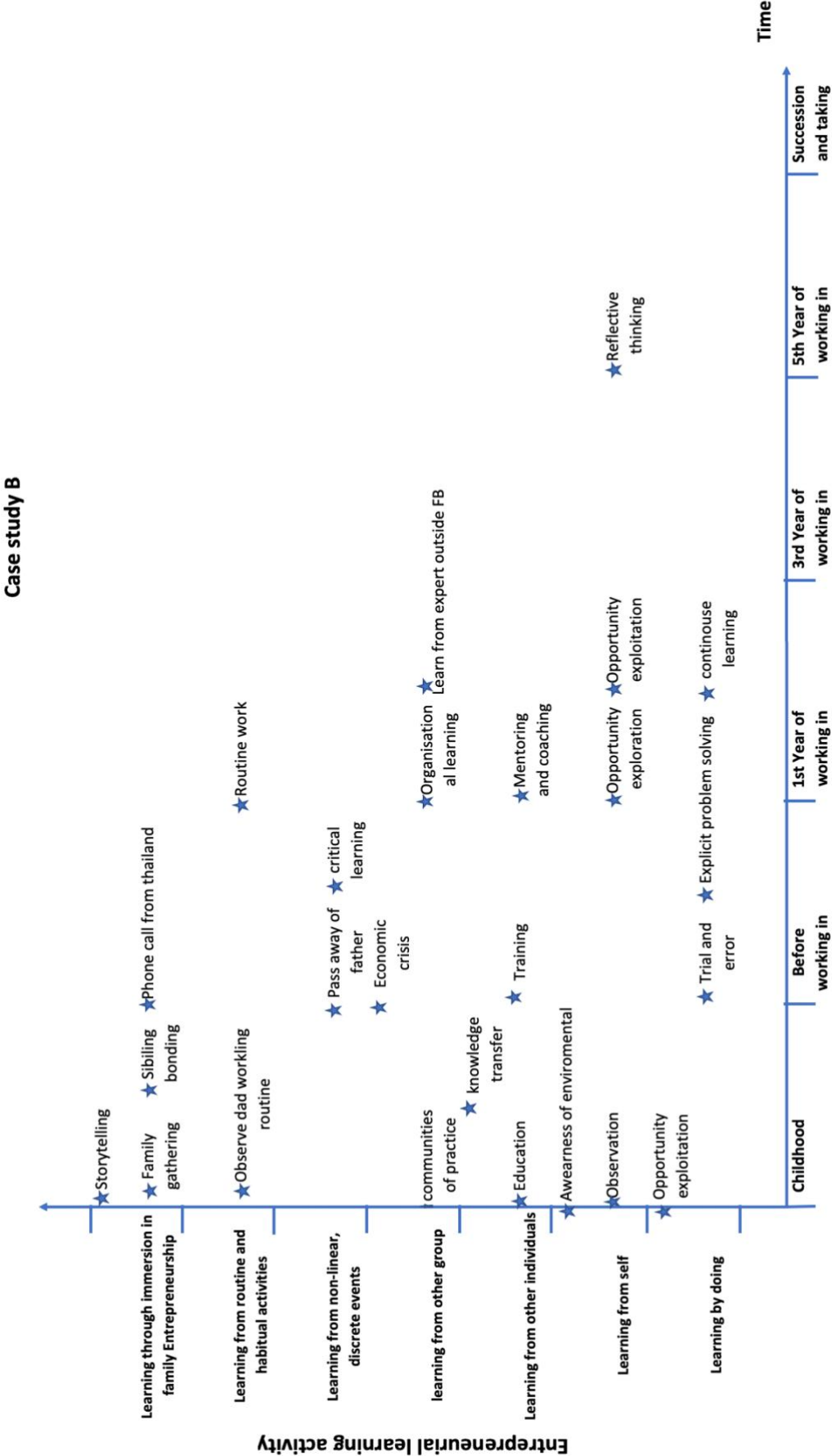
\* The interview was conducted on 4<sup>th</sup> July 2018

In this specific case, the interviewee is the successful successor of the family organisation. He has a well-educated background and is a graduate. When he was a 15-year-old, he moved to the USA for his further education. He gained a degree in Business Management, a master degree in political science and an Executive Masters in Business Administration.

Due the death of his father, he has come back to help his brother with the family business. Currently he is a leading figure in Thailand's telecommunications industry with over 30 years of experience in a top management position. Currently, he is the president of company B, a leading provider of services to telecommunications customers specialising in broadband, mobile phones and refill card distribution, telecommunication network solutions and content, and multimedia.

5.3.3 Timeline analysis for Case B

Figure 8: Case Study B Life cycle





From the interview of the successor from case B, learning by doing is dominant throughout the successor's life cycle. Due to the fact that his father (incumbent) died while he was studying at university in the USA, when he came back to take over the family business, he had to learn it the hard way of picking up the pieces in order to gain the confidence of the company after the loss of the leader. Most of the learning from the incumbent comes from his childhood memory. The majority of his childhood was spent following his father to different work sites and knowledge has been absorbed through mentoring and observation. However, when he returned to family business, the entrepreneurial learning process shifted towards learning from expertise and learning by doing.

### 5.3.4 Case B: Entrepreneurial learning journey

Table 15 : Entrepreneurial learning journey

Period	Entrepreneurial learning methods	Entrepreneurial learning activities	Primary learning outcome
1960s	Learning from others: Individual	Education: business and management from the USA	Technical skill, basic business theory
1970s	Learning by doing	Observation from following father to different worksites	- learning key information about company
1970s	Learning from non-linear discrete event	Critical learning event: - death of family business leader, having to return to family business	- Business dynamic - Learning from failure
1970s	Learning from others: group	Knowledge transfer: knowledge transfer from expertise outside family business	- Co-creation
1970s	Learning from individual	Mentoring from elder brother	- gain confidence and recognition
1980s	Learning by doing	Trial and error: discovery	- knowledge sharing with brothers
1990s	Learning from others: group	Organisational learning: learning from expertise in the company	- generate business ideas
2000s	Learning from self	Opportunity exploitation: new business expansion	Entrepreneurial idea and innovation
2010s	Learning from others: group	Continuous learning: seek learning from expertise	Technical skill
2010s	Learning from self	Reflective thinking: preparing to handover the company to the next generation successor.	Preparation to letting go

### 5.3.5 The start-up phase:

#### Preparation of the successor

The incumbent has planned well and prepared the successor in terms of both education and connection network toward the telecoms business.

*“Yes. My father planned everything in our life....my father would survey around the owner of his business partnership, a major shareholder, and found that their family was in a town called Barrington. My father was very familiar with them, they were at that time called VP Sales Pacific, and they came to take care of agents and distributors. He told my brother to stay there, so he would have been close to the family of the shareholders, even though we were not intimate. This was in the year 1970, we had been an agent for 10 years, so there should be some relationship at one level. My father then bought a house and sent my brother to study in that city. The partnership company headquarters is in Schaumburg, about 15-minutes’ drive away. There is a business town and a resident town nearby, so they let my brother to stay in a family house of someone who is a friend of VP Representatives, and try to tie the connection with our business.” (interviewee 3)*

#### *Dominance of learning by doing and observation*

In this family business, the knowledge from the father’s generation has transferred to the next generation via everyday life, especially during their childhood memories. Family is a great starting point for community of practice for family businesses. It allows all family members to not only learn about the family business itself but also foster entrepreneurial spirit from the role models found within the family. The successor absorbs the responsibility of conducting the family business from their earliest childhood memory.

*“When I was a little boy, my father wanted me to enjoy the life of a child. But during school break, sometimes he told me to come to the store to see what they were doing and to know other people. He asked me to be one part of it, I absorbed that it’s my duty to be responsible for the shop. I had a duty to hold the safe key – actually, it was only a drawer - but I had a responsibility to take care of it and this gradually permeated.” (interviewee 3)*

The interviewee reports that by having to follow his father to workplaces, he did pick up pieces from his father working. He also emphasises the importance of learning from the real entrepreneur:

*“He took me with him. In the past, my father took me to Nara Hotel every afternoon. He ran the hotel as the director. He had a lot of people to take care of. The staff came up to talk with him and I was young, so he let me walk around to absorb the environment and saw what he did, who he met. He took me to meet VIPs and taught me to stay humble. Sometimes because I was a kid, I did not think it would be an issue. So, I used to show off and take action as a boss. Then he told me to avoid doing this, taught me about good personality, mind-set, working style, negotiation, like this.” (interviewee 3)*

#### *5.3.6 The expansion phase:*

*Seeding transgenerational entrepreneurship via immersion and learning by doing*

The successor himself acknowledges that family business is very important to him and after his graduation he needed to come back to help with the continuity of the family firm.

Therefore, he has created a clear set goal in life, partly coming from storytelling since early childhood.

*“As far as I remember, my father always took my brother and I to different worksites including our hotel business and the industrial factory business. Often, at the end of the day when my father gave a brief to a worker, I would always be the one who listened to my father’s business plan for the future and business ideas. I think this has sunk into my brain with his working routine and with the fact that I must have to come back home to help him after I graduate” (interviewee 3)*

It also important to mention that transferring his father’s experience is a great asset for the successor as there is no entrepreneurship teaching in textbooks about what experience is required.

*“Yes, so the course of teaching entrepreneurship requires a real person. University might be a place where we can learn and gather experience, but you need to make it more interesting rather than just teach the theory.... So the point to pick up would be done on your own, you have to think about it and pick up the most interesting part to identify the facts and trigger for making a decision. You will have some logic. I think it could be used to apply to the technical terms which you study from the classroom, like about finance why we think like this; because it makes a better return and its value is better than what we are going to do with other way. This is the story of management; this is better than giving up because it was the trade-off between personal ego, personal pride and business benefit.” (interviewee 3)*

However, in this case, the successors were sent to study abroad and the sudden death of his father meant that the transfer of knowledge between father to children was over a short period of time and has led to successors having to learn and gain knowledge from leaning by doing and from expertise outside the family.

*“My father died in 1981 because of cancer. At that time, the business was changing as well because our business came with a matter of reputation and credit of the owner. My father was considered a successful businessman in Thailand and banks also gave us credit. During that period, the company was faced with a huge transformation when our family leader died. The older brother just came back to work and he was still inexperienced. He returned at the age of 23-25, to still the fears of the business and had to continue the business and received the treasure that his father created. At that time, they were about 300 million baht in total debt; it was a very high debt. The bank saw K. Boonchai as a youngster and wasn't sure he would understand about business or not. Because our business was a kind of big connection; you need to know many VIPs and many top-level persons. He was only 25, looked so young, just back from America, and looked like a hippy. So, several banks had withdrawn, they called on a loan that was given credit to our father. We had no choice then we had to refinance and find new bank to finance our loan. My brother was not very successful because the bank looked at him like this. (interviewee 3)*

*Learning from self: trial and error*

The incumbent was letting their children work their way up and trying things on their own. Even when they were making a mistake, he still let his children try on their own.

*“My father always told me to try everything by myself, and normally it has all gone well. When I was young, I was helping my father at the hotel business and once I did make a bad mistake. My father didn't tell me off at all. He just said he will take care of it and next time don't make the same mistake again” (interviewee 3)*

*Embedded family business through storytelling*

In this case, the family has a very strong bond between family members, which results in their children absorbing the responsibility to take over or manage the family business after their father passed away.

*“May I ask about your entrepreneur spirit, whether it is from your parents or not? I have to say that it is from them, of course, because they were doing their business as pioneers. They dared to decide and dared to take the risk because it is a business that belongs to us, so they threw everything in. Did you have to work with your father during your childhood?” (Interviewee 3)*

Entrepreneurial spirit was also deeply rooted in the family mentality:

*"Of course, my entrepreneur spirit root from my parents because they were the one doing a business as a pioneer in this industry and they dare to decide and dare to take the risk. They building a business that belong to us so they threw everything in" (interviewee3)*

#### *Sibling collaboration*

In this case, collaboration not only happens between siblings, however. It is also involved in the professional expertise outside the corporate family. Such that another keyword to highlight is trust not only link with family member but to outsiders.

*"The big boss of that era was my elder brother, but I'm not Number 2, because the Number 2 person was the one who is professional in the business. So, it's not so much a pure family 100% and it was a mix between family and professional. It's outsiders - it's about the trust of the boss that depends on his trust in the business. He must trust me because I'm his brother, he can trust me with a kind of asset and he told everyone to talk to me if it is about the asset. But if it is the business, he asked then to talk with his assistants... The business idea was mostly generated by this guy, but about assets he had to talk with me to make me know about each transaction. But mostly, these two people would make their own decision. If the decision was to go, then they go. We had a duty to recognise and follow them." (Interviewee 3)*

Apart from learning together with siblings, in this case when the company is growing much larger in size, it is crucial to learn and gain knowledge from expertise.

*"There was a management team that did not have any family members in it, a family members would be in headquarters. That would be a lesson learned about the business - you trust that it shows the willing of you, in the position of management and the structure of management, because we have the system to take care of it and control it. All of it is based on trust, and then there's no question to ask him, her or maybe even a family member. When you assigned full responsibility, full power and empower him, you have to take up the consequences that will be back in the future. So when he is trusted and all power is delegated to him, when he opened Dtac and gave full power to his assistant, even I had no power on it at all. I had no power, no right, had nothing but only went to work there." (Interviewee, 3)*

### 5.3.7 Transitioning phase:

#### *Mentoring and guidance through successor experiential knowledge*

The interviewee reports that by having follow his father to workplaces, he did pick up pieces from his father working. He also emphasises the importance of learning from the real entrepreneur.

*“Sometimes because I was a kid, I did not think it would be an issue. So, I used to show off and take action as a boss. Then he told me to avoid doing this, taught me about good personality, mind-set, working style, negotiation, like this. These lessons were the kind only a real entrepreneur can teach.” (interviewee 3)*

#### *Problems with the generation gap*

As the interviewee mentions, in order to close the generation gap, he tried to adjust and adapt himself into the company so that there would be less conflict.

*“It also has generation gap. My brother is older than me, Of course, we came in as junior at first, but with its structure and context that we are the son of the owner, so we can shift ourselves in the society. I can benefit from that, I can close the gap of, for example seven years to be only four years in my own feeling. But anyway, if you talk about the context of businessmen we are only youngsters, no one would like to pay respect to us, they just do it with no real respect. I have to be a follower at first. I need to become a supporter because I need to change, need to adapt. If I carry my position like I am the boss, I am the son of the owner, and if I have the right, then I will destroy the value of my own business” (interviewee 3)*

### *The revival phase:*

#### *The continuity of family business*

The family faced a crisis during the expansion of the family business. The investors see a family business run as an unprofessional system, so therefore they start to recruit a more professional team into the business.

*“It is a concept that we want to prove ourselves: we have to say that over 20 years ago the family business was ashamed of being a family business and it didn’t look so good. It’s not professional, it’s not advancing. The international investors still see that the family firm in Thailand only operates with their own knowledge and their system might not be up to the international standard. Therefore, it is important for us to make a change and start to introduce the high experience expertise in different departments of the business. For a family business, they perceived we were running it on our own without knowledge.” (interviewee 3)*

Both the incumbent and successor have a rule in the family that in order to work in a top management position you must start from the bottom by yourself with your own ability, so that if the next generation have no capability to do so, they will consider hiring outside expertise to do that position rather than a family member.

*“The person who will be the leader, you need to make sure that you choose the right one. This would be another aspect to look at in the management of family business, and how to sustain it. It will be if you implemented a system like this into it, and make sure that you communicate with your children clearly that this is the way it is and it is not because you are our child or grandchild. And if you already automatically qualify you need to earn it because the next person would be the one that shareholders trust can take the company to the next level or to the expected level that make shareholders happy.”  
(interviewee 3)*



## 5.4 Case C

### 5.4.1 Case profile

Company C's foundation as a hotel and automobile dealer dates back to the late 1950s when Chinese immigrants arrived in Thailand. It was founded by a great-grandparent of today's successor and business has gone on over a period of four generations. Originally, the family was the biggest automobile dealer in the north part of Thailand. However, due to many members of people in the family, they have separated the business and automobile business for each family member. Today, they operate over five hotels in the north province of Thailand. The interview was conducted with two sisters in the family who have been taking responsibility over this family business. The business operates with over 2,000 employees and generates more than 25 million pounds annually.

### 5.4.2 Interviewee profile case C

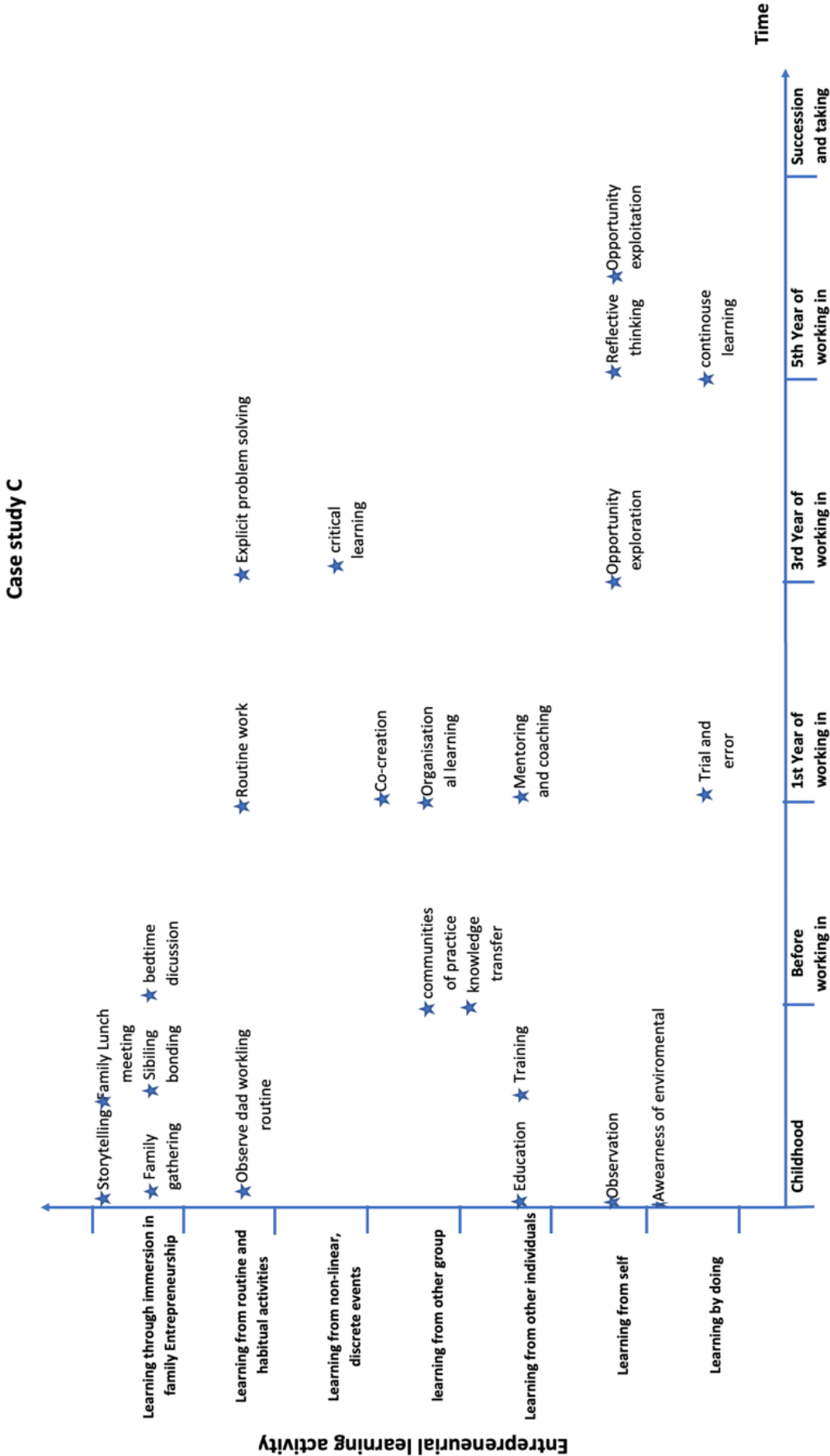
a) The successor of the family business, oldest sister (interviewee 4)

\* The interview was conducted on 20<sup>th</sup> July 2018

She is the successful successor of the fourth generation of the family business. She is now running the two companies that the business owns, including the hotel business and the automobile dealerships. She graduated from Thailand University in management. After she graduated with a masters degree at 22 years old, she went back to working in the family business straight away.

5.4.3 Timeline analysis for Case C

Figure 9: Case Study C Life cycle



From the interview of the successor, her entrepreneurial learning journey has been deeply rooted in family since her early childhood memories, such that her major entrepreneurial learning activities are concentrated around learning through immersion in the family business. In this case, the interviewees conclude that family is a great domain in entrepreneurial learning. However, in this case, she reports that there was not much co-creation activities with her working routine but when her sister returned to the family business, they started working on the same project together.

#### 5.4.4 Case C: Entrepreneurial learning journey

Table 16: Entrepreneurial learning journey

Period	Entrepreneurial learning methods	Entrepreneurial learning activities	Primary learning outcome
1980s	Learning from other: Individual	Education: market and management	Technical skill
1980s	Learning by doing	Discovery: job shadowing of her father	- Start up skill - Collaborative learning
1980s	Learning from other: group	Management trainee at Toyota	- technical knowledge
1980s	Learning from others: group	Knowledge transfer: Knowledge transfer by visiting different hotel around the world	- experiential base knowledge
1980s	Learning from individual	Learning by doing through community of practice	- family orientated mind
1990s	Learning by doing	Trial and error: discovery	- knowledge sharing with sister
1990s	Learning through immersion in family entrepreneurship	- Family lunch and dinner and bedtime discussion - Mentoring	- business acumen
1990s	Learning from others: group	Organisational learning: learning from expertise in the company	- generate business ideas
2000s	Learning from self	Opportunity exploitation: new business opportunity	Entrepreneurial idea and innovation
2010s	Learning from others: group	Continuous learning: seek learning from expertise	Technical skill

This case study C focused particularly on learning within the family and learning by doing herself.

#### 5.4.5 The start-up phase:

##### *Preparation of the successor*

The incumbent has planned a long-term goal for the whole family and prepared all of his children with relevant knowledge and skill.

*“My mother gave me a guideline that she wanted me to study in finance or accounting. But I like to do something other than an office job, so I chose to study marketing. Because at least, I can get back and use that knowledge with my hotel also with my automobile business. It covered for all businesses, so I studied marketing. While my sister has been put to study about hospitality in Switzerland and two of my brothers also studied about business in the UK.” (interviewee 4)*

##### *Dominance of learning by doing*

At first the incumbent let the successor try to learn by herself and he didn't provide any mentoring, but let her take over a small part in the family firm.

*“My parents told me that there is no coaching. I just went back and go to work immediately, without knowing any specific responsibility. With my background in marketing, I came up with a new marketing plan idea. It was usually along the same pattern so we went to a new style of marketing. This resulted in providing a way to do more things and new customers. In the end, he then implemented it with another dealer with the existing affiliates. I feel it is the result from my skill; this is part one for Toyota.” (interviewee 4)*

*The expansion phase:*

*Embedded family business vision through storytelling*

Having children exposed to the family business from a very early age will provide them with a better understanding and absorption of the family business mentality. This results in the successor taking on the responsibility to continue the family firm.

*"Since childhood, I have been working in the business. Every evening after I was back from school, even before I went to school, I was in the automobile showroom. After that, I was going to go to the hotel in the evening with my father. I did not know much about that - I was only a child so I just played and ran around the hotel and showroom. I lived my life this way all along. I remember that before the hotel had discotheques, I went down there when I was 2-3 years old and danced there. Even dining time, I've only eaten at home and in the hotel. It is like the business way has been absorbed since childhood, at the time of eating together at home in the evening, my grandpa would talk about the job and also my parents would too. I was sitting there and listen, even when there was a meeting, I would sit and listen. I did not know about the topics, but I had to sit down and listen to them. My parents might consider this a way to let me absorb it, I saw them and slowly absorbed their working ways. If you ask whether I like it, I think it is my commitment to business, whether it is automobile or hotel. It was bonded with me since childhood" (interviewee 4)*

*Sibling collaboration and co-creation*

There was not much co-creation generated between family members in this case as they have given out responsibilities to work on different projects of the family business. The successor personally also does not like to share their working ideas with their family. Her main point in working with this family business is that she will prove to their parent that she can do the project well.

*"But mostly, I wouldn't tell them what I would do. I do it straight and tell them after it is finished. But for this project, they said that if I did something completely then let me update or report that to them a little. It's true that some people say that one of the things that will make your parents trust in you is to report them all the time, then they will feel like they are lazy to ask and release you to do on your own. But I'm lazy to say and report to them then I just report when it's finished. At the end, they will know that it is done. I know how to do it." (interviewee 4)*

However, when her sister graduated from the university and returned to work in the family firm, they started to take a common project together.

*“Even though I don’t work or collaborate with my parents, since my sister is back in the family firm, I think it is a good time for us to take on the project together. There is one more project that I am currently setting up - I want to renovate the whole concept of our oldest hotel. I did ask my sister to take over a few parts of this project. It turned out very well actually, much better than what I expected from my sister.” (interviewee 4)*

#### 5.4.7 Transitioning phrase:

##### *Mentoring and guidance through successor experiential knowledge*

The parent always gives guidance in learning by doing. For example, their parent will take the children to an excellent hotel and let children observe the service and facilities which they could potentially bring back to improve on their own hotel services. They are also learning by doing together with family members.

*“I’m so close with this kind of business and also love to travel. My parents would like to take me to an excellent hotel and consume its facilities. So, I feel like I have to look at its style and facilities and try to bring some good ideas back to apply to our hotel and our company. It was the way of life that my parents have done continuously – like, I like this style, this facility so I like to apply it to my hotel. I like this service and decoration. I will accumulate many ideas from every place, because they give me the opportunity to go travel and study outside. I got a chance to see many more things” (interviewee 4)*

##### *Learning from and together with family member through communities of practice*

The knowledge got transferred through parent experience to children by having them watch a parent working while collecting and absorbing know-how throughout their life.

*“When I was a child I was studying in Chiangrai and every weekend or during summer or even in the evening after school, I stepped in the business. I played and studied for tutorial classes in the showroom or in the hotel. At the end of the semester, I invited my friends to come to my hotel to play and swim together. Until I finished my 6th grade - when it was the summer-time then I went back home. This is to say I’ve never placed myself far away from the business. I feel like I am with it naturally because I like it. I always watch my parents in roles of leadership, delegate work to staff members. I even saw a lot of problems and mistake from family business, and I learnt from that” (interviewee 4)*

#### 5.4.8 Revival phase:

*Organisational learning for innovation*

Most of the innovation process was adopted by the successor's generation, including implementing technology, a new IT system and marketing tools.

*"To be honest, I am the one who is mostly implementing the new technology for the company as my parents are quite far behind the technology. As I went to training with Toyota, I have gained a good idea about new incoming technology tools and a system which could be implement into our hotel and automobile business. When I entered the family business full-time, I was the one who introduce the Kaizen or continuous development and improvement. This required a new inventory system, and new accounting system, so I spend most of my time developing this new system." (interviewee 4)*



## 5.5 Case D

### 5.5.1 Case Profile

Firm D owns and operates one of the Thailand's largest shopping centres and department store chains. It was initially co-founded by a father and his three children back in 1978. However, the idea of a department store business originally came from the father. Before the department store business, her father's previous career background was in the entertainment industry, including operating a cinema, restaurant and nightclub. He then thought that this kind of business was not good for his children so he tried to set up a new business. The idea of a department store came when he travelled abroad and saw an opportunity to become pioneer in Thailand. The project kicked off and expanded rapidly and achieved very high success across the country until today.

### 5.5.2 Interviewee profile for Case D

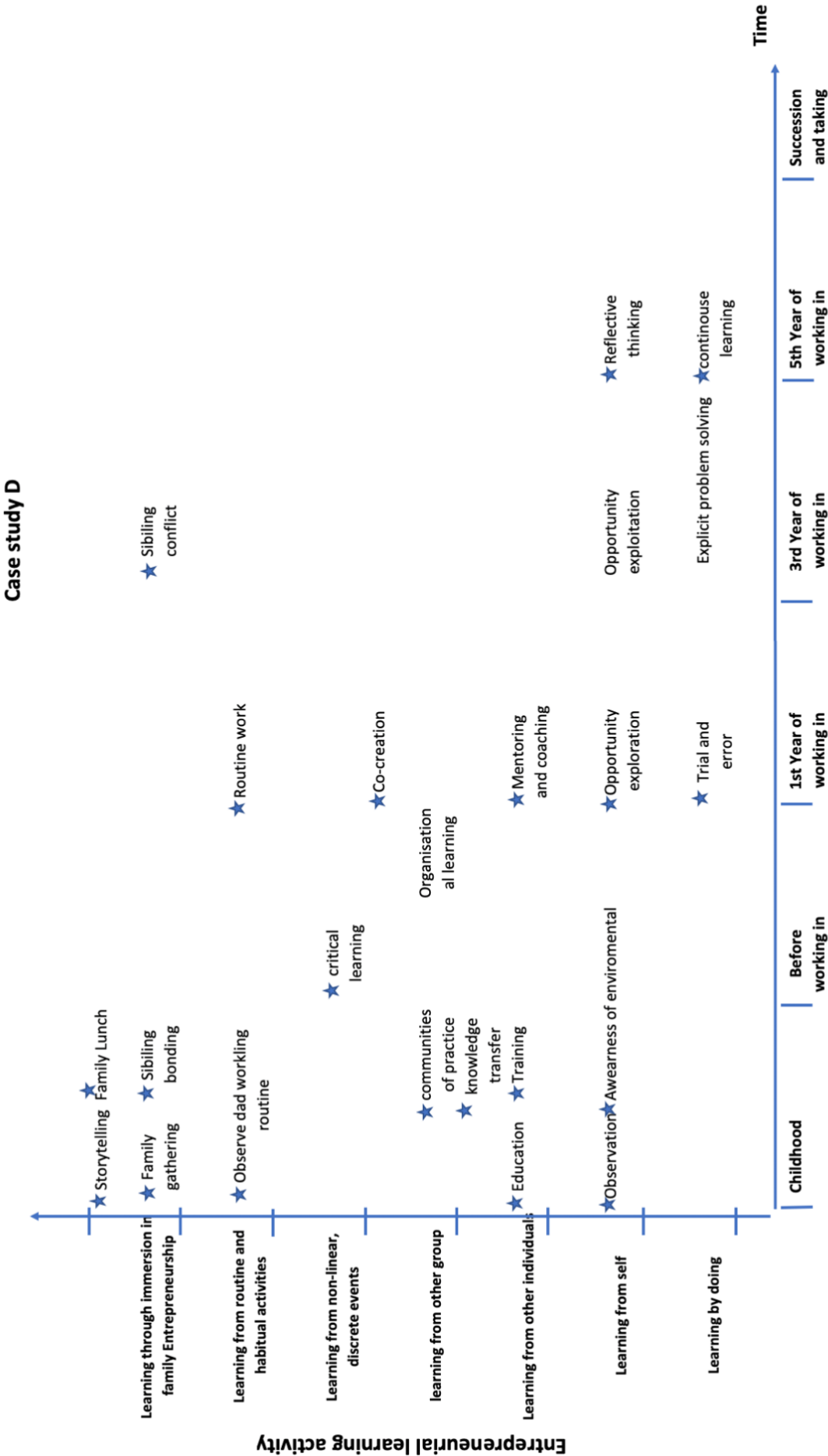
a) Successful successor of the family business, generation two (Interviewee 5)

\* The interview was conducted on 27<sup>th</sup> June 2018

The interview was conducted with the oldest daughter in the family who co-founded the business with her father. She has been involved in the family business even more, setting up the department stores since she was seven years old. After pursuing a degree in secretarial skills from London, she came back to Thailand and set up this business together with her father and siblings.

5.5.3 Timeline analysis for Case D

Figure 10: Case Study D Life cycle



### 5.5.4 Case D: Entrepreneurial learning journey

Table 17: Entrepreneurial learning journey

Period	Entrepreneurial learning methods	Entrepreneurial learning activities	Primary learning outcome
1960s	Learning from others: individual	Education: secretary degree	Technical skill
1970s	Learning by doing	Discovery: set up new company with father	- Start up skill - Collaborative learning
1970s	Learning from non-linear discrete event	Critical learning event: - external family issue, economic crisis, risk of bankruptcy	- Business dynamic - Learning from failure
1970s	Learning from others: group	Knowledge transfer: knowledge transfer among sibling when working together	- Co-creation
1970s	Learning from individual	Mentoring from father	- gain confidence and recognition
1980s	Learning by doing	Trial and error: discovery	- knowledge sharing with brothers
1980s	Learning from non-linear discrete event	Critical learning event: - Loss of father (leader)	- learn to become leader
1980s	Learning through immersion in family entrepreneurship	- Family lunch and dinner discussion - Mentoring	- business acumen
1990s	Learning from others: group	Organisational learning: learning from expertise outsider	- generate business ideas
2000s	Learning from self	Opportunity exploitation: new business expansion	Entrepreneurial idea and innovation
2010s	Learning from others: group	Continuous learning: seek learning from professional	Technical skill
2010s	Learning from self	Reflective thinking: preparing to turn family business to professionalise for the next generation	Letting go

### 5.5.5 The start-up phase:

#### *Preparation of the successor*

In this case, the incumbent has no higher education. Therefore, he wanted to send all his children into a better education system, while getting the children involved with business environment from childhood. The successor further reports that her mother died when she was very young, so her father is the only one who took care of the whole family while operating a business. In addition, her father came from a poor family background where he did not get higher education as he need to work in order to find a living. Therefore, her father got a great vision in preparing their children with a basis of education by trying to send all of his children to a good school and university.

*“My mother died when I was young, so my father had to be like a father and mother. When I was a little kid, my mother was very sick and died when I was 7 years old. I have five siblings, so my father had to work very hard to earn money to take care of our family. My father is a very committed man and he had a will to let his children study high. He sent his daughter to study at Mater Dei School and his son to Assumption College, which were considered very good schools at that time. So, he tried his best to let his children study in the best schools and got the good education because he only studied a little. He just graduated, if compared with recent education, only in Grade 7. There was only Grade 6 and you could continue to Grade 7 and he went to Bangkok and came to work alone because he has a poor family.” (interviewee 5)*

#### *Dominance of learning by doing*

The main learning in this family is learning by doing. As she had to leave school and help her father with his business, she learnt to pick up pieces of knowledge and know-how along the way as she was doing her job, up until when her father and the successor decided to open the new department store business together. At the time, department stores were a new business to them as they had no experience in this field. Therefore, they are again learning by doing as the entrepreneur.

*“We started the The Mall in 1978, we opened the first store in 1981, 25 June 1981, because it is what we created by our own, everything comes up with no experience. Once our first project was very successful, then we went to see another piece of land and we expanded again. In 1981, The Mall Rajdamri was opened, in 1983 The Mall Ramkhamhaeng was opened within two years and then in 1985 the opposite side, the Mall 3, was opened.” (interviewee 5)*

The incumbent also gave the opportunity for his children to learn by trial and error and do everything on their own.

*“When I went back to help my father full time, he didn’t teach me anything, but he let me do everything on my own. I’m the one who likes to follow my father since he did the cinema work. When I was nine years old, I went to sell the tickets. I like to follow my father... he let me do everything on my own and I was okay about that because I was a teenager at that time. It is really not working age yet, so it’s the age of learning but we can work in one level. I worked like that since 1974; I helped my father do everything until 1978, it was the construction of The Mall; the end of 1978 to year 1979.” (interviewee 5)*

#### 5.5.6 The expansion phase:

*Embedded family business vision through storytelling*

Knowledge got transferred from the father to his children mostly through living under the same house and having to watch the father working from a very young age. In addition, the successor added that her father always taught her different tips in doing business along the way when they were working together and it is very important to listen and adopt that message to her work. For example:

*“As we are living under the same roof, having dinner together as a family every day this means a lot. At the end of the day we always share our experience at the table and discuss it. When investing in a big business my father taught me that it must have something more than that. This is called a strategy that we have to put it right and be very careful about investing. It will be seen that investment is the most important.” (interviewee 5)*

*Sibling collaboration and co-creation*

In term of co-creation, the incumbent has worked closely with the successor in finding new businesses opportunities together. For example, in this case both incumbent and successor went to see the new ideas around department stores from America and adopt them to best suit the market in Thailand.

*“My father loves to do land trading business. He likes to look at land, so he thought that the city area is very difficult to find and too expensive. We went to see the Mall in America, which would be built in suburban areas. At that time, we went to open the second branch in Ramkhamhaeng, Huamark... This was a very fast expansion because we concentrated only on this business.” (interviewee 5)*

In term of sibling collaboration, everyone has a clear role in work and their responsibilities. As they acknowledge that each person has different areas of expertise, therefore different departments and areas of work have been delegated according to their speciality.

*"We defined according to each aptitude. This is called combination because our aptitude is not the same. It means that each one's capability is not the same. It's good because everyone has his own field of knowledge and we did it together. Mostly, we will have to agree about the location to open The Mall. We discussed with each other and surveyed together, and we also learned about its potential then we went down for that location." (interviewee 5)*

#### 5.5.7 Transitioning phrase:

*Mentoring and guidance through successor experiential knowledge*

The incumbent always provides a guideline to teach the successor in order to take over the family firm.

*"My father used to say that we have to strive and set goals that are the best, but at the same time if it does not follow on that we have to find the way for retreat and define how we are going to retreat, then it must be Plan B. If you go ahead without Plan B, and if it fails how do you handle it? Like I said to my father, he complained that he is very tired. By this time, he was tired because he had more responsibility. So, he must be encouraged because what would a man do without his heart to do it? If it is just done by duty, it's just nothing. But if everyone does it with passion, with a brave heart and responsibility, it would be the best. This is the main fundamental thought that I always hold for my responsibility in work, and even I will stay in any state. It means that if we are not in a management position, because I'm now being a board of committee, we have to do our best for our responsible job." (interviewee 5)*

*Learning from and together with family members through communities of practice*

In this family, everyone takes part in different departments in the business. They consistently exchange in knowledge and ideas.

*"We worked together with each other's aptitude. My sister likes to be creative. She is a person who thinks and has an idea in terms of looking modern. In the matter of commodity, she likes it, so she will focus on the commercial products. For my brother, he graduated in economics so he looks at the big picture for investment. He will know about how to invest and its cost, how to manage the management to make a lot of profit. For me, I did not graduate in any degree so I worked in the back office to back up and be aware of everything. I also take a look at on accounts and financial matters, together with procurement and every kind of back office works." (interviewee 5)*

#### 5.5.8 Revival phase:

##### *Organisational learning for innovation*

The successor mentioned that her dad was a great pioneer and involved in the innovation process, while her sister contributes to the innovation of family business side more that she did.

*“In term of innovation, my dad and my sister are the one who brought innovative ideas to the table, not so much from me. My dad was the pioneer in Thailand department store, he always goes abroad and gets those new idea and technology to further develop and apply to our department store. The same for my sister, I guess she just got dad’s innovation blood. She is just doing the same thing as dad did in the past but I would say she is more creative. All the creativity work that been put into all the department stores are all from her. She did a very good job on that.” (interviewee 5)*

##### *The continuity of the family business*

The successor saw an importance in turning family business professional systems, as such that if the family members are not well equipped with skills and capability they would willingly look for outside expertise to lead in specific departments.

*“I think we have to turn to professional business, because our family is not a big family and the gap between me and my nephew and niece is not much, so they may not ready. We set a goal that we should turn into an Institution, in which there is a professional system covered. Because the business requires a variety of management team and a lot of staff, so only our family members can not cover it all. So, if we cannot cover, we have to do this as the system. The system will have to run by itself, whether we are staying there or not, it must move forward. If it is reliant on the person, the business will not go. I do not know if it is different from others’ opinions or not. Sometimes if we try to create something for our children, and we have to think if our children could handle it or not. Actually, when we created The Mall it was not only our family alone, because there were a lot of professional people who came to help. I knew it was the legacy, we thought it was our father who built it. But I thought that some of my siblings might think like that, but for me I’m not attached to anything because of all of us would die someday. That’s just the way it’s supposed to be according to the responsibility. And I think it is okay. My family is not a big family and I think the family has not had any trouble.” (interviewee 5)*

## 5.6 Case E

### 5.6.1 Case Profile for case E

The interview was conducted with the father (incumbent) and the eldest son of the family (successor). This is a family business running over two generations between a father and his three children. This case is a major supplier of “High Quality Industrial Tools” established since 1980, and distributes a comprehensive range of machining tools for metal cutting, precision measuring tools, and general hand tools and equipment for maintenance purposes. Full stocks are on hand with prompt delivery.

### 5.7.2 Interviewee profile

a) The incumbent of the family business, father (interviewee 6)

\* The interview was conducted on 28<sup>th</sup> June 2018

His life started as he went to study in Japan and intended to work for a Japanese organisation. While in Japan he gained more than 10 years of experience in the Japanese automobile industry, especially in research and development. After he graduated, he returned to Thailand and worked in human resources in a Japanese company that was established in Thailand. After he got married, his father-in-law provided further funding for him which led him to start up his own business.

b) The successor of the family business, son (interviewee 7)

\* The interview was conducted on 28<sup>th</sup> June 2018

The successor is now taking full control over the family business after his father. As the nature of the family business is working closely with Japanese clients and suppliers, he was sent to Japan to pursue higher education and training. He graduated with an engineering degree with an internship with over 10 companies in Japan. He is currently a vice president of the company.



C) The second daughter of the family (interviewee 8)

\* The interview was conducted on 18<sup>th</sup> August 2018

Currently, she is working as a chief financial officer for the family business, with an entrepreneurship degree from Babson University from the USA. After she graduated, she followed her father's plan and came back to help with the family business right away.

D) The youngest daughter of the family (interviewee 9)

\* The interview was conducted on 18<sup>th</sup> August 2018

The youngest daughter of this family has been sent to study abroad in the UK and graduated with an MBA from the University of Oxford. After she graduated from Oxford, she managed to work outside the family business in the banking and financial industry in Thailand for several years until she decided by herself to come back and help with the family business. Now she currently takes a role of marketing director of the family company.

5.7.3 Timeline analysis for Case E

Figure 11: Case Study E Life cycle



#### 5.7.4 Case C: Entrepreneurial learning journey

Table 18: Case C entrepreneurial learning journey

Period	Entrepreneurial learning methods	Entrepreneurial learning activities	Primary learning outcome
1980s	Learning from others: individual	Education: engineering from Japan	Specialised technical skill
1980s	Learning by doing	Observation: from dad working routine	- Start up skill - Collaborative learning
1980s	Learning through immersion in family entrepreneurship	- Storytelling: family gathering and family dinner	- family entrepreneurship
1990s	Learning from others: group	Knowledge transfer: Knowledge transfer during working in internship at japan	- Co-creation
1990s	Learning from group	Communities of practice: Mentoring from father	- transfer of experiential knowledge
1990s	Learning by doing	Trial and error: discovery	- knowledge sharing with brothers
1990s	Learning through immersion in family entrepreneurship	-Mentoring	- business acumen
1990s	Learning from others: group	Organisational learning: learning from expertise in the company	- generate business ideas
2000s	Learning from self	Opportunity exploitation: new business expansion	Entrepreneurial idea and innovation
2010s	Learning from others: group	Continuous learning: seek learning from expertise	Technical skill
2010s	Learning from self	Reflective thinking: preparing to handover the company to successor	Letting go

### 5.7.5 The start-up phase:

#### *Preparation of the successor*

The incumbent has a clear goal towards letting their children take over the family business so he planned a career and training for all of his children. He also put emphasis on the oldest son of the family to be the next successor.

*“I was planning as I said - my son will have to get my works. This is one of the important things that women cannot do. It is necessary for it to be a man because it is mechanical. Women are not very good at it because they need to go outside to find a customer or to work in this factory. If it is a woman, it is not good. With a woman, I have to create another route, like bring her to be a supporter. So, my daughters, I've told them that you can study anything. I do not force them to do what I want her to study, she can choose it. But if possible, I want her to study in laws, economics, accounting, or management. They do not have to go to study engineering or science. I just suggest, I do not force them.” (interviewee 6)*

#### *Dominance of learning by doing*

As far back as his childhood memory, he was always following his father to work conferences and meetings, while he was engaged in family business himself through training since he was very young. This led to gaining family firm technical knowledge and skill set.

*“In my childhood, as I said that if it was a conference or a meeting, he will take me with him. But if it was the routine work, he will not take me to see that kind of work. The factory is a place for which we are their distributor, so I knew about the product since I was 17. I would have known it more than the manager in the factory itself because I was working in the factory myself. In each factory, I have trained more than ten different times in the different factories because we hold more than a hundred brands. I knew all about the production line, right from the powder stage and making it up to be a work piece. I knew the product already when I was back to work for the first day. I worked for another year before returning to Thailand, so I came back with knowledge about the product. I did not know anything else about the sale or what the company is. But I went to learn about the product and know it well.” (interviewee 7)*

The father gave a great opportunity for their children to learn by ensuring that when the successor firstly entered the family business, he gave his son full authority in decision-making for his role. In addition, all the siblings in the family also help with the business so that each sibling is working on their expertise in different area of the family business.

*“He gave me all authority. I have to say that I see most of sales and marketing, but I did all the work thoroughly. I may not make something right, but luckily I have good sisters. This is another story - that my sisters are very good and they are good at the thing that I’m not, like accounting and finance. My two sisters are good at it, one graduated from Babson and another from Oxford with an MBA. So, they can help me a lot because I keep running to do the things and they will follow my point and make it better. So, if you ask that my father gave me full authority or not, the answer is yes, since the first day he let me make my own decisions.” (interviewee 7)*

#### 5.7.6 The expansion phase:

##### *Embedded family business vision through storytelling*

In this case, even though the successor was living in abroad, his father always updated him with information on what is going on with the family business, and letting him know about his dad’s experience working at home.

*“When I was 12 years old, I went to Japan and I lived in Japan for seven years. He called me every day and never asked how I live or is it comfortable to stay there. We have not talked about where we went today, but he always told me about his new business or today there was a delay delivery problem because of this issue. It has been like this since I was a child, and without LINE application so he had to pay a lot for the phone call every month.” (interviewee 7)*

The successor further claims that knowledge is continuously absorbed throughout his life through the family business environment. He further stressed that in order for knowledge to be transferred the right communication between generations is very important.

*“So, when it came to the time, I realise that it was the knowledge gained. For example, I know that I should buy the land here because it would be the community in the future. But we never talked about the things that I have done today, about my studies, I have not heard of that. But my mom used to ask about that because I am a kid, and when I was with my mother I asked for money from her, like that. So, I know that the communication between father and son is very important. Family business will break down because of adults.*

*I am concerned more about the communication of the first generation and about how he manages his children, that is what should be worried about. The most important thing is that you need to talk to each other all the time, like you are his subordinate so from 8am. to 5pm. you have to talk in a formal way, no nonsense and do not talk him as if you are his son. You are the manager or any other position; you need to propose the job in that way.” (interviewee 7)*

#### *Sibling collaboration and co-creation*

Within the family, although each family member is working towards a different department in the business, they always work together in sharing ideas and discuss the problems. For instance, the successor is working closely with his two sisters who help balance the generation gap conflict that is generated between father and him.

*“I have two sisters who will balance between my father and me. My family is like - both father and I are dictators in work and will be the decision makers. This is the point that I told you that the disadvantage is that I’ve never worked in a big company. So, I did not know which system is correct, it was just my system and my father’s system. The system that I think it is right and the system that my father thinks it is right - but there is no middle system that everyone uses, so the debate between I and my father is not the same.” (interviewee 7)*

Co-creation activities occur not only between the incumbent and successor but also all of the successor's siblings who also work in the family business.

*"My family is very lucky. We are a team - these three are in the same team. But there are some things that they did not agree with me upon. The only thing is they always ask me to calm down and wait for them, and they understand that I do not know where to go but this is the way to go yet. I led them at first but later most of it I will do as a demo, such as this kind of project - I will take it to 3-4 steps and back to tell them why I did like this. And as I showed before it will lead to the advantage of good results. Because today my father really is not busy on the operations, he just works for it. My father does not like to travel, does not want to leave home and cannot travel by plane. He has never enjoyed with any kind of hobby. He only likes to work. So, we also have to co-create our works because we have many companies on hand. We have many holding companies and we have invested in more than 10 factories. So, my father will help me on that management work. (interviewee 7)*

#### 5.7.7 Transitioning phrase:

*Learning from and together with family members through communities of practice*

The successor puts emphasis on the importance of the communication aspect of the family business in order to mean shared ideas and the common goal.

*"I think that it is important in family business that the father and children have to talk together. You have to open your mind to talk to each other, but it would be after you have proved yourself in one period. The first five years, do not talk about it. No parents can see that the child is good. No one sees their baby as an adult, because in the first five years your experience is very little, but if it is in level ten then you have to talk. Today we will conduct a meeting for our father to talk with us. We always have a lunch meeting every day because we have a Penthouse on the top of the building, so we can go up to eat, sit at the table, and talk about our work, but it is not formal. So this year we changed so that if we talk about the detail in teamwork we can go up to talk at the Penthouse, but if we want to talk about the future of our business we need to talk with our father as he is our boss - as I said. We need to change the concept, like if I want to launch a new project I have to ask for a budget from my boss, like that. This is very important." (interviewee 7)*

*Generation gap lead to new idea and opportunity*

There is a huge gap between the two generations, especially when it comes to the managerial side. The father prefers to work in a Japanese teamwork style while his son works in a German style, resulting in the successor firing a number of staff who had not performed well. However, the conflict that created, by the generation gap, has led to benefits in term of decision making, as they always help reconsider the solution together.

*“Generation gap is the biggest problem because my father has a kind of conservative, super conservative Japanese style. I have a Japanese style because I was there for very long time, it's true, but I'm actually a German style manager. I like the German performance base - you did it then you get what you did, if you did nothing then you got nothing... Actually, it's a good thing that we do not think in the same way. If father and son all think the same, if you take the wrong decision the company would collapse. So fortunately, one of the two is conservative, another is a kind of breakthrough. I am the type to walk ahead for 10 steps then tell all staff you all need to come and follow me. He will pull me back. This will lead to the advantage of balanced work.” (interviewee 7)*

#### 5.6.8 Revival phase:

*Continuity of family business*

The successor believes in the training and preparation of the next successor in order to hand on the next baton successfully to the next generation. He puts emphasis on the importance of transparent and clear communication between different family members.

*“Some person has a big company, but he does not take care of his kids. Most of the problems depend on the father - too spoilt is not good because they will not say anything and let you work with no experience - and then you will fail, I've never seen that it will survive. The most important thing is you need to talk to each other all the time, and like you are his subordinate - so from 8 am. to 5 pm. you have to talk in a formal way, no nonsense and do not talk him as if you are his son. You are the manager or any other position, and you need to propose the job in that way. If we teach him that way and you get along well, then he can do his climb, which is a fast climb if he is good. One year he can jump, and in two years he has already jumped. This seems to be a change for family business problems, and I'm talking about middle level companies.” (interviewee 8)*



## Chapter Summary

Chapter 5 proceeded with the within case analysis for each one of the five family companies that involved in this study. It addressed all four-research questions with the use of theoretical framework which framed around life cycle theory which analysis took place. Additionally, with each case study were discussed how entrepreneurial learning process and activities take place along an entrepreneur lifespan. In the following chapter 6, cross-case analysis will provides further discusses into what are the common feature and what are the different factor within all 5-case study.

# Chapter 6

## Cross-case analysis and discussion

### Chapter outline

The primary aim of this research has been to explore the phenomenon of entrepreneurial learning activities and process, particularly within family businesses. By means of a within-case analysis, Chapter 5 outlined findings of the data and discovered the development of entrepreneurial learning and the family business succession field of research. The purpose of this chapter is to discuss the findings uncovered in the analysis chapter with existing literature in order to relate these findings to each of the research question of the study. This chapter will also relate to the empirical findings and present evidence that entrepreneur learning has taken place throughout the life cycle of the entrepreneur.

This chapter is divided into five sections as follows: Section 6.1 and Section 6.2 provide the cross-case comparison for the entrepreneurial learning process with a family business succession stage, including family business succession process, entrepreneurial learning activities and a life cycle stage. Sections 6.3 and 6.4 discuss and analyse patterns found towards the co-creation process and activities towards the family business succession. Section 6.5 mainly has emphasis on the discussion of the relationship between entrepreneurial learning co-creation and family business succession.

## Research Objective 1: To explore the relationship between entrepreneurial learning and family business succession

In achieving the first research objective, our first research question was identified “How does entrepreneurial learning happen in the family business?”.

This thesis discovered that the entrepreneurial learning process and the family business succession process interrelated and they both are a dynamic development that happen over a period of time. Thus, we identified and adopted a process theory as a grounding to explore the progression of succession entrepreneurial learning phrase.

First of all, from the findings and analysis, the successor life cycle model is created in order to understand how and where the entrepreneurial learning happened in the family business. In the succession life cycle process, there are four entrepreneurial learning succession phases presented accordingly: the pre-succession phase, the development phase, the transitioning phase and the revival phase. The table below explains the main criteria for each different succession phase with a practice of entrepreneurial learning succession activities. In addition, to investigate how successors learn or how entrepreneurial learning happens, entrepreneurial learning activities within multi-generational family businesses must first be identified.

The findings of Chapter 5 have drawn out all of the important succession entrepreneurial learning activities according to different case studies for the successors.

In addition, by gathering all the finding data into table 20 this displays the entrepreneurial learning activity typology and introduces a contribution to understanding how entrepreneurial learning happens in the family business life cycle.

Table 19: Summaries of entrepreneurial learning life cycle phase and entrepreneurial learning activities

<ul style="list-style-type: none"> <li>• Entrepreneurial learning succession life cycle phases (RQ1)</li> </ul>	<ul style="list-style-type: none"> <li>• The pre-succession phase</li> </ul>	<ul style="list-style-type: none"> <li>• The development phase</li> </ul>	<ul style="list-style-type: none"> <li>• The transitioning phase</li> </ul>	<ul style="list-style-type: none"> <li>• The revival phase</li> </ul>
<ul style="list-style-type: none"> <li>• Key criteria</li> <li>• (RQ1)</li> </ul>	<ul style="list-style-type: none"> <li>• Preparation stage for the successor including education, training and work experience</li> <li>• Prior successor starts working full time in family business</li> <li>• Succession planning</li> </ul>	<ul style="list-style-type: none"> <li>• Knowledge is transferred to next generation through learning by doing with combination of past experience from both generation</li> <li>• Learning from mistake</li> </ul>	<ul style="list-style-type: none"> <li>• Using previous experiential knowledge</li> <li>• Co-creation and collaboration with siblings</li> <li>• Co-create with expertise outside family business</li> </ul>	<ul style="list-style-type: none"> <li>• Open up for expertise outside the family business</li> <li>• Training the next generation</li> </ul>
<ul style="list-style-type: none"> <li>• Key practice</li> <li>• (RQ1)</li> </ul>	<ul style="list-style-type: none"> <li>• Dominance of learning by doing (Learning by doing through helping in family business since childhood, involvement in small task/meeting)</li> <li>• Embedded family business vision through storytelling (family lunch discussion and bedtime discussion)</li> </ul>	<ul style="list-style-type: none"> <li>• Seeding transgenerational entrepreneurship via immersion and learning by doing (working together with incumbent and exchange ideas)</li> <li>• Exploration opportunity to learn (exploration of all possible new project together with incumbent)</li> </ul>	<ul style="list-style-type: none"> <li>• Mentoring and guidance through successor's experiential knowledge (continuous mentoring and coaching by incumbent)</li> <li>• Learning from mistake (working from trial and error)</li> <li>• Learning and working as a team</li> </ul>	<ul style="list-style-type: none"> <li>• The continuity of family business</li> <li>• Organisational learning for innovation (further expansion and development of family business value)</li> </ul>
<ul style="list-style-type: none"> <li>• Entrepreneurial learning activity typology</li> </ul>	<ul style="list-style-type: none"> <li>• Learning by doing</li> <li>• Learning from routine and habitual activities</li> <li>• Learning through immersion in family entrepreneurship</li> </ul>	<ul style="list-style-type: none"> <li>• Learning from self</li> <li>• Learning from other individuals</li> <li>• Learning from other groups</li> </ul>	<ul style="list-style-type: none"> <li>• Learning from non-linear discrete event</li> </ul>	<ul style="list-style-type: none"> <li>• Learning to let go</li> </ul>

This study explores the relationship between entrepreneurial learning and family business succession by looking at the entrepreneurial learning process through the life cycle perspective. As mentioned in the literature review (Chapter 2), this study offers one of the

first attempts to address scholars called upon to uncover the role of knowledge in the entrepreneurial learning process throughout the family business life cycle.

The life cycle process was adopted in this thesis as it provided the most valuable explanation toward the entrepreneurial learning process in family business succession phenomenon. Entrepreneurial learning is seen to be processual and dynamic (Minniti and Bygrave, 2001; Rae and Carswell, 2001). Central to this process is identifying and exploiting opportunities for value or venture creation (Corbett, 2005; Politics, 2005). This conception provides a particular idea that entrepreneurial learning is processual and can be taught and learnt over a period of time, which can be highly influential upon the family business succession process or the communities of practice setting. In the family business succession case, the successor can learn via various different methods and the relevant skill set is developed over the life cycle of the family business. It is crucial to note that all five cases of this study found that the most crucial entrepreneurial learning activities are as follows: learning by doing through communities of practice, storytelling, self-observation, environmental awareness, and co-creation.

First of all, entrepreneurship literature found that entrepreneurial learning is understood as a highly personal experience (Cope, 2000; Rae, 2009). However, in this research the data reveals that the most important aspect in family business succession is social interaction between family stakeholders, such as learning by doing within the family business environment through communities of practice. There is particular stress on the importance that learning can continue throughout the family business life cycle. Even though learning occurs by progressing through the family business succession life cycle, on the other hand, the data gathering shows that the most critical learning activities were in the early life cycle of the entrepreneur.

The results gathered from the interviewees, both successor and incumbent, indicated that when discussing the understanding of entrepreneurial learning they demonstrated a few patterns. The key typology constructed from the entrepreneurial learning behaviour within family business succession cycle included: learning by doing, learning from self, learning from other individuals, learning from other groups, learning from non-linear discrete event,

learning from routine and habitual activities, and learning through immersion in family entrepreneurship.

#### *Preparation of succession*

In the pre-succession phase, all five case studies indicate that an important starting point of learning is the preparation of the successor. The preparation of the successor includes education, training, work experience and embedded family business vision through storytelling, and this provides a basic foundation for the successor to learn and absorb the family business vision.

For example, in Case A the incumbent gave a direction for their children's plan in that at the end they need to come back to run the family business - but along the way he allowed the children to go to learn and work outside family business setting in order to widen their knowledge and capabilities in the field of management.

*"Our parents are very cute, they never stressed us to study well. My father only asked when we would graduate, we can learn anything we want but after we have graduated, we need to be back helping our family business." (Interviewee 1)*

In contrast, in Case B, Case C, Case D, the incumbent prepares the successor by letting their children be involved in the family business communities of practice and activities which include learning by doing, absorption of knowledge through shadowing the incumbent at work, taking on a responsibility in family business tasks from an early age.

For example, in Case D, the successor learned through immersion in family business entrepreneurship as her mother died and she needed to step in and help with the family business.

*"When I was seven years old my mother passed away, because I am the oldest, I have to take care of all my brothers and sisters. At the same time, I also help him a lot in his business too. As I can remember, at that time, my father got around four businesses and it was the economic crisis. So, I decide to give up on my university degree so that I can come help my father running the business. (Interviewee 5)*

Similarly, in Case B and Case C, both the successors agreed that learning through immersion in family business and taking on a role of responsibility from childhood is a crucial part of preparation for taking on the role of successor.

*“When I was a little boy, my father wanted me to enjoy the life of a child. But during school break, sometimes he told me to come to the store to see what they were doing and to know other people. He asked me to be one part of it, I absorbed that it’s my duty to be responsible for the shop. I had a duty to hold the safe key – actually, it was only a drawer - but I had a responsibility to take care of it and this gradually permeated.” (interviewee 3)*

The successor from Case C also added that by having involvement in the family dinners and family meetings since childhood, the family business vision and knowledge is slowly absorbed in the preparation phase.

*“Even dining time, I’ve only eaten at home and in the hotel. It is like the business way has been absorbed since childhood, at the time of eating together at home in the evening, my grandpa would talk about the job, and my parents too. I was sitting there and listened, even when there was a meeting, I would sit and listen. I did not know about the topics, but I had to sit down and listen to them. My parents might consider this as a way to let me absorb it. I saw them and slowly absorbed their work way. If you ask whether I like it, I think it is my commitment to business, whether it is automobile or hotel. It was bonded with me since childhood.” (interviewee 4)*

However, in Case E, the successor stresses the important aspect of learning is to shadow the incumbent during their working routine. This leads to a further absorption of both family business knowledge and family business entrepreneurship spirit.

*“Since I was young, I had to join a meeting with my father regularly, like a sales conference in Singapore and many other countries. I went like this from when I was in 6th grade. My father brought me to listen to his meetings every time and I had to follow my dad to every worksite and factory.” (interviewee 7)*

On the other hand, communities of practice within family businesses is significant in terms of development of the family business tactical knowledge (Lave and Wenger, 1991). This study reveals that both the incumbent and successors bring accumulated knowledge and skills from a number of communities of practice including their own families and their work-based and educative communities of practice. This forms into the communities of practice that is the family business. Both Case C and D have data that indicates that the entrepreneurial learning process happens both inside and outside the family business and forms a community of practice in the family firm.

The interviewee in Case B stated that he emphasised the importance of the incumbent’s knowledge both inside the family firm and learning from expertise outside. Thus, he sent the potential successor to the US to study from an early age with the plan for the successor to broaden knowledge and know-how about telecommunication industry.

*"My father bought a house in the US and sent my brother to study in that city. The Motorola headquarters is in Schaumburg, about a 15-minute drive away. There is a business town and a resident town nearby, so they let my brother stay in a family house, who is a friend of the VP Representative, and try to tie the connection with our business." (Interviewee 3)*

Similarly, Case E reported that the incumbent liked to plan their children's education and career so he sent all of the children in the family to study abroad, especially the successor who was sent to Japan for education from when he was a teenager. However, in his early childhood memory he was always following his father to work conferences and meetings and he was engaged in family business himself through training since he was very young. This led to a gain in the family firm technical knowledge and skill set.

*"My father put the life layout for me already... In my childhood, as I said, if it was a conference or a meeting, he will take me with him. But if it was the routine work, he will not take me to see that kind of work. The factory is a factory where we are their distributor, so I knew about the product since I was 17. I would have known it more than the manager in the factory itself, because I was working in the factory." (interviewee 7)*

*From all the five case studies, both incumbent and successor have put an emphasis on the preparation of the successor via learning through immersion in family entrepreneurship. This can be done through having successor's involvement in the family business environment from an early age and letting them absorb the knowledge and know-how through job shadowing their incumbent. Whereas, education, training and work experience are equally important in gaining the right skills set for the successor to take on the role of leadership.*

#### *The development*

Throughout the development phase, the learning process can be done through learning from self, learning from other individuals and learning from other groups. Hence, the successor has more engagement in social interaction towards working on the same goals. By having more engagement in the family business, this allows the successor to further explore of opportunities to learn and to generate new ideas toward family business value.

For example, in Case A, the incumbent and successor managed to spot a new business opportunity, hence the crucial aspect of learning by doing was that the incumbent and his successor have set up a new business together with zero knowledge on the new field of industry.



*“Moving from steel industry to real estate building houses and apartment, we have zero knowledge in this field. Even though my father knows a bit about land trading, but development is our new field, so we set it up together and are learning by doing together by feeding in to each other’s knowledge.” (Interviewee 1)*

According to scholars (Cope and Watt, 2003; Kolb, 1984), there is emphasis on the importance of critical learning events as an important aspect of entrepreneurial learning. This is such that critical incident technique has been applied in various settings and results in a different angle of knowledge and skill set.

For instance, in Case A, the incumbent was letting the successor learn to run her business by herself but even though she made a mistake, the incumbent is willing to help solve the problem. But most important thing that incumbent wants the successor to gain is learning from the mistakes of the unpredictable circumstances.

*“I used to make mistakes in the deal, I got sued, I lost 20 million. But father did not blame me, because he knew that I was ruined, and let the lawyers take care of it. Finally, I will see from a distance how the lawyer solved that problem. The conclusion is that I was painful in seeing, but I learned. ” (interviewee 1)*

This finding was consistent with Case D, from which emerged a similar pattern in terms of learning by doing. With Case D, the incumbent and successor also helped by setting up a new company together, where both the incumbent and successor didn’t have any knowledge and know-how about this field of industry. Starting from spotting an opportunity when the incumbent and successor went travelling abroad together, this resulted in setting up the very first department store together in Thailand. They have learned from spotting a new business opportunity as well as learning by doing from the mistakes they made and expanded the business further.

*“My dad and I we travelled to Singapore and America to see the Mall and came back and came up with the idea to make a shopping centre... We started with renting land in the centre of the city. However, we were too small, so we could not survive as we were running too small in scale. When it came to the second branch, my father liked to look at land so he thought that the city area would be very difficult to find and too expensive. We went to see the Mall in America, and it would be built in a suburban area. At that time, we went to open the second branch.” (Interviewee 5)*

Due the death of her father later on, after setting up the new business, the successor has managed the business with her siblings, thus they are also learning by doing with mistakes along the way.

*“After making a several mistakes, my father used to say that we have to strive and set goals that are the best. But at the same time, if it does not follow on we have to find the way to retreat and define how we are going to retreat. It must be Plan B. You cannot go ahead without Plan B.” (interviewee 5)*

#### *The transitioning and revival*

Transitioning phase is considered to be significant, as to how the incumbent is passing on the baton to the next generation smoothly. However, learning is still crucial during and after the transition of generations, such that learning is still taking place in the everyday life of an entrepreneur.

During the transitioning phase, incumbent and successor are more concerned about working together as a team as to go forward towards the same goal. This is where learning can be done through co-creation and collaboration, which is also beneficial towards the family business succession process.

Research Objective 2: To examine the experience of multigenerational family businesses and to explore how and what they might learn from each other

One of the most significant parts of the family business succession study is how the incumbent manages to pass on the baton to the next generation successfully. Therefore, this thesis further investigates how entrepreneurial learning could help shape the intention of the successor to pursue family business value. From all the data on the findings and within-case analysis in Chapter 5, intention shaper factors are identified and have been categorised accordingly into different successor life cycle phases. Table 21 illustrates the different intention shapers that were found in the entrepreneurial learning process according to the succession life cycle phases for different case studies. For each case study, different factors of intention shapers were found differently at different timelines in the life cycle due to the fact that each family business is very path dependent and have their own unique culture.

*Table 20: Entrepreneurial learning process and intention shaper in family business succession.*

Entrepreneurial learning succession life cycle phases (RQ1)	The pre-succession phase	The development phase	The transitioning phase	The revival phase
<b>Intention shaper (RQ2)</b>	<ul style="list-style-type: none"> <li>Internal Intention shaper from family member</li> <li>Absorption through storytelling</li> <li>Family bonding</li> <li>Absorption of everyday activity through communities of practice</li> </ul>	<ul style="list-style-type: none"> <li>Expectation from incumbent</li> <li>Duty and responsibility of workloads</li> <li>Observation of role model</li> <li>Environmental awareness</li> </ul>	<ul style="list-style-type: none"> <li>Intention shaper from external collaboration with expertise outside family business</li> <li>Routine work</li> <li>Co-creation between different stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Opportunity cost to stay</li> <li>Reflective thinking from transitioning</li> </ul>
<b>Case A</b>	<ul style="list-style-type: none"> <li>Internal shaper</li> <li>Childhood responsibility to help with family business</li> <li>Storytelling the history of family business</li> <li>Absorption of duty and responsibility as eldest child</li> </ul>	<ul style="list-style-type: none"> <li>Observation of incumbent to personal habitual work routine</li> <li>Always asking for help in small tasks in the firm</li> </ul>	<ul style="list-style-type: none"> <li>External shaper as to how lucky and beneficial to be able to work for family firm as to work for someone else</li> </ul>	<ul style="list-style-type: none"> <li>Open up and willing to let go of the power and pass on to the next generation</li> </ul>
<b>Case B</b>	<ul style="list-style-type: none"> <li>Shadowing incumbent to different work sites</li> <li>Absorption of successor vision since childhood</li> <li>Always follow and shadow incumbent's everyday work life</li> </ul>	<ul style="list-style-type: none"> <li>Absorption of entrepreneur spirit from role model both father and mother</li> </ul>	<ul style="list-style-type: none"> <li>Have to take on the role of leader after sudden death of incumbent</li> </ul>	<ul style="list-style-type: none"> <li>Strive for further development and succession of the family business as a whole</li> </ul>
<b>Case C</b>	<ul style="list-style-type: none"> <li>Storytelling of the long history of family business is important</li> <li>Working in family business since an early age</li> <li>Incumbent plans all the education and training as to pursue family business</li> </ul>	<ul style="list-style-type: none"> <li>Expectation for successor to return to family firm</li> <li>Huge responsibility is passed on as she is the eldest child</li> </ul>	<ul style="list-style-type: none"> <li>Take on the role of delegation from incumbent</li> </ul>	<ul style="list-style-type: none"> <li>As the eldest child of the family, successor need to further train and mentor other siblings and prepare them for working in different departments of family business</li> </ul>
<b>Case D</b>	<ul style="list-style-type: none"> <li>Working in family business since the age of seven years old</li> <li>Embedded family business vision through storytelling and duty</li> </ul>	<ul style="list-style-type: none"> <li>Continuous mentoring from incumbent</li> </ul>	<ul style="list-style-type: none"> <li>Fully take control of the company after role model/incumbent passed away</li> <li>As an eldest child in the family, successor needs to further train and mentor other siblings and prepare them for working in different departments of family business</li> </ul>	<ul style="list-style-type: none"> <li>Planning to professionalise the family business through hiring expertise from outside family members</li> <li>Preparing and training the next generation for the take over</li> </ul>
<b>Case E</b>	<ul style="list-style-type: none"> <li>Living in the family surrounded by work related talk</li> <li>Help with little job in factory since an early age</li> <li>Shadow incumbent to every meeting since childhood</li> <li>Storytelling during family dinner times</li> </ul>	<ul style="list-style-type: none"> <li>Communication is key to succession through communities of practice through communities of practice</li> </ul>	<ul style="list-style-type: none"> <li>As the eldest child in the family, successor needs to further train and mentor other siblings and prepare them for working in different departments of family business</li> </ul>	<ul style="list-style-type: none"> <li>Preparation for handover of the power to next generation</li> <li>Preparation of skills and capability for the next generation</li> </ul>

The key attribute defining family business succession is the intention to maintain the control of family firm, and for the family members to pursue the family business values.

Intergeneration transition may fail, not only because heirs refuse to work in the family business but also if the successors take over and fail to lead. Many studies reported a deterioration in family business's performance during the post-intergenerational transition period (Anderson and Reeb, 2003; Andres, 2008, Miller and Le Breton-Miller, 2011).

This study illustrates that the entrepreneurial learning process and activities can provide another angle in understanding of how potential successors are willing to pursue family business value. The main goal is to examine how the family business value between incumbent and successor was created through entrepreneurial learning throughout the family business lifecycle span. The findings indicate that the value was significantly related to certain entrepreneurial learning activities including embedded family business vision through storytelling and environmental awareness.

#### *Imprinting of storytelling to family business value as an internal shaper*

First of all, most important starting point of this is that the intention shaper initially comes from within the family business. One of the significant intention shapers is from an embedded family business vision through storytelling in connecting value between the incumbent and the successor. This is such that during the start-up phase and preparation for the potential successor, the majority of interviewees reported that storytelling about both the history of their incumbent life, or even the story of how the company was set up, is key in shaping the intention to pursue or join the family business.

Imprinting of family business value through storytelling is mostly found at the preparation of the successor stage. This can result in various ways that could be influenced by family members to pursue the same family business value and intention. All of the five case studies interviewed demonstrated that during the preparing stage, they either have been planned for by the incumbent for the family to return to work after education, or being influenced into taking over the family business as a responsibility.

Another point to highlight is that, in early stages of the successor, from having the incumbent plan all their life path, none of the successors are happy to accept the intention at this point.

However, at a later stage in the family business life cycle they are more willing to be open and take a more understanding approach as to why the incumbent has planned everything for the successor, which can be done through storytelling and communities of practice.

It has long been recognised among entrepreneurial literature that while certain functional skill sets can be taught, experiential learning is essential to entrepreneurial learning (Deakins and Freel, 1998; Rae and Carswell, 2003). Storytelling about the family business history, value or activities provides gradually absorption through everyday activities.

For example, in Case A, the daughter reported that:

*“They believe that it is best to do the business yourself, own the freedom to own money and believe that the know-how they have should not be taken to anyone else but their children. This is their belief, that's why father always said to me that you can study anything, but have to work at home. I was not happy at the time because I did not believe like him. But I feel gratitude now. My father needed just one thing, which was to only come back to work at home, so I came back. But today, I'm grateful for what he gave us over the last 15 years, which is a chance to try.” (interviewee 1)*

Case E reported along the same lines, where their incumbent has already set out a clear goal and plan for their successor.

The successor (eldest son) stated that:

*“I was born with no choice. My father put the life layout for me already... When I worked with my dad in the family business for the first time, it took a long time to figure out. The first five years was wasted with argument. But the best part of him is that he never refuses to give up. So, I told him not to argue because I already know that he will finally let me do it.” (interviewee 7).*

While in the same family of Case E, the youngest daughter also reported similar feelings to her brother that:

*“My father also made a plan for my life to take over the business. From an early age he always said that it was better to work in the family firm.” (Interviewee 9)*

On the other hand, in Case C their parent had a softer approach and was continuously using storytelling towards the successor in order to facilitate absorption of family business values. This still leads to the same outcome, where the successor is imprinted with the family business values and more likely to be willing to make a return to work for their family.

*“It is like the business way has been absorbed since childhood, at the time of eating together at home in the evening, my grandpa would talk about the job, and my parents too. I was sitting there and listening, even when there was a meeting, I would sit and listen. I did not know about the topics, but I had to sit down and listen to them. My parents might consider this a way to let me absorb it. I saw them and slowly absorbed their working ways. If you ask whether I like it, I think it is my commitment to business, whether it is automobile or hotel. It was bonded with me since childhood.” (Interviewee 4)*

However, there always an exceptional case to every family firm, such that one of the factors that drive successors to pursue the family business values unconditionally is when the incumbent passes away and the successor has to take on the role of leadership with no choice. This study manages to interview two extreme cases where the family has lost their incumbent or the leader of the family. This has led to a specific outcome. From all the data gathered from Case Study B, the study concluded that their experiences were due to the fact that they had a specific context where the economic environment has dampened together with the loss of the company incumbent. At that moment in time, the only choice left for the successor was to return to take on the leader role in family business, even though he didn't manage to finish his higher education from the USA. However, it could be traced back to the point that the incumbent always fed in family business values throughout the successor's life including planning out every career path for the successor from an early age. For example:

*“Since I was a little boy, my father planned everything in our life... during school break, he asked me to be one part of the family business and it was absorbed that it's my duty to take on this responsibility.” (interviewee 3).*

Similarly, from the interviewee of the successor from Case D, the result illustrates the uniform outcome on this ground. Due to the fact that her mother passed away when she was very young, her father had to take their children to work everywhere. By having to follow her father to work and listen to all the stories, responsibility and duty are absorbed and collected over time. This leads to taking the imprint of family business values and to the role of responsibility in the family firm.

*“My mother died when I was young, so my father had to be like a father and mother, and had to work very hard to earn money to take care of our family... So since I was young I always helped my father in any way.” (interviewee 5).*

In addition, internal shapers can also come with social interactions between siblings themselves. For example, having to work together in a team with siblings will encourage the siblings to work towards the same goal or vision which are created from the family business communities of practice.

#### *Opportunity cost of staying and external intention shaper*

On the other hand, an imbalance of the entrepreneurial learning process – with either excess or a lack of entrepreneurial learning activities between their potential successors and family members - can also lead to the successor exiting the family business.

The concept of opportunity versus the costs of staying assesses the availability of better career opportunities outside the family firm. This concept helps measure what the successor may be losing as a result of staying in the company, because a job outside could provide tangible benefits compared to working in the family firm. Previous studies in the CEO turnover literature have focused on this or similar concepts (Balsam & Miharjo, 2007), but equally previous studies in family business literature have emphasised on similar concepts (Dumas et al., 1995; Mahto et al., 2020).

Based on this research data, the findings indicated that if the successor has no strong connection between family business's history background, or being lower down on the power hierarchy of family order, they are less likely to make a return to family business. For instance, the analysis from Case A illustrated that even the potential successor has a strong imprint on the family business goals and values, but he reported that he still wanted to



depart from family business and work for himself. This could be explained through the concept of opportunity versus cost to stay. All the family business environment he has been situated within, and all the entrepreneurial learning activities he has received has not justified the goal to take over the successor role.

The potential successor in this case reported:

*“Since I was young, I have no choice but to always follow what my dad or my siblings do... I personally have a dream for myself that, at last I would not be in this place for my whole life, I will have my own company. I will have my own business.” (interviewee 2)*

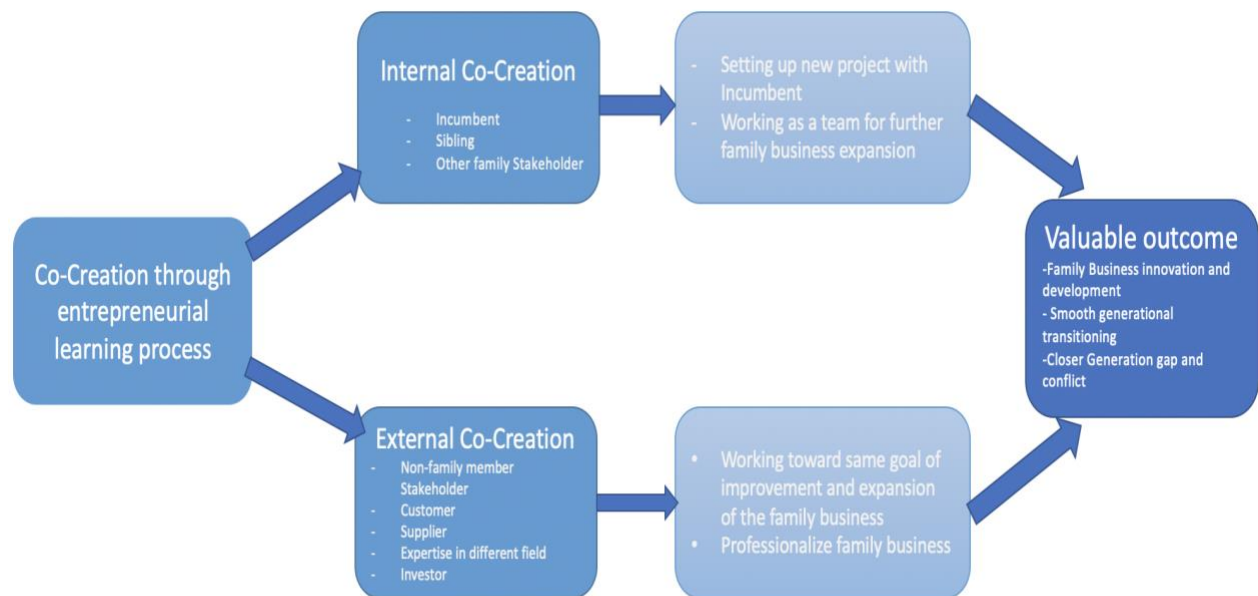
This concludes that the entrepreneurial learning process plays an important role in shaping the intention for the successor to pursue family business values. Both internal and external intention shapers equally play an important part in forming the successor’s intention toward further development of the family businesses’ values. However, in any family business case, there will always be an exceptional choice. In this case, when the incumbent dies the results suggested that the successors are more willing to take on the role of leadership and further improvement of the company, compared to when the incumbent still takes on full control.

Research Objective 3: To identify how entrepreneurial knowledge, skills and abilities are acquired, developed and transferred throughout the family firm

Scholars defined entrepreneurship as an inter-related process of creating, recognising and acting on opportunities, combining innovation, decision making and enation (Shane and Venkataraman, 2000). Learning is a fundamental and integral part of the entrepreneurial learning process, by which people learn to construct meaning through experience and create a new reality in a context of social interaction. Hence, entrepreneurial learning can be understood as a process of socially initiated co-participation, it's considered a relationship-based approach in which argument, debate and collaboration with others is central (Taylor and Thorpe, 2004; Hamilton, 2004; Holman et al., 1997). Although most theorising still focuses on the role of individual experience, social understanding of entrepreneurial learning is emerging (Rae, 2004). Rae (2004) and Cope (2005), argue that entrepreneurs do not turn an idea into a venture alone, but it also requires social interaction. Therefore, it requires the social collaborative effect to realise an idea and into a viable venture. Hence, the concept of co-creation was introduced in order to identify how entrepreneurial knowledge, skill and abilities are transferred through family member.

In addition, the major two factors of co-creation in family business succession are identified. Figure 11 displays family business internal co-creation and external co-creation, including the main stakeholders and the co-creation activities which lead to a certain outcome.

Figure 12: Co-creation through entrepreneurial learning process typology



Source: Current Thesis

The creation of co-creation through entrepreneurial learning process typology arises from the concept that the entrepreneurial learning and family business succession processes are socially situated, which requires both internal and external co-participation from stakeholders. This is such that co-creation happens in family business succession through the entrepreneurial learning process with two major levels, including internal co-creation and external co-creation.

Table 22 provides a summary of different co-creation activities that occur in different life cycle phases for each case study.

However, due to the difference in the industries each family firm operates there will be some similar patterns and somewhere co-creation occurs at completely opposite sides

Table 21: Co-creation activities in entrepreneurial learning process

• Entrepreneurial learning succession life cycle phases (RQ1)	• The pre-succession Phase	• The development phase	• The transitioning phase	• The revival phase
• Co-creation activities (RQ3)	<ul style="list-style-type: none"> <li>Opportunity exploration between incumbent and successor</li> <li>Learning by doing together in a new industry</li> <li>Learning by doing together for a new project</li> </ul>	<ul style="list-style-type: none"> <li>Successor collaboration with incumbent</li> <li>Each working different area with their own expertise</li> <li>Family lunch discussion</li> </ul>	<ul style="list-style-type: none"> <li>Collaboration between siblings and family stakeholders</li> <li>Brought forward their own experience and expertise in working on a project</li> </ul>	<ul style="list-style-type: none"> <li>Seek collaboration and co-create with outside family business stakeholders <ul style="list-style-type: none"> <li>(customer, supplier and specialists in different departments)</li> </ul> </li> </ul>
• Case A	<ul style="list-style-type: none"> <li>Setting up a new project with incumbent</li> <li>Learning by doing together with incumbent in a new field of industry with incumbent's land trading knowledge</li> </ul>	<ul style="list-style-type: none"> <li>Learning by doing (with both family member and outside expertise)</li> <li>Collaboration and co-creation amongst siblings</li> </ul>	<ul style="list-style-type: none"> <li>Sibling collaboration in different departments</li> </ul>	<ul style="list-style-type: none"> <li>Seeking external collaboration</li> </ul>
• Case B	<ul style="list-style-type: none"> <li>Exploring insight into the new field of industry with incumbent</li> </ul>	<ul style="list-style-type: none"> <li>Learning from non-family expertise</li> <li>Co-creation with non-family members including supplier and customers in bringing back the business from bankruptcy</li> </ul>	<ul style="list-style-type: none"> <li>Co-creation of new business ideas with brother</li> <li>Collaboration with expertise outside family business in further expansion of the business</li> </ul>	<ul style="list-style-type: none"> <li>Recruited expertise in different departments and professionalised the family business</li> </ul>
• Case C	<ul style="list-style-type: none"> <li>Mentoring from incumbent and received opportunity to learn by doing by the successor's own choice</li> </ul>	<ul style="list-style-type: none"> <li>Working and collaboration with sister and brother</li> </ul>	<ul style="list-style-type: none"> <li>No co-creation found between incumbent and successor however, she does collaborate in ideas with siblings</li> </ul>	<ul style="list-style-type: none"> <li>Lack of working with customers to personalise their own product</li> </ul>
• Case D	<ul style="list-style-type: none"> <li>Working on family projects with the incumbent since the age of 17</li> </ul>	<ul style="list-style-type: none"> <li>Setting up a new business with the Incumbent once spotting the opportunity</li> <li>Combining incumbent's experience with successor's experience in operating a new business</li> </ul>	<ul style="list-style-type: none"> <li>Co-create and collaboration with siblings</li> <li>Each sibling working on different departments according to different personal expertise</li> </ul>	<ul style="list-style-type: none"> <li>Listen to ideas from the next generation and preparing and training the next generation for the take over</li> </ul>
• Case E	<ul style="list-style-type: none"> <li>Absorption of the knowledge and ideas from training with non-family business stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Co-creation with Japanese colleagues for new projects</li> <li>Communication is key to succession through communities of practice through communities of practice</li> </ul>	<ul style="list-style-type: none"> <li>Co-create and collaborate with his two sisters.</li> <li>Working as a team within family member</li> <li>Each sibling working on different department according to different personal expertise</li> <li>Seeking learning from expertise outside family business</li> </ul>	<ul style="list-style-type: none"> <li>Preparation of skills and capability for the next generation</li> </ul>

#### *Co-creation in family business succession lifecycle*

In order to identify where co-creation happens in the family firms, the family business life cycle stage is introduced and can be used in further comparisons between different family firms. The results of this study indicated that at different stages of family business succession the life cycle represents different entrepreneurial learning activities and different co-creation processes. However, due to the fact that each family business and family business members are all path-dependent and unique, they still share some common entrepreneurial learning activities and behaviour at each family business life cycle.

Firstly, the study shows that co-creation can happen in any stage throughout the family business life cycle, as early as pre-succession stage up to the intergenerational transition. However, the significance of co-creation is that it depends on when the critical event was that allows co-creation to happen. As early as pre-succession stage, where the potential successor is not taking a role in family business, co-creation can be done through either potential successor taking on a small task in a certain department or starting up a new common project together with family members.

At the pre-succession stage, both Case A and Case D indicated that co-creation is most significant at the pre-succession stage, as in both cases the incumbent and the potential successor spot a new business opportunity and want to set up a new venture together. The co-creation processes include sharing different knowledge, career experience, expertise and skill sets between different generations toward the common project. For example, Case A reported that critical co-creation is happening at the early stages of the life cycle, once the incumbent spots a new business idea or opportunity, both the incumbent and successor start to input each other's experience to get the project started.

*"My dad and me, we both had zero experience in real estate industry before. My father did the land trading before but I had my internship at the Bensley Design Studio that was on professional landscape decoration... my father did not graduate with a high degree but he worked for all his life. When my father taught me, he teaches me with experience. His teaching is an action which if I understand what he intended to teach, I will adapt it to terms of my own and will be able to practice." (Interviewee 1)*

While in Case D, the successor stated that co-creation can be crucial throughout the life cycle of family business succession. In this case, the successor said that the most crucial co-creation process begins as early as spotting opportunities together and then combining

different knowledge and expertise from different generations to set up the business and get it up and running. After the business is running towards the growth stage in the life cycle, another co-creation aspect applied to the process is collaboration between siblings. In this family business, there are three siblings who work together where they all have different areas of expertise.

*“...there are three siblings, including me, who have graduated and went to work at The Mall since it was started. We worked together with each one’s aptitude. My sister likes to be creative, and she is a person who thinks and has an idea in terms of looking modern. In the matter of commodity, she likes it so she will focus on the commercial products. For my brother, he graduated in economics so he can look at the big picture for investment. He will know about how to invest and its cost, how to manage the management to make a lot of projects. For me, I have not graduated in any degree so I worked in the back office to back up and be aware of everything. I also take a look at accounts and financial matters, together with procurement and every kind of back office role.” (interviewee 5)*

#### *External co-creation with outside expertise*

During the expansion phase of family enterprise, the family firm management system must involve in professionalism, including recruiting an expert outsider to take a management role. Especially when the family members are not equipped with the right capability and ability for growth.

On the other hand, the co-creation process under the family business context does not always happen between family members. There also an importance to taking a look at co-creation with expertise outside the firm in helping with the growth or solving the problems for the family firm.

In Case B, there is a lack of co-creation between the incumbent and successor as the successor has been sent to study abroad at an early age and due to the sudden death of his father leaving him to return to the family business and solve all of the problems that are already happening in the firm. Therefore, once he took on the successor role, he decided to recruit expertise in all different management fields to help him make the company move forward. At that time, with the economic crisis and high debt in the company, the successor – who has low experience - has learnt and co-created ideas between different professionals and expertise outside the company. With the help of his brother and his team, they managed to solve the company crisis and push the company forward into a very successful company today.

*However, in a very traditional family business, they are less likely to open up for ideas from expertise outsider the family firm. In Case C, where the family business is set to have a conservative style of management and it operates over four generations, the successor reported that they are not willing to accept ideas from outsiders and don't want family business know-how to leak out to other people.*

In conclusion, social theory provides a solid ground in exploring entrepreneurial learning and co-creation. In the context of family business, the entrepreneurial learning process operates under socially situated concepts where learning can take place through collaboration and co-participation within the family firm. Social interaction provides a greater valuable outcome for both the successor's learning curve and family business succession. In addition, by having learning from social interaction between both internal and external co-creation member, there will always be a certain knowledge and skills set pick up along this process.

#### Research Objective 4: To investigate how entrepreneurial learning could foster innovation in a family firm

From the co-creation standpoint in family firm, we can then further explore the relationship between entrepreneurial learning and innovation from the family firm.

Entrepreneurial learning is viewed in this research as a process of co-creation or co-participation, where learning is dependent on social, historical and cultural factors (Lave and Wenger, 1991; Taylor and Thorpe, 2004). Cognitive approaches, such as Kolb's (1984), fail to account adequately for this family business context. Whereas, social constructionist and the activity theory perspective regard learning as taking place within the relationships or networks in which the person engaged (Holman et al., 1996). Learning is considered a process of argumentation in which reflecting, theorising, experiencing and actions are viewed as different aspects of the same process. From Rae (2005)'s framework, he stated that personal and social emergence is the development of entrepreneurial identity, including early life and family experience, education, career formation and social relationship.

Research acknowledges the importance of social learning (Cope, 2005; Rae, 2004; Lave and Wenger, 1991; Taylor and Thorpe, 2004), an integral part of this learning process is a complex phenomenon in family business. However, in family businesses, social relationships were fundamental to their learning process. Hence, entrepreneurial learning is a continuous social process of individuals learning from their own and other's experiences, developing their own personal theories, enabling others to adapt and learn from them.

Hence, from the social theory basis, during the entrepreneurial learning process, collaboration and co-creation between family members is a crucial part of family business succession. In addition, this study further identifies the valuable outcomes derived from this relationship between entrepreneurial learning and co-creation.

Moreover, according to Baregheh, Rowley and Sambrook (2009), who did a multidisciplinary definition on innovation define innovation in business study as "multi stage process transforming ideas into new improved and change entities on new product, service or



process” (Baregheh, Rowley and Sambrook 2009). From the finding, three component of family business innovation were found based on the co-concept of co-creation.

#### *Co-creation and generation gap*

According to Chapter 2, a generation gap always exists in the family business and could potentially lead to a failure in the succession process as this also generates a conflict between different generations. Conflict can also happen during the co-creation process between different generations, such that in order to work and co-create together between different generations, both generations must learn to accept the difference in ideas and push the notions forward together.

In the light of Case E, where conflict is reported, that is caused by the difference in the generation gap such as that disagreements can occur between different generations through differences in working style, working routine, ideas and goals. However, at the same time co-creation is reported to be a way to solve the generation gap and conflict issues between the incumbent and successor. In this case, both successor and incumbent stated that co-creation and collaboration between different family members is a great way to communicate and closer the generation gap, which at the same time generates more ideas. By having to work as a team where different family members have different areas of expertise, and be able to co-create and bounce back and forth, the idea can result in a higher effect on the value outcome and family business succession.

*“My family is very lucky. We are a team - these three are in the same team. But there are some things that they did not agree with me on. The only thing is they always ask me to calm down and wait for them. ...Actually, it's a good thing that we did not think in the same way. If father and son always think the same, if you take the wrong decision the company would collapse. So fortunately, if one of the two is conservative, another is a kind of a breakthrough... I have two sisters who will balance between my father and me. Both father and I are dictators in work and will be the decision makers.” (interviewee 7)*

#### *Co-creation to diversification*

Case A reviewed that co-creation between the incumbent and successor leads to diversifying of the business model. In this case, the incumbent is willing to accept the new ideas from the successor and diversify from steel manufacturer to real estate development.

*“When I was a senior student, I had an idea to try to develop the land of my father... My father accepted my idea, then we start working on it from scratch together. I and my father, we were working at night to sketch up the layout.” (interviewee 1)*

Similarly, Case C also stated that co-creation between the incumbent and successor leads to both diversifying and expansion of a family business. From the nature of the incumbent, who always seeks to explore the business opportunity, while the successor is the one who exploits the opportunities and executes her father's ideas into reality. In this case, the incumbent is working together with the successor to diversify from the entertaining business to the development of department store businesses.

*"My dad and I we travelled to Singapore and America to see the Mall and came back and came to the idea to make a shopping centre... We started with renting land in the centre of the city. However, because we were too small, we cannot survive as we were running too small in scale. When we came to the second branch, my father likes to look at land, so he thought that the city area is very difficult to find and too expensive. We went to see the Mall in America, and it would be built in a suburban area. At that time, we went to open the second branch." (Interviewee 5)*

Correspondingly, there are cases where the successor will not co-create with the incumbent but will only co-create with their siblings, and this is again due to the generation gap. In this case, the successor respects the decision from the incumbent but are not willing to work together as they see the incumbent as a mentor while they are more willing to work with their siblings who have a closer age gap. For example, Case C did make a strong statement that she is not willing to accept the idea of working with their parents, but she will be fine working with her brothers and sister.

*"When it come to new project I don't co-create with my parents, I think about it by myself and keep running it on my own." (interviewee 4)*

#### *Co-creation to professionalise family business*

In terms of family business growth, without an expert knowledge in the field of industry, a family business will remain a smaller size than a non-family business corporation. Thus, many family businesses who seek further expansion are more likely to collaborate and co-create with non-family stakeholders, including expertise in the field of each industry.

In this study, Case B operates a family business under highly technological systems and requires a fast-moving innovation of ideas. In order to expand and professionalise the family

business it requires a lot of knowledge from experts outside family stakeholders. Therefore, this case the successor is willing to open up for ideas beyond family stakeholders.

*“After my father passed away, my brother and I were working with outsider expertise in many fields including IT technological team, mobile phone curator, managerial, accountant and finance expertise.”  
(interviewee 3)*

In conclusion, from the basis of social learning theory, innovation in family business can occur through entrepreneurial learning process and co-creation are both significant in the family business succession context. Learning is social and relational, gained from interpersonal participation. Much of the learning is functional, technical and problem-solving, finding out by discovery and experiential learning in given situations. It occurs through intuitive practice, often influenced by contextual experience on entrepreneur formation which is profound. In this thesis, the co-creation appears to provide a positive valuable outcome for both entrepreneurs and family business itself, such that co-creation helps to reduce the generation gap and conflict through bouncing ideas and better communications. In addition, it also added value to business and collaboration from expertise outside family business knowledge, and adds new knowledge to the firm which can also help with potentially diversification of the business.

## Chapter Summary

This chapter build on the finding shown in the previous chapter, analysed them by means of a cross-case analyses and discussed then with previous literature in order to provide a refined discussion. Guided by the initial research objective and research question, this chapter analyse independently on each question for all the case study. As a result of such analysis, a new perspective is suggested as a possible route to understand the light onto entrepreneurial learning in family business succession with the concept of co-creation. Whereby, the following chapter will present the main theoretical and empirical contribution emerged from the comprehensive investigation undertake.

# Chapter 7

## Conclusion

### Chapter Outline

The previous chapter presents the cross-case analysis and discussion undertaken in this study. The procedure allowed patterns to emerge that enlighten our understanding of entrepreneurial learning in family business succession. This chapter recaps on such finding and presents the conclusion of this investigation. The structure of this chapter is as following: section 6.1 discuss the theoretical, empirical and research process contribution. Section 6.2 present the practice and policy implication while section 6.3 offer a further research.

### 7.1 Contributions

The purpose of this investigation was to contribute to the understanding of entrepreneurial learning in multigenerational family business in Thailand. Throughout this study, a number of theoretical empirical research process contributions has been identified by research. The following sub-section will recap and summaries these.

### 7.1.2 Theoretical contributions

In this study, it was necessary to conduct a literature review on both Entrepreneurial learning and family business succession and the interception of this two field. Within the theme of entrepreneurial learning, a comprehensive review of the concept of entrepreneurial learning was conducted. Particularly attention was given to the role of entrepreneurial learning process and activities (concept of entrepreneurial learning, cognitive and non-cognitive aspect of entrepreneurial learning and opportunity identification from entrepreneurial learning process). A review of family business succession conducted comprehensively, meaning that it studies simultaneously several element of succession process. In addition, co-creation is never existing in family business studied field hence, this approach shedding light on the how entrepreneurial learning could potentially help with family business succession process.

In a broad sense, this investigation contributes to theory in these strands of literature by extending the knowledge of process and social theory in entrepreneurial learning and family business succession within developing countries from different perspectives:

1. RQ1: How do entrepreneurial learning happen in family business?

This is where several research agrees that both processes are complex and dynamic (Rae, 2005; Cope, 2005; Politis, 2009; Lave and Wagner, 2000). On this basis process theory are adopted as a theoretical background to this research, particularly based on process of life cycle theory.

Six entrepreneurial learning activities in family firm are identified, particularly learning by doing and learning from each other both, are founded to be the most crucial in entrepreneurial learning process between incumbent and successor. Entrepreneurial learning process also proven that it occurs throughout the family business life cycle.

2. RQ2: how entrepreneurial learning help shape the intention to pursue family business succession?

Entrepreneurial learning activities were found along with the intention shaper factor that influence both incumbent and successor decision which was value to the family business (power of immersion storytelling, embedded in family business environment and opportunity cost of stay). Such that by having immersed in the family, often all the storytelling, technical skills and entrepreneur sprite are being absorbed and immerse overtime. Hence, the better relationship between incumbent and successor are the they are more like to pursue the family business succession further.

3. RQ3: where co-creation happens in family business?

From the use of concept of co-creation theory toward family business succession process shed light into how family business succession process could be potentially plan and manage effectively via collaboration and co-creation. Having identify different co-creation activities that possibly happen during family business succession process allows the study to further explore various stakeholder and successor's skill set required for this learning process. Co-creation process also immersed in the family business routine where they consistently exchange ideas and information since the very beginning of family business life cycle.

4. RQ4: What is the relationship between entrepreneurial learning and co-creation?

The interconnection between entrepreneurial learning and co-creation were define and explain as it roots from the process and social theory. This two fields offers a new lens to understand how this process taken place in family business. This research discussed the important of process theory which lead to better understanding of how entrepreneurial learning and co-creation is a solution to problem solving, reduce conflict and generation gap issues in succession process for many family businesses. Therefore, the study bridges the gap between entrepreneurial learning co-creation and family business succession which should no longer be regarded as distinctively separate strands.

## 7.2 Empirical Contribution

This study contributes to knowledge by revealing three imperial contributions.

### *Importance of Entrepreneurial Learning in family businesses*

First of all, it considers that entrepreneurial learning has proven to be a significant factor in family business succession process not only at certain point in time but it covers the whole process of succession since the successor childhood as early as before they work for family business. Particularly, the power of storytelling and embedded environmental awareness of family business is vital in setting a scene for entrepreneurial learning to initially begin. With the fact that family businesses are very contextual each family got they got different way of doing things however, under the family business communities of practice, similar pattern derived from the analysis.

### *The concept of co-creation introduced to family business succession*

In the field of marketing research where concept of co-creation being use most, however, for the first this concept is now introduced to investigate family business succession process. This particular concept provides another angle in exploring the social aspect of family business succession. This including where and when did co-creation potentially happening during family business succession process while also added the importance of toward both internal and external co-creation between family and non-family stakeholder.

### *The concept of Entrepreneurial learning and co-creation*

Since Co-creation activities has been identified according to successor's life cycle, this further allows research to explore how it could help with entrepreneurial learning process in the light of improvement in family business succession. In the discussion, the study further defines the positive and valuable outcome for the use in entrepreneurial learning in family business succession. First of all, co-creation is based on social learning theory (Taylor and Thrope, 2004), this enlighten the importance of working as a team, collaboration and co-creation in ideas toward synergy outcome. From having family business member with all the specialist skill in specific industry, co-creation with expertise non-family member potentially lead to the growth or revival of family business. In addition, the concept co-creation profound to help reduce conflict and bride the generation gap between incumbent, succession and other family member. Therefore, co-creation can be further elaborate into how and why this is crucial for family businesses succession. Lastly, co-creation between family stakeholder lead to diversification and innovation of family enterprise. Family

business often found stuck at certain size cap as to the limitation in knowledge or know-how outside the industry. Hence, co-creation with opportunity exploitation with family member provide a potential solution for family business succession planner as to how family business could survive, growth and expand after certain generation.

### 7.3 Implication for practitioner policy-makers and other institutions

The researcher concurs with Handler's (1989), statement that knowledge should not be limited to the theoretical implications but to the practical value of that theory. Therefore, this study focus has been place on theorising, by building and extending theory. However, there were also a number of implication for practitioner, policy makers and higher education institution and are explained in following section.

There are two main implications that this study offer for practitioners. First of all, it related to the understanding of how family business learning process taken place in firm from developing countries and secondly, it concerned with the conception of how concept of entrepreneurial learning and co-creation lead to improvement of family business succession process. The study place an important to emphasise the need for the family business to fully understand how the process of entrepreneurial learning taken place in order to further provide a better succession planning as early as introduction phase of life cycle.

In addition, family members in these family firm may also need to recognise that although this assessment of entrepreneurial learning and co-creation can be undertaken internally and externally including all family and non-family member stakeholder. Furthermore, a better understanding and explicit commitment and intention to pursue family business value from family member is required. It is necessary for the successor to understand and family business history and value through the power of storytelling in different family business culture. Family businesses are very dynamic and contextual, in order to have a solid theoretical ground applied to all industry is valuable asset to many family business firms. As to this research identified that entrepreneurial learning applied to every family business firm in various industry the result provides a similar pattern in term of learning activities in certain timeline in life cycle.



## 7.4 Reflection

Researching and developing of this study built on the new learning and experience gained throughout the process of study. The process provided a constituted synthesis of main components which this study's research development was based on, identified research directions and indicated how this study would be investigated on the course of research. Constructive contextualisation of this research was emerged in respect to learning and research capabilities and a validation of the topic as well as context of the project. In term of the fieldwork side, undertaking research applying the best methods and technique for doing this effectively, sensitively while maintaining best practice in respect of ethical issues

Having conduct a research in a real world and surrounded by people who are very successful in their professional life bring research a new perspective and inspiration to learn and think outside the comfort zone.

Finally, along the journey, self-reflection, exploration of new areas of knowledge, as well as the challenge and motivation of how this project was unfolding. This learning curve contributed to the enhancement of the researcher's personal and professional confidence, respect and consolidated the will and ambition to prospects in making a change an improvement of researcher's own family business.

## 7.5 Concluding remarks

This thesis set out to investigate the intersection of two fields, namely entrepreneurial learning and family business succession. The objective was to enhance the understanding of how entrepreneurial learning could potentially help with family business succession in developing counties like Thailand. A number of significant findings, emerged and this was concisely discussed in this concluding chapter. Having undertaken this research has been enlightened with theoretical, empirical and research process contribution as well as offer practice and policy implications. Overall, this thesis has been a remarkable journey and will stay with the researcher forever. Even though there are many obstacles were faced and by overcoming them, the researcher made of them as a stepping stones that lead the new way toward a never-ending learning process.

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# Appendix

## Appendix 1 : Cover Letter



The University of Westminster

35 Marylebone Road

Marylebone

London

NW1 5LS

[www.westminster.ac.uk](http://www.westminster.ac.uk)

Dear sir/Madam,

This letter is an invitation to consider participating in a study I am conducting as part of my Doctoral degree in Entrepreneurship at Westminster Business School, University of Westminster, United Kingdom. I am currently conducting an in-depth interview research for my thesis under the supervisor of Dr. Jane Chang.

The purpose of the research is to learn more about how entrepreneurial learning could be contribution to help with the family business succession.

To achieve this aim, I wish to interview the incumbent and the successor from multigenerational family owned business in Thailand. I hope that you will agree to be one of the family business owner who are interviewed for this study.

The interview would be arranged at a time and in a place which is convenient for you, it may last an hour, and the topics I would ask you about would cover your education and past employment, your family circumstances, and the creation and current arrangement of your business. The information provided in the interview will be treated as **confidential** and only used for research purposes and the identity of the self-employed and their businesses will remain **anonymous** in the text of the thesis.

I would very much appreciate if I could count on your participation in this study. You can contact me to tell me about your availability or to ask me any questions, via the phone number or e-mails shown below.

Thank you for your attention and consideration regarding my request for your participation in a study that I hope will contribute to help with family business to sustainable success in generational transition.

Kind regards,

---

(Anyamanee Cherdchai)

## Appendix 2 : Letter of Consent



The University of Westminster

35 Marylebone Road

Marylebone

London

NW1 5LS

[www.westminster.ac.uk](http://www.westminster.ac.uk)

### **Consent form accepting the invitation to participate in the research Entrepreneurial Learning in Multigenerational family business succession**

1. Name: \_\_\_\_\_ agree to participate in the PhD research of Ms. Anyamanee Cherdchai. I have read the entire information have understood its content and the PhD student, Anyamanee Cherdchai, has fully explained the nature and aims of the research that she is conducting to me, thereby clarifying all my doubts. My acceptance of the invitation to participate in the study is totally voluntary.

2. I understand that, by accepting this invitation, I will participate in an in-depth interview that will cover the following aspects: my education and past employment, my family circumstances, and the creation and current arrangement of my business. I consent the audio recording of this interview, understand that the said recording will be stored in a safe place and will be destroyed within 10 years of the final publication that disseminates the results of the study, and that it will be accessible only to the PhD student, Anyamanee Cherdchai and to the supervisors of her PhD thesis.

3. I understand that during the transcription of the interviews, my name will be substituted with a pseudonym and that the name of my enterprise will be eliminated, in order to protect my anonymity in the transcription, in the writing-up of the thesis and in future publications (books and papers in scientific journals), as these will include excerpts of the interviews. I also understand that the PhD student, Anyamanee Cherdchai, and the supervisors of her thesis will have access to the transcription of the interview.

4. I understand that I can cancel my participation in this study at any time, without having to give any justification and without prejudice. If I decide to cancel my participation, all the information given by me will be destroyed and will not be used in the study.

Date: \_\_\_\_\_

Sign: \_\_\_\_\_

## Appendix 3: Interview schedule

### In-depth interview question guide

#### Opening

- i Established introduction
- ii Purpose of the research
- iii Motivation of this research
- iv Time Line

(Transitioning: Let me begin by asking you some question about where do you live and your family)

#### **Incumbent Topic and Question Guide**

##### Prior Knowledge and Experience

1. What is your childhood background?
2. What is your education background?
3. At what age did you start to set up your own business?
4. How many set up business did you have?
5. How did you come to the founding of this current business?

##### Industry Specific Experience

1. What is your previous career before set up your own business?
2. What is the field of industry you been working before founding of the business?
3. How many year did you work on that industry/job?
4. To what extent you think working on your previous job have influence on your business today?
5. To what extent you think from your previous and current industry specific industry help with entrepreneurial exploration and exploration of your business today?
6. To what extend industry specific experience influence the success of family business?
7. In what way industry specific experience could potentially drive the success of the family business?

##### Communities of Practice

1. What is your relationship with successor?
2. What is the nature of the family and business system?
3. Do you normally take work from the workplace back to family dining table?
4. Do you normally teach your successor about business system?
5. Do you think it is important for next generation to expose to family business at the early age?  
IF yes How? IF no why?

#### Co-creation and relationship

1. Have you been co-creation with your successor on any firm project or strategy?
2. Do you trust successor's capability to take on new project?
3. How much do you accept new ideas from the successor?
4. To what extent you think working together with the successor is important for firm succession?
5. Have any of co-creation work lead to further entrepreneurial opportunities?

#### Knowledge sharing and integration

1. How do you transfer learning to the successor?
2. Do you consider yourself transfer about family business knowledge since the successor's early age?
3. To what extent exchange and combination of knowledge between different generation is important for firm success?
4. Could you give example when you use to share knowledge between the successor?

#### Innovation through co-creation

1. Did co-creation in family business lead to new business idea?
2. Is innovation important to the family firm?
3. Have you introduced any new way of doing thing in the firm recently?
4. What type of strategy you introduce
5. Have you introduced any new technology in the firm recently?
6. What type of technology you introduce

#### Succession pattern

1. What strategy you willing to see from your successor after they fully took on the ownership of this family business?
  - Conservative?
  - Wavering?
  - Rebellious?
2. Do you think this strategy the successor adopt will potentially help with the sustainable continuity of family business?

#### Value outcome

1. What is family business succession mean to you?
2. What do you consider succession?
3. Have your son/daughter proceed the business in the way you love to?
4. What you think about the future of your family business

#### **Successor Topic and Question Guide**

#### Education and Training

1. What is your academic qualification?
2. What is your subject of interest and study?
3. Is your parent have an influence on your choice of study?
4. To what extent your subject of study be useful in the family business?
5. What is your childhood experience toward family business?
6. Did you involve in helping any part in family business?
7. Did you receive any form of learning or training in any part of family business?
8. Is it helpful to understanding more of the business?
9. Do you think strategic education both formal and experiential help with recognize entrepreneurial opportunities?

#### Career Experience

1. Did you have any work experience outside your Family business?
2. What is your previous career?
3. What is the field of industry you been working before enter the family business?
4. How many year you working outside family business?
5. To what extent this help with your entrepreneurial exploration and exploitation?

#### Communities of practice

1. Do you being around and engage with business at an early age?
2. If YES describe when did you start notice you engage in the business?  
what are the practice or job position you been given.
3. To what extent you think this early participation help with your learning and toward family business succession?

#### Co-creation and relationship



1. Do you often work with the same project with your parent?
2. Have you ever help in the part of family business project at the early age?
3. Have you been co-creation with your incumbent on any firm project or strategy?
4. Do you incumbent trust on your capability to take on new project?
5. Are your new idea often be accept by the incumbent?
6. Do you do any collaborate or working together with you sibling ? How? Is it turn out well?
7. To what extent you think working together with the incumbent is important for firm succession?
8. Have any of co-creation work lead to further entrepreneurial opportunities?

#### Knowledge sharing and integration

1. At early age, did incumbent start letting you know about what is family business?
2. At early age, did incumbent start sharing the knowledge on how to do business?
3. IF yes, are there any example? IF no, how did you learn about family business?
4. To what extent exchange and combination of knowledge between different generation is important for firm success?
5. Could you give example when you use to share knowledge between the incumbent?

#### Innovation through co-creation

1. Did co-creation in family business lead to new business idea?
2. Is innovation important to the family firm?
3. Have you introduced any new way of doing thing in the firm recently?
4. What type of strategy you introduce
5. Have you introduced any new technology in the firm recently?
6. What type of technology you introduce

#### Succession pattern

1. What type of succession pattern strategy you think you pursue?  
 -(Conservative)Do you still keep all the old strategy from the previous generation?  
 -(Wavering)Do you want to make a new remark strategy to change the business but still not sure how?  
 -(Rebellious)Do you willing to revolute the firm with all new strategy and way of doing thing?
2. Do you think this strategy the successor adopt will potentially help with the sustainable continuity of family business?

#### Value outcome

1. What is family business succession mean to you?
2. What do you consider succession?
3. Have you this succession?
4. What is your goal in family business?
5. Have you meet this goal yet?  
 IF yes what is it? IF no why?
6. Have you introduced new product/service?
7. What do you think of the future of your family business?