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An Exploratory Study on Needs and Problems of Young Successors of Family Businesses

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ABSTRACT: Family businesses have a dominating presence throughout the world irrespective of small, medium or large scale enterprises. India stands third in number after China, United States of America for the highest number of family businesses in the world. The impact of family business in developed and developing countries cannot be underestimated. However, family businesses are also considered to be the weakest type of enterprise as they find hard surviving further than first and second generation. According to research findings, only 30% of family businesses survive into the second generation, 12% into the third and 3% beyond. One of the main reasons for the increasing failure rate is the inability of the successors to manage the business. The paper attempts to study the needs and problems of the young successors face towards successful succession. The paper contributes to the family business owners and stakeholders to understand issues faced by the young descendents from family business background, through an exploratory study conducted with 102 undergraduate and postgraduate students of business management course from reputed Business Schools from Hyderabad. The respondents were asked their most preferred choice of succession, reason for succession in the family business, problems anticipated by them. Respondents were asked to rank themselves on various skills required to manage a business successfully and the most favorable mode to enhance their level of knowledge. Garrett's Ranking, Anova and descriptive statistics was used to analyze the data. Majority of the respondents showed inclination to succeed their business as they can put innovative ideas into practice. They also preferred to manage the business without actually taking the control. No statistically significant differences was found in the anticipated or experienced problems based on age and generation, however, very high statistically significant difference was found based on gender and nature of the family business.

KEYWORDS: Family business, Succession planning, Business management

I. INTRODUCTION

The most common organizational structures dominating the world economic scenario are family businesses. Family businesses come in all sizes from micro to small to moderate to medium to large. According to CSRI (Credit Suisse Research Institute's) latest "CS Family 1000" China, United States of America and India are the countries with highest number of family businesses in the world, followed by France, Hong Kong, Korea, Malaysia, Thailand, Indonesia and Mexico. According to the report published by Family Firm Institute (2017) 85% of start ups are established by family firms, enabling 70% to 90% world's GDP resulting in 50% to 80% of job creation. With 90% of overall firms in India belonging to Family business, they have proved to be a strong backbone of the Indian economy. They account for 20% of India's Inc's sales, 32% of profit after tax, around 18% of assets and more than 37% of reserves (Seema, 2020). Firms like Tatas, Birlas, Reliance, Jindal, Mahindra, Jaypee, Wadias, Bajaj, Modi, Dr. Reddy Labs are all controlled by one or few families. Family firms strive for longer term survival and retention of control in the family. Other than mere profitability, family firm owners see themselves as custodians of the business and intend to pass on the business to their progeny and create employment opportunities to their family members. They account for increased profitability attempting to create a legacy for prospective generations (FFI, 2016).

However, only 30% of family businesses survive into the second generation, 12% into the third and 3% beyond and according to Birley (1991), De Jordy (1991), Dunloop (1993), Gallo (1995), Lank et al. (1994), Madore (1993), Rosenblatt et al. (1985) and Thomassen (1992) family businesses find hard surviving further than first generation. Researchers (Handler, 1994; Kepner, 1983) attempted to unearth the reasons for the high rate of failure. Venter, et al., (2003) through his research findings concluded that one of the main reasons for increasing failure rate among the first and second generation family business successors is their inability to manage the business. Thus, the lack of sustainability of the family businesses from generation to generation is a chief cause for alarm for family owners and stakeholders alike (Van der Merwe, 2011). Next-Generation successors who are well educated, highly ambitious and tech-savy intend to create their path and pursue their own dreams. Following the footsteps of their ancestors may no longer fancy the younger generation. Some inherent challenges faced by the younger lot are generation gap, communication gap, lack of business skills, lack of autonomy in making decisions and lack of faith in their capabilities by the older generation may frustrate them leading them away from their family businesses. A survey by Price water Cooper (2016) found that only half of the family firms stated that the successors to the key roles would be family members as smaller number of members of the younger generation are attracted to their family businesses. Comparing the PwC's survey of family businesses from 2014 and 2016 found that only 52% of owners of family businesses planed to retain the business in their family which was a huge reduction from 74% in its 2014 survey and only 69% of family business owners planned to retain the ownership and control in their family as compared to 79% in the previous survey. Thus, according to most of the researchers in this area, succession is the chief predicament faced by family businesses (Handler, 1994; Venture et al., 2005; Daspit et al., 2016). According to Lambrecht (2005), Handler (1994) the average life of organizations is less than 24 years and in the majority cases, the ending coincides with the first generational change. Intergenerational succession is considered critical aspect in the lifecycle of any family business which require apt competencies and capabilities to be developed to sustain the stability of the firm which contribute to the job creation and generate revenue thereby contributing to the economic development of the country (Valliere, 2006).

The renaissance of entrepreneurial fortitude during the shift of ownership and management control provides valuable insights in the family business research (Howorth, C., Rose, M. & Hamilton, E., 2006). Therefore, it becomes important to comprehend the reasons for the low rate of successful successions by understanding problems faced by the young successors and identify their needs to ensure successful succession.

The main goal of the study is to broaden our understanding about the problems faced and the requirements of the young successors in order to tackle succession issues and search for possible solutions for successful succession. The paper contributes to the family business owners and stakeholders to understand issues faced by young successors and probable remedial measures to be adopted.

II. LITERATURE REVIEW

Family Business

In the study of "Overview of family business relevant issues", Mandl (2008) found 90 diverse definitions for the term family business across 33 European countries. All the definitions indicated the family influence on ownership and management i.e, strategic control on the business. European Commission's definition of family business is the contribution of family businesses to employment generation and the turnover of family businesses, the parameters which can be comparable across different nations. Kets de Vries (1993) and Morris et al., (1997) differentiated family and non-family business highlighting the enduring viewpoint, strong family obligation to the business, a personal and affirmative encouraging work atmosphere being a distinctive attribute of family business. Jorissen et al., (2005) included company size, years of establishment, industry to which it belongs, performance, turnover, employment generation, etc., to be other distinguishing factor to non-family business. However, the disadvantages of family business are conflicts among family members, preference to family members for employment, succession issues, family and business interests being overlapped, etc.

Succession and Succession Issues in Family Firms

Transmission of ownership and control of the business between two generations is known as succession and is considered one of the most significant challenges faced by family firm (Mussolino and Calabro, 2014; Handler, 1994; Venter et al. (2016). Research by Dyck et al., (2002); Kets de Vries (1993); Miller et al. (2003); Morris et al. (1997); Sharma et al. (2003) indicated that succession in family firms seldom work out and thus is the most researched topic (Giambatista et la. 2005; Sharma ,2004). It is always in the interest of the family business and the country's economy to ensure that successful succession. Many factors for successful succession tend to get overlooked due to routine and challenging daily operational issues. Studies by Stavrou, (1999) found that due to decreasing willingness of descendants to join the family businesses, succession involving third parties that is non-family members are on the rise. Successors lack the proper training and mentoring, thereby unsure about their ability to run the family firm (Glas et al., 20015). Survival of the enterprise beyond first generation increases the chances of this survival in subsequent successions substantially. Bjuggren & Sund (2001) and Stavrou(1999) stated that with less than one third of family firms that survive the transition to the second generation, around 50% family firms survive from the second to the third generation and more than 70% would be transitioned to the fourth generation. Therefore, a proper succession planning and understanding the needs and challenges faced by the successors would increase the probability of successful intergenerational transfer. Research by Dyck et al. (2002) suggested successful succession required ascertaining the appropriateness of successor's skills and experiences, time to succession and communication between the predecessor and successor.

Recommendations for successful succession

Businesses experience failure in the transfer process of succession more so due to insufficient preparation. Apart from checking the interest and willingness of the successors, their needs and abilities need to be ascertained to ensure their capability to fill the shoes of their predecessors. Training and mentoring can be held to make certain the transfer of the business is as effortless and triumphant as possible.

III. OBJECTIVE OF THE STUDY

Primary Objective

- To study the problems and needs of young successors of family businesses in order to ensure successful succession.

Secondary Objective

- An exploratory research was conducted to obtain information about the existence of formal written or agreed succession plan among family businesses.
- Young successor opinion about the most advantageous option for succession to take place in the family businesses.
- The reason behind the successor's intention to succeed in their family businesses.
- Self appraisal on business skills important for managing any business.
- Mode preferred for improving business skills.

HYPOTHESES

H1: There is significant difference in anticipated/ experienced problems in succeeding family business based on gender.
H2: There is significant difference in anticipated/ experienced problems in succeeding family business based on age.
H3: There is significant difference in anticipated/ experienced problems in succeeding family business based on generation.
H4: There is significant difference in anticipated/ experienced problems in succeeding family business based on nature of business.

Family business successors pursuing undergraduate and postgraduate business management course from five reputed Business Schools in Hyderabad were administered questionnaire through Google forms. Convenience sampling and snowball sampling technique was used to elicit responses. Students belonging to non business families were asked to refrain from filling the questionnaire.

The questionnaire has a total of fourteen questions, where six questions were nominal questions ranging from gender, age, education level, present generation of family business, nature of family business, present size of employment. Two dichotomous questions status of succession i.e., already succeeded or intended were asked. One question on how should the succession occur in family business with the options on ranking scale and about the motive or reason for joining family business. Question for learning about anticipated problems post succession on Likerts five point scale. Question on self appraisal of the potential successor on ranking on one to ten scale and finally how they would prefer to upgrade their skills with preference on Likert's four point scale given. 120 responses were received out of which 18 questionnaires were found to be partially answered, which was discarded. Ultimately 102 questionnaires were considered for the study. The Cronbach Alpha for the measuring instrument is 0.821

Descriptive analysis, Henry Garrett ranking technique and Anova was used to analyze the data.
Garrett's ranking technique is used to find out the most significant factor influencing the respondent. Respondents were asked to rank the option which was converted into score value using the formula:

Percent position = 100 (Rij-0.5).
Where Rij is the rank given for the ith variable by jth respondent.

Nj is the number of variable ranked by jth respondent

IV. RESULTS

Table 1: Socio demographic characteristics of the respondents

SNO	Characteristic	Count	%	SNO	Characteristic	Count	%
1	**Gender**			5	**Nature of Family Business**		
	Male	76	74.50%		Real estate	2	1.96%
	Female	26	25.40%		construction	8	7.84%
2	**Education level**				wholesale/retail	14	13.70%
	Undergraduate	70	68.60%		transport	6	5.88%
	Post graduate	32	31.30%		manufacturing	20	19.60%
3	**Age**				agriculture	2	1.96%
	18-25	98	96%		education	4	3.92%
	26-30	4	3.90%		hotels and restaura	12	11.76%
	31-35	0			health	0	0.00%
	35+	0			financial intermedi	6	5.88%
4	**Generation of Family Business**				jewellery	6	5.88%
	first	0			textiles	10	9.80%
	second	50	50%		others	14	13.72%
	third	40	39.20%	6	**Present size of employment**		
	fourth	5	4.90%		1 to 9	38	37.25%
	fifth	5	4.90%		10 to 49	32	31.37%
	sixth	2	1.96%		50 to 99	14	13.72%
	seventh	0			100 to 249	4	3.92%
	eighth	0			250+	14	13.72%
	ninth	2	1.96%				

74.5% of responses are received from male successors and 25.4% from female successors. 68.6% are pursuing undergraduate course and 31.7% pursuing post graduate course. 96% of young successors are between 18 to 25 age group. 50% of successors belong to second generation and 39.2 % are from third generation. The highest percentage (19.6%) of successors belonged to manufacturing sector followed by Other sector i.e., 13.72%. Majority of the respondents (37.25%) employed employees ranging between 1 and 9 followed by 31.37% between 10 to 49 employees.

Table 2: Taken Ownership of the family business in the last 3 -5 years

Taken Ownership of the family business	Answers	%
Yes	18	17.66%
No	84	82.35%
Total	102	100

17.64% of respondents have taken ownership of the firm and worked actively in the family business, while 84 % have responded in negative.

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Table 3: Intent to succeed in the 3 -5 years

Succession in next 3-5 years	Answers	%
Yes	66	64.7%
No	36	35.3%
Total	102	100

66% of the respondents will be succeeding the family business in the next 3 to 5 years, whereas, 36% of the respondents answered in negative**.**

Table 4: Formal Succession Plan present

Presence of a Formal Succession Plan	Answers	%
Yes	42	41.17%
No	60	58.83%
Total	102	100

42% of the respondents stated that a formal succession plan was in place,
While a whopping 60% of the respondents said that no succession plan was in place.

Table 5: Garret Ranking Method
Most preferred choice by the young successor for succession in the family business

S.No	Option	Total Score	Mean Score	Rank
1	Appointment of CEO (non-family), but not parting with family ownership and control	4752	46.59	4
2	Appointment of CEO (non-family) & giving away part of the family ownership and control	3696	36.23	6
3	Sale of the family business to a third party	4472	43.84	5
4	Initial Public Offering	2624	25.73	7
5	Passing the ownership of the family business to the successor (next generation)	6594	64.65	2
6	Retaining the control/ownership and passing the task of managing the business to the successor	7156	70.156	1
7	Transfer of control and management to the successor	6202	60.80	3

The respondents were asked to rank their most preferred choice for succession in the family business. To find out which option was found most feasible, the respondents were asked to rate (rank) the options. The rates were converted into percentile positioning. For the percentile positions the percentile scores were assigned from the Garrett's table. With the scores as value of the variable and number of respondents as frequencies the total score for each option was found and ranks were assigned on the basis of total scores. From the Table No.5 Retaining the control and ownership and passing the task of managing the business to the successor is rank 1 with Garrett ranking score 7156. Passing the ownership of the family business to the successor is rank 2 with Garrett ranking score 6594. Transfer of control and management to the successor is at rank 3, appointment of non-family CEO but retaining the control and ownership within family is ranked at 4. Sale of business to third party is ranked 5, appointment of non-family CEO and parting with part of ownership and control is ranked 6. Finally, issuing shares to public is the last choice that is rank 7.

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Table 6: Reason for succession in the family business

S.No.	Reasons for Succession	Answer	%
1	Natural course of events	28	27.4%
2	Good career opportunity	16	15.68%
3	Opportunity for placing innovative ideas to practice	48	47.05%
4	Family compulsion	8	7.84%
5	Nothing else to do	2	1.96%
	Total	102	100

Majority (47.05%) of the respondents from Table No. 6 stated that they would prefer joining family business as it provided them with a unique opportunity of placing innovative ideas into practice. 27.4% found it is natural to follow the footsteps of their parents. 15.68% thought family business as a good career opportunity, 7.84% felt that they have no say in the choice as are expected to keep up the tradition of taking over the business. 1.96% of respondents stated that they had nothing else to do.

Table 7: Problems anticipated /experienced by young successors of family businesses

SNO	EXPERIENCED /ANTICIPATED PROBLEM	SD	D	N	A	SA
1	Lack skills and knowledge to manage family business	28.3	30.2	28.3	13.2	--
2	Not yet ready and well prepared to take care of the business	15.1	22.6	32.1	26.4	3.8
3	Succession process unclear	28.3	28.3	35.8	3.8	3.8
4	Succeeding family firm –very demanding & proves to be a sentimental burden	28.3	15.1	37.7	15.1	3.8
5	Lack of clear business strategy	28.3	34	24.5	11.3	1.9
6	Family resistant to succession & cannot cope well with change	18.9	37.7	30.2	13.2	--
7	Difficult in managing conflicts in family due to succession	18.9	28.3	37.7	13.2	1.9
8	Family business lacks in clear organization and governance	24.5	35.8	30.2	9.4	--
9	Employee and members of family do not accept me as family business leader	45.3	30.2	18.9	5.7	--
10	Confidential family issues being faced currently	37.7	22.6	24.5	13.2	1.9

SD-Strongly Disagree; D-Disagree; N-Neutral; A-Agree; SA-Strongly Agree From Table No. 7, 13.2% of the respondents agreed that they lack skills and knowledge to manage family business, 26.4% are not yet prepared to take care of the family business, 35.8% neither agreed nor disagreed to the clarity of succession process. 11.3% stated that the business lacks clear strategy while 1.9% strongly agreed to the same. 37.7% neither agreed nor disagreed to the statement of managing conflicts in family due to succession, while 13.2% agreed and 1.9% strongly agreed that managing conflicts would be difficult for them. Only 9.4% respondents agreed to the non-clarity in organization and governance, while 30.2% choose to remain neutral. 5.7% agreed that it will be difficult for employees and family to accept the respondent as a business leader while 45.3% strongly disagreed to the same. 13.2% respondents agreed that there are internal issues being currently faced which cannot be divulged.

H1: There is significant difference in anticipated/experienced problems in succeeding family business based on gender.

Table 8: ANOVA Gender

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	317.844	1	317.844	8.400	0.005
Within Groups	3783.803	100	37.838		
Total	4101.647	101			

Table No.8 shows that the significant value (0.005) is less than the P value (0.05) , which indicated that there is significant difference between the anticipated or experienced problems faced by respondents based on gender.

H2: There is significant difference in anticipated/experienced problems in succeeding family business based on age.

Table 9: ANOVA Age

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	158.647	2	79.324	1.992	0.142
Within Groups	3943.000	99	39.828		
Total	4101.647	101			

Table No.9 shows that the significant value (0.142) is greater than the P value (0.05) , which indicated that there is no significant difference between the anticipated or experienced problems faced by respondents based on age.

H3: There is significant difference in anticipated/experienced problems in succeeding family business based on generation.

Table 10: ANOVA Generation

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	323.078	5	64.616	1.642	0.156
Within Groups	3778.569	96	39.360		
Total	4101.647	101			

Table No.10 shows that the significant value (0.156) is greater than the P value (0.05) , which indicated that there is no significant difference between the anticipated or experienced problems faced by respondents based on generation.

H4: There is significant difference in anticipated/experienced problems in succeeding family business based on nature of business.

Table 11: ANOVA Nature of Business

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1340.905	16	83.807	2.580	0.003
Within Groups	2760.742	85	32.479		
Total	4101.647	101			

Table No.11 shows that the significant value (0.003) is less than the P value (0.05), which indicates that there is significant difference between the anticipated or experienced problems faced by respondents based on nature of business.

Table 12: Self Appraisal of the Young Successors on Ranking Scale (1 for Least and 10 for Highest)

S.No	Skill	1	2	3	4	5	6	7	8	9	10
1	Managing People	0	0	0	4	10	12	20	26	12	18
2	Communication Skills	0	0	0	8	4	12	14	24	12	28
3	Team Building	0	0	0	2	8	10	14	32	12	24
4	Time Management	0	0	0	4	8	6	24	22	16	22
5	Negotiation Skills	0	0	2	4	10	10	20	24	12	20
6	Personnel Management	0	0	0	0	22	6	16	22	18	18
7	Marketing Skills	0	0	1	0	10	6	24	28	22	10
8	Analytical Skills	0	0	0	0	8	4	26	26	14	24
9	Financial Skills	0	0	0	2	10	6	24	16	20	24
10	Networking Skills	0	0	0	6	8	4	20	24	14	26
11	Selling Skills	0	0	2	2	4	16	22	26	18	12

From Table No. 12, it is evident that 28 respondents ranked themselves on 10 scale on communication skills, 26 ranked themselves highest on networking skills, 24 ranked themselves highest on team building, analytical and financial skills. Only 10 out of 102 ranked themselves highest on marketing skills, 12 ranked themselves highest on selling skills.

Table 13: Method of Training Preferred

S.No	Method of Training	NP	LP	Mod P	Mos P
1	Self Study	3.8%	13.5%	53.8%	28.8%
2	Distance Education	28.8%	34.6%	32.7%	3.8%
3	Regular Education	19.2%	11.5%	46.2%	23.1%
4	Training sessions	7.7%	1.9%	38.5%	51.9%
5	Learning from others	0	9.6%	21.2%	69.2%
6	Mentoring by family members	1.9%	7.7%	26.9%	63.5%

NP: Not Preferred; LP: Low Preference; Mod P: Moderate Preference; Mos P: Most Preferred

Table No.13 indicates the method of training preferred by the young successors of family businesses. 69.2% of respondents preferred to learn from others, while 63.5% preferred to be mentored by family members. 51.9% opined to enroll for regular training sessions in running a family business. 23.1% prefer regular tradition education, 28.8% stated that self study is most preferable to them and only 3.8% choose to educate themselves through distance education.

V. DISCUSSION AND CONCLUSION

In this paper, the author attempted to develop an exploratory research to establish the prevailing situation where the young successor's problems and need requirement are studied. It is observed that the majority (47.05%) of the young successors indicate readiness to join family business as it gives them a chance to put innovative ideas into practice. Family firms intend to continue the business within the family, however, in majority of cases no formal succession plan existed. According to 58.83% of respondents, no formal succession plan is present in their family. As evident by numerous studies successions are not planned at appropriate time (Bjuggren & Sund, 2001; Sharma et al., 2003). First generation leaders did less succession planning compared to the next and subsequent generations (Sonfield & Lussier, 2004). Lack of succession plan is considered to be one of the major reasons for the failure of succession in family firms (Bigliardi and Dormino, 2009). A whopping 66% of the respondents showed inclination to succeed in the family business. However, mere intent will not be sufficient as reflected from the finding of Lansberg and Astrachan (1994); Cabrera-Suarez M.K., M.C. Deniz-Deniz and J.D. Martin-Santana (2015), family consensus and support towards the successor is crucial for succession.

Majority of the young successors prefer to manage the family business without actually taking control or ownership of the business and it is has been studied that succession and ownership are considered different by quite a number of authors (Sharma et al., 2003; Handler, 1994) followed by passing the ownership of the business to the successor. Succession has been found to be the most studied area in family business (Giambastista et al. 2005; Sharma, 2004) as any letdown in succession leads to grave problem to the family business and the economy of the country as well.

Therefore, majority of the leaders of family businesses retain the control of the business well past their term (Bjuggren & Sund, 2001; Donckels & Lambrecht, 1999). Outsiders are involved in the succession due to descendents unwilling to take over the family business (Starvou, 1999) as evident by the current study with Garrett's ranking allocation of no.4.

Lack of proper training and mentoring makes successors hesitant and doubtful about their managerial capabilities to take over the family firms (Glas et al., 2005). 13.2% of the respondents agreed lacking required skills and knowledge to manage the family business, whereas, 28.3% and 30.2% strongly disagreed and disagreed respectively, whereas, 28.3% choose to remain neutral. 32.1% percent respondents remained neutral about their readiness to take care of the business while 26.4% agreed to the same. Majority of the respondents choose to remain neutral to clarity in succession process, demanding nature and emotional burden of the family business, trouble in managing family conflicts.45.3% of the respondents strongly disagreed that to the statement of non-acceptance of them being a successor by their family members and employees alike, while 5.7% agreed and 18.9% choose to remain neutral.

The findings of Table 8 shows statistical significance in the anticipated or experienced problems in succeeding the family business based on gender as male successors are seen as rightful heirs to the family business and daughters are not viewed as capable and experienced to run the family business (Hollander and Bukowitz, 1990), which was also evident in a study conducted by Dumas (1990), where 100% of the fathers interviewed opined about daughters not being feasible successors.

No statistically significant differences was found in the anticipated or experienced problems among the young successors based on age and generation, however, very high statistically significant difference was found in the anticipated or experienced problems by the young successors based on the nature of the family business. Successful succession depends on the communication of tacit embedded knowledge related to the firm (Lee et al.,2003) between the family business owner and successor as the performance of the next generation is most likely to be based on the success on the usefulness of the knowledge shared across generation (Cabrera-Suarez et al., 2001; Steier, 2001).

Majority of the young successors ranked their skills on 7 and 8 scale out of 10. 28% of the respondents ranked themselves 10 on 10 on communication skills. 24% of the respondents allocated 100% on team building, analytical skills, financial skills, 26% felt they have good networking skills. Only 10% to 12% respondents were confident in their marketing skills and selling skills. 18% of the young successors were positive about their skill in managing people and personnel management. The pedagogy of Business management course is comprehensive in imparting the necessary skills for managing business successfully. The findings of Table 12 indicate that most of the respondents are already well versed and confident of their managerial skills required to excel in the business world. However, there is still scope for improvement.

Training is considered to be important for young successors to develop their abilities and acquire ample knowledge before taking over the reins of the business for successful succession (Morris et al., 1997). The experience gained inside the family firm is usually more valued than experience gained outside the family firm. Researchers feel that the exposure gained outside the family firm instill self confidence and makes them independent in thinking and gains credibility to the successor (Venter et al., 2005). This preference was clearly evident from the study as 69.2% of the respondents intended to learn from others followed by being mentored by family members.

VI. LIMITATION AND SCOPE FOR RESEARCH

This paper studies the opinions, needs and difficulties faced by the young successors of family businesses. First, it is important to have a succession plan in place for the family and successor to be prepared. Second, the successor should be appropriately trained inside and outside the family business to again credibility and respect from the employees and family. No sufficient data was existent which can be used for this study. A survey was conducted to gain such data. The study was limited to Hyderabad region; hence the findings cannot be generalized. Future study extending to other regions would help in obtaining interesting insights.

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