Challenges of succession planning among family businesses in the Kingdom of Saudi Arabia

Submitted

by

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in part fulfilment for the Award of Doctor of Philosophy.

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Declaration page

I declare that the information in this document is wholly mine and that no part has been copied from any source, except as duly acknowledged.

Acknowledgements

Abstract

Family businesses are those that are owned by members of a family, and in most cases, the father or mother have the overall responsibility for the day-to-day decisions of the business. Most family businesses tend to be small and medium-sized enterprises (SMEs). SMEs are an important component of the economy in many countries. The aim of this study was to understand the challenges facing family business owners during succession in the Kingdom of Saudi Arabia. The study sought to identify the factors that lead to failure of family businesses in Saudi Arabia after these businesses have been transferred by the owners to their heirs.

In the existing literature, the discussion has examined the issue of succession, considering why it has to happen and the challenges thereof. The main issue is in identifying a solution that will make succession in family businesses a practice that can be conducted without controversies and challenges in families. These challenges are numerous, and mainly institutional. There is a tendency in Saudi Arabia to impose succession, which is caused by the dictates of tradition, culture, religion, and family.

This is a qualitative study, where semi-structured interviews were conducted with a number of respondents who were owners and successors of family businesses. Thematic analysis was used to analyse the responses and generalisations made.

The main finding of this study was that the institutional forces tend to have a major impact in the failure of succession planning by the owners, who eventually tend to leave their entities in a state of failure through their own in ability to act – an acquiescent behaviour that tends to lead to imposition.

Another finding of this study is that the government needs to create institutions that can offer training to business owners and offer other forms of support to family businesses. This is because family business owners do not have the necessary skills to ensure that they have succession plans ready so that continuity can be guaranteed when they leave their entities. On the other hand, if there are institutions that are specifically created to offer other forms of support to family businesses, the failure rate of family businesses after succession can be reduced.

The practical implications of this study include the following: First, business owners should be supported to manage their organisations in a way that can lead to continuity once they relinquish the day-to-day control of their businesses. Second, government support is crucial for successful succession to take place among family businesses. Third, succession of family business entities should be planned well in advance, to avoid quick and often rushed decisions, which tend to lead to the failure of such businesses.

This study contributes to the literature on owner behaviour in a dynamic business environment, as given in the literature on entrepreneurial innovation by Schumpeter. Another contribution is the suggested model of succession planning, which includes the factors that contribute to successful succession planning, and a model for successful succession planning among family businesses in Saudi Arabia.

This study proposes that future studies on succession planning among family businesses in Saudi Arabia can seek more respondents to avoid generalisations and there should be more participation of government officials among the respondents to ensure that the views of the government are represented.

Lists of figures

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Publications and conference attendance

Ekanem, I. and Alrossais, L.A., 2017. Succession challenges facing family businesses in Saudi Arabia. In *Entrepreneurship and Business Innovation in the Middle East* (pp. 122-146). IGI Global.

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Glossary

KSA – Kingdom of Saudi Arabia

FOB – Family-Owned Businesses

IDP - Individual Development Plans

AMP - Austrian Market Process

IFC - International Finance Corporation

MBA – Master of Business Administration

SMEs - Small and medium sized enterprises

MENA - Middle East/North Africa

CHAPTER 1

INTRODUCTION AND BACKGROUND

1.1 Saudi Arabia: Country Context

1.1.1 The country and its resources

Saudi Arabia is a great country of massive geographical size and material resources (see Appendix B on the country context). Being a member of the G20, Saudi Arabia is the world's largest oil exporter, and about 90% of the revenue that the government receives is derived from oil. Moreover, in terms of petroleum production, Saudi Arabia is second only to the former Soviet Union. This shows that the country has a big role to play in the world economy. The oil resources have a felt impact in Saudi Arabia (Niblock and Malik, 2007). It is, however, worth noting that this sector of the economy is primarily the responsibility of the Saudi government and involves mainly public sector entities and large private sector bodies. Small sector entities (where family businesses fall) are mainly outlier stakeholders who are at the bottom of the supply chain.

The oil revenues have given the Saudi government the ability to administer its budgetary programmes in an effective way, thus creating a flourishing economy (Samargandi, Fidrmuc, & Ghosh, 2014). The Saudi Ministry of Commerce and Investment listed the most important revenue products to the national economy as follows: gas and oil, cement and petroleum, metals, and agriculture. Nevertheless, Saudi Arabia has not yet broken free from depending on oil revenues (Samargandi, Fidrmuc, & Ghosh, 2014).

In the last few years, oil prices have risen, and the issue of oil dependence has become a worldwide concern. The Gulf Cooperation council and other organizations such as OPEC are helping Saudi Arabia and other Gulf oil producers to achieve balance between the declining global demand for oil and fixed levels of production. History has indicated that the decline of oil prices in Saudi Arabia is disastrous to its economy in terms of budget allocation deficit (Nawwab, 1995).

This phenomenon is as a result of over-dependency on one export commodity (Anderson & Reeb, 2004). Consequently, there have been interventional attempts to increase the role and the size of the private sector. In the contemporary world, Saudi Arabia has committed itself to an ambitious economic plan which identifies the private sector as a major ingredient in creating jobs and wealth for Saudi Citizens. Many organisations in the private sector in Saudi Arabia are owned and run as family businesses.

Family businesses play a key role as an economic resource in Saudi Arabia. They form approximately 90% of the country's privately owned companies. They also form 45% of the top 100 business companies in Saudi Arabia (Achoui, 2009). This could not have been easy to attain in Saudi Arabia, but strong support from the government for the private sector and family businesses has led to this economic milestone being achieved. The government of Saudi Arabia recognizes the need for a flourishing and effective private sector. This is reflected in one of their five-year Saudisation objectives of expanding the non-oil market and formulating and reinforcing a government system that supports and nurtures private sector business enterprises (Al-Shammari, 2009). In addition, the Saudi Government has defined in their plan what the private sector needs in order to thrive.

However, despite this progressive support for the private sector and family businesses in Saudi Arabia, many social and economic factors have affected the process. As indicated in the Saudi context above, Saudi Arabia's Law is based on the Quran and Sunnah Sharia Law. This means that Islam plays a crucial role in defining cultural, religious and political boundaries (Mouline, 2007). Islam, together with Arab traditions and tribal systems, defines the culture of Saudi Arabic society. Consequently, the business arena is affected by these pervasive social factors. For instance, the conservative Saudi culture and Islamic religion dictate social life, limiting the ability for

communication between the genders (see Appendix F). In the same way, family businesses in Saudi Arabia are greatly affected by tribal culture, the Arab culture and the Islamic religion of the mono-religious country (Chamlou, Klapper and Muzi, 2008).

The country has adopted 'Saudization' and the economic policy of localization in the last decade. This policy encourages indigenous nationals to embark on running businesses owned by foreign nationals and take up jobs provided by foreign investments (Zgheib, 2017). To some extent, this has led to the creation of opportunities that are beneficial to the locals. However, it has also led to problems in having family members available to run family business entities, particularly those who have secured jobs elsewhere. The ideal nature of family businesses is that they are expected to be the family property, to benefit the family, and to have control of the family business resting with family members (Nakauchi & Wiersema, 2015). In most family businesses, the eldest male member notably controls the business and makes all major decisions.

1.1.2 Political structure

The way the government rule is structured has an effect on family business. The monarchy that governs the country has over the years imposed strict laws that cemented the position of leadership of the monarch, and this has translated to the organisation and management of family units (Al-Dubai et al., 2014). To this extent, the role of the patriarch remains crucial in making major decisions within the family, and in family business. Having a position of power and authority to run a family and/or a government (and/or its arms) essentially means being able to make decisions that will affect other people. This is essentially leadership, and the monarch exercises their political leadership, which is characterised by a paternalistic leadership style, grounded on religious tenets.

The structure of the society places men in this position, and hence gives them patriarchal power, with immense influence in religious and business activities.

1.1.3 Culture and traditions

Family business in Saudi history can be viewed from the cultural and traditional orientation of the country (see Appendix F), where family unity and bond cement the relationships within members. A family's profile is raised by retaining wealth in the family. The implication of this is that family property is therefore entrusted to the most senior members of the family, who are assumed to have the experience to run the business. However, this presents two challenges: first, the challenge of having to pass the business to someone who may not be able to run it in the name of family seniority, and secondly, succession issues, which should be shared among old members of the family (Nakauchi & Wiersema, 2015).

Saudi Arabia has long been outstanding as a country that oppresses women due to its previous conservative policies. Men have had a lot of power in dictating how and what happens to women (see Appendix on country context under the heading 'Legal status of women'). Men tend to make decisions regarding the future of businesses, and for a long time, women have had little or no say on many issues (Alharbi, 2021). However, in the past decade, the government of Saudi Arabia has shown willingness to allow women to take an active role in selected societal aspects. For example, the country now has its first elected female minister, Norah Al Faiz (Cheney, 2009). This is clear evidence of the progress of the situation of women in taking roles in Saudi society. This implies that there may be a positive impact on family business ownership as well. For instance, one magazine reports that women are becoming proactive in running their businesses and therefore

can be entrusted to run businesses owned by families (Alharbi, 2021). This transformation in the family business is great. However, it comes at a time when there are numerous challenges facing family businesses in a country that is diversified.

Research has revealed a staggering rate of family business failure in Saudi Arabia. This failure leads to problems by affecting business stability throughout the country as businesses become more volatile. This also leads into another problem where the government cannot profile sustainable employment (Ekanem & Alrossais, 2017). Family business stability and sustainability are crucial to the economy of the country. The future success of these businesses depends to a large extent on the achievements of the family businesses and the newly intent entrepreneurs. The aim of this study is to explore the types of ownership succession planning that are more associated with family business post-succession performance in Saudi Arabia and that consequently lead family businesses to success by comparing businesses succeeded by family members with those succeeded by professional/consulting firms.

The study unravels the need to strengthen the management practices in order to ensure that family businesses in Saudi Arabia are sustainable and stable at all times. The research may contribute to the provision of valuable information that may be used by family business owners, prospective business managers, government entities and young entrepreneurs in ensuring that they take sufficient measures to sustain the future of family businesses in Saudi Arabia.

Therefore, the study aims to fill a gap in literature by providing recommendations based on the inferences made from the study of managerial issues as a whole and the sources of those issues in family business in Saudi Arabia. The leadership transition crisis tends to hit these businesses hard, and therefore most of them end up becoming extinct by the third generation.

1.2 Background and Introduction

1.2.1 Background

Having discussed the context of the KSA, the nature of the Socio-Politico-Environmental and Legal structure of the country places it within a family-oriented society where the role and hierarchical structure of the government remains vital. The monarchy that governs the country has over the years imposed strict laws that cemented the position of leadership of the monarch, and this translated to the organisation and management of family units (Al-Dubai et al., 2014). To this extent, the role of the patriarch remains crucial in making major decisions within the family, and family business. Having a position of power and authority to run a family and/or government (and/or its arms) essentially means being able to make decisions that will affect other people. This is essentially leadership, and the monarch exercises their political leadership that is characterised by a paternalistic style of leadership, grounded on religious tenets. The structure of the society places men in this position, and hence gives them patriarchal power, with immense influence in religious and business activities.

The responsibility that is bestowed on the patriarchs and by extension on the male members of society appears to be both sacred and political (Al-Dubai et al., 2014; Sonfield et al., 2016). To this extent, male members of society are entrusted with family properties and fortunes. The social position of the male members also gives them an edge when considerations are made for jobs, where they tend to be chosen first, and yet, within the natural structure of families, it is not male children are not always the first born. On the same note, it may also not be the case that the male members of a family are well endowed to run their business operations, or that they have interests in the same (Sonfield et al., 2016; Buckman, Jones, and Buame, 2019). These realities tend also to depict the beginning of problems within the management of family businesses (Sonfield et al., 2016). It is

crucial to understand how these different realities play a major role in creating problems during the running and succession of family business entities.

1.2.2 Introduction

Family businesses are those that are owned by members of a family, and in most cases, the father or mother have the overall responsibility for the day-to-day decisions of the business. Most family business tend to be of small and medium sizes, and these areas often an important component of the economy in many countries (Beck et al., 2005; Nunes et al., 2013). Many SMEs tend to have strong inclinations towards family ownership, and as such, tend to be run through strong personal decision-making acumen. Sharma et al. (1997) indicated that this ownership and decision-making capability, which is often mistakenly regarded by the owners as the ability to benefit the business and the family, is a common error. When the management and ownership of the business are in the same hands, responsibilities tend to become confounded, and usually, the owners fail to appreciate that a trade-off should exist. Zachary (2011) concluded that there is a complexity in family businesses that tends not to be seen in other kinds of business that are not necessarily owned by families.

In many countries, family businesses contribute immensely to the Gross Domestic Product (GDP). In Figure 1 (below), it can be seen that family businesses contributed 94% of Italy's GDP, 93% of Ecuador's GDP, 85% of Lebanon's GDP, 79% of Italy's GDP, and 74.7% of Peru's GDP. In fact, it is evident that in countries within the Latin America region, family businesses play a key role in their GDPs. On the other hand, looking at counties in Europe, the contribution of family businesses to GDP is between 45% (in Belgium), and 57% (in Germany), and yet Italy has the highest percentage, at 79%. Iraq has the lowest percentage of contribution of family business to the GDP, at 35%; however, it should be noted that Iraq is reeling from civil problems and hence the government does a lot in terms of managing business operations.

It can thus be said that across the spectrum, from the richest economies of Europe to the less developed economies of Latin America, the role of family businesses is significant.

Figure 1: Showing the contribution of family businesses to the GDP of selected countries
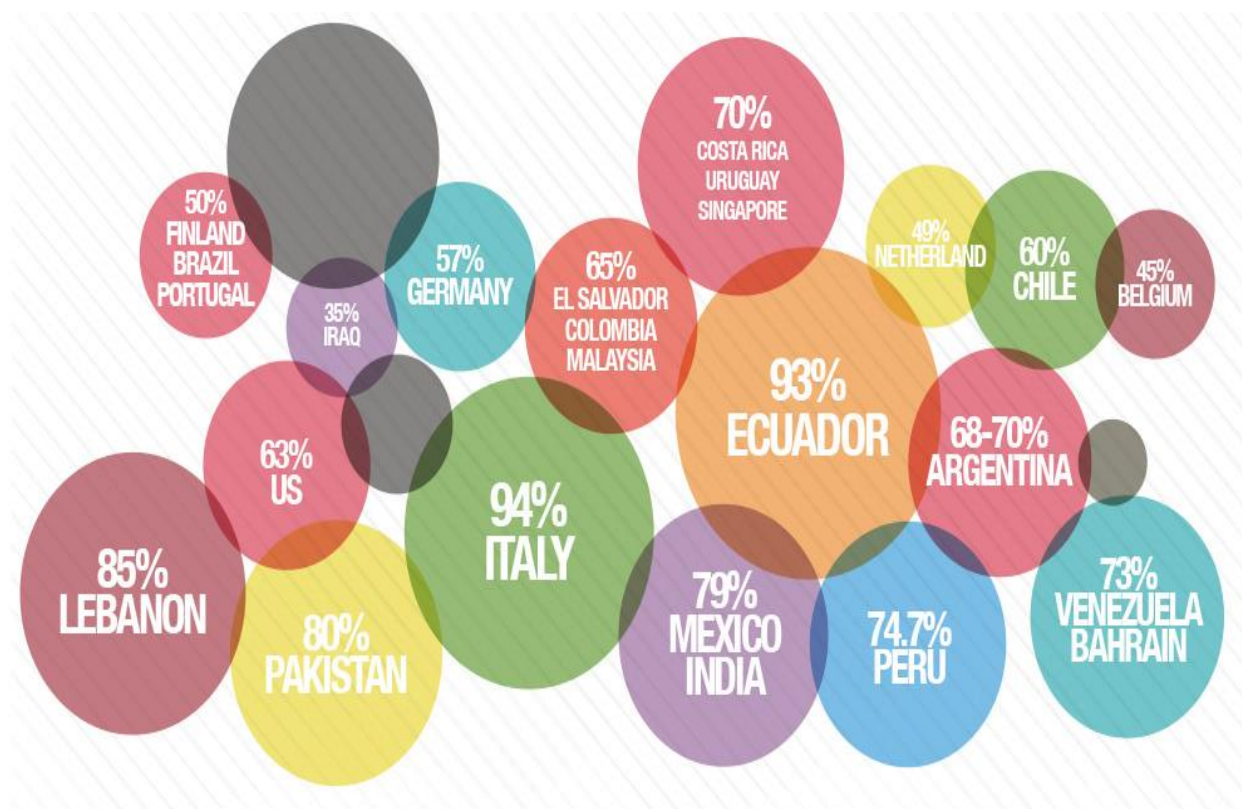
(FFI, 2016)

1.2.3 Importance of family businesses in Saudi Arabia.

The contribution of family businesses to the economy of Saudi Arabia stood at $216 billion in the year 2021 (Asharq, 2022), and family businesses represent 63% of all business establishments in this country (Asharq, 2022). Most of these family businesses are in major cities, with 45% in Riyadh, 28% in Makkah and 18% in the Eastern Province (Asharq, 2022).

In the Kingdom of Saudi Arabia (KSA), family businesses tend to be owned by family members with the leadership of a patriarch. Family businesses tend to span many industries, retail and service (Wright et al., 2014). In the retail sector, family businesses can be in the areas of restaurants, general merchandise shops and clothing, while in the services sector, they tend to be in the accounting, transport, cleaning, and social care sectors.

Although the concept of family business is historical in origin, it has been regarded as an emerging field in the entrepreneurship development studies. Dana and Ramadani (2015) noted that family business has become an emerging concept, which is only recently receiving attention in the academic field. However, several arguments about what really constitute family business are still forming as a key component of family business discussions. Thus, to date, authors and researchers in the field of family business are yet to agree on a specific definition of family business (Neubauer & Lank, 2016). Many researchers (for instance, Lorna, 2010; Handler, 1990; Churchill & Hatten, 1987; Bakar, Ahmad, & Buchanan, 2015) have made efforts to arrive at a specific definition, particularly in the social science research domain, though offering different views on the definition of family business.

Hoy et al. (1994) asked, 'What is a family business?' People seem to understand what is meant by the term 'family businesses, yet when they try to articulate a precise definition, they quickly discover that it is a very complicated phenomenon. One of the main reasons for this complication is because different definitions consider different components to explain this term: some definitions focus on the family member who makes decisions (Powell & Eddleston, 2013), while others consider the number of family members on the board (Sonfield et al., 2016) and yet others focus on how the business started (Deephouse & Jaskiewicz, 2013).

Family businesses contribute greatly to the GDP in many countries, underscoring their importance in many economies. Moreover, family businesses have the same characteristics as small firms: they are flexible and agile, and hence can be controlled easily by owner-managers, who are mainly family members. Family businesses have been in existence for many years and are great drivers for economic growth. Miller et al. (2003) posited that family businesses are essential in the economic and social development of a country. Sharma et al. (2001) conducted their study in Germany and concluded that family businesses are important as economic tools around the world. The assumption that most businesses in developing economies are family owned is not conclusive, however. Past studies on family business have concentrated on diverse perspectives: for instance, Brid et al. (2002) examined family business with respect to its academic research and recognition, whereas Loma (2011) investigated the emerging paths of family entrepreneurship research.

1.3 Reasons for succession planning

One of the main reasons for running a business is to ensure that it continues to operate in perpetuity, unless there are clauses or reasons that force it to close (Anderson & Reeb, 2003; Bakar et al., 2015). The future of any business must be a key priority for business owners and managers alike. When businesses make plans, quite often these are aimed at ensuring that the entity can overcome immediate and future challenges and remain viable in its market or industry. It has emerged that succession planning has become a major threat that affects family businesses (Nordqvist et al., 2013). Succession planning is viewed as a challenge due to lack of effective training, leading to a skills gap between the management/owner and the workforce or successors (Nordqvist et al., 2013). Often, as the case may be in Saudi Arabia, the owner is a patriarch who has gained experience over many years, but the successors have no experience of running such entities.

1.4 The founder

The founder of any business is viewed as the most important person in the life of that business. It is apparent that the stages of development of the business and the inflexible nature of the founding personality can come into conflict (Benavides-Velasco et al., 2013; Nordqvist et al., 2013). For example, the firm may grow beyond the founder's ability to be involved in every detail of its operations, yet the founder may be unable to give up the appropriate amount of control to others in the organisation (Benavides-Velasco et al., 2013; Nordqvist et al., 2013). Some of the clearest explorations of the family business have focused on the motivations and characteristics of the founder as the initiator and vital life force of the business (Handler and Kram, 1988). Efforts to understand the founder have included analysis of his personality characteristics, which contribute to a paternalistic and often enigmatic leadership style. An explanation of the various types of founders is given in section 2.0.

1.5 Problem statement

Succession in family businesses is a matter that continues to cause concern due to its complex nature (operationally) (Al-Dubai et al., 2014). This is because, where companies are held and run by family, at some point there must be a transfer of ownership and running powers to the next generation. The researcher herself has been caught up in a succession problem in her family-owned business, where the owner (father) was no longer able to run the business and a protracted family feud ensued, which has not yet been solved.

The owner of the business has the skills and experience to run the business, but as time goes by, the owner may transfer the power to others, and yet challenges might arise because the next generation may not be in a position to run the business like the owner. The long-term success of a family business from generation to generation is rooted in the development of competent leaders

for the future. A good succession and transfer of leadership to the next generation is dependent on how the family is run. Will the family foster nepotism and entitlements? Or will they build a professional corporate culture based on competency criteria, for both employment and promotion?

In the existing literature, the discussion has examined the issue of succession, considering why it has to happen and the challenges thereof (Bakar et al., 2015; Nordqvist et al., 2013). In Saudi Arabia, the problem of succession is compounded by other factors, including having a society that allows men to have greater say in many matters and government's interference with the management of family businesses when there are challenges (Sonfield et al., 2016).

The main problem area is in identifying a solution that will make succession in family businesses a practice that can be undertaken without controversies and challenges in families. These challenges are numerous and are mainly institutional. There is a tendency in Saudi Arabia to impose succession – an issue that traces its origins to cultural practices in the country. Imposition is a case where the owner picks one child from among the others and allows that child to take over the running and management of the business (Gilding, Gregory, & Cosson, 2011). One important issue in this regard is that often, the child may have their own ambitions and interests, but these may be overlooked. Hence, they are put in charge of the business, to the disapproval of other children (or family members), while at the same time, they may not even wish to own or manage such a business (Gilding, Gregory, & Cosson, 2011; Ogbechie & Anetor, 2015). In a predominantly masculine society, cultural institutionalism remains a silently unquestioned norm, and individualisation, where everyone is considered on their own merit and interests (Gilding, Gregory, & Cosson, 2011; Budhiraja & Pathak, 2018), is largely ignored, both practically and academically. Understanding the root cause of these challenges is an issue that needs further exploration, and this study has attempted to examine how to deal with this issue.

Studies on succession planning span many different aspects: for instance, studies on how family businesses are run (Ghee, Ibrahim & Abdul-Halim, 2015; Budhiraja & Pathak, 2018), the issues affecting the success of such businesses, including finances and family cohesion (Ogbechie & Anetor, 2015; Gilding, Gregory, & Cosson, 2015), and studies on the role of government in determining the ways family businesses operate (Hnatek, 2012; Dalpiaz, Tracey, & Phillips, 2014). Most of the studies on family businesses have looked at the challenges of managing such entities (Ward, 1997; Dalpiaz, Tracey, & Phillips, 2014; Ogbechie & Anetor, 2015; Budhiraja & Pathak, 2018), and attempts have been made to provide lasting solutions to the diverse problems. It is, however, interesting to note that the challenge of imposition, which leads to acquiescence followed by implosion, has not really been examined in the existing literature.

According to Hnatak (2012), Implosion involves the situation where there is a breakdown and /or failure of an organised system. In the context of this study, implosion is the state of chaos that results due to several negative forces that a family business owner and unit is facing. When the family business owner has to face the demands of his / her family, traditions, and demands from the regulators (government), their focus tends to remain impaired to the extent that issues of succession are not prioritised, thus the result is in-fighting among family members. When there is chaos in the family, the business suffers.

1.5.1 Family business and heirs' interests

One of the issues that appears obscured in the views that have been identified from the field study and existing literature is the discussion of the interests of the children in a family business setting. Ensuing discussion remains hinged on the assumption that the children who should be apparent heirs are happy to carry on with the business. The assumption that these children are not able to

make up their minds on what they want, or that they will always agree with the owner, appears flawed. Mokhber et al. (2017) found that there is a need to consider the kinds of business that are being examined: for instance, businesses that provide specialist services may not necessarily be passed on to the heirs, unless the role of the heirs will be mainly managerial. Considering the fact that the children may be pursuing different professions from that of the owners (Hillen & Lavarda, 2019), it is worth examining the realities of the industries in question.

Pirhadi and Feyzbakhsh (2021) conducted a study on the ability of the owners to manage their entities very well, due to this being their vocation, such that the erstwhile success of their businesses is assumed to have come from the infusion of their passion for business and their profession. This is a reality that may not exist if children are to be enlisted as successors who actively run the entities (Ljubotina & Vadnjal 2017), yet the owners themselves may not be open to the idea of having managers to run their entities, because this will take the business away from the family (Hillen & Lavarda, 2019).

A study by Chepurenko (2018) considers the case where the children have been made to pursue a course against their own will, making them less effective in the management of their entities. Some studies have stated that in all cases, whether the children were trained or not, they have come across as very effective managers (Kubíček & Machek, 2019; Pirhadi & Feyzbakhsh, 2021). These studies, have, however, all been conducted in counties that have low collectivist cultures, and more individualistic cultures – a situation that may not necessarily explain the reality in Saudi Arabia or other countries with highly collectivist cultures.

In their discussion of the differences in ambition between one generation and another, Porfírio, Felício and Carrilho (2020), provided an elaborate examination of why generations tend

to fall apart, by stating that the variety of career choices that are presented for the new generation widens the wedge between the desires of the children and those of their parents. Professional choices have superseded family cohesion, and individualism is increasingly becoming dominant in many societies (Hillen & Lavarda, 2019).

Professionalism in the expectation that the family business will be passed on to the new owners or manager in a systematic manner is, however, lacking among the older generation (Porfírio, Felício & Carrilho, 2020), yet it is evident that in some of the cases witnessed, the owners are not old (Kubíček & Machek, 2019; Porfírio, Felício, & Carrilho, 2020), and so, the desire to control the future of the business is evident. To this extent, it can be stated that professionalism in the management of family-owned entities is an issue that must be learnt by the owners, especially in the contemporary setting, where the environment is very dynamic, with new realities in the political, social, cultural, technological, legal, and ecological spheres.

1.6 Motivation for undertaking this research

The question of family business has been addressed in a number of studies, ranging from ownership (Anderson & Reeb, 2003; Bakar et al., 2015), to starting a business (Centeno-Caffarena, 2006; Al-Dubai et al., 2014) and running the business operations (Gherardi & Perrotta, 2016; Sonfield et al., 2016). These studies have focused on procedural issues (i.e., those that are within the course of day-to-day management of a business), and have drawn in the role of the owners in the management process, which is an expected discussion; however, most of these studies have not gone further to identify the difficult situation in which owners can find themselves when institutional (culture, religion, family, traditions: Centeno-Caffarena, 2006) or individual factors (attachment to the business: Leaptrott, 2005) hinder their grooming of a successor. These two sets of factors (institutional and personal) place owners in a position where what remains is desperation on his part, especially given that they are likely to be frail and not able to make rational decisions regarding

the continuity of the business entity (Szymanska, Blanchard, & Kuhns, 2019). The interest that has been generated over the past 10 years in the question of family businesses shows how this aspect of business is an important component in the economic activities of a country. The running of family businesses has been a major element in the discussion of family businesses, and there is not much difference between the operations of family businesses and those of other small business entities. The title of this study was part of my master's degree dissertation, which also formed a book chapter on Entrepreneurship and Business Innovation in the Middle East, published by IGI Global, and therefore, this is an area that greatly interests me.

Family businesses have played a major part in running the economies of many countries, especially in Asia, Europe, and Africa. They create jobs, generate goods and services, and also support governments through taxation (Nordqvist et al., 2013). However, one area of family business that has continued to raise controversy is that of succession. Studies of family businesses have examined the question of succession from different viewpoints, with extensive coverage of how to succeed the owners of these businesses (Bakar, Ahmad & Buchanan, 2015; Nordqvist et al., 2013), how to mentor the children to take over businesses (Gherardi & Perrotta 2016; Bakar, Ahmad, & Buchanan 2015), and the challenges of success (Al-Dubai et al., 2014; Sonfield et al., 2016).

There have been studies on succession and cultural influences linking to imposition and institutionalisation but not implosion (defined in section 1.5). One of the areas of family business that has been of interest to me has been the question of having a practical systematic approach to business succession, especially an approach that is put forth to deal with problems between family members. As far as I am aware, this area has not been covered and requires further examination.

1.7 Focus of the study

This research examines the situation of family businesses in Saudi Arabia, where the family business entities form a large part of citizens' economic engagement. Saudi Arabia is a patriarchal society, and for a long time the succession of the business would pass from the founder to the male children (Zellweger & Sieger, 2012; Gherardi & Perrotta, 2016). Usually, succession is non-negotiable, and only the men play an important role in this process. Such an arrangement has, however, been questioned in the recent past, and there have been situations where female members of the business have asked why they are not able to take an active role, not only in the succession line but also in the day-to-day management of such entities.

Succession processes and problems have brought to the fore another group of persons: the legal experts who may act as managers or custodians of key documents that can be used to settle disputes. However, there has been little discussion with regard to these legal experts, and this is part of the bigger challenges that face the process of managing family businesses. An issue that emanates from the discussions of family business succession hinges on the question of culture, as was prescribed by Hofstede's cultural theory. In such a case, the national culture influences the practices within an organisation. In this study, national culture transcends internal and external issues within an organisation. Based on the information that has been presented in the previous sections of this study, the key research questions and objectives are highlighted below, and these form the focal point in examining the situation of family businesses in Saudi Arabia and thus the scope of this research.

1.8 Research Questions, Aim and Objectives

1.8.1 Key research questions

a) How does imposition affect succession planning in family-owned businesses in Saudi Arabia?

b) What are types of ownership succession planning that may be associated with family firms and their post-succession performance within Saudi Arabia?

c) What is the role of institutions in succession planning in family businesses in Saudi Arabia?

d) How can these challenges be dealt with in succession planning?

1.8.2 Research aim

To explore the types of ownership succession planning that are more associated with family firm post-succession performance in Saudi Arabia, by comparing businesses succeeded by family members with those succeeded by professional/consulting firms.

1.8.3 Research objectives

a. To examine the factors that are affecting succession planning in Saudi Arabia.

b. To establish the problems faced during family business succession.

c. To investigate the problems caused by institutions in the succession process.

d. To investigate how these challenges can be dealt with.

1.9 Structure of this thesis

This section explains the contents of this thesis. This chapter has provided the context and background to the study, examining the background information about the origin of this concept of family business and how it has emerged in different countries. The chapter also presents the aim, objectives, and key questions of this study. It has also provided the problem that this study seeks to address, setting out the challenges of succession planning that arise among family businesses in

Saudi Arabia, with the role of the owner emerging prominently in succession failure. Lastly, a brief context of the country (the Kingdom of Saudi Arabia) and other background information is given in the Appendix.

The next chapter (Chapter 2) is the Literature Review, which examines existing literature pertaining to this study and explores the views of different researchers and writers on the theme of this study. This chapter starts by explaining what family business is about and the kinds of founders of family businesses. Three kinds of founder have been identified: they are the proprietor, the conductor, and the technician, each with specific characteristics. A table of definitions is presented, outlining how different researchers have defined the term 'family business', and from this, a working definition is chosen. This chapter also discusses the context of family business, entrepreneurs and entrepreneurship, the context of polygamous families and the dynamics that they face in managing their family businesses. Another aspect that is discussed in this chapter is the steps involved in managing succession planning.

This chapter sets out the theoretical and conceptual framework of the study. In particular, it presents three theories in the theoretical framework, namely Game Theory, Institutional Theory, and Experiential Learning Theory. The chapter also analyses the gaps in the literature and highlights areas of the existing literature where there appear to be gaps within the scope of my research. Here I discuss key institutional tenets that were identified earlier in the literature review section. Lastly, a proposed framework with factors leading to success is presented within the lenses of selected theories (mainly classical lenses), and the chapter presents a revised model of classical theory that fits the context of my research.

This chapter is followed by Chapter 3, which sets out the methodology for this study, with a definition of ontology and epistemology. The next aspect of discussion is the research process used. The chapter also discusses the study's research philosophy, which is identified as interpretivism, as well as the research approach and research methodologies used. I present a brief discussion of the case study approach and why I considered it, but explain why I did not use it, choosing instead to present an example of a successful businesswoman for reference only and to support my discussion. I also explain how I used primary and secondary data sources and the process I used in data collection, how I identified the respondents, how I triangulated the data, and my method of data analysis, including the challenges faced in this study. Lastly, I explain the concepts of Bias, Generalization and Validity, and the limitations of my study.

Chapter 4 presents the analysis and findings. It starts by presenting a table setting out the profiles of the companies where I conducted my interviews. I explain the findings of this study and what these findings mean in context, based on the objectives that were to be met. In explaining the findings of this study, I use tables to summarise the themes or codes that were identified from the verbatim responses given by the respondents.

Chapter 5 forms the discussion chapter, in which I discuss the findings of my data in the light of the literature. The discussion has explored various aspects factors affecting family businesses (based on the views of the respondents). The inevitability of the changing environment has not yet been appreciated by family business owners in Saudi Arabia, and to this extent, they are not prepared their successors.

The last chapter (Chapter 6) presents the conclusion, contribution, and recommendations of this study. I start by giving concluding remarks, identifying why the study was conducted, and

discussing the challenges facing family businesses in Saudi Arabia. The chapter also shows how I have achieved what I set out to achieve. This chapter also presents the study's contribution to knowledge and to practice, and finally provides recommendations that can support family businesses and future studies in this field.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction, definitions, and kinds of family business founders

2.1a Introduction to the concept of family business

This chapter outlines the existing literature on family business and follows the scope set out in the objectives of this study. The literature is drawn from various sources, including academic journals, books, and case study articles. This review involves examining the conceptual frameworks that are available to identify gaps that seem to be the most appropriate and productive for the purpose of the study and positioning the study in relation to the existing literature.

Several studies have examined issues related to the broad context of family business and family business succession. An extended analysis of the succession process has been highlighted by Daspit et al. (2016), who outlined three key phases in the life of a family business within the context of succession. These stages are Ground Rules, Nurturing, and Hands-off. In their findings, they have shown that the Ground Rules stage has widely been studied. In their discussion of the Handover, which is of key interest in this study, they have identified two key issues – family context and non-family stakeholders – which might impact the way succession is carried out (Adedayo, et al., 2016). Their discussion has taken a more general approach but highlighted factors that can provide insights to the issues that impact family businesses in many parts of the world.

An extensive qualitative study on successful family business was conducted in Indian family businesses by Kandade et al. (2021). They found that strong interpersonal relationships are crucial in creating next-generation leaders who can take over the business, because such relationships benefit both family and non-family members of the business – who can potentially run the entity. Another qualitative study in Italy, conducted by Cassia et al. (2011), stated that social interactions, values, culture and corporate identity are crucial to the success of family businesses, especially when expansion is necessary and there is a need for more leaders to take over certain aspects of the

business. Parada and Viladás (2010) also conducted a qualitative study on family businesses, arguing that successful succession must encompass the passage of core values to the heirs with the view to ensuring that these core values that have sustained the business are maintained. In South Africa, a qualitative study on Black-owned family businesses found that the owner's commitment to the business is a key determinant of how the business will be passed down to the heirs (Gomba & Kele, 2016). Gomba and Kele (2016) went on to say that the owner's commitment creates interest in the successors, because such commitments translate into influence and strong decision-making capability, which eventually leads to picking a viable successor for the business.

Davis (1990) provided characteristics of family business founders. In his analysis, he identified three main types of family business owners, namely proprietors, conductors, and technicians. Davis (1990) identified a proprietor as a founder who ensures that ownership of the business is crucial and often employs an authoritative style of leadership. This founder also tends to seek submission from family members and the emphasis on professionalism is almost non-existent (Davis, 1990). The second type of founder is the conductor, who ensures that staff members are well looked after and developed and that there is delegation of responsibility and will always seek to avoid the dilemma of succession (Davis, 1983, 1990). The third type is the technician founder, who is obsessed with ensuring that technical skills are developed, ensures that non-family members are given responsibilities, and can place children in management positions, thus creating feuds between the children and non-family managers (Davis, 1990).

Other studies have provided a broad outlook on the issues relating to family businesses using different contextual underpinnings, as shown below.

Table 1: Contextual underpinnings of this study.

Contextual underpinning	A brief discussion about these issues	Authors
Commercial institutional issues	Commercial aspects of succession planning relate to what businesses are engaged in. Most of the organisations that have been considered SMEs from a range of different sectors.	Ramírez-Pasillas Lundberg and Nordqvist (2021), Van Gils et al. (2014), Deschamps and Cisneros (2014), Chrisman et al. (2013).
Sociological aspects	Aspects of family, religion, culture and traditions are crucial in Saudi Arabia. This means that decisions are communal in nature.	Van Gils et al. (2014), Morris and Kellermans (2013).
Economic and technological issues	Changes in the economy of a country and issues relating to technological advancements have all contributed to business development, but also pose challenges.	Carsrud and Cucculelli (2014), Schjoedt et al. (2013), Stewart, Katz and Lumpkin (2012).

These studies provide a glimpse into the contextual issues relating to family and are a pointer to the key areas of family business operations, but not necessarily of succession.

2.1b Definitions

A number of definitions of family businesses have been given, highlighting growing interest in this field. Many of these definitions give consensus to the fact that family businesses are an aspect of small business operations (Sonfield et al., 2016) but are run by families (Gherardi & Perrotta 2016). The limitations associated with family businesses being classed as a subset of small business entities are clearly seen in this period when there are clearly large business organisations that are family owned, such as Al-Rahji, Bin Laden Group and Trump Group (Sonfield et al., 2016).

Other definitions have also been used in the existing literature, summarised in Table 2, below.

Table 2: Definitions of family business in existing literature

		Levels of family involvement		
The definitions given in existing literature	Citations in literature*	Owned and managed by family	Owned but not managed by family	Managed but not owned by family
"…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 et al., 1999, p. 25)	2921	x		
"The ownership had to reside completely with family members, at least one owner had to be employed in the business, and one other family member had either to be employed in the business or to help out on a regular basis even if not officially employed" (Lyman, 1991, p. 304)	378	x		
"…a business where a single family owns the majority of stock and has total control"	512	x		

(Gallo & Sveen, 1991. p. 181)				
"…inwardly directed or closed family-related systems. Among their managers are fewer pioneers than 'all-rounders' and organizers; as a consequence, their strategic behaviour is rather conservative." (Donckels & Fröhlich, 1991, p. 149)	974	x		
"…controlled by one or more families (that have) a degree of influence in organizational governance sufficient to substantially influence or compel action" (Dreux IV, 1990, p. 226)	338			X
"…an enterprise which, in practice, is controlled by the members of a single family" (Barry, 1975, p. 42)	316		X	
"Family businesses are basically owner-managed enterprises with the family involved within the business" (Churchill & Hatten, 1987, p. 51)	687	x		
"…organizations where two or more extended family members influence the direction of the business through the exercise of kinship ties, management roles, or ownership rights" (Tagiuri & Davis, 1996, p. 199)	1654	x		

"Family businesses are those whose policy and direction are subject to significant influence by one or more family units. This influence is exercised through ownership and sometimes through the participation of family members in management." (Davis, 1983, p. 47)	626	x		
"…a company is considered a family business when it 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 interests and objectives of the family" (Donnelley, 1964, p. 94)	853			X
"Controlling ownership rests in the hands of an individual or of the members of a single family" (Barnes & Hershon, 1976, p. 108)	813	x		
"…an organization whose major operating decisions and plans for leadership succession are influenced by family members serving in management or on the board" (Handler, 1989, p. 262)	1039			X
"Family firms are distinguished by both the active involvement of family in firm	929	x		

management and the intent that future ownership will remain in the hands of family members" (Litz, 1995)				
"…ownership is concentrated, and owners or relatives of owners are involved in the management process" (Welsch, 1993, p. 40	143	x		

* As of May 2021.

The definition that provides the working definition for this document has been given by Tagiuri and Davis (1996), who noted that family businesses are business operations whose management is solely in the hands of one or more family units – comprising the father, mother, and children. In most cases, these male children show more active participation than female children (Sonfield et al., 2016).

Successful family businesses have four components in their family employment policy to foster the development of future leaders: first, they have clear guidelines for the initial employment of family members, based on educational or technical expertise, experience working outside the family business, and a demonstrated level of emotional maturity (Benavides-Velasco et al., 2013). Second, there are defined performance criteria with measurable standards and objectives for the promotion of family members to increasing levels of managerial responsibility (Benavides-Velasco et al., 2013; Sonfield et al., 2016). Third, compensation guidelines are consistent with the salary and incentive program for non-family employees in similar positions. Fourth and last, there is commitment to the ongoing educational development of managers through programs such as technical training seminars, executive MBA (Master of Business Administration) programs, or

ongoing participation in peer development groups such as Forums for Family Business (Sonfield et al., 2016).

Accordingly, Handler and Kram (1988) posited that family business has been a source of strength and power since the ancient economies. Family business plays vital role in the economic development of a country and is an effective engine for every economy in terms of job creation and tax collections (FFI, 2016).

2.1c Family-Owned Business (FOBs)

FOBs can be defined in many ways depending on the method of operation of the business as well as the composition of what makes it a business and the impact of family (Aronoff & Ward, 1995). They are considered to be one of the earliest and oldest forms of organization in running a business. The founder, who in most cases is the owner, starts and runs the business and later hands it over to the heir(s). This can happen as a result of retirement, death, or any other reason that prevents the owner from continuing with the task of running the business.

FOBs vary widely in size and operation capacity, and they contribute significantly to the country's economy. In most countries, most of the big firms are either family owned or controlled. Even though they may belong to one or a few individuals in a family, FOBs create numerous job opportunities for members of the society (Ramírez-Pasillas Lundberg & Nordqvist, 2021).

A business is said to be an FOB if members of one family control a large number of shares or own more than half the firm. The family ensures that the firm not only generates income like any other business but also runs according to the family's plans for it. Ownership can be as simple as two or three family members or can extend to an entire clan. Family members might include the

father, mother, and children (Deschamps & Cisneros 2014), but in some cases, especially in Saudi Arabia, where the owner may have more than one wife, there may also be a stepmother and stepbrothers and sons. These members may have indirect role in the management of the business (by virtue of being part of the family).

2.2 Family Business, entrepreneurs, and entrepreneurship

2.2.1 Economic Entrepreneurship

Entrepreneurship has been studied and explained by scholars through several theories that are multidisciplinary in nature, with roots in management, sociology, economics, psychology and anthropology. The classical and neoclassical economic theories are the basis on which economic entrepreneurship theory is built, along with the Austrian market process, and the purpose of all these theories is to examine the possible enhancement factors that influence entrepreneurial behaviour. For instance, Classical theory can be traced to the works of Ricardo (1817) and Smith (1776), and free trade, specialization and competition are the virtues that are mostly acclaimed in the classical theory (Zahra et al., 2014).

This theory was developed in the 1700s in Britain during the industrial revolution and prevailed for almost 130 years (Carlson et al., 2013). The role of the entrepreneur was described as the responsibility for production and distribution of goods in a highly competitive marketplace. The entrepreneurs are those who must organise the factors of production (scarce resources) in such a way that there will be benefits from the same activity (Kuratko, 2016). It is important for an entrepreneur to identify the four factors of production: Land, Labour, Capital, and Organisation (Cullen, Johnson, & Parboteeah, 2014), and ensure that the right mix is adopted with the view to gain maximally from the same. The theory identifies an entrepreneur as a master organiser (Kuratko, 2016), who knows and can manage resources at present and into the future.

Thus, when examined in the context of family business, the entrepreneur or the owner of the business has to organise the resources needed to bring the family business to operation (Sarasvathy & Dew, 2013). Organising resources includes organising human resources, which should result in successful transfer of the running of the business to the next generation. According to Dixit and Moid (2015), there have been many discussions and objections to the classical theory and its three production modes: land, capital, and labour. Although this theory has been widely employed, its proponents failed to provide a proper explanation of the turbulence that the entrepreneurs of the industrial age have caused to the succession processes. The industrial age entrepreneurs brought in long-term ownership and innovation through competition. Their notion of succession was almost non-existent because they had to see their innovation mature (Carlson et al., 2013). Classical theory remains a historical theory that cannot explain contemporary challenges that face family businesses.

As a criticism of the classical model, the neo-classical model has emerged with certain indications, such as the downgrading of economic phenomena to some specific instances of pure change as well as transpiring in an almost closed economic system. The economic system had its own exchange participants and occurrences, along with other actors that operated on the market and were influenced by the results of these exchanges (Murphy et al., 2006). With the importance of exchange and the diminishing of marginal utility, there were sufficient stimuli for entrepreneurship in the neo-classical movement. However, this hypothesis was criticized because it ignores individual entrepreneurship and its uniqueness due to overall demand. Innovation outcomes are also set aside, as they are not reflected in either use value or exchange value. Another critique was given in the context of the complexity of market-based systems, which cannot be captured by rational resource allocation.

Since the neo-classical movement left many unanswered questions, the Austrian Market Process (AMP) emerged as a new movement. The Austrian movement emerged as an attempt to consider the complexity of the market-based system. This model was mostly influenced by Joseph Schumpeter and focused on human action as part of an economy of knowledge. Schumpeter noted that entrepreneurship can be considered as a driver in market-based systems (Sarasvathy & Dew, 2013). Each enterprise has the purpose of creating something new that would serve as an impulse to the market economy and its motion. For instance, in considering the case of family business, AMP theory can explain that family businesses arise because of the activity of family business owners' quest to serve their societies and also to make profit. Thus, business owners may venture into any kind of business activity because of their ability to operate in the industry (Keyhani et al., 2015).

These types of activities were not explained in the neo-classical framework, as it was assumed that there would be perfect competition in the specific market and closed-system assumptions were made. On the other hand, AMP never assumes that there are repeatable circumstances that would result in equal outcomes in an economic system. AMP suggests that entrepreneurs use episodic knowledge in order to generate value. According to Kirzner (1973), this process is based on three conceptualizations. The first conceptualization is the arbitraging market, which offers opportunities for certain market actors, as the other actors overlook the opportunities or do not deal with them in the most optimal way.

The second conceptualization offers awareness of profit-making opportunities and is where entrepreneurs gain their advantage. According to Say (1803) and later Schumpeter (1934), the third conceptualization is the difference between ownership and entrepreneurship. Another view holds that there is no need for resource ownership for entrepreneurship or an idea that would add a context

to uncertainty and risk (Keyhani et al., 2015). These three conceptualizations indicate that each opportunity is unique, and no reliable predictions can be made based on previous activity.

With regard to family businesses, it can be stated that the ability to innovate gives the owners the ability to offer products and/or services that the clients will need. Those who have successful businesses are those who have offered the clients something that is needed (Hallen et al., 2014), and thus allowed their businesses to grow. This view is limited in that it dictates that entrepreneurship is about new creations, which is not always the case. Entrepreneurs do not necessarily have to provide a new product: they can have a new approach to the development of the product or service.

This can include their social skills, their technical ability and their knowledge of the business. Cullen, Johnson and Parboteeah (2014) attempted to examine the importance of skillsets in developing or enhancing business performance. This link presents a new avenue in examining how business owners can bring in new skills and new ways of running their businesses and thus also train their successors on the need for flexibility. It should, however, be noted that this view is not entirely different from Schumpeterian Innovation Theory, although it presents a contextualised understanding of an adaptation of the entrepreneurship in the ever-changing business environment.

2.2.2 Psychological Entrepreneurship

According to Landstrom (1998), there is an individual level of analysis in psychological entrepreneurship. In this focus are the personal characteristics that define entrepreneurship, along with all the personality traits needed for higher achievement and control. Three new characteristics that have entrepreneurial tendencies are presented, namely innovativeness, risk-taking, and tolerance for ambiguity. Several theories can be explained under this segment.

Under this section, the following theories are discussed:

- Personality Traits

- Locus of Command

- Need for Achievement

2.2.2a Personality Traits

According to Coon (2004), individuals tend to show certain qualities in most situations: these remain stable and can be defined as personality traits. Theorists who work in this field consider that there are inborn qualities and personal potentials that an individual shows throughout his/her life, which makes him/her an entrepreneur (Sonfield et al., 2015). There are no particular traits that can be highlighted, but some of the characteristics that are associated with entrepreneurship will be identified and further discussed. These characteristics help us to better understand the inborn potentials or traits that can be drawn as a conclusion from a person's behaviour.

The behaviour and characteristics most frequently associated with entrepreneurs are the creativity and innovation that they show. They are opportunity-driven, have excellent management skills, and know their way around business. Entrepreneurs are always optimistic, with strong mental energy, always hard-working, fully committed, with perseverance, and highly competitive, with a strong will to win (Hallen et al., 2014). They never settle for the status quo, always seeking improvement. Entrepreneurs are always ready to learn and use failure as a tool, overcoming present or emerging obstacles: for instance, family business owners tend to seek new ways to overcome business challenges (Keyhani et al., 2015): thus, many scholars consider entrepreneurs as those whose personality traits allow them to take certain risks amidst hope that they will succeed (Al-Dubai et al., 2014; Keyhani et al., 2015). They (owners) always believe that they are prepared to make a difference in the world as individuals, with high integrity and great visions. Despite all that is mentioned above, there is no research evidence to support the trait model, and the only way to

describe it and prove that it exists is to find all those characteristics in a person as inborn qualities that only entrepreneurs would have.

In terms of the situation of family business, a link can be established between the owner of the business and the traits they pass to their children: this is rather biological in nature. If the parents are intelligent, then the children are most likely to be intelligent as well (Keyhani et al., 2015), but could this intelligence be because of having the privilege of affordability rather than mental prowess? Cullen, Johnson and Parboteeah (2014) indicated that there is a correlation between parents and their children in terms of behaviour, and as such, those who are entrepreneurial are likely to see the same skills in their children. One of the sub-theories under this category is the Need for Achievement theory, which is discussed below.

Trait theory has been used to examine the kinds of personality traits of a successor who contributes to the succession of a business from one generation to another. It consists of five variables, namely openness, extraversion, consciousness, neuroticism and agreeableness (Zillig, Hemenover, & Dienstbier, 2002). Neuroticism comprises two dimensions, namely withdrawal and volatility (Sharma, Chua, & Chrisman, 2000). Nine components are involved in volatility, as follows: mood goes up and down easily, easily changes mood, upset easily, emotions under control, easily annoyed, loses composure, rarely gets irritated, stirred up easily, and gets agitated. These traits, combined with withdrawal, qualify individuals differently in terms of how they relate to others, the ability to solve problems, the ability to work under pressure, individually and with teams, and the ability to lead teams and to negotiate.

Considering the importance placed on family business successors, their qualities and abilities may lead a business to a new dimension. Cater and Young (2016) rated personality traits

on importance. They found that 16% of children of family business owners were likely to take up ownership, with a third of them having a clear intention of what they wanted to do with the business. With regard to capacity building, the theory suggests that children should be prepared to grow up with special traits that will enable them to take on the role of ownership and management at any time of their life. Therefore, it identifies that one of the factors that affect family business succession is lack of preparation of the successors, and this leads to the problem of successors taking on the role with no particular interest or knowledge, leading to business failure.

This theory recognises that paying timely attention to the development and training of potential successors and introducing them to the business stakeholders at an earlier stage is a proper succession planning strategy. This plan helps to ensure that when the business owner retires, the business for which he or she worked hard will continue to flourish.

2.2.2b Need for Achievement

Yang et al. (2015) noted that the trait model emphasizes inborn qualities and locus of control as perceptions of the individual about everything that happens in her/his life. On the other hand, McClelland (1961) stated that human beings are driven by the idea of success, the need for accomplishment and achievements. As Shaver and Scott (1992 state, there is a relationship between achievement, motivation and new venture creation.

According to Yusof et al. (2007), risk taking, need for achievement and innovativeness, as well as tolerance for ambiguity, have significant influence on entrepreneurial tendency. On the other hand, the influence of locus of control on entrepreneurial tendency is negative, and this construct is highly correlated with risk taking, the need for achievement and tolerance for ambiguity. As Yang et al. (2015) state, the findings of recent studies have strengthened the conclusions of earlier

empirical studies which focus on the relationship between risk aversion, which declines with the rise of wealth or net assets, and future income. If an individual has success in entrepreneurship and increases his/her wealth, this will probably reduce his/her aversion to risk and will encourage future venturing, which makes entrepreneurship a self-perpetuating process (Yusof et al., 2007). The theory explains what motivates business owners to start new ventures. Owners' experiences and desire to have a better life encourage them to run businesses, mainly SMEs. The implication of this theory in family businesses is significant. It explains the rigidity of transferring the business to another generation, especially from old and frail individuals. One of the challenges noted is rigidity towards handover because the owner feels that he/she has not accomplished enough. This explains the reasons behind fear of planning for succession, and the constant procrastination about the whole process. Consequently, this may lead to last-minute preparations, which may not be enough to make difficult decisions or may lead to uninformed and irrational decisions that result in business failure.

2.2.2c Locus of Control

One of the most important aspects of personality traits is locus of control, which is a concept introduced by Rotter in the 1950s. Recently, Zheng et al. (2015) and Arend et al. (2015) have noted that it can be defined as the individual's perception about the main causes of events in her/his life: whether we are the creators of our own destiny and decide what happens with our lives, or whether some other events are out of our control and decide the outcomes for us. In this particular context, the success that an entrepreneur can gain is dictated by his/her own abilities with external support. Thus, locus of control can be internal or external: individuals with an internal locus of control feel capable of controlling their life and the events in it, while those with an external locus of control believe that everything that happens in their life is a result of external factors such as luck or fate.

A number of researchers have identified certain empirical findings about internal locus of control as an entrepreneurial characteristic (Zheng et al., 2015; Arend et al., 2015). Family business owners have the drive to control and be independent (Arend et al., 2015). According to Sonfield et al. (2015), some studies have shown that these types of people are more innovative and show competitive aggressiveness as well as autonomy. As Jeno et al. (2017) state, entrepreneurs are more willing to take a risk than those with an external locus of control. Thus, family businesses whose owners have a stronger locus of control tend to succeed because the owners are more willing to do what it takes to succeed than those who do not have such a strong locus of control.

Family business owners need to remain in charge of their lives, and this is the drive to engage in family business and attempt to ensure that their children and other generations remain in the business. This desire for control, when inculcated into the lives of their children, tends to enable them to remain committed to succeed, because the alternative is dependency.

2.2.3 Sociological Entrepreneurship

According to Autio et al. (2014), sociological entrepreneurship focuses on the social context, and its level of analysis is society. As Sonfield et al. (2015) state, there are four social contexts that are related to entrepreneurial opportunity. The first is the social network, whose focus is on building social relationships to promote trust and non-opportunism, which means that the entrepreneur should never take advantage of people in order to be successful but should find a way to succeed and still retain his or her faith in people. The second context is the life course stage, which analyses the life situations and personal characteristics of individuals who are determined to become entrepreneurs, as their experiences could drive them to do something meaningful with their lives.

According to Clausen (2006), entrepreneurs use a larger social network structure, which is a significant part of their opportunity structure. Sometimes an individual may recognize an opportunity for entrepreneurship, but if he/she lacks social connections, he/she will not be able to transform the opportunity into a business start-up (Leyden et al., 2014). If individuals have access to larger social networks, they could overcome this problem more easily. The new founders should have access to entrepreneurs in their social network in order to use the cultural capital that these people represent, and nascent ventures can be used to detect opportunities (Arregle et al., 2015).

According to LeBreton-Miller and Miller (2015), two factors can be used to describe human capital entrepreneurship, namely education and experience. Anderson and Miller (2003) and Gartner et al. (2005) stated that with the use of knowledge gained from both education and experience, distributed across individuals, it will be much easier to identify, understand and exploit different opportunities. Other studies by Arregle et al. (2015), Davidson and Honing (2003), and Korunka et al. (2003) posit that human capital factors are important for new entrepreneurs, as they increase the recognition of opportunities and entrepreneurial success.

Ethnic identification is the third context, which indicates that the social background of an individual can act to motivate him/her to become an entrepreneur and determine the limits for that person (Sørensen & Sharkey, 2014). Individuals from marginalized groups could violate every rule and face all obstacles in their own way in order to gain the success that they strive for, driven by their disadvantaged background and trying to make their life better. Population ecology is the fourth and last social context, which focuses on the idea that in order for a business to survive, the environmental factors need to be taken into consideration. Other factors that also have an impact on the survival of a particular business are government legislation, employees, customers and competition, which could also influence the success of the entrepreneur (Sørensen & Sharkey 2014).

The sociological theories identify the social situation that surrounds the owners of businesses. The owner's environment can shape their understanding, behaviour and perception of things. In terms of the implications to businesses, these theories have examined how risks averseness and risk appetite can be determinants of business generation. Owners who are confident, need independence, and like to take charge tend to be successful, because they are more willing to do what it takes to run their businesses than those who are not (Leyden et al., 2014).

These four constructs are, however, limiting, as they propose that entrepreneurs face no other sociological issues. In the recent past, the internet has created other social spaces that can benefit or hinder the start and development of a business. With regard to family business and succession planning, sociological viewpoints can imply that the owner's surroundings will dictate his/her choice of successor (Adil et al., 2017). This successor is one who has been shaped by their surroundings. An environment that is void of ethical standards may soon fail to permit successful succession, thus leading most businesses to depend on consultants. If successors are not disciplined due to their being in a corrupt society, it will be very hard for them to run the businesses successfully. Moreover, certain characteristics make individuals' networking and social life difficult. Outgoing and sharp successors are needed to break the chains of difficulties in obtaining supplies, stakeholders and maintaining a good working environment.

2.2.4 Anthropological Entrepreneurship

The anthropological theory is the fourth major theory of entrepreneurship. It studies the community, its origin and development, as well as its customs and beliefs or the culture of the people that live in it (Stewart, 1992; Virtanen, 1997). This theory notes that if an individual wants to start a venture and be successful, the cultural and social contexts need to be taken into consideration. In Saudi

Arabia, culture plays a crucial role in business and other aspects of life. For instance, for many years, women have not been allowed to own property, let alone run their own businesses (Chua et al., 2003). This might mean that success can be linked to one's ability to observe cultural demands. On the other hand, there are examples like that of Lubna Olayan (the most prominent female entrepreneur in Saudi Arabia), who defied culture (or at least the established masculinity-based cultural orientation) and has nevertheless remained very successful. If we consider the cultural entrepreneurship model, we should examine the influence of culture on starting new ventures, as cultural practices can be a great motivation for innovation.

Individual ethnicity is very important, as it affects the attitude and behaviour of entrepreneurs. According to Startiene and Remeikiene (2015), individuals are influenced by certain complexities that culture brings, such as economic, social, ecological, and political issues, and so different cultural environments can lead to different attitudes and entrepreneurial behaviour. If someone hails from a cultural background where the need for entrepreneurship is greater, then that individual is more likely to be business-minded (LeBreton-Miller and Miller, 2015). This has a bearing on succession planning because those who are from entrepreneurial areas tend to know how to pass on their businesses. Recently, however, the views held by this theory may have become less reliable, because there are many business opportunities and inducements that create an environment that is conducive for business for everyone (Chua et al., 2003).

This is a useful theory that may be used depending on certain circumstances. For instance, a business owner may decide to pass the business to another person if his children are too young to take on ownership and management roles. Moreover, the business owner may be inclined to choose a person from outside the family if he has irresponsible or mentally disturbed children who are incapable of succeeding him. In addition, the business owner may decide to bring in different

management from outside if he feels that the new successor has been doing nothing other than making irresponsible business expenditures. In such circumstances, anthropological entrepreneurship theory will be a useful reference model from which the business owner will make succession decisions.

2.2.5 Opportunity–Based Entrepreneurship

Peter Drucker and Howard Stevenson are the main researchers who have worked on the theory of Opportunity-Based Entrepreneurship. According to LeBreton-Miller and Miller (2015), this theory provides a framework with a wide range of concepts for entrepreneurial research. As Drucker (1985) noted, entrepreneurs exploit all the opportunities that are created by change, because they search for change and respond to it, always focusing on the possibilities that the change will bring opportunities rather than on the problems that may occur. According to Hallen et al. (2014), resourcefulness should also be included and the differences between entrepreneurial and administrative management should be determined. Hallen and colleagues note that the pursuit of opportunity regardless of the resources that are currently controlled is central to entrepreneurial management. Therefore, this theory shows that entrepreneurs are those who seek new opportunities, and this is the case with family business owners.

This is, however, a general theory that cannot be attributed to family business owners alone but could rather apply to all businesses. This theory raises a question for of the business owner: Is the person to succeed me resourceful, a good planner and a visionary? A visionary successor will always make sure that the business succeeds beyond its current milestones. These successors will ensure that they take the business a notch higher than they found it. At this stage, difficult decisions must be made. These decisions will determine whether the business fails, becomes stagnant or remains competitive in the market. Sometimes this may lead into an owner deciding to pick someone outside the family to manage the business to the advantage of the business's future.

2.2.6 Resource-Based Entrepreneurship

According to Alvarez and Busenitz (2001), the resource-based theory of entrepreneurship can be described as an important and reliable way of predicting opportunity-based entrepreneurship and new venture growth. As Aldrich (1999) stated, this theory emphasises the importance of financial, social, and human resources. It is based on the notion that individuals are better able to detect opportunities when they have access to resources, and they can act according to their discovery to reach the achievement that they want (Startiene & Remeikiene, 2015). The resource-based entrepreneurship theory encompasses three separate classes of theories: financial, social, and human capital. This theory is closely related to the opportunity-based theory because it supposes that resources must be presented for the opportunities to be achieved.

Access to funding can enable entrepreneurs to start new companies or businesses quickly (Stam & Bosma, 2014). Clausen (2006) indicates that if people have access to financial capital, they will be able to acquire the needed resources in order to exploit their entrepreneurial opportunities and start their business entities, which might become major business empires. Thus, in places where access to funding has been created, business owners (family or otherwise) will create businesses as and when they can. Stam and Bosma (2014) and Hurst and Lusardi (2004) express a different viewpoint to this theory, by noting that most founders use limited capital to start their ventures, so financial capital is less important in influencing an individual to become an entrepreneur.

There is, however, confusion, because the liquidity theory suggests that if a founder has access to capital, then that will determine the amount of capital that will be employed in the newly founded venture. Other views hold that it is not impossible to start a firm without much capital, so founders' access to capital is not important for the founding of the venture, but it can be considered

as an important predictor of the growth of the new venture (Startiene & Remeikiene 2015). As stated by Alvarez and Busenitz (2001), this theory indicates that each entrepreneur has his/her own individual resources that can be used to facilitate the recognition of new opportunities. Black (2016) indicated that some individuals can easily recognize new opportunities and exploit them due to their access to information and knowledge.

2.3 Family Business and Polygamy

Polygamy is when a man marries more than one wife. This is openly accepted and practiced within various communities. It is the second most known form of marriage apart from monogamy, even though in some communities, women too can marry more than one man. Polygamy is a legal and widely accepted practice in Saudi Arabia, where a man may have up to four wives. However, as Saudi Arabia is an Islamic state, a man is only allowed to take multiple wives if he meets certain conditions that are stipulated under Sharia law (Kramer, 2020). It is a part of culture of Saudi Arabia as an important family and marriage institution. It should, however, be noted that polygamy may be acceptable in some countries like Saudi Arabia but shunned upon in other countries.

Although polygamy is widely accepted in Saudi Arabia and appears to be the norm today when it comes to division of resources and time by the father, divisions do occur, which tend to impact the families permanently in a negative way (Buckman, Jones, & Buame 2019; Ramírez-Pasillas Lundberg & Nordqvist, 2021). This is seen not only in business but also in all other forms of inheritance. This view, however, does not explain some exceptions where there have been successful polygamous families (Buckman, Jones, & Buame 2019). The degree of success of such families, have, however been contested as being subjective on the immense powers that are bestowed on the husband of the many wives, thus not explaining the real feelings of the members of such families (Ugoani 2014).

A report by the International Finance Corporation (IFC), in 2011, stated that only 5% to 15% of FOBs continue past the third generation in the hands of the descendants of the founder(s). This could be a pointer to the fact that such families are not as successful in business, hence there is no concrete evidence that polygamous families are of added value to the FOBs. FOBs do face normal business challenges, such as control of cost, market shifts and competition from other businesses, but the most derailing factor is family disagreements. As the family attempts to solve their disputes, the business chokes, as there is no longer trust in the business (Buckman, Jones, & Buame, 2019).

Succession in a business is an important way to future-proof the business through planning. Founders of FOBs avoid having to discuss business succession and would rather anyone from the family picks up the responsibility to manage it. This is because by taking a side, the family will divide and see it as a form of favouritism. Having a successor means that he or she must be groomed to fit into that position perfectly.

In the case of the demise of the founder, family members might fight for the control of business (Buckman, Jones, & Buame 2019). In a situation where there is no plan or direction for the company, most families opt to break it down for easy sharing of its gains. In the model below, different families are seen in their relationship and contribution to the failure of the family business.

Figure 2: The Kitchen Model of Succession in Polygamous FOBs
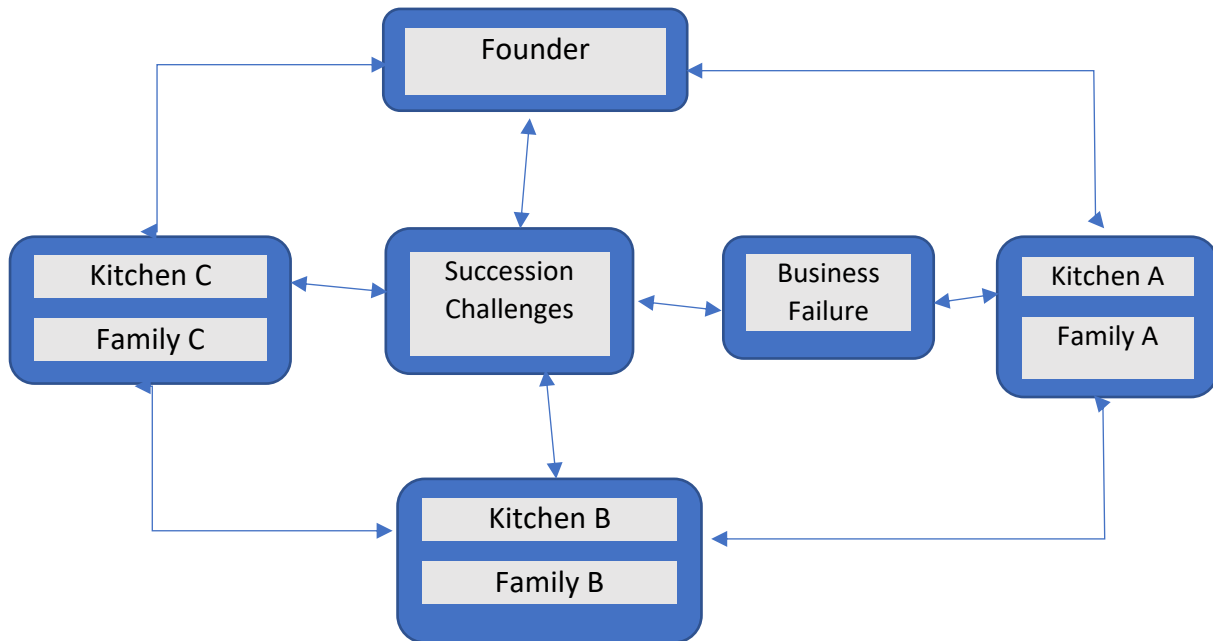
Sources: Ugoani (2014)

This model was developed by Ugoani (2014) with an aim to ease the succession process in a polygamous household. In this illustration, three families exist, meaning that the owner has three wives and there are children in each of these households. Each kitchen is a family unit of the extended family – the children and wife from each of these families (assuming that the owner has three wives, and each has a number of children). In a quest to ensure that there is equality with regard to the property (business), the owner may either involve all or none of the members from each family.

This model ensures that there is rotation of power within all involved families in a specified time. In the diagram above, in case of the demise of the founder, the power is shared among the family through the first-born sons of each family (Nwuke, Nwoye, & Onoyima, 2020). This is a

useful way to ensure that every family is considered, but still raises the issue that a family without a son might cause difficulties, as might the situation where those younger than the first-born son are more capable of handling the family business.

2.4 Successful succession planning in Family-Owned Businesses

Success is measured differently in various aspects of life. For instance, it can be a one-off thing or something that builds on another over a period of time (Ramírez-Pasillas Lundberg & Nordqvist, 2021). In business, success is a daily expectation (Buckman, Jones, & Buame 2019). It is only through success that the business stays afloat. Success of various departments builds up to form the overall success of the company. Kandade et al. (2021) indicated that successful succession depends on family-specific factors and other factors that may be external to the business. Whereas internal factors are dependent on the owner(s), other factors that are external may play a role, but in most cases, external factors have a small role in determining how successfully the succession is handled (Zellweger, 2017).

It is vital to ensure that leadership is such that the focus is on the future of the business and not necessarily on the ego of the owner who is handing over the business (Ramírez-Pasillas Lundberg & Nordqvist, 2021). Measuring successful succession takes a long time, because success can only be seen if the organisation remains in business long after the transfer has been made.

In a monogamous family, succession can be as simple as the first-born taking over, but in polygamy, all families have to be considered to achieve fairness in consideration of a successor, who must be someone with already visible skills of leadership and who requires little training in specific areas (Ramírez-Pasillas Lundberg & Nordqvist, 2021).

2.5 Pointers to succession planning

First, it is necessary to identify a successor. This must be someone who is already good at their current duties. This process should start before the actual need for replacement (Bokhari, Muhammad & Zakaria, 2020), so that the successor can be trained on any areas where they might be lacking. There might be more than one potential candidate for the position, and this leads to the point where leadership is considered. Second, leadership methods must be considered, as the new manager is coming from a different generation and might have a different approach to leadership to the incumbent. The office should factor in such changes in order to achieve smooth transition (Chesley, 2017).

Another issue relates to training, and development. Training helps to build up the successor's skills and add those that are expected for the new position (Chesley, 2017), although there is evidence to suggest that training does not necessarily have to be systematic, and can be gained through experience (Bokhari, Muhammad, & Zakaria, 2020). This stage also factors in changes in the work environment, because the successor might been in charge of a smaller team in their previous position, but they are now in control of an entire organization. Another issue is that of the selection of a successor. Bokhari, Muhammad and Zakaria (2020) noted that that after all potential successors have gone through training, then the one who is most prepared is selected for the position. These decisions might be based on education, skills, knowledge, and motivation (Bokhari, Muhammad, & Zakaria, 2020); however, Ge and Campopiano (2021) indicated that in the recent past, additional expectations have arisen, such as intuition, passion for the business, and ability to learn new skills.

2.6 Factors that hinder succession in FOBs in polygamous families

Several factors have been highlighted as potential obstacles to succession planning. The first is the absence of a will (Ge and Campopiano, 2021). A founder will take care of succession of an FOB if

he decides to write a will, since the business is his property. A will is important, as it can easily sort out the business, as well as any other pending inheritance issues. A second factor is cultural practices, as discussed by Chesley (2017), who indicated that in some communities, only males are allowed to take over family property. In the case of a polygamous family where there is no son in one of the polygamous units, then that family will miss out.

This is also seen as a flaw while using the Kitchen model of succession, because in families where there is a son, but also a daughter who is well equipped to take the position, such a daughter may not be picked to run the business, and this favour may still be bestowed on the son, irrespective of his interest (Chesley, 2017). Another issue relates to future plans: without planning for the future, the business will not exist for long after demise of the founder (Bokhari, Muhammad, & Zakaria, 2020). Other authors have argued that some FOBs are treated as small village shops, and hence, that there is no planning for their growth (Buckman, Jones, & Buame, 2019; Farooq & Ali, 2021; Ge & Campopiano, 2021).

Another challenge highlighted by Farouk and Ali (2021) is that of bias within the family. As time goes by, the founder tends to develop a preference for one family as a result of interactions with the wife and/or the children (Buckman, Jones, & Buame, 2019). This might influence the succession decision. Emotions also have an impact if case the family is big and the business cannot be equally shared amongst them. It is, however, difficult to find a case where there are no emotions involved, especially where the ownership of a business is linked by blood or close family ties (Bokhari, Muhammad, & Zakaria, 2020). These factors tend to lead to internal divisions in the extended family and are a precursor to the problems that affect the family.

2.7 Challenges facing family business succession

Succession of family businesses tends to have many challenges. Existing studies have listed some of these challenges, which are discussed below.

2.7.1 Managing Relationships

Relationships in family businesses are intertwined with business operations (Zellweger, 2017), and tend to be a major influence on the direction that the business takes (Kandade et al., 2021). Blumentritt (2006) found that whereas the theoretical viewpoints advocate for businesses to remain separate from owners and their personal circumstances, this cannot practically be possible in family businesses. Mussolino et al. (2019) examined the fact that family-run businesses tend to have tight control of ownership in making decisions, but such decisions tend to be influenced by the owner's relatives, including spouses, children, siblings and/or parents. This premise, is however, based on the view that only close relatives can be termed 'relations', a view that is different from that espoused by Kandade et al. (2021), who studied the extended relationships that emerge in family-run enterprises and found that some of the key stakeholders of a business may have an influence (good or bad) on the future of a family business.

Perhaps the differences in understanding the situation of family businesses vis-à-vis the nature of the relationship is that blood relationships tend to be emotionally driven and may not really have a motive for developing the business. In a society where family traditions and the whims of family members are strong, the situation is even more precarious (Chrisman, Chua, & Sharma, 1998). As a collectivist[1] society, Saudi Arabia operates in a situation where the influence of other

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1 The fundamental issue addressed by this dimension is **the degree of interdependence a society maintains among its members**. It has to do with whether people's self-image is defined in terms of "I" or "We". In Individualist societies people are supposed to look after themselves and their direct family only. In Collectivist societies, people belong to 'in-groups' that take care of them in exchange for loyalty.

members is considered great and always expected. Luan et al. (2018) indicated that where decisions are expected to emanate from different members of a family, problems arise where the business owners seek to please all the 'voices' by attempting to direct the operations of the business alongside the expectations of all these voices. In such a situation, the outcome may be ultimate failure of the business due to neglect of expected business operation models (Mussolino et al., 2019).

Business failure can also occur as a result of the imposition of multiple demands (Blumentritt, 2006). This situation has been witnessed in studies conducted in a range of countries, especially in collectivist societies like Brazil (Roth, Tissot, & Gonçalves, 2017), India (Panjwani, Aggarwal, & Dhemeja, 2008; Mokhber et al., 2017), Egypt (Samara, 2020) and China (Ge & Micelotta, 2019), where family relationships tend to be strong.

When these demands increase, focus may shift from ensuring that there is a systematic and potentially successful succession to a succession that is not well thought though, potentially leading to failure of the business, a situation that Mussolino et al. (2019) have termed 'implosion'.

2.7.2 Leadership

Leadership is crucial for the success of any business venture (Arregle et al., 2015). Effective leadership ensures that there is planning and continuity of operations and that the business can

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Saudi Arabia, with a score of 25, is considered a collectivistic society. This is manifest in a close long-term commitment to the member 'group', be that a family, extended family, or extended relationships. Loyalty in a collectivist culture is paramount, and overrides most other societal rules and regulations. The society fosters strong relationships where everyone takes responsibility for fellow members of their group. In collectivist societies, offence leads to shame and loss of face, employer/employee relationships are perceived in moral terms (like a family link), hiring and promotion decisions take account of the employee's in-group, and management is the management of groups.

Source < Country Comparison - Hofstede Insights (hofstede-insights.com)>

succeed. From a theoretical perspective, leadership has been studied from different prisms: theories of leadership (Martin and Terc, 2016; Mussolino et al., 2019), styles of leadership (Carradus, Zozimo, & Discua-Cruz, 2020; Luan et al., 2018), and how leadership should be conducted in managing different kinds of business entities (Mussolino et al., 2019). Fernández-Aráoz, Iqbal and Ritter (2015) have defined leadership as the ability to influence behaviour, and Zellweger (2017) indicated that in the management of family-run businesses, such ability tends to be strong, due to the ability to make unilateral decisions about what should take place in an organisation. Family business owners are leaders by virtue of being the owners or managers of their businesses (Luan et al., 2018).

Considering the nature of leadership in managing succession in family businesses, Martin and Terc (2016) studied the influence of the owners of such entities and found that their influence tends to remain intact due to their ability to make final decisions, especially with regard to who will continue to run such businesses. Arregle et al. (2015) investigated the leadership situation and found that small and medium-sized family businesses have a singular voice in their leaders, unlike large family businesses. Considering that a majority of family businesses in Saudi Arabia tend to be small or medium in size, the voice of the leaders tends to be stronger (Arregle et al., 2015). This is, however, in contrast with the views held in the previous section, where Zellweger (2017) indicated that relationships tend to influence the decisions made by business owners.

To this extent, it can be said that the ability of the leader to make decisions regarding leadership may depend on his or her personal traits (Mussolino et al., 2019). Carradus, Zozimo and Discua-Cruz, (2020) echoed this by drawing on the behavioural theory of leadership, denoting that the traits of the leader can withstand pressure that emanates from different relationships. It is, however, worth noting that leadership is only considered successful if it manages to pass the

business to the successor. This can only be gauged by assessing the way the business runs after it has been passed on. Leadership becomes a challenge when the leader is not able to pass the business to the successor, and when the successors prove to be a bad leader (Fernández-Aráoz, Iqbal, & Ritter, 2015).

2.7.3 Planning of the succession

Other than relationships and leadership, another challenge during succession is the planning of the same. Planning for succession is a tedious and time-consuming process. It requires knowledge of the successor and his or her ability (Arregle et al., 2015). Fernández-Aráoz, Iqbal and Ritter (2015) suggested that such a plan calls for the owner to answer fundamental questions about when the succession must take place and the nature of succession. Carradus, Zozimo and Discua-Cruz (2020) found that these are the two key problems that tend to lead to failure of the succession process, even before the process starts.

The problem starts when the owners tend to either overlook or not see the seriousness of the fact that succession should take place, and that the business must be passed on to the next generation. Failure to treat this issue as a matter of urgency often leads to a rushed decision when time is running out (Fernández-Aráoz, Iqbal and Ritter, 2015). Martin and Terc (2016) questioned the ability of owners to even realise that they are running out of time. This also underscores the fact that the owners could have resigned their ownership role and powers to religion and culture. These institutions thus delay or impact on the owners' ability to manage their business succession.

2.8 Succession in family businesses

Studies of family business ownership and succession have dwelt more on the question of succession than on ownership (Al-Dubai et al., 2014). Indeed, ownership eventually leads to succession,

because the assumption is that the owner will one day have to leave the business to his or her family. One of the major problems in each succession process is the personality of both the successor and the incumbent (Gedajlovic et al., 2013). The successor needs to have the will, the high level of confidence and the skills to operate the family business, and that is why certain preparations are necessary (Arregle et al., 2015).

The whole succession process may come to a halt if the successor does not possess the needed qualifications and refuses to work in the position that the incumbent offers. Other views have considered the question of willingness if the business succession is to be successful (Sharma et al., 2001). There are views which suggest that if the successor is not interested or is unhappy with the family business, then it is very likely that he/she would not be motivated enough to work for it (Sonfield et al., 2015). These views have not considered the perspective of the successor when discussing succession, thus addressing only one side of the challenge. An understanding of the successor's level of preparedness by the owner is crucial if a holistic approach to understanding succession is to be gained.

The individual's willingness to continue the family business is dependent on their motivation, and that also dictates the succession process. For the transfer of managerial powers to be successful, certain preparations are necessary so that the incumbent can entrust the successor with the business (Martin & Terc, 2016).

Jeno et al. (2017) noted that it can be determined whether the preparation level of the potential successor is sufficient so that she/he could take on the responsibilities that the business imposes. Several criteria can be used to indicate the level of preparation, namely formal education, proper training provided by the incumbent, previous work experience, the entry-level position, and

the years that the potential successor has spent working with the family business before the start of the succession process. The preparation level is a good indicator of the effectiveness of the whole succession process. As Nordqvist et al. (2013) stated, if the potential successor is highly prepared, then it is very likely that she/he will take over the business after the incumbent decides to step down or leaves for any other reason.

2.9 Family traditions and succession

According to Gedajlovic et al. (2013), it is important to mention family tradition and the relationships between the family members, which can strongly influence the success of the business. If the successor is convinced that continuing the family business is a family tradition, then the succession process will be more effective (Goel & Jones, 2016). Although there have been suggestions that positive relationships are needed between the incumbents, family members and the successor in order for the successor to feel welcomed and interested in continuing the family business, the extent of such positive relationships have never yielded success in passing on ownership to family members. According to Loma (2011), it is of great importance that the successor has a good relationship with the family members who are also important for the succession process, and if the successor and the incumbent have the same vision and understanding for the future of the family business, the succession will be far more effective. This view has also recently been echoed by Martin and Terc (2016), who noted that the succession process could be delayed if there is competition between siblings, as this discourages the potential successor.

Every family business owner faces the concern of transferring the business to the next generation and to key employees, or what is the best way to keep the business in the family. It is crucial to plan the transition to the smallest details in order for the financial losses to be minimal or for the business to continue to exist at all, as the estimations are that most family-owned businesses

(more than 70%) fail when a transition is required (George Stalk and Foley, 2012). It should be noted that if there is enough time and proper planning, profits and smooth implementation of the succession plan can be achieved.

The business succession plan consists of three levels: management, ownership and transfer taxes. It is important that the incumbent and the potential successor acknowledge that there is a difference between management and ownership. One of the incumbent's children could be responsible for the day-to-day management while all the children remain as owners, even if they do not participate actively in running the business. Key employees could also be responsible for the management of the business instead of family members (Stenslie, 2016).

Ownership seems to be the most important thing for family business owners, and they always prefer for their children to be successors, especially if they are active in the business. According to Kenney et al. (2014), most owners want to treat all their children equally, and if there are no assets that are not connected to the business, there should be proper means of transferring wealth to those children who are not interested in the family business or lack the proper qualifications (so that they all receive an equal share). There are situations where the owner may pass on the management of the business to a preferred child, who may not necessary be qualified or willing to run the business (Stenslie, 2016). It is important for the business owner to ensure that the economic benefit will continue after the ownership is transferred, and he/she should be certain that the control over the business will be in the right hands after the plan for ownership transfer is completed (Breton-Miller & Miller, 2015).

Xi et al. (2015) noted that the last part of the business succession plan is the transfer of taxes, which is important because it may account for 40% of the value of the business. Businesses often need to

take on debt in order to survive. There are several lifetime gifting strategies that can minimize or even eliminate estate taxes and thus avoid forced liquidation or debt through paying these taxes. Other studies have noted that operations and failure are the basic directions that family businesses tend to take because of the increasing global economic challenges in the last few decades, which mean that many family businesses face failure (Ucbasaran et al., 2013; Benavides-Velasco et al., 2013).

2.10 Culture and family business succession

According to Hofstede et al. (2015), indirect communication can influence the character and personality of employees both collectively and individually. Most workers feel the impact that managers and peers tend to impose by using certain cues, such as symbols, rituals and values. As Peters and Waterman (1982) state, this variable could be used for competitive advantage as a valuable asset. According to Deal and Kennedy (1982), McKinsey's definition of culture is well presented: it is the way things are done in a certain place. Corporate culture is considered to exist, and might be weak or strong (Laforet, 2016). Sometimes corporate culture is not acknowledged, but most workers use it as their everyday guide. Values are at the core of every culture, and the business environment, rituals, heroes, and the communication mechanisms that are used to dictate the type of culture that will be developed in a certain organization (Powell & Eddleston, 2013).

Within the family, values, culture, and ethics are defined as an institution. This assertion is shared by a number of authors who focus their investigations on the family, such as Duh and Belak (2009). According to Bogod and Leach (2006), the family can be understood as the dining room where the very first social reactions occur, and so confidence and the concept of family are formed at an early time. Furthermore, the family as a unit establishes essential concepts and core values that reinforce ethics and promote long-term survival (Belak, 2012).

Family social norms explain the high level of compromise and moral behaviour shown in the family company. The family is the basic unit in which norms are developed and modified across generations (Euler, 2001). Family members of the same generation follow the same set of rules and beliefs, allowing the company to make decisions more quickly (Pieper, 2010). For a family firm, this speed might be a competitive advantage.

Fair play encourages family business members to work together. Mutual honesty and transparency allow for compromise and the transfer of energy and knowledge from individuals to the family business. The way each family member connects himself or herself with the family business endeavour determines cohesion within the family business. When a family member enters the family firm, his or her personal interests coincide with the firm's interests. However, as the family grows and more members join the group, this interest coincidence erodes due to each member's intrinsic motives (De Cremer & Van Dijk, 2002).

To get to this stage, it is vital to understand the difference between social cohesion and procedural cohesion. Although some members of the family may disagree on cognitive (what to do) or procedural (how to do it) decisions, the family can instil cohesion into the group (Zaccaro McCoy, 1998). Cohesion can be measured on a family or a business level; however, family ties are often emotional, whilst business ties are financial (Smallbone, Bertotti, & Ekanem, 2005). Emotional ties are concerned with the fulfilment of requirements of security, affiliation, and belonging, whereas financial ties are concerned with currency, heritage, and profit-sharing. The ethical compromise of family members, fair play among family members, and togetherness are all important factors in the success of family businesses.

The way a value system is passed down from one generation to the next has a significant impact on ethical behaviour inside a family business. Entrepreneurial activity is influenced not just by the founders, but also by the family (Steier, 2001), as well as how the company is run, managed, and communicated (Hoffman et al., 2006). The importance of family business values has been extensively researched. Values in family businesses help to strengthen the family firm structure, guide decision-making, facilitate compromise, and align behaviours (Deal & Kennedy, 1982). These ideals can be passed on either formally through a family agreement (protocol) or informally through a lead (Robertson, 2008). The presence of ethical ideals leads to a high level of communication and trust in the family. Confidence and communication are both necessary for good coordination and strong relationships among family businesses that extend in biological terms (Bachman & Zaheer, 2006, 2008).

Two types of values have been identified: terminal values, which define ideal states, and instrumental values, which are techniques to assess terminal values. Instrumental values are based on a person's or a group's abilities and/or competencies (Hood, 2003). According to Garíca-Marzá (2005), terminal values include tolerance, love, unity, and forgiveness, which are the foundations for family business continuity. As Martin and Terc (2016) noted, the founder's values and belief system can be used as a base for certain types of corporate culture and other valuable assets can be added over time as the corporation interacts with the rest of the world. According to Goffee and Jones (1998), corporate culture should always be considered as something that is situational and not absolute, as it tends to change over time; nonetheless, there is still a certain framework of cultural forms that can be taken into consideration. According to the authors mentioned above, each of these types could be employed in accordance with the competitive environment that the organization is facing, its development stage, and its marketing level.

Another relevant aspect of culture is the position of women in a society. Women are making strides in any parts of the world: for instance, in the UK, policy efforts are being made to ensure that the board of directors in any major company comprises 50% women (Vinnicombe et al., 2015). In other countries, such as Israel and Norway, this is a legal requirement that must be fulfilled (Bertrand et al., 2014: Terjesen et al., 2015). It has been argued that businesses that have more women at the top management level tend to perform much better than those that do not (Liu et al., 2014). In Saudi Arabia, however, the position of women as 'second class citizens' is part of an established cultural issue that has proven hard to change. The masculine-oriented society of Saudi Arabia appears not ready to allow women to take greater role in different socio-economic aspects of the country (Shannon, 2014).

2.10.1 Religion and family business succession

There has always been a certain relationship between economics and religion, and religion is frequently seen as fundamental in the process of shaping economics. But insufficient research has been done for the main questions to be answered, such as how and why religion tends to influence economics. As Phelps argues, values and attitudes are just as important a part of any economy as policies and institutions (cited in Goel & Jones, 2016). Some of those are just obstructions, while others exist to enable what is needed.

The caste system in India is associated with Hinduism and it is still formidable and practiced by most of the citizen in India (Bidner & Eswaran, 2015). There are many debates in India about the disadvantages of the caste system and its impact on the economy of the country, as it is believed to be leading the country backward instead of making it stronger as it should be (Bidner & Eswaran, 2015). The New York Times reports in an article about the caste discrimination that still exists in

obvious and subtle ways, which are evident in most of the colleges in the country, where social bias dictates the admission quotas (McKeever et al., 2014).

The Middle East has very specific and unique cultures that mostly follow Islam and are governed by numerous Kings and Princesses, with an evident course towards fatalism. Accordingly, Rice (1999) states that the expression "Insha Allah" – which means "God (Allah) willing" – is just one of the examples of fatalism that are easily transferable to corporate culture, where everything should be "as the boss wills it". As Welsh and Raven (2006) state, most situations where uncertainty is present are simply explained as the will of Allah, and this could also be the reason for most of the decision-making processes and outcomes. There is significant population growth in the Gulf region, which is having a great impact on Muslim culture and their views that their truth is universal and final and should be brought to all humankind, so that all obstacles will be overcome, removed or simply destroyed.

The position of women in the Kingdom of Saudi Arabia has been defined and dictated by religion for many years. Recently, however, there are cases of women breaking through the religious barriers and taking ownership and control of businesses, a case in point being that of Lubna Olayan, who is a prominent businesswoman with business interests in many sectors (Sadi & Al-Ghazali, 2010).

2.10.2 Ideologies of religion

There are three ideological groups that comprise Muslim culture, namely traditionalists, modernists and secularists. As Jibril (2003) states, traditionalists are obliged or driven to follow the strict rules and never-changing interpretation of Islam's original leaders, and everything else that is not established in Islam should never be considered worth following. Traditionalists also believe that

Islam is perfect and if one fails to adopt this perspective it will lead to punishment. On the other hand, modernists tend to heave different approach to religion, as they search for values that are compatible with Islam, and they believe that every Muslim can learn good things regardless of their origins. So, as Fattah and Butterfield (2006) state, modernists could also accept parts of the work of famous and renowned thinkers such as Darwin, Freud or Marx, due to the fact that their interpretations are not entirely wrong and do not violate the rules of Islam.

Secularists have another point of view or beliefs that can be used in order to justify certain government or economic systems. The ultimate drive for Muslim secularists is that they should follow the most successful system there is in order for Islam to surpass it. The difference between this ideological group and the others is that it includes non-Muslim Western philosophers, and their work is read, understood, and adopted. Some of these philosophers are Locke, Rousseau and Machiavelli (Gedajlovic et al., 2013). The differences between these three Muslim ideologies are great enough to create debate, conflicts, and confrontations in the world of Islam, and they still struggle to adapt to the ever-changing cultures.

2.11 Stages of family business succession planning

In this section, the discussion examines the stages that business can adopt when engaging in succession. This is based on the theoretical viewpoints on succession planning as espoused in a number of studies. These stages are given below.

2.11.1. Assess future service needs.

Assessing a company's future need starts by knowing who the future clients are and what their expectations from the company will be (Szymanska, Blanchard, & Kuhns, 2019). This will help them to prepare adequately, which might involve making improvements to an already existing

system or introducing entirely new services. This assessment can involve the community, which leads to a more detailed report of expectations.

Knowledge about the company's dependence on other services will be an indicator of the types of skills and talent required for future positions to be filled and executed as expected. All parties interacting with the company can take part in the assessment for future for the company

2.11.2. Identify critical positions and high potential employees.

A position in the company that cannot be left vacant and requires specialized skills can be classified as a critical position. This is also true for a position which brings in high revenue to the organization (Bishop & Connors, 2018). The company must be well prepared to fill such positions, whether it is a case of retirement or poaching from rival companies. This will help in retaining good standards of operations. Future leaders have to identified and trained today.

A high potential employee is one who works efficiently with little to no supervision. These employees take on new skills easily, are interested in the company's direction, take on the initiative to train junior staff and bring them up to speed on day-to-day operations, and blend on easily in teams.

2.11.3. Identify Competencies

Being competent in a work environment can be rewarded in a way that facilitates talent retention. Competency can be identified from the recruitment level to promotions. A competent employee is one who performs well in their expected positions as well as generally in the organization (Gedajlovic et al., 2013).

Qualities such as good communication and teamwork are essential in every company. The identification of competency in the organisation can be used to future-proof positions. This makes succession much easier. Administrative, Communication, Supervisory and Cognitive competencies are some of the major groups of competencies at managerial level (Bishop & Connors, 2018). They help those in leading capacities to deliver on their work well. Other key competencies are problem-solving, responsibility, leadership, and organizational skills.

2.11.4. Do a complete gap analysis.

A gap analysis is done to determine the difference between the current and future targets, and can be used in both small and large businesses (Bishop & Connors, 2018). This is achieved by considering the revenue and personnel at the current state and where the companies' projections are for the near future. Such analysis will help the organization to take the necessary action to fill the gap. The first step in goal analysis is to have highly detailed and achievable goals, which are coupled up with current goals, to develop an understanding of why there is a gap (Arregle et al., 2015), and then to find ways to close the gap. Some of the tools used in gap analysis are the Fishbone diagram and SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis. The analysis helps businesses to deal with future competition and other challenges.

2.11.5. Select training and development activities

After identifying the gap between the present and future targets, it is essential for the company to train its employees and close the competency gap. This can be achieved through various ways, such as self-study, training sessions, assignments, conference meetings, and job rotation, among others (Longenecker & Schoen, 1978). It is important to ensure that employees who are in constant contact with the customers are given specialised training to enable them to generate revenues (Arregle et

al., 2015). On the other hand, training the person(s) who are to lead the organisation may call for a wide spectrum of training needs.

2.11.6. Conduct management training

It is important to ensure that the management are given specialist training because they may not only manage a department but may have to work with other departments as well, and to this extent, knowledge about different aspects of the organisation is crucial. They too should be trained effectively to be able to identify high-potential employees and critical positions in the company (Ramadani et al., 2017). Managers can roll out plans to enable easy succession in the identified positions. By providing an environment that allows employee growth, it is possible for the said employees to take on more roles and step into the more managerial positions.

2.11.7. Implement development strategies and tactics

Plans are only great if executed at the right time and with the right information. Employees need to be well prepared for such changes in the company (Ramadani et al., 2017), because some changes might require them to work extra hours or in new environments where they have not worked before. It is the manager's responsibility to communicate the plan to them in the most effective way possible (Labaki, 2020). Another important aspect is the provision of feedback, which helps in successful execution of the plan. If the benefits of the training are well communicated, then the employees will willingly participate in the process.

2.11.8. Monitor and evaluate

Monitoring is a way of tracking the progress of a particular task for improvement purposes. This will help to evaluate whether the measures put in place are working as expected. Some effects, if

noted early, can be easily changed and steer the company in the expected direction (Ramadani et al., 2017).

2.12 Essential components of succession planning

2.12.1 Replacement charts

A replacement chart is an internal document within the organization mapping the current employees' positions and possible replacements for the core positions within the company (Adil et al., 2017). A replacement charts groups employees into those who are ready for the said promotion, those who might be ready given training, and when these employees can take charge of those positions. The chart can also group employees based on age and gender.

2.12.2 Critical position profile:

Changes in an organization might occur due to retirement, promotion, or many other reasons. If such a change occurs, the organization needs to be able to recognize which positions cannot afford to be left vacant because they are vital to its day-to-day operations. This is achievable by identifying the positions in good time and having well-explained details of what the office holds.

According to Adil et al. (2017), a critical position can be identified by considering how that position contributes to revenue generation, the nature of the skillsets required to fill that position, and the level of control and responsibility that the position holds compared to other positions, among other factors. It is also important to check the revenue that the position brings to the business, availability to outsource the task, and availability of the skill set required to fill the position in an emergency.

2.12.3 High potential profile

A high-profile employee is one who is good at their current position and is likely to perform well given more responsibilities. Such an employee can mentor junior members, hence building a good work culture. An organization should keep records of such employees in terms of their education background, work performance over different roles, which sometimes span different organizations with which the employee has worked, and personal career growth.

2.12.4 Employee performance appraisal

This is the evaluation and documentation of the performance of an employee in his or her current role. This can include reports from peers. It shows current job performance and success at the given tasks. This performance is also a result of the environment in which the employee currently works, since some might not be as productive if there are changes in the environment (Adil et al., 2017). Such appraisal should be carried out by the immediate leads to learn about their team members and their level of success when working under their supervision. From running such tests, the manager can find ways to improve employees' work situation for better performance.

2.12.5 Individual potential assessment

This assessment is used to show whether the employee is viable for promotion to a higher position or a critical position (Labaki, 2020). How the employee handles current assignments can be an indication of whether they are ready for more tasks. Testing of the employee's potential can be divided into different levels, such as principles, intelligence, situational and personality factors. Through a detailed report, future work breakdown can be handled through introduction of different types of support for the welfare of the employee.

2.12.6 Individual development plan - IDP

This is a time-sensitive document written by an individual on their personal growth at a given company, and it must match the company's goals and expectations (Labaki, 2020). The document might include requirements that the employee needs in order to effectively fit into the new position. Some use the document to improve on weaknesses, while others do so to amplify their strengths. An IDP should contain well-defined career goals, knowledge and skills for the next position, a comparison of current skills with the desired skills and expected progress to obtain the required skills

2.13 The economy, entrepreneurship, and family business in the Middle East

The most significant business in the Gulf countries is oil and the reserves and revenues it generates. Their economies are mainly built on Western technology and expatriate workers, but the Arab leaders are trying to empower entrepreneurship and the development of sustainable SMEs while at the same time helping well-established family businesses to go through succession smoothly and preserve their prosperity into the next generation. According to Hamadi (2014), UAE, Qatar and Bahrain are already very competitive in providing healthy macroeconomic environments, institutions that are oriented to the public, and governments that have committed to implement change and modernization to the country.

According to Lewis and Churchill (2009, p. 34), even though interest on loans is forbidden for Muslims, taking profit is praised, and "the duty of every Muslim is to seek his lawful gain". Entrepreneurship is obviously encouraged in Islam. So, kinship and family networks act as power elements for the entire socioeconomic system of the Middle East. Socioeconomic development and wealth creation can be related to family businesses, as they clearly act as an engine to drive things forward, while entrepreneurship is the fuel needed for family businesses to make progress and

continue to thrive. There is a clear conflict between kinship and professionalism in running family businesses.

The specific characteristic about family businesses and businesses that are closely held is that they are driven by entrepreneurship, managed by the owners and the family, or a small group controls the finances of the enterprise. As Goel and Jones (2016) state, for a family business to remain continuous and to implement effective strategic measures, to achieve innovation and to keep increasing its growth, an entrepreneurial spirit and mindset should exist across the generations.

Even though family businesses are among the most important elements of developing economies, there are many things that should be done right in order for this type of business to survive. According to Pistrui (2005), the lifespan of family businesses that are led by entrepreneurs is less than 25 years, and unfortunately only 30% of those businesses survive the change of generation, 10% survive to the third generation and fewer than 4% survive to the fourth. Around 45% of family-owned business will change generation, which is one of the biggest wealth transfers in economic history in the last decades. Having in mind the role that this type of business has in socioeconomics, they are getting more attention each day, and academics, service providers and the media analyse them and admire them at the same time.

In 2008, the Gulf Business newspaper reported that around 90% of commercial activities that occur in the Gulf region are led and controlled by families. The types of enterprise that are present in developing countries are emerging SMEs that are still young and led by the first and second generations. The family is the leading component of SMEs, as it is the source of capital, cheaper labour force and technical skills. Tradition is important in society as well as in business: therefore, in the Gulf region, younger brothers are involved in start-up businesses, which means

that there will eventually be many partnerships that are run by siblings. Governments are expecting that the SMEs will create new jobs and foster social stability, and that this will have a positive influence on socio-economic growth.

Start-ups that are family-led and female-owned businesses are encouraged in Bahrain and Dubai. Most of the large private sector companies are family-owned and have evolved over time into global corporations that work in different sectors such as manufacturing, transportation, travel, construction, and other sectors. There are many examples, such as Al Zayani Investments, a Bahraini Company that has survived through three different generations, and the Jashanmal National Company, which was established in 1919 with its first retail store in Iraq.

Local governments expect family businesses (especially larger ones) to help with socio-economic growth by creating jobs. Many of the companies in the MENA region are seeking better markets, different from those that exist in the region, and trying to succeed in other markets around the globe (Gedajlovic et al., 2013). With the evident changes in socio-economic conditions, it is questionable what makes family businesses from the Middle East unique. A few factors should be mentioned in order to answer this question, such as the business climate in the Gulf Region, where governments are trying to stimulate growth and development in the private sector. There are several support measures and institutions to help such enterprises, such as Bahrain Development Bank's Business Incubator Centre and UAE's Indus Entrepreneurs Organisation initiatives. The enterprises in this region have unique ownership and governance practices. Family business are going public in order to secure more external funds to allow them to expand and grow, which has a great impact on their ownership and control. The most important factor is that their leadership and mind-set should be in accordance with the multigenerational continuity of the business and its succession.

Family business are highly respected in the Middle East these days due to tradition, which is deeply rooted in this region. Governments in this region expect that the private sector will continue to grow and that entrepreneurial family businesses and closely held businesses will revive this sector. There is a need for business growth, which is why new venture creations are encouraged, along with business continuity and effective succession strategies.

2.14 Summary of the relationship between institutional factors and family businesses in Saudi Arabia

2.14.1 Culture and family businesses

The cultural practices that distinguish one society from another play a crucial role in effecting the decisions that are made under different circumstances[2]. One of the most unique features of Saudi Arabia is the existence of a strong culture that can be examined through the lenses of collectivism and strong traditions. Within the lens of cultural dynamics, borrowing from the views of Hofstede, the existence of a masculine–collectivist society means that, on one hand, decisions tend to be subjective (Hodges, 2017), and on the other hand, they tend to be inclined towards men (Frank et al., 2017). Decision-making, which is within the process of succession planning, tends to be considerate of what other members of the society may think or feel, and therefore, the objectivity of such decisions tends not to be guaranteed.

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[2] *'Culture consists of the derivatives of experience, more or less organized, learned or created by the individuals of a population, including those images or encodements and their interpretations (meanings) transmitted from past generations, from contemporaries, or formed by individuals themselves.'* Kroeber & Kluckhohn (1952, p. 181, cited in Adler, 1997, p. 14)

'[Culture] is the collective programming of the mind which distinguishes the members of one group or category of people from another.' (Schwartz, 1992, cited in Avruch, 1998, p. 17)

'... the set of attitudes, values, beliefs, and behaviors shared by a group of people, but different for each individual, communicated from one generation to the next.' (Hofstede, 1994, p. 5)

Since the owner of the business might always have run the business while considering what other people may say, Merino et al. (2015) indicated that cultural expectations are not a new issue, but might be a factor throughout the life of the business. Thus, the inclusion of other people in the process of decision-making about the present and the future of the business tends not to be a novelty.

2.14.2 Religion and family businesses

Religion is an important part of Saudi society. As Saudi Arabia is a predominantly Islamic country, Islam shapes almost all aspects of this society. According to Frank et al. (2017), running business operations is a service that is religiously hinged, and as such, present and future decisions tend to be controlled by religious beliefs and practices. Whereas religion denotes service to man and God, it also implies that negating some practices that would otherwise be common in the world of business is deemed as obedience to God (Jiang et al., 2015). One religious practice that has been practised for a long time is the tendency for women to remain subservient to men (Hodges, 2017). Women are expected to stay at home and take care of the family, and to this extent, business ownership tends to remain in the hands of men. Although changes are gradually taking place in the Saudi society, religious conservatism is making such changes very slow.

It should be noted that, although there are other religions in Saudi Arabia[3], Islam is still the predominant religion whose influence is seen in all aspects of life. The fact that business owners must be conscious of this in their decision-making activities implies that their decisions may not really be independent: hence, there are times when decisions may be made that are not necessarily good for their businesses but are passed for the sake of fulfilling religious demands (Al-Atawneh, 2009). For instance, the Saudi society looks favourably on male children on the basis of their position in religion.

2.14.3 Government and family businesses

The government as an institution is a custodian of peace, and as such, it dictates what takes place in the country. The government of Saudi Arabia has focused effort in supporting business formation and operation for many years (Martin & Terc, 2016). There have been programs aimed at economic empowerment: for instance, the Saudisation program aimed to empower the local population (Hodges, 2017).

Religious affiliation (2000)
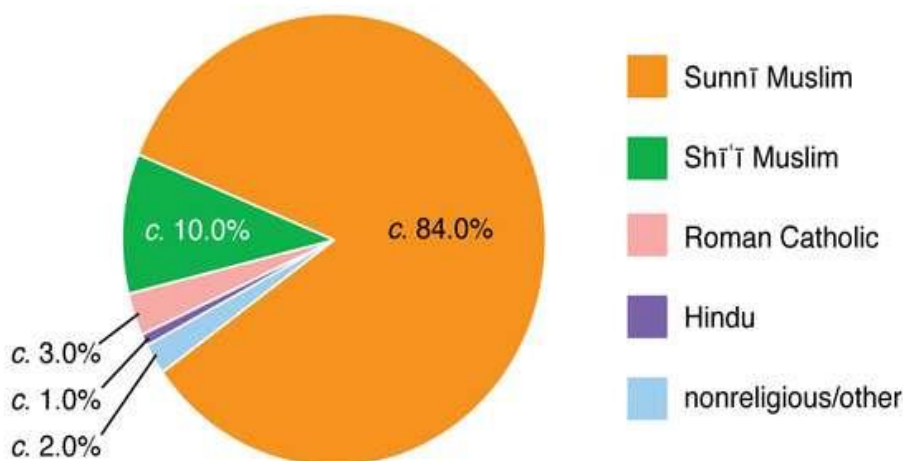
Source < Saudi Arabia - Religion | Britannica>

There are schemes that are aimed at supporting business creation, although these have always been such that the power to make key decisions is in the hands of government agencies, leaving business owners with little power to make important decisions about their businesses (Williams et al., 2018). The control of the kinds of business that can be undertaken, the nature of people to be entrusted with the operations of the business and the kinds of punishments to be meted out under certain circumstances tend to leave owners with very little power and control over their businesses.

The government of Saudi Arabia has the instruments of power to give it control over businesses. These instruments are not specific to the Saudi government but are also held by many governments around the world, and they include agencies, parliament, regulatory bodies and financial policies (Zehavi, 2012). Governments tend to employ these instruments in different measures and intensities, from time to time, to fulfil certain objectives. Such is the strength of the institution called government that businesses will demonstrate little or no power at all to challenge governments.

2.14.4 The family and family business

Family and family business is an important unit in the present and future decisions that are made regarding almost everything about the family. As indicated in the previous section, families in Saudi Arabia are closely knit, and as such, most decisions are made in the name of 'family honour' (Duangekanong & Duangekanong, 2017): thus, should these involve imposing opinions and action, then so be it. Since families play such a crucial role in the operations of a business, there tend to be collective decisions that overrule any other decision that can be made by an individual. The views of individual members tend to be ignored, although owners might seek their views from time to

time. If they do not seek opinions, then they will never make objective decisions due to underlying fears (Martin & Terc, 2016).

2.15 Summary and gaps in literature

This review has examined the scope of existing literature on family business. Studies on family business are drawn from several perspectives: political, cultural, social and economic. The issues studied range from success and failure to the role of owners and current trends in ownership of family businesses. A number of factors have been identified that impact on the way family businesses are run: gender, religion, age, family composition (monogamy and polygamy), the number of children in a family, girl and boy children in the family, and even the children's education level.

These factors have different levels of influence on how the business is passed down to the children. To this extent, the owner will have certain considerations that might be self-induced or might come from the composition of the children (who might succeed the owner). These are all sociocultural issues. The greatest threat to family businesses has been viewed as ownership and successors, because these are people who have immense say but quite often lack expertise (especially the latter group). In the light of the challenges facing family businesses, several proposals have been put forward on possible solutions to succession challenges and perpetuity of family businesses.

In societies that are inclined towards certain cultural leanings, these leanings influence all aspects of work and life. There has been a tendency for Saudi business owners to impose their business on children or to pick a child (successor) to run the business. This imposition, however, often leads to problems because of the collectivist nature of the society. Many challenges to

successful succession thus arise due to the feeling of imposition and individual control that is bestowed onto a person in an environment where collectivism is the norm. Existing literature on family business with specific reference to Saudi Arabia has not been examined. This research attempts to build on the questions of imposition and individualisation.

The discussion above is presented as a **conceptual framework** below.

2.15 Theoretical and conceptual framework

2.15.1 Theoretical framework

The theoretical framework is vital, as it provides a lens through which the context of a study can be examined (Rocco & Plakhotnik, 2009). Different studies could examine a problem(s) based on different contexts and phenomena, and it is only through the use of the theoretical framework that a perspective can be determined. It is important that a theoretical framework is established before or after data have been collected and analysed (depending on whether the research approach is inductive or deductive), to allow the researcher the scope of looking at a study from a vantage point that can be hinged on existing literature, which in my view is an important aspect when seeking to contribute to knowledge. This section explores various theoretical views on entrepreneurship under different subheadings. This chapter concludes by identifying a theory that attempts to provide a better explanation of succession planning in Saudi Arabia.

2.15.1a Game theory and business succession

Game Theory is a theory of interdependent and independent decision-making (Osborne, 2004). It is usually applied in situations where there are more than two players and where no single player has full control of the outcome, in organizations, firms and businesses where the outcome depends on the decision made. Game Theory has numerous applications, and it therefore plays an important role in family business succession. Game Theory postulates that all Games involve five key

elements: (a) a problem or situation that is clearly stated; (b) interactions between many players; (c) the conditions (rules) that stipulate the interaction involved; (d) consequences of the decision made, and (e) predictions on the factors that will decide the outcome.

Every game is played to reach a certain goal or to solve a certain problem. For instance, in family business succession, the problem may arise from interactions between the potential successors and the founder. This means that actors may be of different nature. This theory recognizes that the complexity of a game increases with an increase in the number of actors. The rules of the game dictate the nature of the game, and if the rules are followed, there will be no basis for raising questions about the outcomes. Another observed element in Game Theory is the structure of the game, which dictates the channel and direction of decision-making. For instance, repeated games are games that can be played again and again using the same structure, allowing members to learn from the previous experiences. That is, decisions made earlier may affect the strategies that are implemented in successive playoffs of the game.

Therefore, Game Theory looks at management succession as a set of rational choices that are being made by the actors. This theory addresses some of the problems involved in management succession, which are emotions involved in decision-making and that the actors involved might have no experience (Duh, Lee, & Lin, 2009). In addition, Game Theory can be useful in structuring the factors and decisions that culminate in succession. It recognizes that hard choices must be taken, especially when suboptimal outcomes are experienced by potential successors. It is important to note that Game Theory cannot eliminate the emotional and psychological hardships of succession, but it helps decision-makers to have references from which to make decisions, therefore indicating that decisions are hard but are arrived at fairly.

The game

Decision problems surround the successor and the founder, as both are trapped between two choices: to move forward the succession planning or hold it back. The outcome depends on the choices of the successor and the founder. There are two possible outcomes of these decisions: to sustain harmony or tension. Just as in a game, when there are unjust judgements, there is tension, and when the rules are followed, there is less tension, and this results in the preservation of harmony. Game theory is therefore an essential reference point in family succession planning, as it gives light to the possible factors that might affect the succession planning, setting rules to offset these challenges, and establishing the structure and manner of succession so that any problem arising from the process can be addressed.

This theory differs from classical models, which fail to address interdependent decisions, since their key players are inanimate objects. They look into the cause and effect, neglecting that people's choices and decisions are consciously affected by what other people decide. On the other hand, game theory is constructed around the choices that are made by the players, with a clear definition of the preferred outcome (Kelly & Finkelman, 2011).

2.15.1b Institutional theory

Institutional theory has been examined as a framework that outlines certain aspects of what is taking place within an organisation. Selznick (1996) noted that the emergence and evolution of social interaction leads to new processes, strategies, and competencies within organised groups. These factors tend to emerge because of the need to deal with external forces (and thus the reaction to these) in certain ways, and these ways must be such that can preserve the values of the members of

such institutions. As these processes and reactions are practiced over time, so they become the norm, and hence widely accepted, in what Zucker (1996) called Objectification.

With regard to organisations that are centred around one person, the traditional and modern institutions tend to remain prominent. These include culture, family, religion, and the government. These institutions are examined in the following section.

2.15.1c Experiential learning theory

This theory is based on the views of Kolb, who described that learning can occur through a combination of grasping and transforming experience. Kolb's views are holistic, in that they embody cognition, emotions, and the environmental space where the learner is situated (Politis, 2005; Powell & Baker, 2009). Other authors who have considered Kolb's views have opined that we only test our ideas by trying, and hence gaining experience (Kolb, 1984), and by looking back at the process that has led us to a particular outcome (positive or negative), especially critical incidents (Cope, 2003).

Considering that management of a family business is an art (Stewart, 1998), the experience of the manager over a period of time is crucial, as it reaffirms what the manager is gaining from his or her entity, or from key people within that entity (Ekanem, 2019). It is, however, vital to consider that other views have placed more emphasis on the cognitive learning process and abstraction (Gibb, 1997) than on experiential learning. This raises an issue of debate, because modern theorists have proposed different ways through which managers and leaders can manage or lead their entities (Cope, 2003, 2005). Different studies have suggested that good managers manage through experience of their day-to-day workplace tasks (Powell, 2009; Plank, 2018), but this has been

deemed as the second part of the management process, because the first part is the mental state (Plank, 2018).

With regard to organisations that are centred around one person, both traditional and modern institutions tend to remain prominent. These include culture, family, religion, and the government. These institutions are examined in the following section.

The most important question to ask in this section is how these institutions affect family succession planning. Experiential theory is important, as it enables successors and the business owners to recognize the role of these institutions in succession planning. Legal issues involve the use of lawyers to oversee and to witness or give legal advice to the players involved. Without this institution, for example, disagreements arising before and after the succession process may not have an end if there in no one to arbitrate and conduct the process according to the rules and the law. This ensures that succession is done on fair grounds without being biased or discriminatory.

2.15.1d Discussion of theoretical framework

This section has examined the theoretical framework for family business succession planning. Every theory tries to illuminate some or all of the challenges that encompass family business succession in Arab countries. Without being biased, a careful analysis of the theories places Game Theory as the most effective theory to answer the research questions and objectives presented in this study. Unlike other theories, which try to explain a small sub-section of objectives, Game Theory captures almost all sections of the research question and objectives. For instance, it uses the metaphor of succession planning as a game. Family business succession planning is the main topic of interest in this study. Factors affecting succession planning in this theory go hand-in-hand with the various elements involved in a game. These elements include game rules, the environment, and

the structure of the game. Problems facing succession can be looked from an angle of lacking the game elements or overlooking or ignoring the influence of these elements in the game.

Game Theory carries the precepts and the elements of nearly all the other theories. For instance, classical theories explain the cause-and-effect relationships only, while Game theory discusses the interdependence in the decision-making process. Personality traits are among the key elements used in game analysis. Games are analysed so that the players can learn from their past and perfect their future, and this is exactly what is explained by the need for achievement and personality trait theories. Social Entrepreneurship Theory has also been captured by Game Theory. For instance, Game Theory does not depend on individualized decisions but considers the different inputs of various players.

The conclusion is that Game Theory is the mother of nearly all theories discussed in this theoretical framework. Therefore, it proper implementation can be useful in identifying the factors that influence succession planning, establishing the problems that arise during family business succession, investigating the problems that occur as a result of institutions during the succession process and coming up with solutions to these problems.

2.15.1e Summary of the theories

This review has presented a number of theories of entrepreneurship. The theories presented above demonstrate the relationship between entrepreneurs, their qualities and the opportunities or limitations that exist in environments where potential businesses are created or run. The theories highlight the importance of taking due consideration of environmental factors, which will most certainly impact on the operations and the future of the business. These theories identify factors like

skills, market conditions, intuition, personal traits and market conditions as factors that can lead to business creation by entrepreneurs. The theories can be viewed as a wholesome attempt to identify personal, commercial and cultural factors that impact on business development.

In this context, business development implies succession where the ownership is passed to other family members. The theories are silent on factors that are witnessed in Saudi Arabia, such as favouritism, imposition, and lack of individualism. These views are given to support continuity of the family business framework, also known as the typology of incumbents' motives for family business succession. Existing literature has outlined the importance of institutions and the chaos that results where succession is not well planned (here referred to as implosion) (Miller et al., 2003; Glover, 2014; Gilding et al., 2015). The case of favouritism and questions on imposition are aspects that emerge subtly in the theories outlined in this document; however, these views require contextualisation and clarification (Devins & Jones, 2015; Gilding et al., 2015). These are factors that are evidenced in Saudi Arabia's way of life. Identifying a theoretical perspective that can provide a lens in seeking to understand these factors will contribute to theoretical and practical development.

Most importantly, these theories have outlined the possible challenges of family business succession. For instance, some of the challenges noted were failure to plan properly for succession, and succession tension due to the lack of a proper framework or ground rules to inform decision-making. Moreover, they have suggested possible solutions to these challenges and the approaches that may be used to make decisions during succession planning. Theories like Game Theory provide a model for identifying, investigating and forecasting succession problems and outline a method to be used in formulating mitigation measures in case they arise.

2.15.2 Conceptual Framework

A conceptual framework is a representation of what is to be expected once research is done. It is used in a variety of situations to arrange concepts and to be in line with the end goal of the research. It is usually based on existing information and shows what parties are involved, how they relate to each other, and how they contribute to the result. The discussion that sets the background to our understanding of the question of succession planning is given in the next paragraphs.

In a family business setting, succession can be caused by retirement of the current management or owner (Adil et al., 2017). Succession training helps to identify a suitable candidate to take over the business. This might be challenging in a family, and especially in a polygamous family, because there are more people involved in the operations of the business and many who benefit from it directly or indirectly. Every organization must prepare to hand over responsibilities to the next team (Labaki, 2020).

Grooming for succession in a family business might start earlier than expected by involving children and other family members in the business operations. There is no one way for succession to take place, but each company does what works best for them. The succession can involve management or ownership of the company or both. In order for a family business succession to be successful, the process has to be well documented, stating the current level of the company and business procedures and where the company operations are headed. All partnerships have to be considered to avoid any future disagreements. It should be noted that experience through work and management of the business is key to identifying what to do and when to do it (i.e., identifying who should manage the business as a successor).

After the handover has been completed, it is prudent that there should be a team in place to advise the current management on governmental changes in trading laws as well as other specific

rules to the business (Adil et al., 2017). This team helps the new management to better adapt to any changes at the initial stages. As a result, it builds trust with family members who are non-managers as well as other non-family members who are major shareholders in the business. It is in all their interests for the business succession process to be successful (Ekanem, 2017, 2019).

A major concern in founders of family business is that the next generation has grown up in different times, and hence is not ready to take over managerial positions in the business (Adil et al., 2017). Founders tend to hold on to the company for as long as possible, which is dangerous because without a proper succession plan, the business will become merely a property about which the family disagrees. In such cases, the business risks being sold to divide its assets, even though everyone might have been better off with the business running, as it may have been more profitable.

Family businesses can be defined differently. In some cases, they can be viewed as a business started by one family member and later handed over to the next generation (Szymanska, Blanchard, & Kuhns, 2019). Another definition is a business in which members of a family, defined either by blood or marriage, have jointly invested (Bishop & Connors, 2018). A business in which the majority of shares belong to the same family can also be classified as a family business. The family in such cases can decide on how the business operates and who manages it. In order to avoid conflict and maintain professionalism, most families prefer to appoint external employees to managerial positions. This also helps in easily holding them accountable in business deals, as opposed to having one of the family members as the manager.

It is the wish of all business founders (owners) that their companies live long after they are gone (Goel & Jones, 2016; Szymanska, Blanchard, & Kuhns, 2019). This is a main challenge in family-owned business. Succession of a family business becomes more difficult if the family is

large. This is because each side of the family promotes its own as the most suitable successor for the business: in the long run, this hurts the business, as decision-making is delayed if the family cannot agree on the succession (Szymanska, Blanchard, & Kuhns, 2019). Family business disagreements come from the following three categories of family business: the family, owners, and the business (management). In 1982, Tagiuri and Davis illustrated the connection and dependence between these three elements in the three-circle model, as shown in Figure 3, below, which describes the family business system as a connection of three overlapping subsystems: ownership, business and family. This is a model that can be viable in explaining issues like boundaries, priorities, role conflict, interpersonal conflicts and business-related dilemmas. This model also depicts the complexity of relationships that might exist in the management of family businesses.

Figure 3: The connections and dependencies between ownership, business and family.
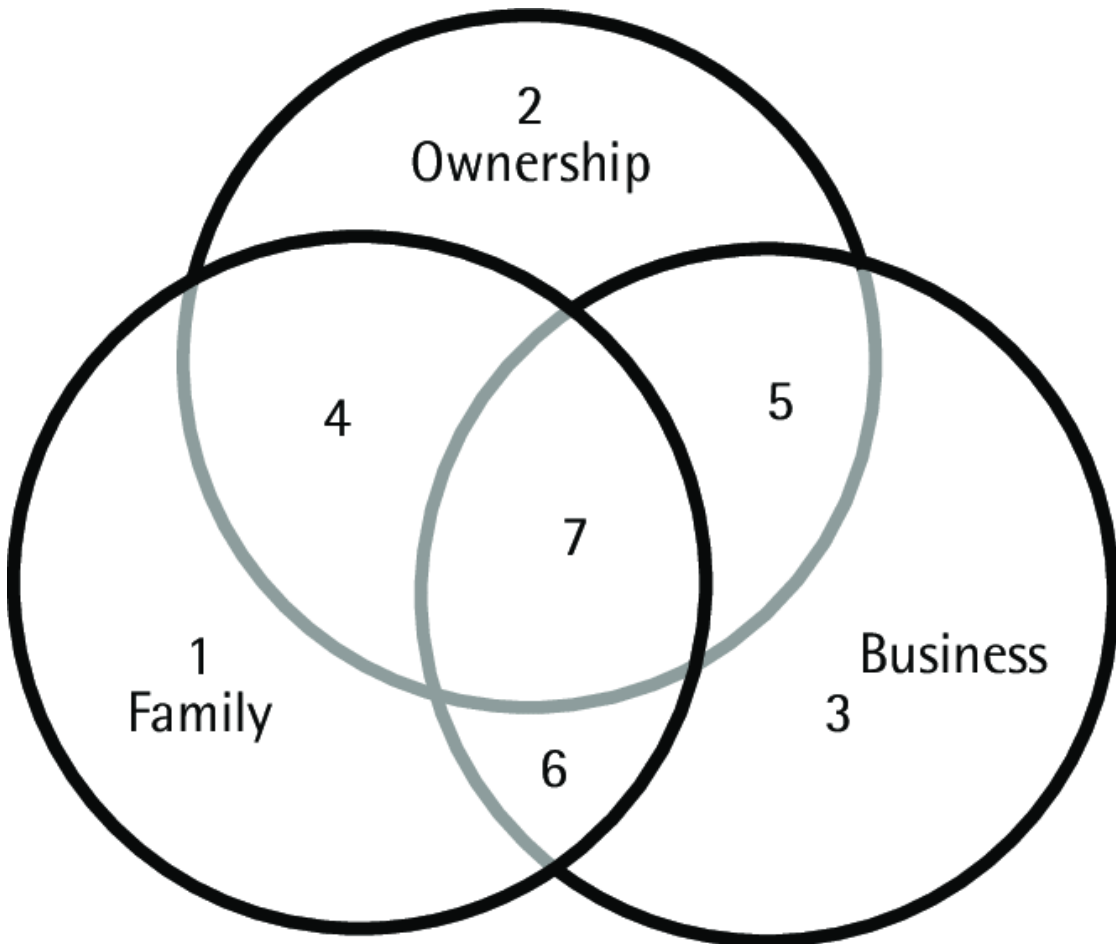
Source: Taguri and Davis (1982)

The chart shows all parties involved in the business and should be considered when preparing a succession plan. They all try to protect their interests in the business and focus on what matters most to them, instead of on the welfare of the organization in a situation where there is proper planning, and hence the need for proper consideration (Ramadani et al., 2017).

The complexity of an FOB is highly dependent on who is involved in it and how. In the figure above, the family circle is represented by 1 (including categories 4, 6 and 7, which are not necessarily members of the family) and contains everyone in all the generations. Some may not be in line to get to management level, but they still belong in the family. Other family members might have already reached higher levels of the organization based on experience or time of demise. They thus belong to the intersection of ownership and family (Blake & Lopez-Carlos, 2005).

Ownership circle 2 also includes categories 4, 5 and 7, who are non-family members whose interest are only in the business. They do not really care about the family and its affairs. They invest in the business and expect returns from it. This is mostly through passive forms, hence not falling under the business side (Ramadani et al., 2017).

Category 3 (partly including categories 5, 6 and 7) is a business-only section. These are people who are employed in the company for specific roles, and who are always the first to leave, as they do not own any shares or control of the company (Blake & Lopez-Carlos, 2005). This category might also contain employed managers whom the company feels are well equipped for the job. A company that has such a category takes this route because the primary focus of the manager will be the successful running of the company.

Category 3 (partly including categories 1, 2, 4, 6 and 7) is made up of business and ownership. They are non-family members who have some form of ownership in the company and are also involved in the day-to-day business operations. Some family members who have certain expertise are employed in the company. They do not own shares but have the best interest of the company at heart because they make a living from it, and it directly affects their lives.

In FOBs where there was more than one founder, the children directly inherit shares from their parents (Blake & Lopez-Carlos, 2005; Goel & Jones 2016). Whether they are potential employees or not, they become part of the ownership of the organization. External players in an organization will help the firm to discover what it can become beyond the family ties. They are mainly industry professionals in various areas, hence playing a vital role in the growth of the company (Goel & Jones, 2016).

A polygamous family will always have more divisions if there are no measures put into place for the good of the company and the family. Once a succession plan is put into place and is executed well, it becomes the blueprint for future succession within the organization as well as collaborations for the betterment of the firm.

In FOBs, only a few members are able to hold all three positions in the firm. They have more control of the firm and even more responsibilities for its welfare. This is not only the family relations point of view, but from the perspective of the business.

Figure 4: Diagram showing the factors contributing to family business failure.
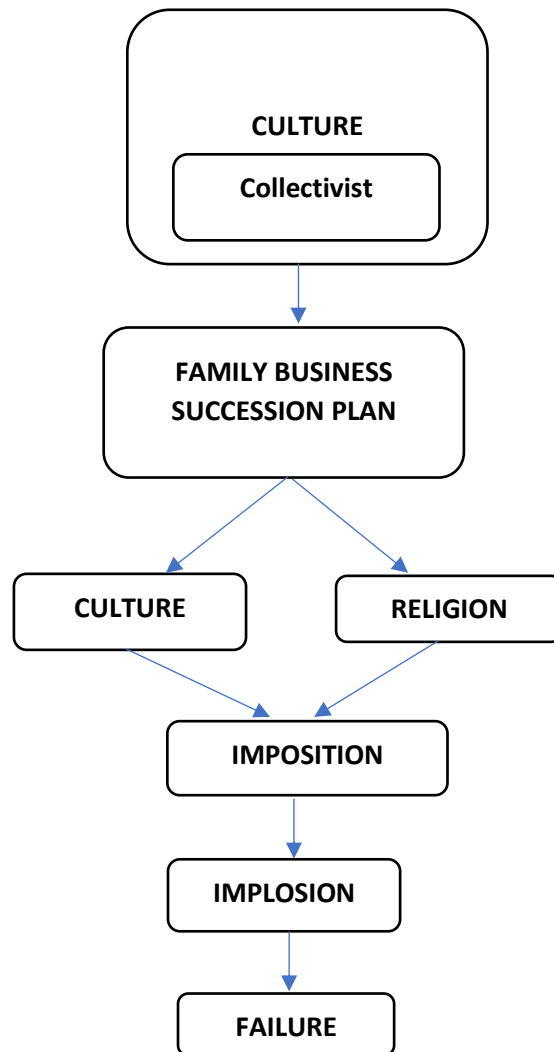
Source: Composed from existing literature

Figure 5: A proposed conceptual framework of factors contributing to the success of succession planning in family businesses
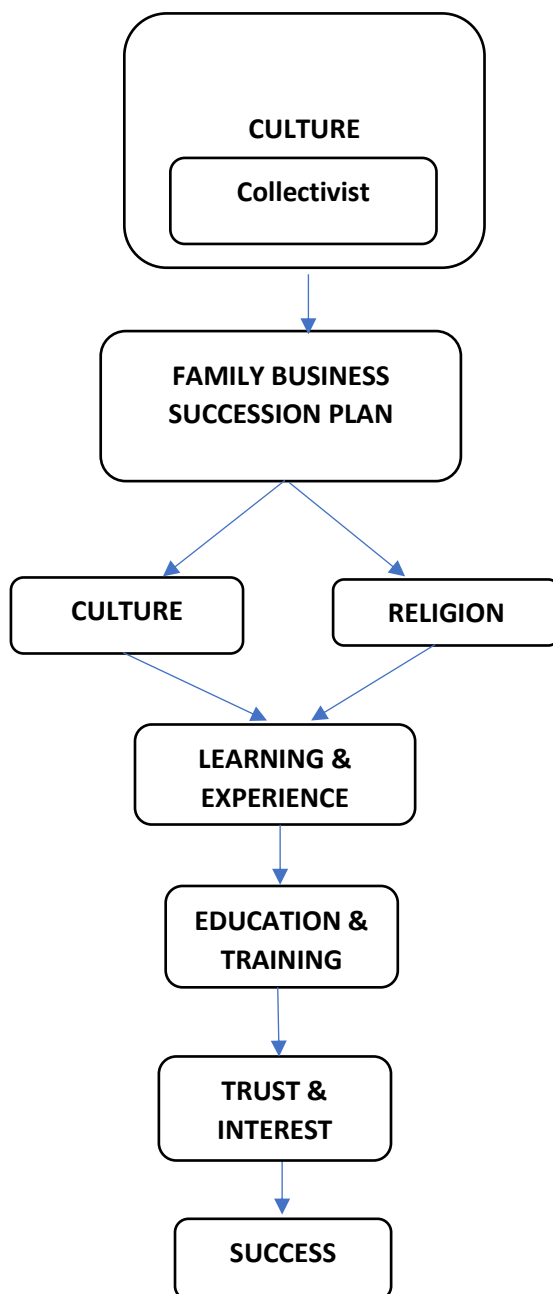
The diagram above shows the proposed framework for the success of family businesses. In this diagram, there are a number of factors that determine success, and the starting point is the contextual aspect of KSA, primarily the collectivist culture. Saudi Arabia is a collectivist society, where decisions tend to be made by many people (most of the family members), not necessarily the owner of the business alone. A collectivist culture, based on the views developed by Hofstede (Fuhrmann, 2019), is one where there is increased participation of the society in the affairs of a person: in this case, in the management of the business. Geert Hofstede stated that societies can either be collectivist or individualistic (At-Twaijri & Al-Muhaiza, 1996). Using Hofstede's dimensions, Saudi Arabia is a collectivist society[4]. The fact that decision-making is a 'family' affair means that the voices of family and respect for religious demands have a great influence on whether the plan for succession will be successful or not. With the involvement of family members and the influence of religion, experience is derived, and so, to be successful, the owner should educate and train the heirs apparent to manage the operations of the entity at an early stage. Having identified the heir and entrusted them with more responsibilities for running the business, trust and interest are created,

[4]
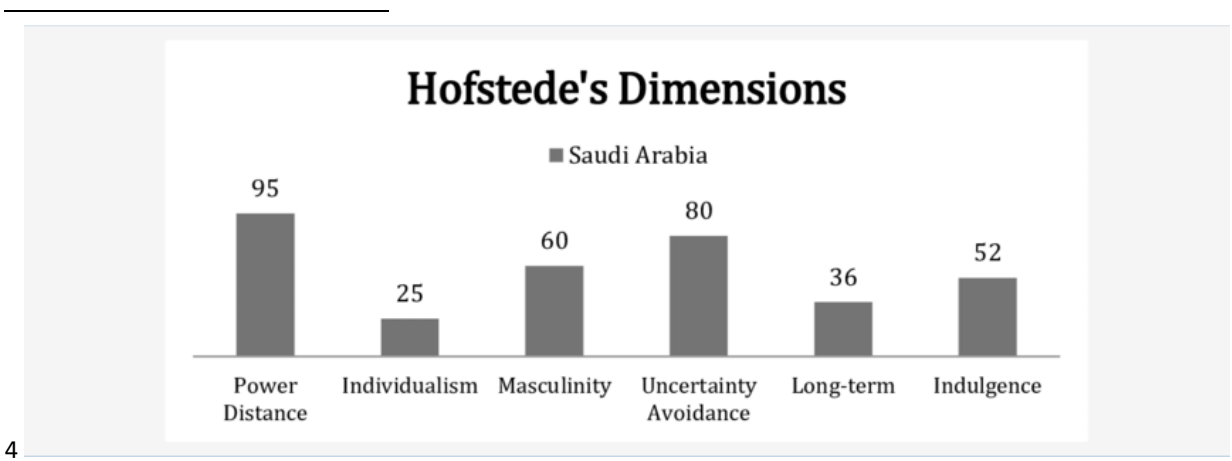
Saudi Arabia country profile.

In the chart above on Saudi Arabia's country profile, it can be seen that the country scores only 25% for individualism, with the remaining 75% being collectivist.

Source: Hofstedes-Dimensions-for-Saudi-Arabia-Hofstede-2015.png (850×305) (researchgate.net)

and eventually there will be a successful succession that will ensure that there is continuity in the management of the family business.

The diagram below (Figure 6) shows a new aspect that has been identified in the existing literature with regard to examining the challenges that exist in family business succession planning. The literature depicts different categories of factors affecting family business succession. These factors can become overwhelming, and the ensuing fatigue can lead owners to fail to prepare, but rather to depict acquiescence behaviour, such that the future of the business is left to fate. This is the concept of acquiescence.

Figure 6: Factors leading to acquiescent behaviour
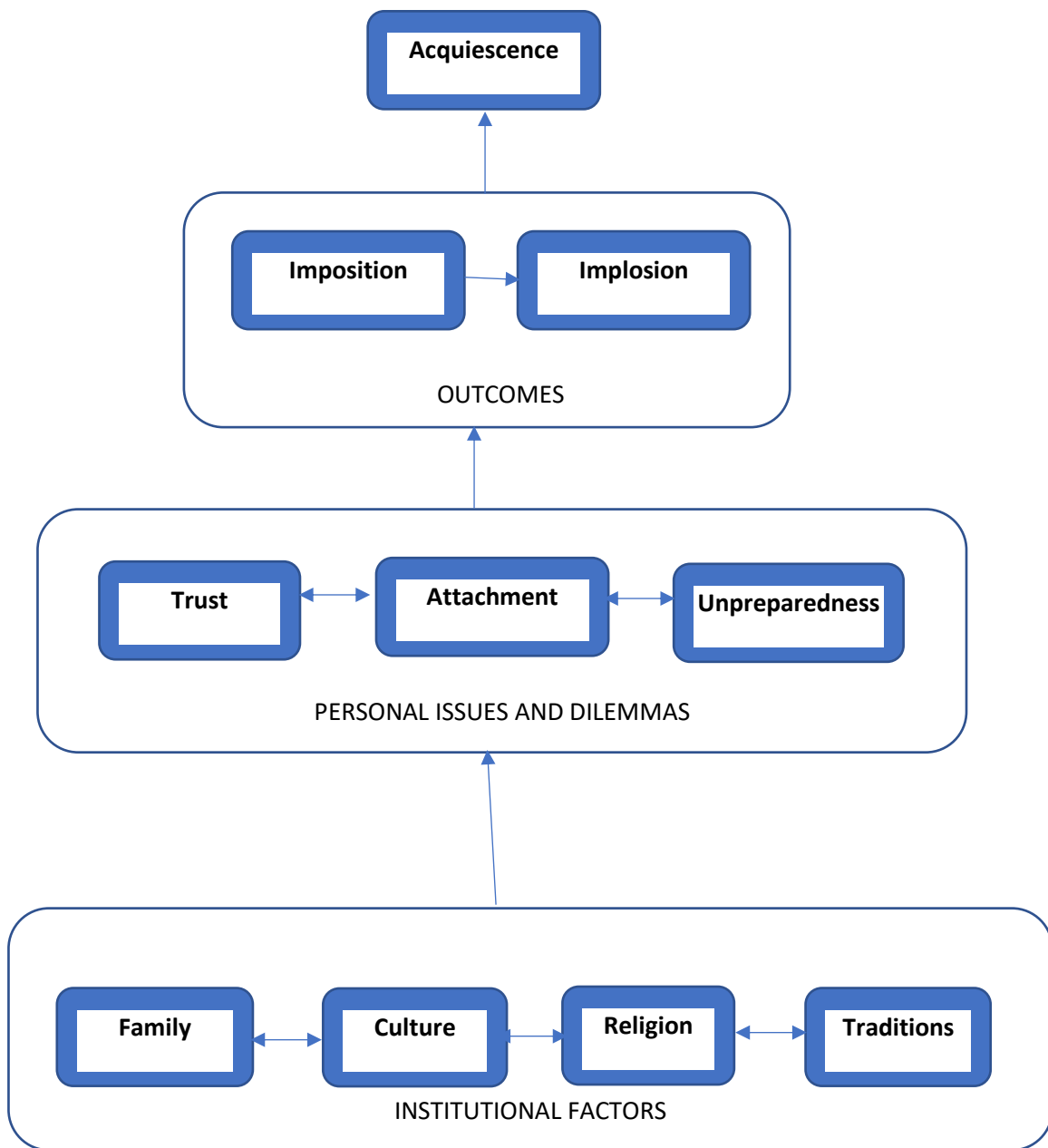
Source: Composed from the literature.

2.16 Fate of family business

Tapies and Fernández (2010) define values as moderators of family cohesion, as foundations for family business sustainability, and as support for business transmission to the next generation. According to the above-mentioned researchers, the values that contribute to family cohesion are respect, loyalty, honesty, and reputation. The premise of this study is that family cohesion influences communication and cooperation, and thus contributes to the success of the family firm. According to Tapies and Fernández, the long-term viability of a family business is dependent on venture capacity, excellence, dedication, prudence, and profitability. Effective firm governance and transparent leadership are conducts and behaviours that facilitate value transmission through valuable communication.

Values are based on an individual's perceived sense of life, and this sense of life influences attitudes, which determine a specific behaviour that can be experimentally confirmed. Values remain relatively stable over time. Klein and Kellermans (2008) demonstrate this perception by attempting to interpret family firm behaviours motivated by non-economic or financial issues. It is obvious how values are educationally dependent, and how they influence individual behaviour and perceptions of one's own space or society (Rokeach, 1973). This space, in the context of the present research, is the family firm. The value system varies from one family business to the next. It can also differ between members of the same family business.

Within the family business, trust and communication are engines of intelligence in relationships, with certain doses of motivation. Trust and communication are critical factors in establishing a family business protocol (Rodrguez Zapatero et al., 2010). A high level of relationship intelligence can be used to predict the likelihood of reaching a family agreement, which has a significant impact on the future of the family firm (Rodrguez Zapatero et al., 2011). Rodrguez

Alcaide et al. (2007) discovered a strong relationship between shared values and mutual trust, as well as between mutual trust and communication, cooperation, and compromise

2.17 Proposed conceptual framework

Having examined the issues relating to religious beliefs, collectivism, and patriarchy in family businesses, one thing that appears paramount is the existence of external forces that have immense influence on the way families operate, including the way family businesses are run. To this extent, the changes to the external environment tend to influence the ways in which family-owned entities are managed.

Considering the propositions held in the Classical theory of management, little has been provided in terms of highlighting the progressive context that reflects decisions regarding business continuity. To this extent, the proposed framework in existing literature to the context and the theory has been given below.
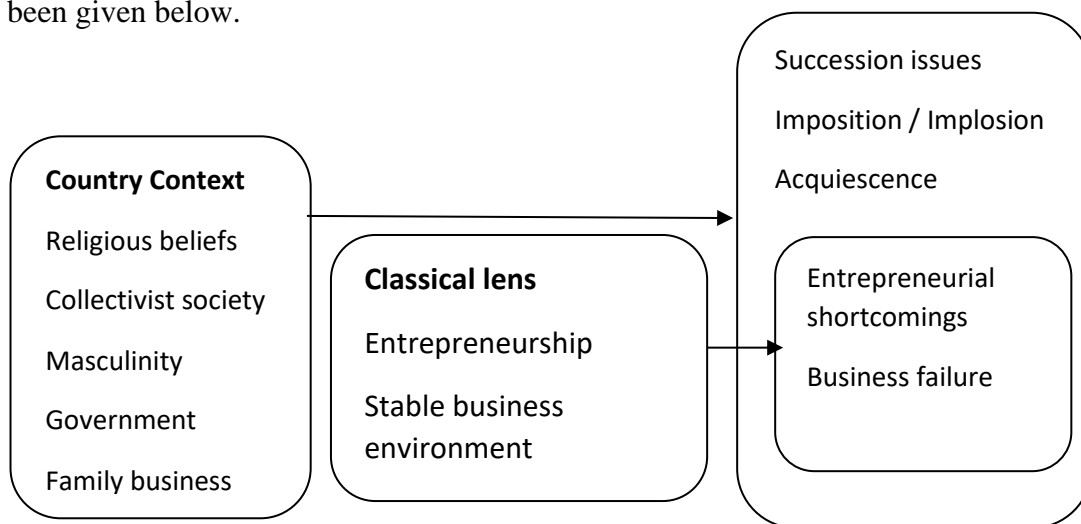
Figure 7: Showing the proposed context framework in light of the existing literature

2.17.1 Individualisation, imposition and implosion

The aspects of individualisation, imposition and implosion are evidently emerging from existing literature to denote the levels of control, self-centeredness, and associated problems. Guidling et al. (2015) provided what they called the 'typology of the incumbent's motives for family business succession planning'. This is shown below.

Table 3: Typology of the Incumbent

Family Harmony	Strong	Individualisation	Institutionalisation
	Weak	Implosion	Imposition
		Weak	Strong
	Continuity of Family Business CFB		

A look at the grid above demonstrates that individualisation is characterised by the need for strong family harmony but weak family business continuity, whereas the quest for institutionalisation is characterised by strong family harmony and strong continuity of family business (Duangekanong & Duangekanong, 2017). On the other hand, implosion is characterised by a weak quest for family harmony and a weak quest for continuity, and lastly, imposition is characterised by a strong quest for continuity and a weak quest for family harmony.

In the case of institutionalisation, the involvement of other parties to run the business seems to be favoured, because in this case, family members are not placed in a position where they may fight each other. Also, involving others, especially government agents, tends to lead to professionalism in the running of the business (Duangekanong & Duangekanong, 2017). Other institutional pillars include meetings by family members, religious organisations and extended family (Barnes & Hershon, 1976). In the case of individualisation, the inclusion of family members to run the business is considered crucial, taking precedence over the need to consider experience that might be useful to run the business (Gilding et al., 2015).

In the case of imposition, the owner may impose the successor based on their own beliefs and desires and may not consider the views of the family (Barnes & Hershon 1976). In such a case, problems may arise. Lastly, the case of implosion relates to the situation where the owner may not wish to let go, and hence, with no clear plan, self-centeredness may cause a rift in the family and also injure the business (Gilding et al., 2015). This can also imply failure to appreciate reality and changes that are taking place in the sector, industry, or country (Duangekanong & Duangekanong, 2017).

2.18 Analysis of literature gap

The literature review that has been provided in this section is focused on studies on succession planning in Saudi Arabia. The literature has not provided an in-depth analysis of the issues of imposition and implosion in family business, least so in the context of Saudi Arabia. Drawing from the typology of family business succession planning by Gilding et al. (2015), the four elements in the quadrants – individualisation, institutionalisation, implosion, and imposition – all denote the contextual issues with which ownership of family businesses must contend.

There are a number of studies that discuss individualisation and institutionalisation (Gilding, 2011, 2015; Gilding, Gregory, & Cosson, 2011; Budhiraja & Pathak, 2018), while few studies examine the question of implosion and imposition (Duangekanong & Duangekanong, 2017; Kirkpatrick, 2002; Gilding, Gregory, & Cosson, 2011; Medeiros, 2018). However, no study has focused on implosion and imposition in the context of Saudi Arabia. Saudi Arabia is an institutionalised society, but one in which collectivism is valued due to the deeply traditional culture that has over the years been shaped by religion (Duangekanong & Duangekanong, 2017; Kirkpatrick, 2002). Drawing from the Classical theory of entrepreneurship, as was discussed in this section, the task of organising a business rest with the ownership of the business: thus, the task of planning for succession is incumbent on the business owner, to whom the blame for failure should be directed (Sharma et al., 2003).

There are, however, contextual issues (that are society based), which might force business owners to make certain decisions. These contextual issues, which are encapsulated within the institutional forces, play an important role in Saudi society. For instance, culture, family, government and religion each play a crucial role in shaping owners' managerial behaviour. The influence of these institutional factors has, however, in most cases led to a behaviour of silence and a feeling of being powerless among business owners.

2.19 Chapter Summary

In this chapter, existing studies on family businesses have been examined. The studies have been drawn mainly from the field of business and entrepreneurship. The discussion of family business in general speaks to an established sector in many a developing country. This literature has identified the role of owners in shaping the future of the family business. Owners have the ability to choose successors, but they do not have the necessary experience for the same. Previous studies have highlighted the role of religion, family and culture, government's rules and regulations in shaping the behaviour of the owner.

There are several theoretical viewpoints that have been highlighted as lenses to the external forces that affect the behaviour of the owners when it comes to the time for succession. Family. business owners have to consider a number of factors when thinking of passing on their business to their heirs. Previous literature has drawn the views from classical and neo classical theories the studies have established that succession planning remains ever so chaotic, and the chaos are as a result of many factors. The level and nature of preparation is crucial among business owners, but this is what is lacking.

The next chapter presents the methodology chapter, explaining the methodological process of my research.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

The overarching aim of this study is to explore the types of ownership succession planning that are most strongly associated with family firms' post-succession performance in Saudi Arabia, by comparing businesses succeeded by family members with those succeed by professional/consulting firms. The following are the research questions, aim and objectives.

3.1.1 Key research questions

a) How does imposition affect succession planning in family-owned businesses in Saudi Arabia?

b) What are types of ownership succession planning that may be associated with family firms and their post-succession performance within Saudi Arabia?

c) What is the role of institutions in succession planning in family businesses in Saudi Arabia?

d) How can these challenges be dealt with in succession planning?

3.1.2 Research aim

To explore the types of ownership succession planning that are more closely associated with family firms' post-succession performance in Saudi Arabia, by comparing businesses succeeded by family members with those succeeded by professional/consulting firms.

3.1.3 Research objectives

a. To examine the factors that are affecting succession planning in Saudi Arabia.

b. To establish the problems faced during family business succession.

c. To investigate the problems caused by institutions in the succession process.

d. To investigate how these challenges can be dealt with.

This section presents the methodological approach that was used in the conduct of this study. Development of this methodology had a number of stages, some of which are explained in the subsequent sections of this chapter. Development of objectives was the first stage of this process. It is important to identify key objectives to a study. In this study, the key objectives were presented in the introductory chapter and explored in the literature review section. These objectives guide the researcher to have an idea about where the study is heading (Gerhardt, 2004). The researcher also presents the research process that demonstrated the way in which each stage of the methodology developed: for instance, where experience and literature information informed the methods (qualitative and/or quantitative), and the nature of analysis that was adopted.

The methodology used was qualitative method, where, as a researcher, I am expected to consider a wider understanding from the respondents' experience and views of a phenomena (Easterby-Smith et al., 2012). Qualitative research was defined by Bryman (2012, p. 36) as 'a research strategy that usually emphasises words rather than quantification in the collection and analysis of data'.

The development of this section follows from the literature review chapter, which outlined the theoretical and academic viewpoints espoused by different researchers in the area of family business. The literature review revealed the knowledge gap, and it was necessary to identify an approach to use to fill this gap: hence the importance of this methodology chapter.

This is an interpretive study that is based on inductive reasoning, as explained in the subsequent sections of this thesis. The technique used was a combination of primary (semi-structured interviews) and secondary (case studies and reports) methods in the predominantly

qualitative research. The main issue is the examination of why family businesses fail after being passed on to the next generation.

This chapter thus examines the methodological approach, the research process, the research framework, data collection techniques, data analysis methods, and the questions of reliability, validity, bias, and generalisation. Other issues discussed include ethical considerations and the time horizon.

3.2 Ontology and epistemology of this research

Guba and Lincoln (1990) provided a simple examination of the question of ontology and epistemology. Ontology examines the reality that is out there (Scotland, 2012; Easterby-Smith et al., 2012). In an interpretivist study, the ontological perspective is that there is no one truth or no one single reality: rather, groups of people create the reality. In this study, the key issue of discussion is the issue of succession failure. This study views succession failure in Saudi Arabia within the question of business failure in general. According to Gilding (2015), business failure is the loss of prospects of business continuation. The ontological view of succession failure is the failure of a business to carry on with its operations and eventual closure.

In terms of epistemology, the interpretation of the reality of business depends on the underlying contextual issues. The researcher seeks to find out whether something does or does not exist (Holloway, 2005). The researcher also has to examine the limitations of the knowledge that is known (Guba & Lincoln, 1990). In KSA, where family businesses form the majority of business enterprises, failure to carry out business operations implies that there could be other reasons that are specific to the Saudi environment. KSA is a highly conservative country where traditional culture dictates a lot of what takes place. Male dominance is prevalent, and the pressure to entrust

boys or male children with family wealth is overbearing. The researcher has certain assumptions as to why family businesses in Saudi Arabia might fail and understands that some of these assumptions are specific to the Saudi context.

3.3 Research philosophy

Knowledge is developed in different ways, as explained within the concept of research philosophy (Silverman, 2010). A number of assumptions are involved when knowledge is developed, and these relate to the way a researcher views the world and hence the basis upon which the researcher chooses his or her strategy for conducting the research (Sekaran & Sekaran, 1992). According to Saunders, Lewis and Thornhill (2003), the philosophy is crucial, as it informs how the researcher understands what he or she is investigating. There are three main kinds of research philosophy:

- Positivism: Positivism is the development of knowledge from social realities that are observed (Saunders, Lewis, and Thornhill, 2003). When one conducts a positivist study, the outcome of the same will be generalisations, like those made in natural sciences.

- Interpretivism: This involves the way knowledge is developed through the understanding of the differences of humans as social actors and their behaviour or experiences.

- Critical realism: In this philosophy, knowledge comes about through the basis of scientific study, and objects are assumed to be different from the human mind in their existence.

In this study, the Interpretivist philosophy was considered. The researcher's view of knowledge development was approached through conducting interviews and questioning the respondents on their experiences in their businesses, and it is this experience that they were asked

to share. Interpretivism or post-positivism takes a different path to positivism, as it seeks to examine the reasons underlying a phenomenon.

The phenomenon being examined is the reason why businesses tend to fail after succession. The research questions the validity of succession planning in the KSE and examines why businesses tend to fail soon after being passed to the heirs. The need to explain the causes of failure calls for the researcher to ask the questions 'why?' and 'how?' – these are questions that have been identified by Mason (2002) as being crucial in the conduct of an interpretive study.

Interpretive research provides extensive explanations that are considerate of various aspects, and not only the answers that are given by the respondents (Silverman, 2010). In this respect, it was crucial to consider a philosophy that would consider seeking and observing the responses from the respondents.

3.4 Research approaches

The research approach seeks to establish how explicit the use of theory is in the design of a study (Saunders et al., 2000). According to Mason (2002, p. 33), the approach can be defined as 'Deciding what theory does for your arguments'. Through research design, the researcher can:

-       Make informed decisions about the design of the study.

-       Know what will and what will not work with regard to research.

There are two common research approaches that can be used in any study: Deductive and Inductive (Silverman, 2010). In the inductive approach, the outline is bottom-up – the research starts with an experiment or data and then makes conclusions (Sayer, 1992). Quite often, these conclusions are generalised to affect all such phenomena. On the other hand, deductive approach starts at the point of a theory, where the problem statement is created, followed by a hypothesis (Silverman, 2010). The researcher then embarks on data collection, and analysis, and once this has been examined in the light of the objectives, the hypothesis will be accepted or rejected (Sayer,

1992). This study considered the inductive approach, through which the study of what is taking place in Saudi Arabia can be replicated or explained in relation to what is taking place in other parts of the world. The main issue is whether lack of succession planning can affect the future of a business after it has been passed on to the heirs.

3.5 Research process

The diagram below explains the research process that was adopted in the course of this study..

Fig. 8: Process of Research

```
                    ┌──────────────────┐
                    │ Define objectives │
                    └──────────────────┘
                       ↙            ↘
        ┌────────────────────┐   ┌──────────────────────┐
        │ Examine literature  │   │ Explain own experience │
        └────────────────────┘   └──────────────────────┘
                       ↘            ↙
                ┌──────────────────────────────┐
                │ Identify and list the kinds of │
                │ data that will be examined     │
                └──────────────────────────────┘
                              ↓
                ┌──────────────────────────────┐
                │ Explain the techniques to be   │
                │ used (Primary or/and           │
                │ Secondary)                     │
                └──────────────────────────────┘
                              ↓
                ┌──────────────────────────────┐
                │ Describe the analysis          │
                │ method                         │
                └──────────────────────────────┘
                              ↓
                ┌──────────────────────────────┐
                │ Describe limitations and       │
                │ challenges of the methodology  │
                └──────────────────────────────┘
```
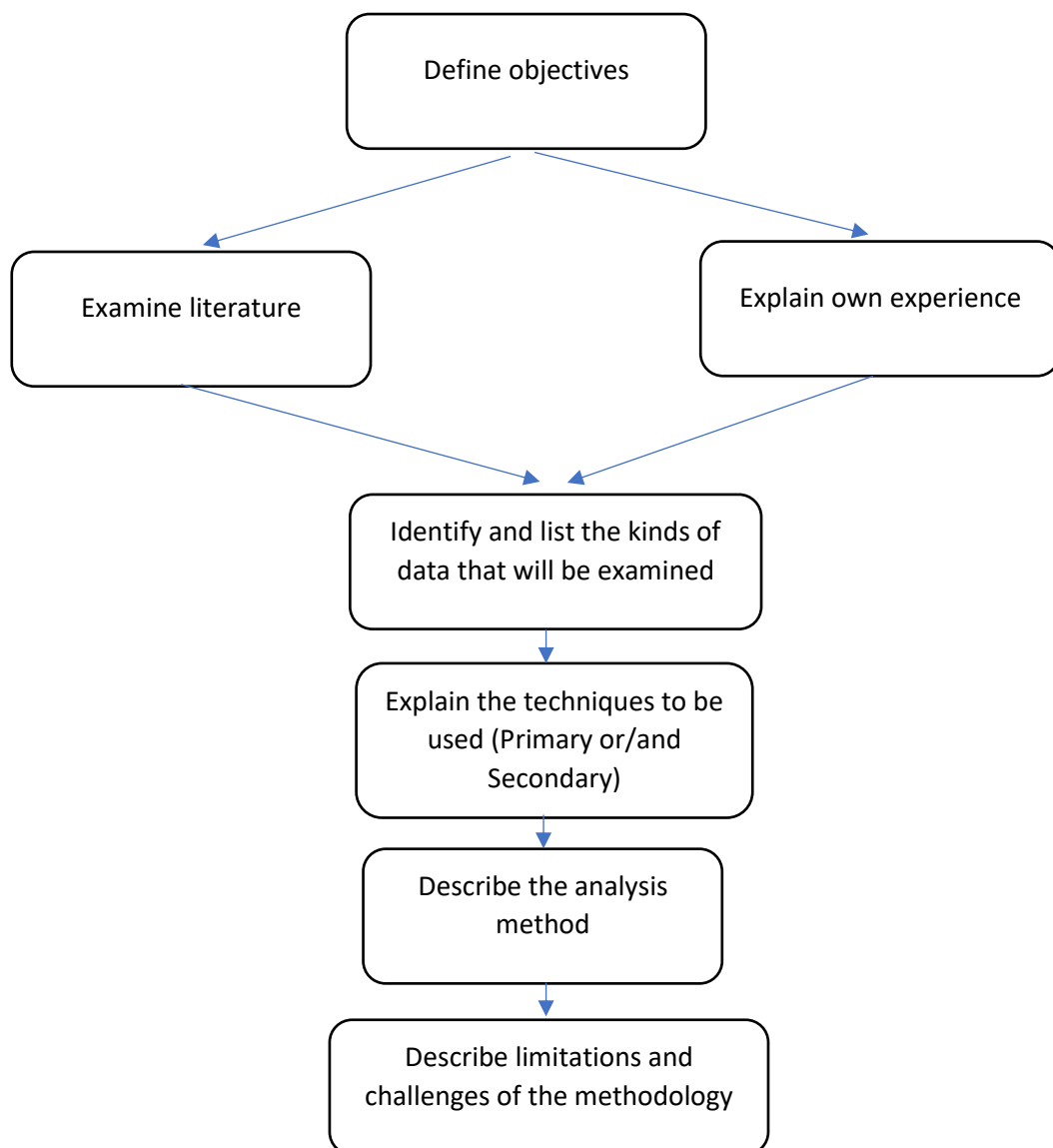
Source: Self-generated process

3.6 The process - explained

3.6.1 Examining the literature and my own experience

This is an important stage, in which the researcher considers the boundaries of the study as examined in the existing literature. In this study, I focused my examination of the literature on the question of succession planning, identifying key studies that have focused on this topic. I found that there was a lot of interest in this field through several studies, and it was necessary to consider those that had been conductive qualitatively, because my study also adopted a qualitative approach. Some studies have suggested that researchers should use mixed methods, even if only a small proportion of the data are quantitative or qualitative.

By identifying studies that have used the qualitative approach, I anticipated that I could find out what researchers have done and how their work could help to improve mine through an understanding of their viewpoints. At first, I considered conducting a mixed-methods study using both qualitative and quantitative methods, but I settled on qualitative research because the aim of the study is to investigate the process of succession planning, which requires me to answer 'how?' and 'why?' questions. In order to understand the process of succession planning, it is necessary to capture of full range of data nuances and the conditions in which decisions were actually being made.

As discussed by Ulmer and Wilson (2003), qualitative data need to be supplemented with quantitative approaches, and quantitative data sometimes needs the support of qualitative data to achieve a different understanding from the research work, as one approach complements the weakness of the other. Social and academic research has always been biased towards quantitative over qualitative methods because of the ability of the former to test the reliability and validity of numeric scales using statistical tools.

With regard to my own experience, I had to consider the situation of our family business, and of my role in our family entity. I am in a polygamous family, and my father passed on a few years ago without any plan in place to handle succession. Since his demise, the situation has gone from bad to worse, with family feuds, battles for control and alienation of the female members of our family. These experiences resonated with what I had read in books, and heard about on broadcast media.

I could see that the challenges that we have had in our family as a major distraction from the successful running of our family business. One of the issues we are facing is that decision-making is very complicated, with many voices and my brothers always wanting control. The other challenge is the fact that the women are always left out and told to be satisfied with the proceeds, even though there are instances where I and my sisters have felt that things were not being run in a good way. Throughout my research, I had to reflect on these experiences and consider whether I could learn from them, or if they would resonate with prior research.

Examining these challenges requires different views from people or businesses. A study that uses words to describe phenomena uses a qualitative approach. This resonates with the approach that I saw being implemented in other studies. Of course, as mentioned earlier, some of the studies I examined used qualitative research in order to identify possible factors affecting succession planning, challenges or problems before and after succession, and the various methods that could be implemented to solve them.

3.6.2 Identify the kind of data to use

This stage involved identifying the kind of data that I would use. Because I was to seek the views, opinions, attitudes, and experiences of the respondents, I had to use questions that would allow the respondents to explain their views, and hence, I decided to collect qualitative data.

3.6.3 Technique used and data analysis method

This stage involves identifying the techniques used to collect the aforesaid data. I had to read widely to examine the kind of data I would seek, including how to frame the questions. This was an important stage where I had to seek the participation of my supervisors in framing the questions. The conceptual framework, based on the literature review, was very important in developing the survey questions. First of all, the various elements under consideration were noted down and examined. A thematic analysis of these factors and concepts was employed to place them in different thematic groups. After this process, well-structured questions that captured the different concepts in the groups were formulated. Moreover, some of the questions formulated were guided by the existing tools that had been used in prior studies for data collection and analysis.

3.7 Research Methodologies

Research methodology allows the researcher to demonstrate how his/her research is informed by existing knowledge and to justify the choices that have been made, with the view to demonstrate the processes and the ability to complete the study. It is therefore imperative that the right method is adopted and justified. Sekaran and Sekaran (1992) and Silverman (2010), however, have argued that most research frameworks, in one way or another, provide the same reasoning, and therefore, there is no difference as to the kind of research framework that is chosen.

In this research, a primary data collection technique was used to identify the issues surrounding succession where the business is passed on to the children – usually to the male family

members. Due to the nature of Saudi society and the social-cultural issues surrounding it, this study sought to explore the complexities surrounding the transfer of power and ownership.

3.7.1 Case study methodologies

A case study provides a real-life example that can explain a phenomenon. In this case, the phenomena under observation are the challenges facing family business success, factors influencing succession processes, the problems that arise during succession and how to solve such problems. Yin (2015) has written extensively about case studies, exploring their importance and providing criticisms of the same. The use of cases studies is considered where there can be a progression of the issues of discussion, thus making it possible to provide an analysis of trends or matters that can be explained in a 'story-like' manner (Meyer, 2015).

Case studies tend to be qualitative (Yin, 1994, 2015; Meyer, 2015). In presenting the case study, the researcher should consider the time, relevance, and importance of the case and whether the case will tell the 'story'. The challenge of using case studies is the ambiguity that might be created, thus moving away from the research objectives.

It might be possible to use a case study approach to examine what is taking place with one or two businesses in Saudi Arabia, to explain the question of succession planning in Saudi Arabia. This study settled on an example of one of the most successful businesswomen in Saudi Arabia, named Lubna Olayan. The story of Lubna Olayan[5] resonates well with the theme of this study, as

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[5] Lubna Olayan: What Makes a Role Model? Lubna Olayan is considered to be one of the most prominent businesspeople in the Middle East. She is the CEO of the Olayan Financing Co., one of the largest companies in the region. This company was originally founded by her father, who was one of the most prominent businessmen in the region. She has been chosen several times among the most powerful women in the Arab world and among the world's most influential women. She pursued her undergraduate and graduate education in the U.S., obtaining a BA from Cornell and an MBA from Indiana University. Olayan has been extremely active in advancing women in leadership

it explains two issues: successful succession, and the involvement of a woman, not a man. Examining this example was crucial in my study because it presented me with a viable real-life situation that contributed to my discussion. I embarked on examining how she acquired her business and the dynamics that were present at the time, and how she has managed to run the business until the present time. The example of Lubna Olayan has been considered because it satisfies the following.

- She was the only heir to her father's business.

- She is a woman in a male-dominated society.

- It is a family business.

This case was developed from newspaper articles and trade magazines, but also from interviews with the person concerned. Although examples of the businesses run by Lubna Olayan formed the main content of the story, interviews were used to gather information that was employed to examine other aspects of family-related businesses.

The following factors were considered when collecting data for the example given through semi-structured interviews and when considering the participants and businesses to be included in the process.

- The fact that it is a family business entity.

- The fact that it was passed over to the children.

- The business succession should have taken place within the past 10 years.

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positions. She was the first woman to be appointed as a member of a board of a Saudi Arabian company (Saudi Hollandi Bank) and is also a board member of the marketing giant WPP.

Olayan is a stern believer in the values of hard work, determination, and persistence. When asked about taking credit for the success of the Olayan Group, she said, "I never think about it in that sense. We accomplish things and then move on. I never dwell on what I've personally achieved. As a group I am very proud of where we are now. It's our philosophy that the best job should be given to the most competent person. That is something I truly believe in, and my father believed in."

Olayan was depicted as a hero by Prince Alwaleed Bin Talal Al-Saud, and a role model for future women leaders: "Olayan tends to downplay her positive impact on perceptions of Arab women's roles. But wherever she goes, especially since the Jidda speech, she is a star. One reminds everyone that Saudi women are capable of running not only the house but also major companies.

The facts that emerged from the example of Lubna Olayan (Success Story, 2021) were as follows:

- She started working in her father's company in 1983 and was the first woman to work in the company.

- In 2004, she formed Olayan National Women's Action for Recruitment and Development.

- In 2005, she became non-executive director of the company.

- In 2006, she Joined international advisory board of Rolls Royce.

- In 2007, she joined the advisory board of Citigroup.

3.7.2 Data collection methodologies

In this study, data were collected using semi-structured interviews. During this process, the respondents who had been identified (some from the website of the chamber of commerce in Saudi Arabia, and some who were well known to the researcher) were asked a set of questions. These respondents were chosen from among the managers, owners, and heirs apparent to family businesses. These were people with stakes in the business and who were expected to be able to provide key answers. The choice of the respondents was influenced by the knowledge that they were part of a business and as such were well placed to answer the questions.

Open-ended questions were asked to allow the respondents to provide further explanation, and also to allow the researcher to seek further clarification as and when necessary (Chan et al., 2016).

The following section discusses how the data was collected, including the techniques used.

3.7.3 Data collection techniques

Collecting the right data is vital for the success of any study (Saunders, Lewis, & Thornhill, 2003). It is important for the researcher to consider and access the right kind of information and to ensure that the means of accessing the same is practical. The choice of the method of data collection is often dependent on the kind of research and the duration of the research period. There are two main methods of data collection: primary and secondary (Altrichter et al., 2008).

a. Primary data collection

Primary data collection involves the use of tools to seek raw data from the respondents, while secondary data collection involves using data that have already been collected for other studies (Saunders, Lewis, & Thornhill, 2003). Primary data collection provides first-hand information to the researcher and can be made specific to the research objectives and questions (Yin, 2015). There are, however, the challenges of time, cost and relevance in the choice of the primary data collection, thus limiting their effectiveness.

The decision as to which type of data to use is based on the information that the researcher seeks to establish or the research question that governs a particular study. It is crucial that the researcher also considers the facilitating conditions and examines the likelihood that the method chosen will fully answer the questions.

The following are the advantages of primary data collection in the context of my study. The research secures original data from the source, and this can be important for scientific studies, where accuracy of data is paramount. In my study, an examination of the challenges that arise post-succession could be conducted, with a clear and specific focus: for instance, collecting data that are

relevant to succession planning in family business. According to Vlachopoulos et al. (2015), access to relevant data is paramount, as it allows the researcher to remain within the scope of the study and to do what is expected. I found that it was easy to identify specific businesses to be studied and to focus on these, rather than gather materials that were not relevant to my research. Similar reasons for using primary data collection were given by Sekaran and Bougie (2016).

Another benefit of primary data is that it remains within the scope of a particular study, and thus facilitates analysis (Saunders, Lewis, & Thornhill, 2003). In the present study, having gathered materials that were relevant to my research question, and that were specific to my work, it was easy to engage in data reduction and thus interpretation, because the volume of the materials was limited and specific.

While the primary method has the advantages given above, there are also certain challenges that the researcher has to consider. First, the collection of primary data is a tedious and expensive process, which can also be time-consuming. In the context of this study, it involved travelling to Saudi Arabia, making contact with the respondents (or potential respondents), and then meeting them. This involved money and thus may be a major challenge. A study by Alvesson and Sköldberg (2017) found that when the researcher uses primary data collection techniques, a number of activities may be involved, most of which tend to be costly compared with the situation where the researcher could have used materials that are already prepared. Second, primary data requires preliminary editing before it can be used for analysis (Altrichter et al., 2008; Yaddanapudi and Yaddanapudi, 2019). This is because such raw data may have to be organised in such a way that only the data needed are used for the study. In this study, this meant making changes to some responses and thus that some information or data was removed in the process. Sekaran and Bougie (2016) found that despite these issues, it is still worth considering using primary data to gather

information if this is the most viable method of data collection and if it supports the successful completion of the study.

b. Secondary data collection

Secondary data collection involves gathering data that are already prepared (Sekaran & Bougie, 2006). The researcher may use different sources for this, including books, journal articles, newspaper materials, websites, video clips and company reports (Alvesson & Sköldberg, 2017). In this study, it was vital to examine websites and records that present information about family businesses in Saudi Arabia. Secondary data collection should, however, complement primary data, and it is therefore necessary to collect and examine the sources of the data and ensure that they are credible (Alvesson & Sköldberg 2017). As has been mentioned, in this study, I used both the primary and secondary data to examine the issues under discussion.

3.8 Preparation for data collection

Data collection involved the process of gathering the relevant data to be used in the study. In this research, the question under examination relates to the issue of succession planning. It was considered vital to identify the following:

- Who the respondents will be?

- How to reach them.

- The kind of questions to be asked.

- How these questions relate to or meet ethical considerations.

- How these questions would be analysed.

The respondents selected were managers, business owners and heirs apparent to family businesses. This was based on the consideration that these are people who are most likely to be close to the business, and as such, to understand the business and to have an interest in the same.

With the view to identify the respondents, the broader context of this research was considered. To this extent, the respondents were selected from three cities in Saudi Arabia: Riyadh, Jeddah and Dammam. These cities are the biggest in Saudi Arabia and have a significant businesses presence, and as such, they provide a good chance of getting the relevant data. Using convenience sampling, I interviewed a total of 10 respondents in each of the cities given above. These companies were selected from the website of the Saudi Chamber of Commerce or because they were well known to me and within easy reach. This sample size was chosen because this is an interpretive study, so it was considered vital to conduct sufficient semi-structured interviews to allow for comprehensive information-gathering. A broad base of data was needed to provide a variety of contextually placed responses. By considering data from different locations, it was possible to eliminate bias that might be caused by the specificity of a location, as such contexts might be influenced by a number of factors. In fact, Saunders et al. (2007) suggested that a rich study should consider a variety of sources.

Also, there was the need to identify a broad base in order to potentially have access to different kinds of businesses or those from different industries, thus allowing me to collect large amounts of data. Similar reasons have been given in studies conducted by Silverman (2010) and Alvesson and Sköldberg (2017). It was found that large data sources were crucial for facilitating good research, and that such could be accessed from a large population, which could be spread across many cities or a wide area.

3.9. The instruments used for data collection and semi-structured interviews

A set of questions were developed and used as the main data collection technique. To ensure its success, this study was guided by both closed and open-ended questions that were formulated based on the literature review and the conceptual framework, with the aim of unearthing the factors that affect family business succession planning in Saudi Arabia, the challenges underpinning it, and the solutions to those challenges.

3.9.1a Quantitative instruments

The choice of the instruments to be used in any research is of great importance. Identifying the right instrument enables the researcher to identify the scope and the potential richness of the data used. In this study, quantitative data was not used: because the study was about how and why succession was carried out in family businesses in Saudi Arabia, key data items that were sought were best accessed using quantitative instruments, as explained in the next section. Quantitative instruments could include surveys and questionnaires to gather numerical data, which could then be analysed through different tools as determined by the researcher (Silverman, 2010). This approach was, however, not employed in this study.

3.9.1b Qualitative instruments

In the semi-structured interviews, the use of open-ended questions that could be posed to the respondent was considered vital. By using open-ended questions that reflected on a wide range of aspects of the businesses, it was possible to identify reasons that could be specific to the research questions. Open-ended questions also allowed respondents to explain their reasons, thus providing comprehensive information (Silverman 2010). They also allowed for the possibility of clarification, thus enabling me to be satisfied that the answers given were within the expected scope.

Semi-structured interviews were thus selected, based on their advantages. They allowed me to focus on the topic of interest while giving room to address other ideas that might arise during the interviews. Moreover, they allowed me to obtain rich and detailed data due to their open-endedness and flexibility of asking additional questions.

3.9.2 The process

Having considered the fact that there are many family businesses in Saudi Arabia, it was necessary to identify the respondents through convenience sampling techniques. Pre-arranged visits were also used, which I arranged through telephone calls, and my brothers helped in setting up such meetings. This involved visiting family-owned businesses within the three cities. The process involved seeking either the owner, the heir, or the business manager.

The selection process involved identifying the persons who were running family entities, either in their capacity as owners or managers. Since there are many family businesses in Saudi Arabia, I had a wide choice, such that if I did not find a respondent as was pre-determined, I could always arrange another meeting in a different organisation.

Each interview session lasted approximately 60 minutes, as it involved seeking explanation and further clarification. The respondents were allowed to ask questions in the process. Once the interview was completed, it was time to seek the next interview, until all interviews had been conducted. The interview sessions went very well; however, the process involved a lot of travelling from one place to another. Since I was recording the interviews and also taking notes during the process, I reached a point where I realised that no new information was being gained from subsequent respondents, as the information being given was more or less a repeat of what I had

heard from the previous respondents. This is known as saturation point, which, according to Fusch, and Ness (2015), is a point where no extra information emerges from the responses and gathering responses from additional respondents appear to be of little or no value to the researcher. At this point, I stopped the process. Once the interview process was complete, it was time to compile the outcomes, and this is explained in the subsequent parts of this chapter.

3.10 Triangulation

Whenever two methods of data collection or research techniques are used, it always necessitates the need for triangulation (Cohen and Manion, 2000; Jonsen and Jehn, 2009), which, according to Altrichter et al. (2008), is a way of indicating that there are two or more methods in use in a particular study. The aim of triangulation is to create a link between the two methods and validate the outcomes, as a general process of maintaining the credibility of a study (Freeman, 2007). Denzin's (1978) view on triangulation has formed the basis for its use in qualitative studies. Discussing interactionist research, he stated that 'multiple methods should be used in every investigation, since no method is ever free of rival causal factors (and thus leads to completely sound causal propositions), can ever completely satisfy the demands of interaction theory, or can ever completely reveal all the relevant features of empirical reality necessary for testing or developing a theory' (Denzin, 1978, p. 28). Denzin stated that the convergence of data is crucial in any study if the truth has to be established. Some studies have used triangulation when there have been a wide range of data items (Jonsen & Jehn, 2009), while others have been qualitative in nature, with only a few respondents, but which have also used triangulation (Guion, Diehl, & McDonald, 2011; Natow, 2020). These studies were my basis for using triangulation in this research.

I considered the use of triangulation as a way of seeking clarity in my data, and thus ensured that I clarified issues with my respondents during the time of the interviews or conducted follow-up meetings where I sought further explanation from the respondents. I used triangulation through the use of interviews and observation. Throughout the data collection period, I asked questions and

also observed what the respondents were doing (body language). I would ask questions, but record their gestures as well, and this gave me a clear indication of the kind of information they did not speak out. Observation allows the researcher to see what the respondents may not say, thus provides a basis for clarification through follow up meetings (where necessary).

Follow-up meetings are time consuming, and it would have been ideal to get as many responses from my respondents as possible, but this may not always be possible. It is important for a researcher to create sufficient time to gather data, which involve conducting follow-up meetings.

3.11 Data analysis

One of the most important stages in any study is that of data analysis. Researchers must be in a position to demonstrate how they have dealt with their data. Once the tedious process of collecting data has been completed, it is now crucial to ensure that such data are analysed or processed in such a way that a meaning is created that answers the questions or the problems that the study posited. There are various methods of data analysis: some are used exclusively for qualitative data while others are used for quantitative data (Patton, 2002). Nowell et al. (2017) indicated that studies that are qualitative in nature should not use mathematical tools to analyse their data, because in such studies, data exist in the form of opinions, views, feelings and even descriptions. This being a qualitative study, I considered two qualitative methods of analysis, including Thematic Analysis and Grounded Theory (Nowell et al., 2017).

Grounded Theory is an important method of qualitative data analysis. Glaser and Strauss (1967), Chamaz (2014), and Corbin and Strauss (2015) are among the key contributors to this theory. The history of grounded theory lends itself to different schools of thought, including Strauss and Corbin's (1990) Objectivism and Reflexivity and Chamaz's (2006) Constructivist version, which have their roots in classical Grounded Theory, developed by Glaser and Strass (1967).

These different views of Grounded Theory have made it quite complex in concept and application (Timonen, Foley, & Conlon, 2018). The reasons for this complexity include first the issue that the theory is not fully developed, and debate is still ongoing as to whether it is a theory or a method of analysis; second, Grounded Theory requires that data collection and analysis should happen in tandem; and lastly, using Grounded Theory to code data is time-consuming (Timonen, Foley, & Conlon, 2018). These specific reasons were clearly major obstacles for me, and that is why it was not used in this study.

Unlike other methods of analysis, Thematic Analysis (TA) has a systematic way of approaching the use of data because it identifies themes throughout the study and explicates these themes in light of the research objectives. Alhojailan (2012) provided a critical analysis of three methods of analysis: TA, Hermeneutics and Grounded Theory, and provided guidelines that should help the researcher to consider which of these methods to use. My rationale for using TA is explained below.

3.11.1 Thematic analysis and how it was employed in this study

TA is a method that identifies patterns in data. My version of TA involved a six-phase analytic process. I use the term 'phase' to highlight that TA, like most approaches to qualitative analysis, is not a strictly linear process. Instead, it is iterative and recursive: the researcher often moves back and forth between the different phases. Below is a full discussion of how the TA was carried out.

3.11.1a Familiarisation with data

The first phase of TA, familiarisation with the data, is a process that can begin during data collection. The second phase involves generating codes to immerse the researcher more deeply in

the data and create the building blocks of analysis. It is likely that as coding progresses, the researcher will start to see similarities and notice patterns across the data (Nowell et al., 2017).

Creswell (2014) noted that data must be obtained through a process that is clear to understand, and once this has been done, the researcher must organise the data in such a way that as to ensure proper transcribing. In the context of my research, and as stated by Braun, Clarke, and Weate (2016), transcribing my data involved listening to the interviews again and again, taking notes of the main message that each respondent was issuing to each of the questions. Note-taking also involved considering the demeanour of the respondents, and also reflecting on what meaning the respondents were giving. As a researcher, I needed to employ my writing and critical thinking skills.

However, it is important to stay focused on coding the entire dataset before moving from coding to constructing themes in the third phase. The themes the researcher develops at this point are like draft versions of a piece of writing – not fixed, and flexibly open to change – with the fourth phase involving reviewing potential themes. There are a number of techniques and questions to guide progress to defining and naming themes in the fifth phase, and then finally developing the entire analysis during the sixth and final phase, namely producing the report. Writing the report offers the final opportunity to make changes that strengthen the analysis and effectively communicate the analyst's story of the data.

3.11.1b Familiarisation and coding

Familiarisation is an important process in the Thematic analysis method, and it enables the researcher to start understanding the responses that have been given by the respondents. It is an engaging process, and (Nowell et al, 2017) indicated that the data that have been gathered can be

overwhelming to the researcher, and as such, there is need to get to understand these data items before moving to other stages.

Through familiarisation, the researcher gets the first opportunity to plan how to conduct the analysis. My consideration of this process during my study was an important aspect of my study because, having gathered data from different respondents, it was necessary to gain an understanding of what my respondents, drawn from different locations stated. In the next section, I have explained my activities during the data collection and analysis stage.

3.11.1.1 Stages of thematic analysis in this study

I had to engage in the following stages to analyse my data:

First, I had to re-examine my research aim and objectives. This involved revisiting my aims and objectives up to the stage of data collection.

Second, I had to look at the key research questions, in order to ensure that the objectives were met, in order to answer the research questions.

Third, I had to identify statements from the responses that were linked with the objectives of my research. Once I had taken notes of the messages that were being conveyed by the respondents, it was time to embark on coding. Coding can be conducted manually or through the use of computer software. It is necessary to ensure that the data to be coded is given either as description, interpretation or explanation (Alhojailan, 2012) and the researcher may also employ intensive discourse and identification of hidden message from the responses. I considered and used manual method for analysing these data. Nowell et al. (2017) indicated that manual analysis in TA can be tedious, but the control of the process rests in the hands of the researcher, who can also consider specific data that are relevant to the study.

Fourth, I developed a mind-map of the key messages emerging from the responses. At this stage, it was necessary to ensure that I identified key message topics (forming my sub-themes). After coding, it was now time to identify and generate different themes. Themes are the key words that summarise all the others in the thematic groups. After that, the process of thematic review begins to identify whether these themes are useful to the research questions, objects and aims. This step is followed by the defining and naming the themes that have been identified as useful. Lastly, they are written down.

Fifth, similar sub-themes were merged to create the main themes, which were then applied to my research objectives and my research aim.

3.11.1.2 Framework of coding

According to Clarke and Braun (2014), it is necessary for a researcher to consider a framework that can support their study. The themes that emerged include Culture, Trust, Expectations, Preparedness, Planning, Fear, and Family Dilemma. These were given codes: for instance, C1, Pp1, Ep1, E1, T1. These codes helped me to distinguish between themes and subthemes, thus making my analysis process easy.

The next stage was to describe these thematic areas, by defining them and explaining them in the literature section or in the discussion section.

In conducting the manual analysis, I re-examined the ways I identified the themes – a process that called for me to go back to some of my respondents when I needed clarification. Guest et al. (2012) indicate that the onus is on the researcher to gather and cross-examine all relevant data, as well as to revisit the literature in order to ensure that what is being done in this stage has a background in existing literature.

The final stage was to explain these themes in the light of the existing literature and identify areas of my themes that addressed my research questions and where there appeared to be new information that was not evident in my existing research. The process of TA used in this research is presented on the next page.

The research processes

Writing notes and recording data

Reading through data items

Classifying the data into categories

Creating nodes from each category

Creating thematic nodes

Creating sub-themes

Creating themes from the sub-themes based on objectives of this study

Describing the themes

Intepreting the themes in the light of literature.
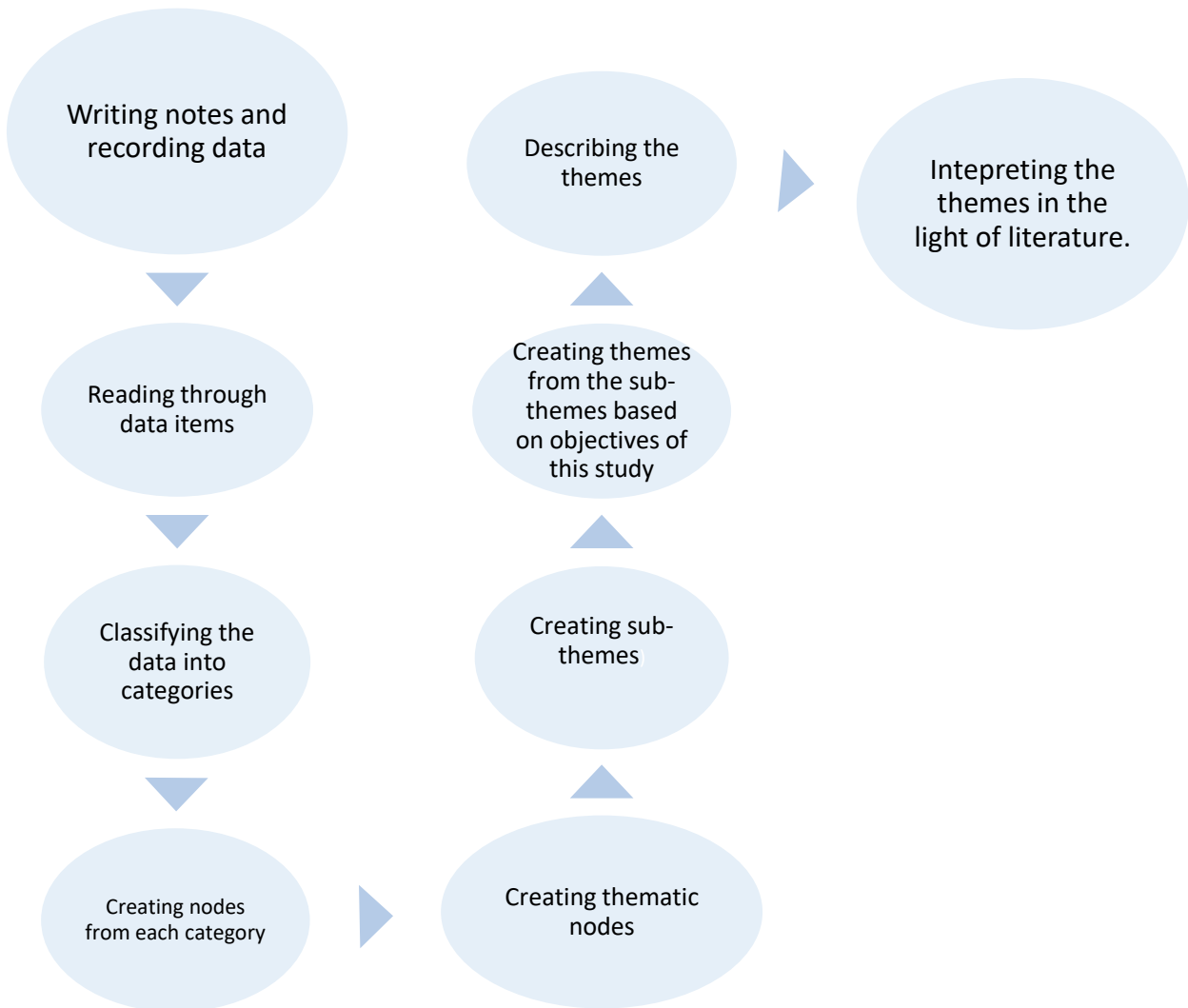
3.12 Methodological limitations of this study

During the course of this study, I countered a number of issues, as a researcher and as a woman doing research in Saudi Arabia. The following are the challenges that I encountered.

First, KSA is a very conservative country that is also male dominated. Therefore, in seeking to engage in some of the processes of my research, I expected to encounter difficulties in reaching some of the respondents, some of whom might not be comfortable engaging with a female researcher. In order to deal with this issue, I engaged my brother for help, especially when making the first contact (phone or email) with the respondents. Subsequently, when it was convenient to meet those respondents, I did so when they were more comfortable to meet with me in person. The second issue pertained to the translation of the work: being a predominantly Islamic country, with Arabic being the main language, it was crucial to ensure that the research questions were translated into Arabic from English. The translation was done as soon as the research questions were approved by my supervision team so that I could complete the fieldwork within the required time.

3.13 Reliability, validity, bias and generalisation of this study

3.13.1 Reliability in qualitative research

Reliability is commonly used in evaluating quantitative research, but the idea can be employed in qualitative study as well. Eisner (1991, p. 58) noted that a good qualitative study helps us to 'understand a situation that would otherwise be enigmatic or confusing'. To gauge how good research is, reliability must be assessed, because through reliability, understanding is created. The term has been found to be confusing when used in the context of qualitative research (Stenbacka, 2001) and qualitative researchers are warned that they must demonstrate great concern for reliability and validity when designing, analysing, and judging the quality of research (Patton, 1990, 2002). Reliability relates to how 'a researcher can persuade his/her audience that the findings of the study

are worth paying attention to?' (Lincoln & Guba, 1985, p. 290). Joppe (cited in Stenbacka, 2001, p. 3) defines reliability as follows:

> *The extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable.*

In qualitative research, the researcher must show that the responses are somehow similar. However, this is difficult to do in a qualitative study, since the measures may not be required or used (Walsh, 2003). The need to ask the right question is the start of meeting the test of reliability (Walsh, 2003). In this study, two key aspects had to be clarified:

I. The reasons for conducting semi-structured interviews and follow-up interviews.

II. The need to examine literature and case studies on succession planning.

3.13.2 Validity in qualitative research

This concept examines issues of qualifying the checks used in the research (Winter, 2001), which mainly depends on the perception of the researcher (Creswell & Miller, 2000). Other terms that have been used to examine this concept include trustworthiness, quality and rigor of the researcher (Mishler, 2000). Validity can be viewed into two ways: internal and external (Lincoln & Guba, 1985). Internal validity relates to the truth found within the research, while external validity exists when generalisation can be done from a sample to a larger population or another unrelated study.

In this research, internal validity exists in the sense that the assumption exists that planning for succession of the family business is important. This assumption enabled me to consider whether businesses that are engaged in this process are in a better position than those which do not have

such a plan. It is, however, worth noting that not all plans are written on paper: based on the context of the country, it can be said that I did not expect many of the family businesses to have a written plan.

3.13.3 Generalisation

This relates to the way inferences are drawn from one observation to explain a future scenario (Denzin et al., 2003). Generalisation thus depends on a single observation that the researcher then links to a wider scenario, and as such, it has been deemed as a phenomenon that greatly depends on the researcher's ability to create such inferences (Denzin et al., 2003). In this study, the findings of the research process, namely semi-structured interview data, were made to reflect the situation in Saudi Arabia's family business succession as a whole. It was the responsibility of the researcher to ensure that these inferences were clearly drawn and justifiable.

3.14 Ethical considerations

In the course of conducting this study, it was important to take into account the ethical issues prescribed by the University. These issues included the following:

-   Anonymity of the respondents: It was necessary to ensure that the respondents were not identifiable. To do this, it was important to ensure that names and any other information that may identify the respondents were not used. For this reason, respondents were identified as respondents A, B, C etc.

-   Ensuring that questions were refined such that they would not cause any distress. This was vital to avoid upsetting the respondents. It was important to ensure that the questions were subjected to the University's approval process in such a way that they were deemed to be satisfactory and usable. My intention was to engage my supervisors through the process of approving the questions that I had formulated.

- Ensuring that the respondents were engaging voluntarily at all stages and were aware of the fact that they could withdraw from the process at any time. The respondents must be given the freedom to withdraw or remain part of the study. This was clearly explained to them.

3.15 Bias

Bias has been described as unknown or unacknowledged errors during the design, measurement, sampling, procedure or the choice of problem studied (Patton, 2001). Bias is helpful to the extent that it allows the researcher to focus on what is relevant for the research rather than trying to find out 'all' about something. Thus, it allows for refined scope, making the research relevant to key questions (Saunders, 2003).

In this study, three issues could be termed as biases, and thus guided the process of data management (collection and analysis), as follows:
- The study was focused on family businesses only, not all kinds of businesses, although there are many other businesses that are not run or owned by families.
- The study was based in Saudi Arabia and particularly in three of its main cities. Thus, the study is specific to this country and to these major cities.
- The respondents were recruited from owners, managers, and heirs or children.

3.16 Summary

This methodology chapter has explained the process that I used in conducting this study, which sought to examine the reasons for failure in family businesses in Saudi Arabia. The importance of understanding why family businesses fail is that it provides an opportunity to propose possible solutions to the problem. The philosophy that was adopted in the course of this study was

interpretivism, which involved providing explanations for phenomena. The study was an advanced qualitative study using semi-structured interviews.

The use of open-ended questions in the course of this study allowed the respondents to explain their views in detail, and also allowed me to ask further questions to clarify the issues at hand. The study also considered cases of success and failure in Saudi Arabia with the view to explain why these successes and failures happened. The method of analysis that was used was TA, through which I explained the themes that emanated from the study.

CHAPTER 4

FINDINGS AND ANALYSIS

4.1 Introduction

The aim of this research was to explore the types of ownership succession planning that are more closely associated with family firm post-succession performance in Saudi Arabia, by comparing businesses succeeded by family members with those succeeded by professional/consulting firms. This chapter presents the findings of this research and subsequent analysis of the same. The field study that was conducted has been explained in the methodology section and hence the findings presented here reflect the views of the respondents to the questions that were pertinent to meeting this study's research aim.

The background to this study depicts a situation where the continuity of a business is in question. In KSA, business owners face the reality of having to pass on their businesses when the time comes for them to retire, but they are often not prepared for this process. Lack of planning for succession is a major challenge that many businesses encounter. Existing literature has identified the situation in Saudi Arabia to be serious, and the future of family-owned businesses is very challenging (Ekanem & Alrossais, 2017; Oukil & Al-Khalifah, 2012). Cultural issues in KSA have meant that imposition frequently occurs, which eventually leads to implosion (Ramady, 2010). Succession planning on the part of the owners is totally lacking, and therefore, the future of their businesses remains questionable. The findings have been presented under different subheadings, as explained in the subsequent sections, in line with the objectives of this study.

a. To examine the factors that are affecting succession planning in Saudi Arabia.

b. To establish the problems faced during family business succession.

c. To investigate the problems caused by institutions in the succession process.

d. To investigate how these challenges can be dealt with.

Table 4 Profile of Companies

Company / Business identifier / respondent code	Sector	Age of the business (First Generation)	Legal status	Number of employees	Location	Annual turnover In equivalent £
Company A	Housing estate .	15	Company	45	Riyadh	£5,000,000
Company B	Credit and finance company	22	Company	70	Dammam	£1,000,000
Company C	A family run restaurant,	9	Company	13	Jeddah	£85,000
Company D	An oriental based restaurant	14	Company	25	Riyadh	£200,000

Continued…

Company / Business identifier / respondent code	Sector	Age of the business (First Generation)	Legal status	Number of employees	Location	Annual turnover In equivalent £
Company E	An accounting firm	10	Partnership	30	Riyadh	£1,000,000
Company F	A local transport company,	12	Company	100	Dammam	£300,000
Company G	A furniture retailer	40	Company	50	Jeddah	£1,500,000
Company H	This is a private Information Technology and Training.	20	Company	22	Jeddah and Riyadh	£3, 000

Note: These businesses are all owned and run by male founders.

4.2 The respondents involved.

Three main respondents were examined in this study: owners, heirs and managers. These were grouped into two categories. There were eight owners in category 1 and five heirs and managers in category 2. The number of respondents differed, with more owners than heirs and managers, because I was particularly interested in seeking the views of the owners, who are the ones running their businesses and who are responsible for planning succession.

In the next section, the views of the respondents are examined. The respondents were asked to respond to a series of questions regarding the future of their businesses. This study mainly involved businesses owners as the primary respondents. Since its focus is on succession planning, these owners were asked to comment on how they have managed to run their operations and also about their future plans.

Another category of respondents (in the case of those who are managing the business) were asked to comment about how their experiences have been as they manage those businesses.

4.3 Factors affecting succession planning in Saudi Arabia

In considering this objective, a number of issues were examined. First, it was necessary to identify who the respondents were and what they were doing. The factors that affect succession planning in Saudi Arabia included the following:

- Nature of decision-making and who made decisions (this could include planning tasks)
- Traditional and cultural issues

4.3a Nature of decision-making and who made decisions

Decision-making is an important part of business succession. At some point, a decision as to who takes over the business has to be established, and in most cases, such decisions rest with the most influential figure in the family.

Respondents A, C, D, E, F and H reported that a family member would take over their business, Respondent B stated that they were preparing someone else to take over, while Respondent G was not yet prepared. At this juncture, it appears that although it is known that a family member will be taking over the business, exactly who it is still remains unknown. This is a dilemma that family business face. A summary of these responses is presented in Table 5, below.

Table 5: Knowledge of who will take over business.

Respondent A	Respondent B	Respondent C	Respondent D
Family member - My eldest son	Preparing someone	Children	Family

Respondent E	Respondent F	Respondent G	Respondent H
Family	Children	Not prepared	Children

It can be seen here that there was some degree of knowledge about who was to take over the running of the business. In most cases, it can be seen that the family unit is considered first, and

this is because of cultural issues involving trust and level of preparedness. The issues seen here relate to both institutional and personal issues that dictate what happens when decisions are being made. This finding is quite different from the existing literature, where it was found that in the other parts of the developed world, there is a tendency to place the management of a business enterprise with a management consultancy or to simply sell the business (Alonso, Kok, & O'Shea, 2018; Umans et al., 2020).

For example, the CEO of Company D, when asked if he knew who would take over the business, commented:

Yes, I have. I think my first born, who is a girl, has been showing interest in this family business and she went to school to do the course that she can know how to manage her own restaurant business, which is what we have. [Company D, Oriental based restaurant, 21st October 2019]

With regard to preparedness, it was discovered that companies were at different levels. While some were reasonably well prepared, others were not yet quite ready. For example, the CEO of Company E remarked:

Yes, my youngest son is already taking over the business and he is doing very well. I go there as usual, but I have somehow left a lot of duties to him, which I think is a good thing. [Company E, Accounting Firm, 24th October 2019]

By the same token, the owner of Company C was not yet ready. He commented:

It is obvious that my children will take over my business; the problem is that as yet, I do not have anyone in mind, so I will keep trying to check what they are interested in and talking with them. [Company C, Family restaurant, 15ᵗʰ October 2019]

Unpreparedness was also evident in Respondent G, who expressed confidence that he would be around for a long time. As a result, although he had thought about it, he had not really made any concrete plans to hand over operations to others. To this extent, he stated,

I think am still here, and of course I have been thinking about what has to be done in the future. [Respondent G, Furniture Retailer, 2ⁿᵈ November 2019]

This knowledge is crucial, and it is thus not surprising that most of these respondents had thought about who would run their businesses. Even Respondent G, who was not categorical, still demonstrated that he had thought about this issue.

4.3b Who to involve in decision-making?

Decision-making is an important aspect of business management. Decisions can be operational, tactical, or strategic, and thus the knowledge of who makes these decisions is paramount. In this section, the views of the respondents regarding the persons who make decisions are highlighted. A summary of these responses is presented in Table 6, below.

Table 6: Showing those who will be involved in decision-making.

Respondent A	Respondent B	Respondent C	Respondent D
Self:	Family:	Family:	Everyone:

Respondent E	Respondent F	Respondent G	Respondent H
Family	Family	Family	Family

When asked about who the decision-maker in the company was, respondent A said that it was him.

> *Ultimately, it will be me, but I have a family and I may have to involve them as well and listen to what they have to say*. [Respondent A, Housing Estate Business, 12th October, 2019]

Respondents B, C, E, F, G and H stated that decisions were made by the family. These respondents cited wives and children as key family members to help make decisions about who would take over the business. For example, respondent B said, *'I have asked my wives and children'* [Respondent B, Credit and Finance company, 12th October 2019]. It was quite interesting that he would seek to consult his wife (a woman, in a highly masculine society). The fact that the respondent mentioned wives presented two interesting issues: first, consulting a woman, and second, consulting more than one wife. This raises another issue – that polygamy is a fact of life in Saudi Arabia, and hence a cultural fact. This could also mean that there are those who value the views of women; however, it is worth nothing that some respondents were still keen to ensure that their male children were considered.

Another respondent stated,

In our culture, male children take over. I am lucky to have one who will surely take over.

[Respondent A, Housing Estate Business, 12th October, 2019]

Respondent C did not mention family by name but stated that no force would be used to coerce family members to take on the business.

I am asking them, but I won't force them. But they will know when the time comes about who is to take it over. [Respondent C, Family Restaurant, 15th October, 2019]

This respondent clarified that 'them' referred to family members. Other respondents also cited family: for instance, Respondent E said '*my family knows I will be stepping down*', while Respondents F, G and H mentioned their wives or daughters as people who would help to make decisions. Respondent D stated that '*everyone*' would help to make decisions, meaning family members, friends, managers and even government officials. When there are disputes, the organs of the government come to the fore to help make decisions.

One interesting fact here is that one respondent mentioned his 'wife', in a country where, for a long time, it has been deemed that women take a secondary role and are never placed in the position of making decisions. That the respondent mentioned that his wife would be involved in important decisions could imply a gradual change in culture, or a situation in the family where the women are given more say on such weighty matters. It is, however, worth noting that in other aspects, the wife was not mentioned, but 'family' was.

On the consideration about who would run the business, it was found that respondents had thought about the issues that determine who might take over the business when the owner is no longer there. These are summarized in the table below.

Table 7: Factors influencing the choice of who will take over the business.

Respondent A	Respondent B	Respondent C	Respondent D
Culture	Culture	Culture	Experience/ Commitment

Respondent E	Respondent F	Respondent G	Respondent H
Experience / Skills	Culture	Culture	Culture

Cultural expectations tend to dictate what happens, and to some extent, issues of experience are also influential. Culture and traditions are all institutional aspects that lead to imposition in decision-making. From the views of the respondents, culture – which involves family, religion, and traditions – appears to be vital. Respondents A, B, C, F, G and H all stated that culture is crucial.

Respondent A indicated that there are cultural stipulations that exists and therefore it is an issue that has been settled culturally, such that the male child will take over. The respondent stated,

> *In our culture, male children take over. I am lucky to have one who will surely take over.*
>
> [Respondent A, Housing Estate Business, 12th October, 2019]

 Respondent B echoed this expectation, but also cautioned that cultural changes are taking place.

> *It is expected that children take over. This happens in our society. But things are changing.*
>
> [Respondent B, Credit and Finance Sector, 12th October, 2019]

The views of Respondents C and F showed that they had no choice and that there were clear expectations. for instance, Respondent C said:

> *But I can say that first, it must be my children.* [Respondent C, Restaurant, 15th October, 2019]

Similarly, Respondent F said,

> *I did not have to think much about the person because, as I said, I have only one child, so it was not a difficult thing to decide on.* [Respondent F, Local Transport company, 28th October, 2019]

Other than cultural issues, some respondents also raised the issues of experience and skills. For instance, Respondents D and E were focused on experience. Respondent D said:

> *I think I can look at so many things. First is the Experience (Ep1) of the person, then the way the person shows that they are interested, but also how there is commitment from the person.* [Respondent D, Oriental Restaurant, 21st October, 2019].

In the same tone, Respondent E said,

> *There are issues that must usually be considered. One of them is the ability of the person, then education, and then interest.* [Respondent E, Accounting Firm, 24th October, 2019]

These two respondents have provided a new insight, different from what could be widely expected in this society.

4.4 Problems faced during family business succession

During succession planning, a number of problems might arise, and respondents were asked to identify which problems might arise during succession. Respondents were asked about other fears, and their responses are summarised in Table 8, below.

Table 8: Respondents' fears regarding the person that might take over the business.

Respondent A	**Respondent B**	**Respondent C**	**Respondent D**
Dilemma/ Competence	Trust and hope	Enormity of the task	Business failure

Respondent E	Respondent F	Respondent G	Respondent H
Diminished influence	Failure of the business	Failure of the business and personal fears	Future of the business

When asked about their fears, it was evident that there was a sense of fear and doubt about the future of the business. This could signify lack of preparedness or general fear. A number of issues caused fear on the part of the owners and made them hesitate in passing the business to their heirs. Some of these issues include dilemmas, trust, and the enormity of the task. Others included diminished influences and failure of the business. Of all these, business failure was cited by most of the respondents as their greatest fear. The owners' views about what they fear, and hence their perception, dictate their levels of preparedness to hand over their businesses to whoever they wish.

Respondents D, F, G and H, all expressed concerns about the failure of their businesses. For instance, Respondent D stated,

What I am worried about is if things will go downhill. [Respondent D, Oriental Restaurant, 21st October, 2019]

In the same vein, Respondent F said,

> *My fears are that there could be problems with the business and that the business may not continue over a long period of time.* [Respondent F, Local Transport company, 28ᵗʰ October, 2019].

Another respondent stated,

> *I have been wondering what I can do in the future and what this business will be like in the future.* [Respondent G, Furniture Retailer, 2ⁿᵈ November, 2019].

Respondents C, E and F mentioned the identification of the persons to take over the business as a major challenge. Respondent C stated,

> *I may face challenges of first identifying the person, then making them know this business like I know it.* [Respondent C, Family run Restaurant, 12ᵗʰ October, 2019]

Respondent F said,

> *There are many challenges for instance, there could be problems of interest and therefore it may mean that the I have to face the challenge of whether the person will be ready to do the business.* [Respondent F, Transport company, Oct 28ᵗʰ, 2019]

4.4.1 Having business run by family or by a professional

The respondents were asked about their opinion on whether to leave the business in the hands of family members or professional managers. Their opinions were divided on this issue. The table below shows the differences in opinion on this issue.

Table 9: Table showing the factors that determine the decision as to whether the business will be run by family or by professionals.

Respondent A	Respondent B	Respondent C	Respondent D
Experience and Trust	Planning	Experience/Trust	Dilemma

Respondent E	Respondent F	Respondent G	Respondent H
Expectations	Dilemma	Dilemma	Trust in family

It can be seen that the respondents had different opinions, but they raised the issues of experience, dilemma, planning and expectations. Respondent C suggested that it does not matter who runs the business as long as they have experience, saying:

> *I think if someone can run the business. It does not matter who the person is, and therefore, anyone who shows that they can run this business will be taken on board.* [Respondent C, Family restaurant, 15th October, 2019].

In contrast, Respondent D felt that he was facing a dilemma:

> *Yes, a family member is someone who I think can run the business with whole heart and all heart. but they can also be messy and may not care.* [Respondent D, Oriental Restaurant, 21st October, 2019].

Other respondents who were facing a dilemma included Respondents F and G.

Respondent F said:

> *'I think it seriously depends. There are many people who can do a good job and there are issues that someone has to consider.* [Respondent F, Local Transport company, 28th October, 2019].

On the other hand, Respondent G, said,

> *I know of people who have said they cannot trust the family* [smiling]*, but on the other hand, there are those who say that family has the interest of the business at heart.* [Respondent G, Furniture retailer, 2nd November, 2019].

4.4.2 Preparedness of the person taking over the business.

Preparedness has become a crucial issue, and all respondents indicated that a level of preparedness is required. Most of the respondents were, however, quite cautious about the nature of preparedness, with many indicating that one can never be fully prepared. This indicates that preparedness is an ongoing process that takes time. It could, however, be a source of challenges,

because when the owners feel that they are not prepared, they may not really want to hand over the management of their businesses to others. The respondents were asked about the level of preparedness of the person who may take over their business. The table below summarises their responses.

Table 10: Respondents' views regarding preparedness for taking over the business.

Respondent A	Respondent B	Respondent C	Respondent D
Level of preparedness is not sufficient	Level of preparedness	Level of preparedness	Level of preparedness: The respondents feels that preparedness is ongoing

Respondent E	Respondent F	Respondent G	Respondent H
Level of preparedness	Process of preparedness	Level of preparedness	Level of preparedness: Fully prepared

Note: In this table, the level of preparedness relates to whether the respondents felt that they were prepared to hand over their business or to manage it.

The issues here are largely negative, and they relate to fear and lack of knowledge about the future. These also invoke preparedness. Respondents A, B, C, D, E, and G were of the opinion that preparedness is vital, and their responses indicated that they were not prepared for the new reality Respondents A stated,

> *This you cannot say, because how can one prepare enough? It's about experience and time.* [Respondent A, Housing sector, 2nd November 2021]

On the same note, Respondent C said,

> *So far, not yet. As I said, I still have more years here, but I am thinking about it.* [Respondent C, Family restaurant, 15th October, 2019].

Respondent D, however, explained that he was preparing his daughter and was happy with the progress she was making, although was cautious to state that he has done his part and what was left is on the successor:

> *As I said, I am happy with her: she is taking an interest, and she has gone to school, and so I keep talking with her to be prepared to run this business. It is not an easy task, but I am doing my part.* [Respondent D, Oriental Restaurant, 21st October, 2019].

Only Respondent H stated that he was '*Fully prepared*' [Respondent H, Information Technology company, 6th November, 2019].

4.5 Problems caused by institutions in the succession process

In terms of the challenges that can be experienced when preparing someone to take over the business, it is evident that these include experience, readiness, and knowledge, among other factors. Some of these are personal, such as experience, readiness and knowledge, and others are religious in nature, while others depend on the nature of the business. It appears that those to whom the business is handed over must show their willingness, but that alone is not sufficient: the nature of the business environment is also relevant. Here, institutional factors play a major role in determining what happens. These are shown in the table below.

Table 11: Challenges faced in preparing the person to succeed in running the business.

Respondent A	Respondent B	Respondent C	Respondent D
Various challenges .	Religious	Experience	Personal and ability

Respondent E	Respondent F	Respondent G	Respondent H
Experience and personal fears	Interest and Readiness	Demands of the business	Knowledge and the business

Respondent A stated that there are many challenges, but did not initially clarify what they were, but in a follow-up interview on October 13th, 2019, he stated that these challenges include family

expectations where everyone has their own interests. Interests were also mentioned by Respondents C, E and F. Respondent C stated:

I may face challenges of first identifying the person, and then making them know this business like I know it. [Respondent C, Family run Restaurant, 12th October, 2019]

Respondent F said,

There are many challenges. For instance, there could be problems of interest and therefore it may mean that I have to face the challenge of whether the person will be ready to do the business. [Respondent F, Transport company, 28th October, 2019]

Two respondents, G and H specifically mentioned the business situation as a challenge. They indicated that the demands of the business require experience and qualifications: otherwise failure might ensue. Respondent G said:

This business required a lot of effort and I wonder how I can leave it to someone and have it continue doing well. [Respondent G, Furniture retailer, 2nd November, 2019]

Similarly, Respondent H said,

Just making them know about the business is a problem. Running a business is an experience, qualification, not something to be learnt in school. [Respondent H, Private Information Technology company, 6th November, 2019]

This is quite a different view from some of the literature that advocates the support of government in providing training for entrepreneurship. For instance, Michael and Pearce (2009) and Obaji and Olugu (2014) indicated that there should be training programs to support entrepreneurs and that the support or formulation of these programs by the government or other established institutions is necessary.

The role of religious institutions was also brought to the fore, as can be seen from the views by one of the respondents, who stated:

> *Problems are caused by human beings and there is need to appreciate this. I am not sure what can happen in the future, but we must trust God.* [Respondent B, Credit and Finance company, 12th October, 2019]

This goes to show that religion still plays an important role in Saudi Arabia. As an institution, religion has continued to guide the social, political, and economic phenomenon in KSA (Kayed & Hassan, 2010, 2011; Khan, 2017).

4.6 How these challenges can be dealt with.

The possible solutions to tackle the problem of preparing someone to take run the business mainly revolved around preparedness and involvement of other parties. I decided to explore this further by asking the respondents about any preparations for how they would deal with the challenges of succession planning.

The respondents indicated that those who should take over the business and those who are handing it over must be prepared for these challenges. A certain level of preparedness is necessary

in order for there to be confidence that the business can be handed over to others. The level of preparedness appears crucial in determining what takes place in the organisation. This is a matter of experience, and it is a form of learning.

These themes are summarised in Table 12, below.

Table 12: Measures to tackle challenges.

Respondent A	Respondent B	Respondent C	Respondent D
Experience and Training	Constant learning	Involvement of many families	Preparedness through training
Respondent E	Respondent F	Respondent G	Respondent H
Support and training	Level of Experience and training	Training	Family involvement

All the respondents (A, B, C, D, E, F, G and H) stated that the level of experience, training and learning is crucial in tackling the challenges that a business might face. There were, however, differences in the ways the respondents presented their views on preparedness. For instance, Respondents A and F wondered what preparedness is all about, and how to go about it, respectively. Respondent A asked,

> *How can someone prepare for such thing? There should be training.* [Respondent A, Housing Estate, 12th October, 2019]

Similarly, Respondent F said,

> *Can there be any preparedness, really? I don't think so. There needs to be training.* [Respondent F, Transport Company, 28th October, 2019].

Other respondents indicated that they need training while still running the business. For instance, Respondent D said,

> *Not at the moment – it is just waiting. I am still here running this business.* [Respondent D, Oriental based Restaurant, 21st October, 2019]

Similarly, Respondent E said,

> *At the moment, I have not made any plans for this, and I am a bit worried, but you know, as time goes by, I have to ensure that am I am able to undertake training or any form of support in order to overcome these challenges.* [Respondent E, Accounting firm, 24th October, 2019].

Respondents G and H viewed preparedness as an issue that must be understood if the challenges have to be dealt with. Thus, Respondent G said,

> *There is always something to be done that is a form of preparation. Then you realise that something comes up that makes you change your plans and make other preparations. So, I don't think I can say that there is full preparation, but I have to undertake preparation in*

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the form of training so that I can say that maybe in the future, things can go ahead as planned. But Insha'Allah (God willing), this is something that we just wait and see. [Respondent G, Furniture retailer, 2nd November, 2019]

Respondent H said,

Preparation is a big thing. I think the main thing is just to make the Family (F1) members realise that they have to do this business and make them love it. [Respondent H, Private Information Technology Company, 6th November, 2019]

4.6.1 Professionalism

Professionalism in running the business is another important factor. For instance, Respondent F said:

I think it depends. There are many people who can do a good job and there are issues that one has to consider when deciding on who to choose from. [Respondent F, Local Transport company, 28th October 2019]

On the other hand, Respondent G said,

I know of people who have said they cannot trust the family [smiling]. *On the other hand, there are those who say that family has the interest of the business at heart.* [Respondent G., Furniture retailer, 2nd November 2019]

4.7 Managers and new owners

The previous section presented the views of the current owners of businesses. In this section, the views of different managers and new owners regarding their role in managing the entities are given. I considered it necessary to identify some scenarios where the owners had already transferred or were in the process of transferring their businesses to business managers or new owners, who in this case were family members. The dates when the interviews were conducted are shown in the appendix section of this thesis.

4.7a How long have you or your family been running the business?

This question sought to identify how long the new owners (heirs) and managers had been running the business. These respondents have been identified by certain terms of the length of time that the heirs or managers have been running the businesses, It appeared that the duration was under four years for each of them. This means that they had just taken over the businesses, and it is thus hard to gauge whether or not the businesses were doing well, or even whether they would survive in the long term. It is important to note that it is thus still too early to gauge the success of the succession that has occurred here. Duration has been described in terms of learning and experience.

Table 13: Profile and length of time for which respondents have worked in the business.

Profile of the new owners and managers

Respondent	Company profile	City	Date of interview 2019	Date of follow-up 2019
New owner / heir NO1	A restaurant that has been in the family for more than 15 years.	Jeddah	November 12th	November 24th
Manager M1	A family-run construction business that has been running for the past 18 years.	Riyadh	November 15th	No-follow up
New owner NO2	An accounting firm that has been running for the past 8 years.	Riyadh	November 24th	No-follow up
New owner NO3	A family-run nursery, day-care and primary school that has been running for 10 years.	Jeddah	November 28th	December 3rd
Manager M2	A restaurant that has been running for the past 18 years	Jeddah	December 5th	No follow-up.

Length of time spent running the organisation

New owner NO1	Manager M1	New Owner NO2	New owner NO3	Manager M2
Just over 3 years	*8 months.*	*I have been here for about a year.*	*2 years.*	*3 years.*

It can be seen that these owners and managers have had different amounts of experience, but all below four years. NO1 and M2 had been running their businesses for over three years, NO2 for a year and NO3 for two years, while M1 had been in his role for about eight months. This shows the short duration of their management of the operations of the respective organisations.

4.7b Who makes major decisions in your company?

This question sought to examine who has the authority to make key decisions in the organisation. It was important to examine this question in order to find out what really happens at the point where crucial issues have to be decided upon. This demonstrates the level of authority in the organisation.

Table l4: Persons responsible for making decisions

New owner NO1	Manager M1	New Owner NO2	New owner NO3	Manager M2
Family	*Self and family*	*Family*	*Self*	*Self and family*

All five respondents indicated that the family was fully involved in making decisions. There was no case of a solitary decision-maker. This is very important from the perspective of the collectivist nature of Saudi society. It is, however, vital to identify whether the owner (main owner – NO3) was making decisions unilaterally. NO3 said, '*I am the owners and the person who decides a lot here'* [Respondent NO3, Family-run nursery school, Jeddah, 28th November, 2019].

4.7c Do you involve other family members in running the business?

The previous question was about decision-making, but this question was to see if family members take part in running the business. Responses are summarised in Table 15, below.

Table 15: Whether family members are involved in running the business.

New owner NO1	Manager M1	New Owner NO2	New owner NO3	Manager M2
Family	*Family*	*Family and other people*	*My son and wife,*	*Family*

As can be seen, all respondents indicated some level of involvement in running the organisation. Respondent NO1 said, *'Yes, as I said, my brothers also take part'* [Respondent NO1, Restaurant business. Jeddah, 12th November, 2019], while Respondent N2 said, '*Usually, we do not involve others for day-to-day activities, but I involve other people for other activities, like planning'* [Respondent NO2, Accounting Firm, Riyadh, 24th November, 2019]. In this case, 'others' meant family members and cousins. This shows that families play a key role in running the business and tend to be hands-on when it comes to making crucial decisions. It is, however, too early to gauge whether their involvement is sufficient to make the business succeed.

4.7d What new challenges do you face as the new manager or owner of the business?

It was important to identify the new challenges faced by those who had taken over the business. Responses are summarised in Table 16, below.

Table 16: Challenges faced by the new owners and managers

New owner NO1	Manager M1	New Owner NO2	New owner NO3	Manager M2
Learn quickly	*Preparedness*	*Learn Fast*	*external and internal challenges.*	*Consultations*

Challenges range from personal qualities to external factors, denoting the difficulties in understanding and hence managing family businesses after they have been passed on. All the respondents stated that such challenges have been enormous. There have been challenges of learning quickly about the business and how to do things: for instance, according to Respondent N1,

I have to learn quickly; this is a very difficult thing. Even after three years, I can say that there are things I should know by now, which I do not know. [Respondent NO1, Restaurant business. Jeddah, 12th November, 2019]

In the views of Respondent No2,

I have to learn fast. This is a problem for me. There are things that are new and very new to me, but I have help around me from the family members. [Respondent N2, Accounting Firm, Riyadh, 24th November].

It is important to note that the heirs stressed the need to learn fast, due to inexperience, while the managers had to identify areas where they needed to make decisions and how to involve the family.

Respondent M1 said,

> *I can say that there are many challenges. The first is that I have to be prepared well enough and this is not easy when you are running a company for someone (the manager runs the firm on behalf of the owner). Also, you have to know that I have to listen to different people (family).* [Respondent M1, Family Construction Business, Riyadh, Nov 15th, 2019]

Also, M2 said,

> *There are a number of issues to be faced. First, you have to know that if you are managing a business for someone, then that person is the boss. I have to ensure that I consult the owners at all times. There are times when I need to decide quickly, in which case, I must make calls and reach key family members and seek their views; however, this may be a problem if the decision still involves the owners.*

The same respondent added,

> *Another issue is that the business environment is quite challenging. As you can see, all over the world, there are problems in managing business in terms of suppliers, employees and meeting the many regulations from the government. These are challenging times, and they are continuing by the day.* [Respondent M2, Restaurant, Jeddah, December 5th, 2019].

These two levels of challenges are worth investigating more. The assumption is that managers already knew the practicalities of running businesses, but the new owners had to learn new ways of doing so.

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4.7e Do you think you have the necessary preparations in terms of experience or other kinds of training that would enable you to run this business successfully?

This question sought to identify if there was a feeling of having to prepare well for the management of the business. Preparedness is crucial because, as was seen in the literature, it can be a determinant in the success of the business. The level of preparedness depends on one's perception of the issues involved in running the business. Responses are summarised in Table 17, below.

Table 17: Respondents' views regarding level of preparedness.

New owner NO1	Manager M1	New Owner NO2	New owner NO3	Manager M2
Uncertain	*Confident*	*Uncertain*	*Uncertain*	*Confident*

In this part, the views expressed were varied. The heirs felt that they were not entirely ready, because running a new venture was a new engagement for them, while the managers felt confident that they were well prepared, probably because of their previous experience.

For example, Respondent NO1 said,

> *It is difficult to say that, you know? This is new to me, and preparation is like a daily thing. I can't say I have prepared well enough for this. But you know, you learn, and if you have a good team around you.* [Respondent NO1, Restaurant business. Jeddah, November 12th, 2019].

One of the managers, Respondent NO2, said,

Yes, I have been in the business as a manager of various organisations for many years, I have experience in Saudi, and I also worked in Singapore for years.[Respondent NO2, Accounting Firm, Riyadh, 24th, November 2019].

In a follow-up interview, this respondent confirmed:

I have been in this and other managerial position for many years, and so I think am confident that I have the right skills to manage the business and ensure it can succeed. [Respondent M2, Restaurant Business, Jeddah, December 5th, 2019].

4.8 Summary

The main findings of this study have been presented in this chapter, illustrating several themes. This section was organised on the basis of the research objectives of the study. The findings of the study were double-tiered: first, the views of respondents from the category of business owners were presented, followed by those from the category of managers and heirs. The first objective was to identify factors affecting succession planning. The issues that emerged from this included the level of preparedness and the persons who are to take over the business. It was seen that keeping the business within the family is important, and thus there is a tendency to not consider or engage much in the determination of who will succeed because it is assumed it will be a family member.

The second objective was related to the problems faced during succession. During the analysis, the themes that emerged included issues of trust, fear, and interest of the family members. These are traditional factors in a society that is very traditional. These negative factors have

persisted over a long time, and because they are embedded in tradition, they are very difficult to overcome.

The third objective focused on the issue of problems caused by institutions during the succession process. The themes that arose included the question of family, the government, marriage (polygamous) and religion. These are strong institutions that have remained a controlling force of the entire business society.

The last objective focused on how these challenges can be dealt with. Overcoming these challenges call for patience, but also for support from the government. An example was presented of Lubna Olayan, who represents a success story of a woman who has broken the traditional barriers to build a successful business. Another aspect has been the monarch, who has shown pragmatism in supporting women and bringing about more positive changes. These can take time, but the process of change appears to have started. These findings are further discussed in the next chapter in relation to the literature review for further exploration.

CHAPTER 5

DISCUSSION OF FINDINGS AND ANALYSIS

5.1 Introduction

This chapter discusses the findings that were identified in the previous section. The discussion draws on existing literature around succession challenges in family businesses. The issues being examined relate to the themes that emerged during the analysis stage. This study sought to examine the issue of succession in family businesses in Saudi Arabia. The discussion here identifies what the respondents have stated based on their views and experiences. The contextual issues in Saudi Arabia have also been considered to identify the respondents' disposition and the issues that have influenced their views.

Although key themes that have emerged are discussed, it should be noted that during the interviews, it was crucial to identify the respondents' non-verbal communication (in the case of those who were interviewed face-to-face). In the following sections, several findings are discussed in relation to references drawn from existing literature on entrepreneurship, family business, succession, business management and leadership, among others. These findings are based on the objectives of this study:

a. To examine the factors that affect succession planning in Saudi Arabia.

b. To establish the problems faced during family business succession.

c. To investigate the problems caused by institutions in the succession process.

d. To investigate how these challenges can be dealt with.

5.2 The context and respondents

The context of this research and field study is the nature of continuity of businesses. KSA is known for its oil wealth, and as a key religious centre for the Islamic faith. In this respect, business and religion play major roles in determining decisions and how various activities take place in terms of the management of businesses and the country, the family unit, family relationships and legal issues. As a developing economy, businesses play an important role in the development of Saudi Arabia,

and the number of family businesses demonstrates the nature of business organizations, which tend to be mainly SMEs (Rafiki, Hidayat, & Al-Mana, 2018).

The government of Saudi Arabia, being a monarchy, has a centralized decision-making structure, from the king to the different parts of the country. Saudi Arabia, known for its conservative nature, hosts the holy Islamic site in Mecca, where the annual Hajj pilgrimage takes place, and for this reason, to maintain the status of the country as an important Islamic state, certain laws have been in operation for many years, some of which have been known to provide men with more say and power than women (Topal, 2019).

The new king of Saudi Arabia, Prince Mohammed bin Salman, has, in the past few years, brought about several changes in the kingdom, in a way that has been both applauded and frowned upon by different groups depending on their disposition. His political policies have improved business opportunities in the kingdom, thereby increasing opportunities for many, men and women alike. With these political and social changes taking place, an important issue that has become prominent in the recent past has been the issue of succession of businesses from the owners to their children. This section demonstrates the views of the respondents – the owners on one hand and heirs/managers on the other – and examines their views regarding the issues of handing over their businesses.

5.3 Findings from the literature

This study sought to identify the issues relating to succession planning in family businesses. The issues of interest were implosion and imposition, and their influence on family businesses. Succession planning is a major problem facing families that run these businesses. In a country like Saudi Arabia, there are several factors that influence decisions regarding planning. Existing

literature has identified succession planning in family-run businesses as a major problem, where the quest to support the family and keep control within the company and the need to ensure that there is continuity are pulling in opposite directions (Santos, 2019; Niosi, 2018). Many family businesses are categorized as SMEs, and as such, they lack structures that could ensure a seamless transition from the owners to the heirs (Alrubaishi, 2017; Santos, 2019).

Lack of preparation for succession can be attributed to fear, lack of trust, and hence an assumption that a time will not come when transfer will be imminent (Allioui, Habba, & El Azizi, 2020). This status quo could be attributed to Classical theory (Gedeon, 2010; Niosi, 2018); yet, from the interviews that were held, it was evident that the owners were worried about the future of their businesses, mainly due to the recent changes in the external environment in Saudi Arabia. These changes led me to look at Schumpeter's Neo-Classical theory, which opines that the business environment will always be dynamic (Mehmood et al., 2019; Rafiki, Hidayat and Al-Mana, 2018).

The fact that the environment is changing calls for the appreciation of preparedness, and so Preparedness (Pp1) was expected to be a major theme, but it turned out that it was not: instead, other issues appeared more dominant, such as religion and culture (Institutionalization). The owners were not showing great levels of preparedness, and this was partly due to the expectation that the first-born son would take over the business (Imposition), irrespective of his interest and experience in running the business. This situation obviously caused disgruntlement among other family members who felt that they were overlooked (Implosion). Eventually, businesses are left with no direction, because the erstwhile fears and the dilemma caused by institutions and assumptions lead to inaction and desperation (acquiescence) on the part of the owner.

5.4 Emerging themes

Several themes emerged from this study, including dilemmas/fear of the unknown, not knowing what was happening, and various entities and their importance (including the family, the society, the government, experience and preparation). These were emerging themes because they were seen to appear many times throughout this study from the views of the respondents. These themes were assigned identifying codes, which made it easy to know what they meant and to be able to either group them or explain them in the light of the objectives of this study. The codes assigned were as follows: *Traditions (T1), Trust (T1), Culture (C1), Dilemma (D1), Expectations (Ee1), Family (F1), Expectations (Ee1), Preparedness (Pp1), Planning (P1).* In many studies using qualitative methods and TA, that assigning themes is the first stage of categorizing themes and attempting to explain them (King & Brooks, 2018). The themes were self-assigned, this means I developed the themes based on the responses from the respondents and how these linked with the research objectives, and therefore, were relevant to the research.

5.5 The factors affecting, and problems faced during succession planning in Saudi Arabia

Several factors were found to influence family business decisions. This was an important aspect of the findings, because while preparing to hand over the business to the new owner, the current owner had to consider a number of factors, as set out below.

5.5.1 Preparedness, skills and experience

Having the right skills and experience is an important aspect of preparedness for taking over a business or any other entity. In this study, most of the respondents denoted that preparedness is key to taking over the business and making decisions. Preparedness (P1) was identified by terms like showing interest in the business and having the skills or experience for the same. Indeed, interest has been highlighted as an important factor in several studies: for instance, Rafiki, Hidayat and Al-

Mana (2018) found that through interest in the business, one is able to learn about the business. Interest is thus a personal question, but can also be induced (Alrubaishi & Robson, 2019). Other studies that have associated preparedness with interest include the works of Aboradi and Msari (2018) and Allioui, Habba and El Azizi (2020). Alongside the discussion of preparedness is the notion of learning to do things differently through experience. Although this could be seen in the data, there was no evidence that the owners were actually practicing what they had learnt. This learning should be based on experience with their own businesses.

The fact that interest raises desire to learn, which in turn provides skills, demonstrated the importance of the initial stages of preparedness to take over the business. However, this, like many other studies, found that preparedness was often discussed from the perspective of the owner of the business. Most of the respondents who were owners denoted that one could never be fully prepared, and such fears are reflected in the fact that many other studies do not show full clarity when discussing this issue (Rafiki, Hidayat, & Al-Mana, 2018). To this extent, although preparedness is a prominent issue when determining the nature of and decisions regarding succession, those who run businesses are either not comfortable discussing this issue or have not put into place measures that instil full confidence in their succession plans. There must be learning through experience.

5.5.1a Learning about succession

In most cases, it was found that the respondents were in the process of learning how to do things better. This was considered crucial in this study because there was a dilemma: first, it demonstrated their desire to learn, and hence to change the status quo, but second, if this was the case, why were they doing nothing differently? As a researcher, my interest was drawn to the fact that there was a claim of learning, and there was some evidence of such learning, but only to a small extent. Learning thus forms an important part in behavioural change and practical actions (Rafiki, Hidayat, & Al-

Mana, 2018). Ande, Utami, and Soetjipto (2020) found that in businesses where the control rests with a central figure, learning must be deliberate. In my view, this may not necessarily be true, especially when there is so much attachment to one's property (in this case, business entity). Rafiki, Hidayat and Al-Mana (2018) stated that behavioural change is very difficult when the owner feels entitled in as far as their businesses are concerned. Alrubaishi and Robson (2019) also noted that learning can take place when emotional and psychological attachments are dissociated from the realities of managing a business. However, my study demonstrates that although emotional and psychological attachments were not completely dissociated, there was evidence of learning.

Could it then be said that owners who do not wish to learn find themselves in acquiescent situation, when their nature gets in the way of succession? This is an important question that places the multitude of challenges that lead to failure due to lack of planning directly in the hands of the owner. Listening to the voices of the owners who believed they had been successful; concerns were raised about their interpretation of success. Family business owners are successful in their own eyes, yet Rafiki, Hidayat and Al-Mana (2018) stated that real success is measured in terms of the future of the business, and its ability to persist beyond the time of the original owner. In countries like Saudi Arabia, the institutional factors appear surmountable, yet the owners are the ones who have real problems because of their inability to provide sufficient leadership to ensure that their entities are performing well now and will continue to do so in the future, when they are gone.

5.5.2 Fear and Trust

Fear and trust emerged prominently when respondents were asked to state their concerns. Fear of failure, fear that those who were to be entrusted with the business would not be able to do a good job, and fear that the business would not succeed, and customers would be lost, all meant that the problem of succession would continue. Passing the business ownership and control to others comes

with a lot of responsibility (Dias & Davila, 2018), and those who are given these responsibilities must be prepared – at least as far as the owner is concerned. A number of studies have identified that fear is about attachment to the business and lack of trust (Mokber et al., 2017; Ande, Utami, & Soetjipto, 2020).

The respondents expressed that they wondered whether their successors would run the business well and keep their customers. This is a genuine concern but is also hinged on the fear of losing control of the business. Fear plays a key role in decision-making when someone has worked hard to build their business (Rafiki, Hidayat, & Al-Mana, 2018), but also helps in making rational decisions (Ande, Utami, & Soetjipto, 2020). Barach and Ganitsky (1995) indicated that succession in family business starts long before the successor takes over. This does not appear to be the issue in places where fear (about whether the heirs will do a good job) is expressed.

The puzzle is whether this is a fear of losing control, lack of preparation, or just fear in general? These questions were answered by some of the respondents, who clearly stated that trust is an issue or that they had not identified any member of the family who could succeed them. Fear has made the owners lose trust in the ability of the heirs apparent and has also meant that the heirs would not gain sufficient control or would only be allowed to take control when it is too late (Mokber et al., 2017). The problem thus lies with family business owners, who either have an attachment to their entities or/and are obliged to their cultures and traditions, to the extent that they have no active 'voice' in organizing succession as they would have wished: a situation that leads to making rushed decisions (hence imposition), which eventually lead to implosion.

5.5.3 Problems caused by institutions in the succession process

Institutionalism emerged as a key force in determining how decisions were made, and a number of entities emerged as key institutions. Alrubaishi and Robson (2019) found that institutionalization determines decision-making, to the extent that business owners must adhere to the dictates of the institutions. A number of institutions that emerged in this study are given below.

5.5.3.1 Family

The family unit emerged as a major institution where the owners of the businesses had to consider their families in making decisions. Family units are crucial in Saudi Arabia and the name of the family is important (Rafiki, Hidayat, & Al-Mana, 2018). In many respects, the name of the company was found to be associated with the family, and hence, having a good name was found to be very important. All the respondents mentioned family as a key component to consider when making decisions, and Respondent D said he thought family could run the business with their heart, while Respondent E said business must remain in the family (Martin & Terc, 2016).

This question of family demonstrates confidence and trust in the family and its ability to keep the business safe (Topal, 2019). In a study by Stenslie (2016), family is a trusted entity, whose involvement and decisions are almost automatic when considering something of value. Family has not, however, been deemed as a cause of lack of progress, although the choice of family often arises as an issue that slows down or hinders dynamism and the benefits of professionalism at work (Allioui, Habba, & El Azizi, 2020). Most studies have suggested that family is crucial but that there is a need to consider those who can manage the business professionally.

Family, as a unit, is composed of parents and children, and if they are asked to take part in the business, then the assumption is that the business is in safe hands. However, in Saudi Arabia, it

is not necessarily the case that all members of the family have equal say, because males and females have different social status (Azouz et al., 2020). In this study, I realize that when the owners said that they had to involve their families, they were usually referring only to their male children, and even their uncles and male cousins (Rafiki, Hidayat, & Al-Mana, 2018), or their brothers (Topal, 2019).

5.5.3.2 Culture / traditions

Apart from family, another institution that was seen to be of influence was the culture of the country. Saudi Arabia has a rich culture, hinged on strict Islamic faith, traditions, and a collectivist approach. This culture is evident throughout Saudi Arabia, in that the males control a lot of things while the women are in the background (Khoury, 2017). Most studies on the cultural practices and levels of authority in Saudi Arabia have demonstrated the implied importance of men in the society (Jin, Almousa, & Kim, 2018; Azouz et al., 2020). It is without question that men are allowed to do many things that women cannot, and that there is little desire for change, especially if such changes influence the cultural practices in the country. This study also found that even where the owners did not have a male child (or a first-born male child), most respondent noted that they would either hand over the business to a younger male child or that they would need to think about this decision.

Regarding culture, it emerged that the national culture is characterised by common religious beliefs, having the business in the family, and men having more say. The study was conducted in three main cities and these key cultural issues were same across all three. This could be linked to Hofstede's views on cultural dimensions, where masculinity and long-term orientation have been discussed as key cultural aspects. In terms of masculinity vs. femininity, Hofstede noted that different societies have different expectations for male and female members (Allioui, Habba, & El Azizi, 2020). It was found that in Saudi Arabia, men have a lot of say and hence responsibilities,

and that this has been the status quo for a long time. While things are changing with the measures being instituted by King Faisal, these changes are quite slow due to resistance from ultra-conservative groups (Topal, 2019) who feel that these changes are being forced on the society.

In terms of long-term orientation, most of the respondents stated that they trusted family and that this was why most of them preferred to leave the business to family members. Respondent C indicated that it was obvious to him that family would take over, while Respondent F stated that his only child would take over the business. It was also found that decisions about the business, or about who might take over, were considered to be a matter for the family to discuss: for instance, Respondent F said that the family would decide what happens vis-à-vis succession. This pattern is not exclusive to Saudi Arabia. In many studies on family business, especially in Brazil and Spain, which have strong collectivist cultures, family plays a central role in helping to make key decisions regarding business control (Dias & Davila, 2018; Galván, Martínez, & Rahman, 2017).

4.5.3.3 Government

Government emerged as an important institution due to its leverage in the business environment. The Saudi Government comes across as very stable in terms of political transitions and the disruptions that they entail (Basco, 2017). Being a monarchy, the Saudi government has a centralized structure, and decisions pertaining to business formation tend to rest in its hands. As an institution that guarantees stability in the country, the Government has regulations that govern the operations of businesses (Topal, 2019). In this study, the role of government was seen to the extent of an arbitrator when there are problems in a business. During the field research, this role was not prominent at all, and this could be because the questions were focused on transition, which rests with the person running the business when there is no evidence of problems.

The role of the government was, however, seen to emerge indirectly, where the government has set the rules that give men a lot of power in running the affairs of the country, including businesses. For example, Respondent E noted that it is expected that the male children will take over the business ('*Yes, my youngest son is already taking over the business and he is doing very well. I go there as usual, but I have somehow left a lot of duties to him*'). The expectation that the male children will run the business is an expectation set by the government, and to this extent, the government has set rules that deem these children as custodians of the business.

5.5.3.1.4 Religion

Religion is one of the most important institutions in KSA and has an influence on almost all aspects of life in the Kingdom (Al-Sudairy, 2017). During this study, the issue of religion emerged in various ways. Islam is the dominant religion in Saudi Arabia, and with key religious places like Mecca, where the annual Hajj pilgrimage takes place, it is crucial to ensure that religion plays an important part in the affairs of the country is crucial (Alrubaishi, McAdam, & Harrison, n.d.). The findings that emerged during the interviews denote that the views of the business owners regarding why their male children would succeed them, or why decisions must involve family members, were all hinged on religious expectations (Jin, Almousa, & Kim, 2018; Azouz et al., 2020).

Religion was a symbol of hope during the effects of human action and fear. Thus, Respondent B stated, '*Problems are caused by human beings and there is need to appreciate this. I am not sure what can happen in the future, but we must trust (T1) God*'. The reliance on religion as a guide during good and even bad times reflects the deep inclination towards the supremacy of Allah in all human endeavours (Al-Sudairy, 2017). This issue has not been witnessed in many secular societies but is evident in societies where religious beliefs are strongly held (Rafiki, Hidayat, & Al-Mana, 2018).

5.6 Imposition and implosion

Gilding and colleagues noted that there are a number of reasons for succession planning, including keeping control within the family (Gilding, Gregory, & Cosson, 2015). The outcome of a planning process could include institutionalization, individuation, implosion, or imposition. In this study, where there was evidence of planning (even to a small extent), it was not documented and appeared to be at conceptual stage in the minds of the owners. There was an expectation that the business would be handed over to a male child, or in two cases, to the respondents' daughters (Respondent D, Respondent H). In a number of cases, the successor had been decided upon by the society, by traditions and by the owner. For instance, Respondent C said, '*It is obvious that my children will take over my business'.* In most of these cases, it was seen that the society has already settled the matter regarding family business succession. The male-dominated society, with its traditions and religious expectations, has created a scenario where the owners have no choice but to hand over the business to their male children. When the issue of succession appears to have been settled by the society and cultural tenets, imposition arises, and this imposition may lead to problems (implosion).

Fig 9: Existing factors and emerging factors that impact on succession planning in Saudi Arabia.

SUCCESSION PLANNING FACTORS

EXISTING FACTORS

Family

Religion

Tradition

Government

EMERGING FACTORS

Imposition

Implosion

Cultural changes: role and position of women
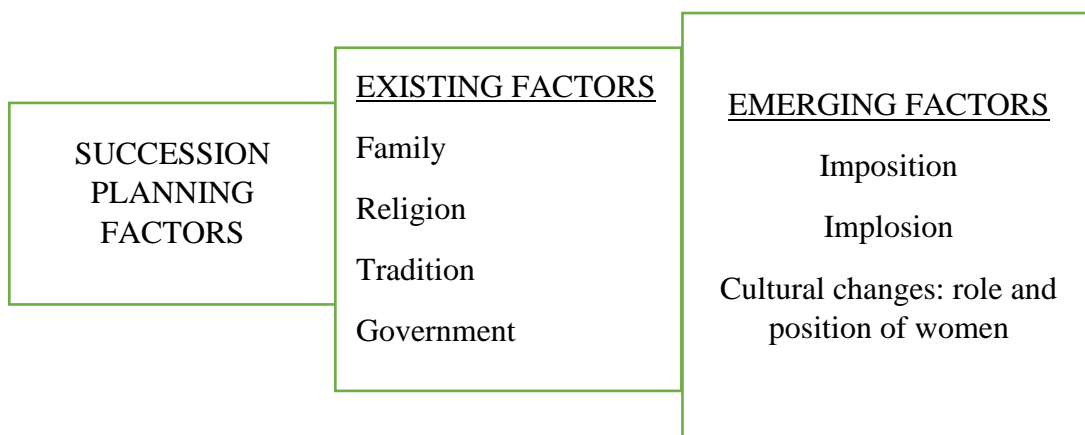
The chart above shows the factors that influence succession planning in Saudi Arabia. It includes both existing and new factors. The existing factors, as discussed in this section, include family, religion, tradition and government. The emerging factors include imposition, implosion, and changes in the role of women in the country.

5.7 Owners' behaviour and its impacts on the business

One possible underlying factor in the direction that the business takes is the nature of its owner. Studies on the issues affecting family business have explored different issues that might lead to failure of such businesses, including culture (Mokhber et al., 2017), family dictates, including polygamy (Acquaah, 2016), favouritism and imposition (Garcia et al., 2017), traditions and religion (Miller, Steier, & Le Breton-Miller, 2003). At the centre of all these is the owner, who has a controlling voice and whose attitude and wishes would determine how the business will operate (Mokhber et al., 2017). In the field study, the owners highlighted their views, ranging from what they consider to be impossible positions in which they find themselves to the fact that they can ultimately determine what might happen in the future with regard to the succession of their businesses.

In the example of Lubna Olayan, it was found that the owner believed in hard work and determination. She attributed the success of the Olayan Group to these skills. Business owners must also consider what is important for the organisation. Olayan, who was handed the business by her father, stated that the role of women is increasingly becoming crucial, and her focus has always been on the future of the company, not the past (Varshney, 2019). She has been deemed as a leader who inspires others and who allows others to take over their positions in the organisation. This approach is deemed vital for successors, but questions have been raised regarding Olayan's space in a male-dominated business environment (especially in Saudi Arabia), and whether her success is

part due to the obvious support given to project a picture of a society that is embracing change (Alotaibi, Cutting, & Morgan, 2017).

The behaviour of the owners can be examined from different perspectives. First, their attitude contributes to their behaviour (Igwe et al., 2018): hence, they need not say much, because their actions are sufficient to depict their intentions. Soler, Gemar and Guerrero-Murillo (2017) noted that some owners already have people in mind whom they wish to succeed them but are limited by institutional factors. They are thus silenced, and while they might prefer certain persons, they cannot do anything about it. On the other hand, Garcia et al. (2017) stated that some owners are vocal, but their voices cannot amount to real action insofar as the choice of a successor is concerned. As has been seen in the discussion of imposition and institutionalisation (Ahmed & Uddin, 2018; Ferrari, 2021), other factors that are beyond the owners tend to be crucial in determining the direction of a business. The institutional factors tend to supersede the owner's voice and hence influence his choice (this influence might result in no choice of successor at all) (Miller, Steier, & Le Breton-Miller, 2003). Some owners may wish to hand over their businesses to successors (or management firms) but are finding it difficult to do so, because they are used to their businesses and are finding it very hard to let go (Ferrari, 2021): an attachment situation that tends to carry on for a long period of time.

Attachment is a behaviour that sits between passion for one's business and fear for the future (Ahmed & Uddin, 2018). However, some views have attempted to demonstrate that attachment has nothing to do with the nature or attributes of the owner (Mokhber et al., 2017; Hsu et al., 2011). In this study, attachment to the business has been seen as an attribute of the owner, who may not really want others to take control of their entity. Attachment to one's own property is a learnt behaviour

that can be beneficial if the results are positive but can be detrimental to the future of an entity if it hinders the opportunity for others to learn.

Considering the views that have been presented by Pinder Hsu et al. (2011), Pratono and Han (2021), and Ahmed and Uddin (2018) on the types of behaviour demonstrated in different situations, it can be seen that when the owners are in a position where their decisions are influenced or hindered by other factors, to the point where they are no longer able to make any rational decision, and, as is the case in many situations, are too old to do anything with authority, a sense of resignation may arise (Soler, Gemar, & Guerrero-Murillo, 2017). Acquiescent behaviour (Pratono and Han, 2021) emanates, which seals the fate of the business. Acquiescence is not a learnt behaviour, but a behaviour that emerges and persists until the ownership is no longer there, and chaos (implosion) emanates as the business fails. Studies on acquiescent behaviour have mentioned quiescence, which is a result of fear, where action is taken in haste (Acquaah, 2016). In this study, such is not the case: the case that exists here is where the owner is not able to do anything, and the future of the business is no longer guaranteed (Igwe et al., 2018). The ownership leaves a business that might otherwise have flourished in the hands of people who are not interested or prepared, and who do not know how to carry it on (Pratono & Han, 2021). Acquiescence is a place of despair and desperation, where rationality is completely gone (Ahmed & Uddin, 2018). Considering the issues that have been identified, ranging from lack of institutional to imposition and acquiescence, the greatest challenge to successful succession is the ownership.

The management and directorship of any business calls for a significant say and boldness in making decisions, as the entity depends on the decisions passed by the owners (Garcia et al., 2017; Igwe et al., 2018). Soler, Gemar and Guerrero-Murillo (2017) have contributed to literature on the nature and role of management, with a key issue being the ability of the ownership to lead their

entities by influencing behaviour. Indeed, there are greater factors that make it hard for the owners to choose their successors, but they certainly do not make this choice impossible. It is clear that with their experience – gained over a period of time – and the fact that they are running their entities, these owners are able to clearly determine who will take over. This can be done well in advance, and afterwards, a process of learning can start.

In this study, the issue of learning has been presented through the voices of the owners, most of whom stated that they are learning and will determine what needs to be done in due course. Although learning is taking place, it is not widespread, and measures should be taken to address this. Learning about what to do should be real, yet must be systematic (Ahmed & Uddin, 2018). It must transcend various institutions – family, religion, cultures, and government. This study identifies the central figure in the success or failure of family business to be the owner. As stated in the Neo-Classical view, the dynamism of the environment calls for the owners to adapt and overcome the pressure that is mounted on them by institutional forces. Owners can change their behaviour by learning about the practicalities of succession, and this may happen in a number of ways; first, learning to appreciate the ambitions of their family members, and second, making sufficient preparations so that business can be passed on in good time through mentorship (Ferrari, 2021).

This study provides immediate practice implications for family businesses in SA to use a simple model to help them to engage in successful succession planning. The model is as suggested below.

Figure 10: A model of successful family business succession planning.
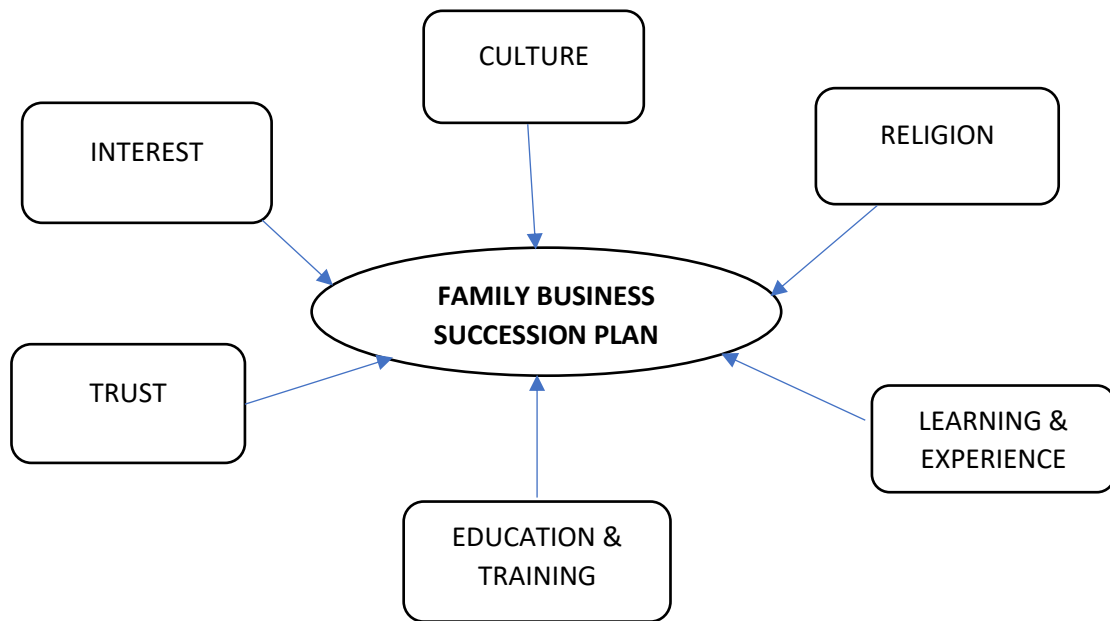
Source: Self-generated.

5.8 Summary

Reflecting on the discussion, a model is presented to summarise how family businesses can successfully carry out succession planning in line with the knowledge of institutional theory and experiential learning theory. It offers a new theoretical understanding of succession planning in family businesses. The model explains how family business owners can use learning and experience, education and training in conjunction with culture and religion to carry out a successful family business succession planning. It also demonstrates the role of trust among the business owners in their family members and interest in the business by the family members in order to achieve a successful family business succession. The next chapter is the last of this thesis, and sets out the conclusion, contributions, and recommendations for future research.

CHAPTER 6

CONCLUSION,

CONTRIBUTION

AND

RECOMMENDATIONS

6.1 Chapter introduction

This chapter presents the conclusion, contribution, and recommendations of this research on the basis of the information presented in the literature review section, and within the given parameters of the research question in the context of Saudi Arabia. It shows how the research objectives have been achieved through a discussion of the contribution of this research, and consequently highlights the limitations of this study, leading to a set of recommendations for future studies.

6.2 Conclusion

This section provides a summary of the research, explaining the key aspects of this study, including the ways the objectives were met and the principles that governed this study. The context that informed this study and the motivation thereof was the situation faced by family businesses in KSA. Family businesses play a crucial role in KSA, and SMEs represent a significant majority of businesses in many countries, including KSA[6]. The main challenge facing businesses is that at the time of passing them on to the new owner or generation (if such a time is known), there is often a dilemma, in that the owners do not know what to do. Saudi Arabia is a largely conservative country, with a monarchy and rich in oil. Its government has in the recent past used its immense resources to invest in business start-ups, and citizens are encouraged to venture into different sectors of the economy.

The Saudi society is highly masculine, and for a long time, men have had the unchallenged responsibility of running most of the affairs in business, politics, and even religious matters. Hence,

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[6] The Saudi Arabian banking sector has a significant growth opportunity in the form of the small and medium-sized enterprise (SME) sector. The nation's SMEs account for around 90% of registered businesses and 60% of total employment, according to a recent report by Aljazira Capital, and as a result they occupy a central position in the Kingdom's development strategy. Source < Growing interest in SMEs in Saudi Arabia | Saudi Arabia 2015 | Oxford Business Group>

fathers tend to be the heads of their businesses. Family-run businesses are found in all sectors of the economy, including oil, hospitality, motor car assembly, heavy equipment, banking and many more. They play an important role within the economic framework of the country. The issue, therefore, is to ensure that family businesses can continue in perpetuity, and ironically, this is the biggest problem facing family businesses in Saudi Arabia, because when businesses are left to the male members, experience and skills are not always taken into account (Xian, Jiang, & McAdam, 2021; Farooq & Ali, 2021). Male heirs also come with a sense of entitlement, and as such, they tend to know how to run their businesses with a quest for growth, but also with a desire to carry on the tradition of the family and society (Ekanem & Alrossais, 2017; Baarmah & Khan, 2021).

Existing literature on succession planning advocates the need to ensure that whoever is chosen to succeed the owner should be someone with experience, zeal, and ability to grow their businesses (Alrubaishi, 2017; Alsaud & Khan, 2021). The case of Lubna Olayan is a good example of these a businessperson with these characteristics.

Quite often, when the owner of a business withdraws from active participation, the business tends to close, and this has been a worrying trend (AlRebdi & Mohamad, 2021). I have experienced the situation where a family business faced enormous problems, which eventually impacted negatively on its survival, and thus my interest in this study has been to investigate this field and understand the situation with the view to propose solutions to this problem.

Many changes are taking place in KSA. The authorities have instituted measures that aim to allow women to become more independent. While these measures have been hailed and shunned in equal weight, it is evident that the cultural change that is being promoted by the Monarchy is not necessarily being adopted by the citizens at a fast rate. Most of the male members of the society are

either reluctant to adopt these changes or are not happy with them, and on the other hand, many women in the country are not keen on the 'modernity' that is being instituted. From the point of view of businesses and their succession, most of the owners are men, and it appears that most of them do not consider these changes as practical, and to this extent, the old ways of doing things have continued. One of the major issues with succession is the question of trust, which this study has found to be one that needs to be addressed.

Studies on family business succession are diverse, and have identified many challenges, all of which are dependent on the specific country. Country-specific parameters are dictated by national cultural dynamics, and to this extent, this study drew on Hofstede's dimensions to explain two key dimensions, concluding that KSA is a primarily masculine and collectivist society (Triandis, 2018).

Existing literature on the way these dynamics affect businesses has explored cultural issues and the role of managers of these businesses, bearing in mind that country-specific phenomena can change. There are changes taking place in Saudi Arabia, where the government is transforming the social and economic fabric of the country. Women in Saudi Arabia now have more roles to play and can do many things that they were not able to do just a few years ago. These changes are being enforced, and while they are hailed by many, they are criticized by others who would like the status quo to persist. In the light of these changes, Schumpeterian Innovation theory of Entrepreneurship was explored. This theory, an advancement of the Classical theory of Entrepreneurship, found that environmental dynamics must also be considered when engaging in business.

Whereas there are changes taking place in Saudi Arabia, family businesses face problems when the time for succession approaches. It was found that many business owners have no plans for succession, and face trust issues, fear, and information regarding how and when to pass on their

businesses to the next generation. With no planning in place, and confronted by traditional and cultural issues, owners often tend to choose their male children, whether they are older or younger within the family. This is a case of imposition, which eventually, in conjunction with institutional issues such as religion and family expectations, leads to discontentment among other family members, often causing businesses to fail. Imposition and implosion because of institutional issues are major issues that were identified in this this study. With these contextual issues in place, the study adopted a qualitative method, guided by an interpretivist paradigm, where semi-structured interviews were conducted, and analysis was completed through the TA technique.

6.2.1 How the objectives were met.

This section outlines how the objectives were met.

6.2.1a To examine the factors that are affecting succession planning in Saudi Arabia.

In order to examine these factors, it was vital to examine two key sources: first, previous studies on this area, and second, the views of the respondents. By looking at previous studies, I was able to identify the areas investigated and gauge which of the factors were contextually relevant. Therefore, an examination of existing literature (Chapter 2) was necessary, and in sections 2.1 and 2.3, various factors emerged. These were explained in the context of how they led to individualisation and imposition. I also gathered the views of the respondents through primary research to identify how these factors affect family businesses. Therefore, through an examination of primary and secondary data, the study found a number of factors that affect family businesses, including culture, trust, religion, family and family traditions.

6.2.1b To identify the problems faced during family business succession.

This objective was met through an examination of primary data, where the views of the respondents were gathered and collaborated with the views existing in the literature materials. Understanding the problems associated with succession planning calls for an examination of existing literature (Chapter 2) and identifying the views of respondents (Chapter 4), and then comparing these views to generate an informed conclusion. It was therefore vital to gather both primary and secondary data by conducting interviews and reviewing the literature. Key issues identified were trust and the behaviour of the owners, who, in through acquiescing to the demands of various institutions – family, religion, and traditions – are left voiceless, and thus unable to manage succession.

6.2.1c To investigate the problems caused by institutions in the succession process.

These objectives were explored in Chapter 4 where the views of the respondents were analysed through TA. This analysis revealed a lack of planning for succession among family businesses in Saudi Arabia due to a number of institutional factors, including family, religion, traditions and the culture of masculinity. Family business owners also have a sense of attachment, which, when coupled with these institutional factors, tends to lead to a sense of resignation towards what fate might hold. The position in which the owners find themselves is quite difficult because they cannot control future events, especially regarding their entities: this creates a position of acquiescence, leading to irresponsibility in allocating control, and thus to imposition and implosion. It was also found that the dynamism of the environment is volatile, and owners have to be innovative in allocating control of their businesses. This requires planning that must be done well before they leave their businesses.

By exploring the views of the respondents and categorising them into themes, a systematic discussion could be generated and views identified. By exploring the thematic views and engaging in discussion that drew in existing literature and set out the context, this study has met the objectives that were set and thus helped to develop contributions to knowledge. The objectives set above were central to this research and guided all the stages that were adopted.

6.2.1d To investigate how these challenges can be dealt with.

This objective is examined in the recommendation section, where I provide suggestions based on existing data and themes that emerged from the responses of participants in this study. The suggestions include the need for training (experiential learning) and the inclusion of government and its bodies in supporting family businesses.

6.3 Contributions

This research set out to examine the objectives that were given above, and in this section, its contributions are outlined at two levels: first, contribution to knowledge, and second, contribution to practice.

6.3.1 Contribution to knowledge

The study identified imposition and implosion as key issues that impact negatively on the succession of family-owned businesses in KSA. As this is a country where family businesses are predominant, understanding the intricacies of managing and running such businesses is crucial. Owners of family-run businesses must choose their heirs carefully, but they are often unprepared, or have not prepared those who will take over their businesses. It was found that failure to prepare heirs occurs because Saudi society expects certain actions to be taken with regard to handing over their businesses. In

Saudi society, institutions are very strong and tend to dictate various aspects of life. Thus, owners of family-owned businesses do not prepare who they are going to hand over their businesses to, and hence tend to hand them over to their eldest son, or more recently, their eldest daughter (if she is the first-born child), because Saudi society is still inclined towards masculinity (Hofstede's dimensions), and institutional dictates (of religion, family, culture, and societal expectations).

These factors lead to what has been termed imposition, where the owner of the business chooses one of his children to run the family business(es). The choice of the first-born son or daughter as a dictate of tradition (and imposed) often leads to implosion, where failure to run the business occurs, and there may also be disagreements among siblings, which might disrupt the prospect of good performance. This has been explored in several studies, as seen in the literature review in Chapter 2.

The present study identified a gap in the literature on the relationship between institutional factors, imposition, acquiescence, and implosion as successive factors that lead to failure of family businesses. The challenges facing family business owners have been examined in depth in the literature, but these studies fail to show the cascading relationship between the institutional factors that lead to failure of family businesses. This study provides initial anecdotal evidence on which the literature on family business succession failure should be examined. It raises the profile of acquiescence behaviour of the business owner as an issue that should be included in the study of family business failure due to imposition. Acquiescence is the link between institutional factors and imposition, on one hand, and implosion on the other. It arises because of the volatility of external dynamics that businesses face, as stipulated by Schumpeterian innovative theory.

Thus, through the lens of Schumpeterian innovative theory, which sits within the Neo-Classical theory, external dynamics will always persist, and these might have an impact on the business owner's ability to make decisions, but it is necessary to examine how the owner's behaviour might lead to business failure. It is worth considering owners' indifferent behaviour (acquiescence) within the existing literature in order to determine the relationship between imposition, implosion and business failure.

The study also offers a model as a conceptualisation which explains how family businesses can achieve successful succession planning. This new theorization is unique in using empirical knowledge to explain how succession planning can be organized to resolve the problems that this process entails. It helps in understanding and resolving paradoxes in family business succession planning in KSA with respect to the role of learning and experience, education and training, trust, and interest. This model, with its use of institutionalisation, imposition, and implosion, is significantly different from the prior understanding of succession planning in KSA.

6.3.2 Contribution to practice

Practically, this study contributes to the literature on owner behaviour in a dynamic business environment among family businesses in KSA. Family business owners need to understand that preparation for the next generation starts immediately business starts therefore, they should not wait for a time that they think is right. Preparation for handing over businesses to their children and the act of handing over the business should be based on the practicalities, including identifying which child is the best qualified and the most enthusiastic about the business, and if that is not possible, the business should be handed over to those who are qualified (management consultants), who can steer it towards growth.

6.4 Recommendations

The following are recommendations that can be considered as solutions to the challenges of succession planning in family businesses in the Kingdom of Saudi Arabia.

6.4.1 Government guidance on succession planning

One of the most important things to do is to ensure that there is support for family businesses through official government guidance that can govern many aspects of businesses. The Government of Saudi Arabia has a guidance policy for businesses, but it has not been clear on the guidance relating to succession planning in family businesses. It is, therefore, crucial that such a document exists, to which family businesses can resort in order to ensure that the challenges are overcome and that their businesses can be passed on from one generation to another. Studies on business management by Michiels and Molly (2017) and Caputo et al. (2018) have attempted to offer guidance from regulatory authorities, and Ramadani et al. (2020) suggested that the provision of official guidance is very important, as it can benefit organizations that might find themselves in this kind of situation. Such guidance can be kept on the government's website so that it can be accessed by any organization at any time and should be regularly updated with relevant information.

6.4.2 Creation of a trustworthy authority to provide support.

Besides having guidance from the government, it is also necessary to establish an authority that can provide practical support for organizations that have succession challenges. Most of the respondents did not have confidence in their ability to manage succession due to the institutional forces, and whereas there was no explicit mention of the need for such an authority, it would be ideal to have an independent authority separate from the government to support family entities. Government bodies might be slow in dealing with situations due to bureaucracy, but an independent body (which could be formed by an association of private enterprises) could be established to support family

businesses. Such a body could work with organizations not only at the time of succession, but over the long term, with the view to ensure that when the time comes for succession, this will not be a problem. To this extent, the mention of religion as an important institution could thus mean that if a body is of religious nature, business owners might be more likely to accept such a body as a source of support in training and succession matters.

As found in the course of this study, succession is a matter that must be dealt with well in advance, not at the time when the problem arises, as it is a problem that starts long before the owner of the business leaves the scene. Therefore, having a long-term working or assistance arrangement is vital to ensure that the organization is able to eventually change hands without having the erstwhile problems that have been seen in many other organizations.

6.4.3 Training for families and business owners

Ensuring that businesses owners are offered training on mass media and sensitized to understand the importance of planning for succession of their business is a crucial step in offering practical and long-term support for businesses, especially when the owners may not be willing to engage closely with the government or to give their businesses to the government. It is expected that there might be resistance if the government wishes to offer close support to business owners, and therefore, having a mass sensitization program is an easy and effective way of passing on relevant information that can be crucial for the successful passage of businesses from one party to another. There are some initiatives that are aimed at young people, but they are still in their infancy, and hence are not really developed. These programs are being run by the Misk academy and Mohamed Bin Salman Foundation, and their focus is on youth (Arab News, 2020).

Whereas these initiatives offer a good start, it should be noted that training people in entrepreneurship can be very challenging in terms of the time needed to plan and implement such training. In a review of training programs by governments on entrepreneurship, Kansikas and Kuhmonen (2008) and Long and Chrisman (2014) indicated that government-supported training programs should start in early schools. Embedding such training programs in other qualifications is vital because then they may be executed without resistance from the businesspeople and may actually be advantageous in a country where family-owned businesses form a majority of the businesses.

6.5 Reflections on the Research Positionality and Reflexivity

6.5.1 Contextualisation

This study was carried out in Saudi Arabia, and within the context of business entrepreneurship as it relates to the situation in Saudi Arabia. The researcher is a citizen of Saudi Arabia and from a family that owns and runs a business, and which has been involved in the succession planning issue. To this extent, the theoretical discussions were contextualized to reflect the situation in Saudi Arabia and references were made thereof.

6.5.2 Hermeneutical circle

This is based on the notion that the 'whole is built by the part, and in turn the part is built by the whole' (McKenzie, 2008). In understanding the issues relating to a study, this concept informed my level of involvement with the participants during literature search and data collection. A study is informed by its components, which in turn are validated by the 'whole'. In this study, the need to collect data from different sources was crucial, as it helped to build and understand the context and

address the research questions. There was also, however, a need to look back by seeking clarification from the respondents with the view to understand the issues that were raised.

6.5.3 Dialogical reasoning

Onquegbuzie and Weinbaum (2017) emphasised that researchers should be open to new ideas that emanate from a study. This is a principle that presented me with a lot of challenges, because I had to explore how the new ideas either blended into my work or informed my own ideas, and in questioning my own ideas, I gained insights into the emerging ideas.

6.5.4 Multiple Interpretations

In the course of conducting my study, I examined existing literature on family business, entrepreneurship, and innovation. I also conducted a number of interviews with respondents, who included business owners, managers of businesses and heirs. It was vital to examine all these different sources of data, as this meant that I could identify information that was aligned and also contrasting aspects. By looking at different sources of data, I was able to conduct comparisons and be clear about emerging information coming from these different areas.

6.5.5 Participants' interaction

An important aspect of identifying participants and their importance to a study is to recognize why they are taking part in the activity in which they are being asked to engage. Participants can be analysts and interpreters at the same time, and therefore, it is important for the researcher to dissociate these roles and ensure that participants answer questions that will aid in exploring the information necessary to answer the questions of a study.

6.6 Limitations of this study and areas of future research

Every study has its limitations, based on the methodological approaches used, the kind of literature considered and the contextual issues relating to the same, vis-à-vis other studies. In this section, the limitations of the study are presented and used to inform suggestions for future research.

6.6.1 Context of the study

This study focused on Saudi Arabia as the main unit of analysis. I considered this country as the primary focus, and although literature materials were drawn from studies in different countries, the focus on Saudi Arabia presented unique issues that are influenced by strong cultural and religious practices. Therefore, it was found that aspects like individualization, imposition and implosion were specific to these strong cultural backgrounds. To this extent, understanding the influences and effects of other environments that are not culturally inclined requires a comparative study to be conducted, or for data to be collected from different countries. Businesses cut across different spheres, and to this extent, it might have been useful to explore the views of businesspersons from different counties. This is an area that may need consideration in the future.

6.6.2 Examining family business challenges

This study focused on succession issues faced by family businesses. There are very many studies in this area and hence interest in this field is enormous. This study is different in that it considered different sectors, and was not limited to one sector or one size of organization. Studies that were examined when building the literature in my research were drawn from different countries, and it was found that family businesses are particularly crucial in countries of Asia, Africa and Latin America, which are characterised by strong cultural influences.

The focus on family businesses, however specific, unearthed issues that were faced by other businesses that were not run by family members. To this extent, a question arises as to whether such a narrow focus could bring about crucial issues that might prove beneficial for family businesses, or if these are general issues that any business might have to contend with. It can therefore be suggested that in future studies, a multi-layered approach could be adopted. First, researchers could identify the industry where family businesses are concentrated, and secondly, they could focus on those sectors, with clear a methodological approach, dedicated to gathering primary and secondary data from a wide range of family-owned businesses. In this particular study, this approach could not easily be executed for two reasons. First, the Covid-19 pandemic affected movement and impacted on my ability to gather data with ease, and second, as a female researcher, there are still restrictions regarding places where I could go, and so, with limited time (and uncertainty about how long the restrictions on movement would be in place), it was not feasible to follow the approach I have suggested above.

6.6.3 Generalizations

Qualitative studies tend to look at a small proportion of the population during data collection activity. In this study, whose focus was on family businesses in KSA, I collected data through semi-structured interviews from a small number of businesses across three cities. Once data had been collected, analysis was conducted, and generalisations made. The inductive nature of this study meant that I moved from data to theory. However, considering that what happens among a few businesses could be true among all the rest is a major limitation. It is worth noting that businesses exist within socio-politico-econo-technological and environmental dynamics that cannot be prescribed as following a certain pattern. To this extent, generalising the findings of a few studies could at times be misleading. It is thus important to suggest that future studies on this subject should consider a wider population through a different methodology: for instance, through a survey method

that would allow larger numbers of family businesses to be included in the data collection process. If this is done, the findings will be more reflective of a greater proportion of the business population and thus more accurate conclusions could be drawn.

6.6.4 Government can be an important interviewee

Another aspect of this study that could be examined differently in future studies pertains to the kinds of respondents that were not included. In this study, I interviewed business owners, and yet, during my analysis, I found that government featured to a significant extent in the respondents' views. It would thus be ideal to consider the 'voice' of the government and seek an informed opinion about its role in supporting family businesses in their endeavour to continue operations. To this extent, future studies could consider seeking views from representatives of relevant government departments, in order to understand ways in which the government can support family businesses in Saudi Arabia or other places where succession planning is an issue.

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Appendices

A. Research Questions

The following are the questions that were asked.

(These questions have been generated from the views in the existing literature)

Business Owners

1. Have you decided on who should be in charge of the business after you?

2. Do you think this is a decision you should make by yourself or with the involvement of family members? Why?

3. What will / did you consider when deciding on who should run the business after you?

4. What are your fears about the prospects of the business after you have given up control to another person?

5. Do you think it is vital to have the business in the hands of a family member or a professional manager?

6. Did you prepare the new owner adequately to be able to run the business? How?

7. What challenges did you face when preparing the person who is to take over from you?

8. Have you made any preparations as to how you would deal with such challenges?

Manager / New owner

1. How long has your family or you been running the business?

2. Who makes major decisions in your company?

3. Do you involve other family members in running the business?

4. What are the new challenges faced by you as the new manager or owner of the business?

5. Do you think you have the necessary preparations in terms of experience or other kind of training that would enable you to run this business successfully?

B. This criterion has been given below:

Conducting Thematic Analyses of

Interviews and Field Notes*

Theodore Zorn, University of Waikato

1. Make at least two copies of the text to be analyzed.

2. On a notepad, write out the research question. If there is more than one, provide ample space between the questions, and write each question in a different colour ink.

3. Also on the notepad (or somewhere visible), write Owen's criteria for thematic analysis: recurrence: at least two parts of the discourse reflect the same thread of meaning, even though different words are used.

Repetition: key words, phrases, or sentences are repeated in at least two parts of the discourse.

Forcefulness : in oral discourse, significant changes in volume (whisper or speaking loudly), inflection, positioning (especially, putting an idea first in a list or explanation), or the use of dramatic pauses or introductory/follow-up phrases that indicate the importance of a segment of discourse ("Here's the main thing . . . ." "What I really think is . . . ." " . . .and that's what it all boils down to." ". . . so that's what I really think."); in written discourse, forcefulness is communicated by underlining, circling, or highlighting, using all CAPITAL letters, or the kinds of introductory or follow-up phrases mentioned above. Note that not every instance of a theme needs to be forcefully communicated; for it to be a theme, however, it should sometimes be forcefully communicated.

4. Read through the text to be analyzed, and underline potential answers to the research question. If there is more than one research question, underline answers to each question in

the same colour ink that you used to write the question. Underline only the part of the utterance that most directly answers the question, since you may later determine that another part of the utterance is a separate theme or answers another research question. It is also possible, of course, that the same utterance answers more than one research question. In this case, underline with more than one colour.

5. The first time a theme is noted, use a highlighter to identify the place in the text in which it is observed. Afterwards, use the same colour highlighter each time the theme is observed. Highlight only the part of the utterance that captures the gist of the theme, for the reasons mentioned in #3.

6. On the notepad, under the appropriate research question, write a brief description of the theme and highlight it in the matching colour.

7. Each theme identified should be highlighted in a different colour.

8. Re-read the text to identify themes that you may not have noticed on the first reading, to revise theme descriptions, and to re-categorize particular segments of the text.

9. Identify major themes by their frequency and by the degree to which they are closely associated in meaning and in discourse with other themes.

*Adapted from Owen, W. F. (1984). Interpretive themes in relational communication.

Quarterly Journal of Speech, 70, 274-287. For an example of thematic analysis applied to organizational communication, see Zorn, T. E., & Ruccio, S. (1998). Motivational communication in college sales teams. *Journal of Business Communication, 35*, 468-499.

c. Company Owners

Company / Business identifier / respondent code	Sector	Age of the business (First Generation)	Legal status	Number of employees	Location	Annual turnover In equivalent £
Company A	Housing estate .	15	Company	45	Riyadh	£5,000,000
Company B	Credit and finance company	22	Company	70	Dammam	£1,000,000
Company C	A family run restaurant,	9	Company	13	Jeddah	£85,000
Company D	An oriental based restaurant	14	Company	25	Riyadh	£200,000

Company / Business identifier / respondent code	Sector	Age of the business (First Generation)	Legal status	Number of employees	Location	Annual turnover In equivalent £
Company E	An accounting firm	10	Partnership	30	Riyadh	£1,000,000
Company F	A local transport company,	12	Company	100	Dammam	£300,000
Company G	A furniture retailer	40	Company	50	Jeddah	£1,500,000
Company H	This is a private Information Technology and Training.	20	Company	22	Jeddah and Riyadh	£3, 000

e. Heirs and Managers

Respondent	Company profile	City	Date of interview **Yr 2019**	Date of follow-up **Yr 2019**
New owner / heir NO1	A restaurant that has been in the family for more than 15 years.	Jeddah	November 12th	November 24
Manager M1	A family-run construction business that has been running for the past 18 years.	Riyadh	November 15th	No-follow up
New owner NO2	An accounting firm that has been running for the past 8 years.	Riyadh	November 24th	No-follow up
New owner NO3	A family run nursery and daycare and primary school that has been running for 10 years.	Jeddah	November 28th	December 3rd
Manager M2	A restaurant that has been running for the past 18 years	Jeddah	December 5th	No follow up.

e. Code and Description

Table 1 Profile of Companies

Company/ Business identifier/ respondent code	Brief Profile	Number of staff members	Annual turnover In equivalent £
Company A	A family business in the Housing estate sector. The company was started 15 years ago.	45	£5,000,000
Company B	A regional credit and finance company that has been operational for the past 22 years.	70	£1,000,000
Company C	A family-run restaurant, having been operational for the past 9 years.	13	£85,000
Company D	An Oriental based restaurant that has been running for the past 14 years.	25	£200,000
Company E	An accounting firm that has been operational in the city for 10 years.	30	£1,000,000
Company F	A local transport company, having been operating over the past 12 years, mainly operating taxis.	100	£300,000
Company G	A furniture retailer known for traditional furniture and with clients throughout the country. This business has been operating for the past 40 years.	50	£1,500,000
Company H	This is a private Information Technology and Training business in Saudi Arabia. Has been in operation for the past 20 years and	22	£3, 000

	is a well-known name in Jeddah and Riyadh.		

The respondents involved.

Three main respondents were examined in this study: owners, heirs and managers. The number of respondents differed, as there were more owners than heirs and managers. The reason for this is because the study primarily sought the views of the owners, who are the ones running their businesses and who are responsible for planning succession.

Considering the future of the business in terms of who will take over

Knowledge about who will take over the business.

In terms of full knowledge of who may take over the business, the following responses were received:

Companies A, C, D, E, F and H reported that a family member would take over, Company B stated that they were preparing someone else to take over, while Company G was not yet prepared. A summary of these responses is presented in Table 2 below:

Table 2: Knowledge of who will take over business

Respondent A	Respondent B	Respondent C	Respondent D
Family member: My eldest son	Preparing Someone: *I will see if I can get someone who is ==good in== management but will be good to have own children to manage it*	Children: *It is obvious that my children will take over my business, the problem is until now I do not have anyone in mind so I will keep trying to check what they are interested in and am talking with them*	Family: *Yes, I have. I think my first born who is a girl has been showing interest in this Family (F1) business and she went to school to do the course that she can know how to manage her own accounting business, which is what we have.*

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Respondent E	Respondent F	Respondent G	Respondent H
Family:	Children:	Not prepared:	Children:
Yes, my youngest son is already taking over the business and he is doing very well. I go there as usual, but I have somehow left a lot of duties to him, which I think is a good thing.	*Yes, I have already made a decision of who will be in charge of my business. I have only one child and this is the one who will take over the business.*	*I have not really thought about it, I think am still here and of course I have been thinking about what has to be done in the future. I have thought about how long the future will be like and I think I can still work here.*	*Yes, my two daughters are in the process of running my business. I think they will be able to manage this business in the future.*

Codes and Description

Question 1	Code	Description
Have you decided on who should be in charge of the business after you?	*Culture (C1) Dilemma (D1)* *Trust (T1) Readiness (R1) Traditions (T1 Preparedness (Pp1) Merit (M1)* *Personal Quality (PQ1)*	*The issues seen here relate to institutional and personal issues that dictate what happens when decisions are being made.*

It can be seen here the there was some degree of knowledge about who was to take over the running of the business. In most cases, it can be seen that the family unit is considered first and this is because of cultural issues that has in it trust and level of preparedness. For example, the CEO of Company D commented:

"Yes, I have. I think my first born who is a girl has been showing interest in this family business and she went to school to do the course that she can know how to manage own accounting business which is what we have" [Company D, Oriental based restaurant, 21 Oct. 2019].

On the level of preparedness, it was discovered that the study firms were at different levels of preparedness. While some were prepared, others were not yet quite ready. For example, the CEO of Company E remarked:

"Yes, my youngest son is already taking over the business and he is doing very well. I go there as usual, but I have somehow left a lot of duties to him, which I think is a good thing" [Company E….].

By the same token, the owner of Company C was not yet ready. He commented:

"*It is obvious that my children will take over my business, the problem is until now I do not have anyone in mind so I will keep trying to check what they are interested in and am talking with them"* [Company C

Who to involve in decision making?

Decision making is an important aspect of managing businesses, decisions can be operational, tactical or strategic and thus the knowledge of who makes decisions is of paramount importance. In this section, the views of the respondents regarding the persons that make decisions has been highlighted.

Table 3: Showing the ones who will be involved in decision making.

Respondent A	Respondent B	Respondent C	Respondent D
Self: *Ultimately, it will be me, but I have a family and I may have to involve them as well and listen to what they have to say.*	Family: *I have asked my wives and children. I have elderly kids so always ask them to help me make decisions like this one. This is a crucial task that should involve the family*	Family: *Of course, I may need to involve especially the person who is to be involved in the management of the business. I am asking them, but I won't force them. But they will know when the time comes about who is to take it over.*	Everyone: *Of course, making such a decision by own self is bad. you must bring everyone on board, but you should have the final say because you know your business and you know what is taking place in your business so you can have the right persons to be with you.*

In the response given by respondent D, 'Everyone' means the family members, friends, managers and even government officials who can help to offer support.

Respondent E	Respondent F	Respondent G	Respondent H
Family: *I think I managed to involve everyone in this task. there was a need to ensure that everyone in my Family knows that I will be stepping down.*	Family: *In this case I have involved my wife in the decision, and she was happy with it and I have also discussed it with my children. The involvement of my Family members has been very important because in this case I am able to get their blessings in the course of what I am doing.*	Family: *I Trust my Family (F1) to make all the main decisions. Usually, you must remember or rather I have the belief that the Family knows*	Family: *I have only daughters and so it was obvious that they would be the ones to run my shop. I discussed with them and with their mother about it,*

Codes and Description

Question 2	Code	Description
Do you think this is a decision you should make by yourself or should involve Family (F1) members? Why?	*Anticipation (A1)* *Founder (Fo1)* *Inclusion (In1)* *Expectations (Ee1)* *Power (Pw1)* *Preferences* *Trust (T1)* *Founder (Fo1)* *Family (F1)*	*Here there is the question of involvement and also of authority. All these are underlined by the issue of trust.*

Factors influencing choice of who will take over.

On the consideration about who will run the business, it was found that respondents had thought about the issues that determine persons who may take over the business when the owner is no longer there. These are given below.

Table 4: Table showing the Factors influencing the choice of who will take over the business

Respondent A	Respondent B	Respondent C	Respondent D
Culture: *In our culture, male children take over. I am lucky to have one who will surely take over.*	Culture: *It is expected that children take over. This happens in the society. But things are changing.*	Culture: *I have not decided on it, but I can say that first, it must be my children or one of them to run this show.*	Experience/ Commitment: *I think I can look at so many things first, is the Experience (Ep1) of the person then the way the person shows that they are interested, but also how there is commitment from the person.*

Respondent E	Respondent F	Respondent G	Respondent H
Experience / Skills *When deciding who should do this business, there are usually issues that are many that must be considered. One of them is the ability of the person, then education, and then interest.*	Culture: *My consideration was very easy, I did not have to think much about the person because as I said I have only one child and so it was not a difficult thing to decide on.*	Culture: *As I said, there are several considerations, but you also should remember what I said, it is not yet decided. I consult my family on many things, and I know that at the right time, I will consult them to help me*	Culture: *Many things of course, but in my case, it was simple, my family should run my business. So, I want to consider family first and that is what I did.*

Codes and Description

Question 3	Codes	Description of Codes
What will / did you consider when deciding on who should run the business after you?	*Traditions (T1)* *Experience (Ep1)* *Choice (EC1)* *Experience (Ep1)* *Skills* *Traditions (T1)* *Family (F1) Interest*	Cultural expectations tend to dictate what happens, and then to some extent there is the other issues of experience. Culture and traditions are all institutional aspects that lead to imposition in decision-making.

Fears about who what might happen in the future.

Respondents were asked about other fears, and below is a table showing their views.

Table 5: Fears that the respondents have regarding the person that might take over the business.

Respondent A	Respondent B	Respondent C	Respondent D
Dilemma / Competence *I have been here for many years so I wonder if he will do a good job but am talking to him.*	Trust and hope *It is a question of trust and hope. I have been training and discussing with my children. Let's hope all goes well with them.*	Enormity of the task *I think about this every day. and that is why I am still here.* *This is not an easy business to run. you need to talk with your customers all the time.*	Business Failure *What I am worried about is if things will go down the slope.* *You should know that I can get the right person, but the customers may not want the person*

Respondent E	Respondent F	Respondent G	Respondent H
Diminished influence	Failure of the Business	Failure of the business and personal fares	Future of the business
My control will go down – that is a big fear, I do not know what I might do in such a circumstance. I am a bit worrie,d and it is truly a big problem. So I think I will carry on for a short time, but I am also fearful about whether the amount of responsibility that has to be taken on here will be done.	*My fears is that there could be problems with the business and that the business may not continue over a long period of time and this is a sorry for me because if clients do not want to come to this business anymore because when am not here, it will be a disaster.*	*I have been wondering what I can do in the future and what this business will be like in the future. I think the person who will take over this business will be someone I have full faith in.*	*I have for some time feared the future of this business, there are many problems in the country and businesses are not doing well. So, there are issues that we cannot control. I feared that the business will not go on.*

Codes and Description

Question 4	Codes	Description of Codes
What are your fears about the prospects of the business after you have given up control to another person?	*Preparedness (Pp1)* *Dilemma (D1)* *Customer Expectations (Ee1)* *Loss (Ls1) Worry Dilemma (D1)*	There was a sense of fear and doubt about the future of the business. This could signify lack of preparedness or general fear.

A number of issues caused fear on the part of the owners, and these have made them hesitate about passing the business to their heirs. Some of these issues include dilemma, trust, and the enormity of the task. Others include diminished influences and failure of business. Again, in this case, it can be seen that the owners have their views about what they fear and hence their perception dictates the level of their preparedness to hand over their businesses to whoever they wish.

Having business run by family or by a professional

The respondents were asked about their opinions on whether to leave the business in the hands of family members or professional managers. Their opinions were divided on this issue. While respondent C thought that it would not matter who runs the business as long as they have experience, respondent D was undecided. For instance, Respondent D said:

Yes, a family member is someone who I think can run the business with their whole heart and all heart. but they can also be messy and may not care.

Other respondents who faced this dilemma included Respondents F and G. Respondent F said:

I think it seriously depends. There are many people who can do a good job and there are issues that someone has to consider.

Respondent G said:

I know of people who have said they cannot trust family (smiling), on the other hand, there are those who say that family has the interest of the business at heart.

Table 6: Decision as to whether the business will be run by family or by professionals.

Respondent A	Respondent B	Respondent C	Respondent D
Experience and Trust *This needs experience but also trust*	Planning *I think many things matter here. There is need for good planning.*	Experience *I think if someone can run the business. It does not matter who the person is, and therefore, anyone who shows that they can run this business will be taken on board.*	Dilemma *Yes, a family member is someone who I think can run the business with whole heart and all heart. But they can also be messy and may not care.*

Respondent E	Respondent F	Respondent G	Respondent H
Expectations *Oh yes, I so very much believe that you must have the business in the family. The family is important unit to me, and they must be placed at the centre of any operations that I am conducting. I think that family*	Dilemma *I think it seriously depends. There are many people who can do a good job and there are issues that someone has to consider.*	Dilemma *I know of people who have said they cannot trust family (smiling), on the other hand, there are those who say that family has the interest of the business at heart.*	Trust in family *I will always prefer to give my business to family who know that it will feed them. I therefore was able to know that I must give my child. Some people do not have that preference, and they can give to another company to run for them, this is ok, but not with me.*

Codes and Description

Question 5	Codes	Description of Codes
Do you think it is vital to have the business in the hands of a Family member or a professional manager?	*Ability / skills Family (F1)* *Expectations (Ee1)* *Trust (T1)* *Planning (P1)* *Professionalism (PL)*	A range of issues are described here, relating to personal disposition on one hand, and management aspects on the other.

Preparedness of the person taking over the business.

Preparedness has become a crucial issue, and all respondents indicated that a level of preparedness is required. Most of the respondents were, however, quite cautious about the nature of preparedness, with many indicating that there cannot be sufficient level of preparedness. This indicates that preparedness is an ongoing process that takes time. It could, however, be one of the sources of challenges, because when the owners feel they are not prepared, they may not really want to hand over the management of their businesses to others.

The respondents were asked about the level of preparedness of the person who may take over their business. The table below shows their responses.

Table 7: Table showing the views of the respondents regarding preparedness for taking over the business.

Respondent A	Respondent B	Respondent C	Respondent D
Level of preparedness

This you cannot say because, how can one prepare enough? It's about experience and time. | Level of preparedness

Preparation is a daily thing which I have been doing may times. The owner knows best, so preparing another person is important but I can allow someone else to be in charge at the end of the day. | Level of preparedness

So far, not yet. As I said, I still have more years here, but am thinking about it. | Level of preparedness

As I said, I am happy with her, she is taking interest, and she has gone to school, and so I keep talking with her to be prepared to run this business. It is not an easy task, but I am doing my part. |

Respondent E	Respondent F	Respondent G	Respondent H
Level of preparedness *Can you really be fully prepared? I really doubt it, but you can at least be sure that something has been done to a big extent and that the owner can be supported very well.*	Process of preparedness *I am in the process of doing so. This process involves a lot of things and therefore there is need to ensure that I am able to take the person through all that is required. This is a long-term process that may mean there is no time that I can say that I prepared the person well enough.*	Level of preparedness *I think I have tried my best* (smiling), *but again, this is a hard question, and I think as a good businessperson, it is just worth ensuring that the owners are ready or making the successor ready*	Level of preparedness: Fully prepared

Question 6	Codes	Description of Codes
Did you prepare the new owner adequately to be able to run the business? How?	*Fear* *Experience (Ep1)* *Time period Expectations (Ee1)* *Doubt* *Hope* *Future Planning (Pnn1)* *Preparedness (Pp1)*	The issues here are largely negative, and they relate to fear and lack of knowledge about the future. They also invoke preparedness.

Challenges faced in preparing the new person to take over the business.

In terms of the challenges that can be experienced when preparing someone to take over the business, it is evident that these vary. Some of these are personal, such as experience, readiness and knowledge, and others are religious in nature, while others depend on the nature of business. It appears that those to whom the business is handed over must also show their willingness, but that alone is not sufficient, the nature of the business environment is also relevant.

Table 8: Table showing the challenges faced in preparing the person to succeed in running the business.

Respondent A	Respondent B	Respondent C	Respondent D
Various challenges *There are problems in everything, and challenges are many.*	Religious *Problems are caused by human beings and there is a need to appreciate this. I am not sure what can happen in the future, but we must trust God.*	Experience *Maybe I should mention that I may face challenges of first identifying the person, then making them know this business like I know it.*	Personal and ability *There are so many challenges that someone can face. First, in my case, I do not want to stop working: that is already a mental challenge because I think about it. I know at some point I will stop working, but I do not want to. secondly, I am sure that I can get someone whom the people may not like and this can be a big problem for me.*

Respondent E	Respondent F	Respondent G	Respondent H
Experience and personal fears	Interest and Readiness	Demands of the business.	Knowledge and the business
Challenges are usually many: for example, how can you make someone who is not into your business to join and start taking an interest? Also, my own fears are a challenge because I am not sure if someone can do what I want them to do.	*There are many challenges. For instance, there could be problems of interest and therefore it may mean that the I have to face the challenge of whether the person will be ready to do the business. Another challenge is whether the person who will be running this business will be someone who can handle the business.*	*Obviously, there are many challenges, and they can cause someone to lose track. This business required a lot of effort and I wonder how I can leave it to someone and to have it continue to do well. I am wondering what will happen in the future.*	*Just making them know about the business is a problem. Running a business is an Experience qualification, not something to be learnt in school.*

Codes and Description

Question 7	Codes	Description of Codes
What challenges did you face when preparing the person who is to take over from you?	*Religion (Re)* *Challenges and Dilemma Qualification (Ql)*	Here, it can be seen that institutional factors play a major role in determining what happens.

Measures to tackle the challenges.

It can be seen that the possible solutions to tackle the problem of preparing someone to take run the business mainly revolve around preparedness and involvement of other parties. The researcher decided to explore this further by asking the respondents about any preparation as to how they would deal with the challenges of succession planning. The respondents indicated that those who should take over the business and those who are handing over the business must be prepared for the same. The level of preparedness shows that even though someone may be prepared, there is a level to which this has to happen for there to be confidence that the business can be handed over to others.

Table 9: Table showing the measures to tackle challenges.

Respondent A	Respondent B	Respondent C	Respondent D
Preparedness *How can someone make preparations for such things?*	Constant preparedness *As I said, it is a daily thing that must be done. It is a constant battle to do the right thing.*	Involvement of many people *The way to deal with such challenges is just to involve the people very early in advance, if this is not done, there could be big problems*	Level of preparedness *Not at the moment – it is just waiting. I am still here running this business, so let's see how things turn out in the future.*

Respondent E	Respondent F	Respondent G	Respondent H
Level of preparedness *At the moment I have not made any plans for this, and I am a bit worried. But you know, as time goes by, I have to ensure that am I am able to overcome these challenges.*	Level of preparedness *Can there be any Preparedness (Pp1) really? I do not think so.* *Facing these problems is not easy and the challenges will be terrible.*	Level of preparedness *Always there is something to be done that is a way of preparation. Then you realise that something comes up that makes you change your plans and make other preparations. So, I think I cannot say that there is full preparation, but I have made sufficient preparation so that I can say that may be in the future things can go ahead as planned. But Insha'Allah (God willing), this is something that we just have to wait and see.*	Level of preparedness *Preparation is a big thing. I think the main thing is just to make the Family (F1) members realise that they have to do this business and make them love it.*

Codes and Description

Question 8	Codes	Description of Codes
Have you made any preparation on how you would deal with such challenges?	*Preparedness (Pp1) Dilemma (D1) Family (F1)*	The level of preparedness has been seen to be crucial in determining what takes place in the organisation. This is a matter of experience.

Managers and new owners

In this section, the views of different managers and owners are given. The previous section presented the views of the owners of businesses. The researcher considered it necessary to identify some scenarios where the owners have already transferred or were in the process of transferring their businesses to business managers or other new owners, who in this case were family members. The information is presented in the tables below and explanations for the same are given.

Dates of the interview

Respondent	Company profile	Date of interview Yr 2019	Date of follow-up Yr 2019
New owner / heir	A restaurant that has been in the family for more than 15 years.	November 12th	November 24
Manager	A family run construction business that has been running for the past 18 years.	November 15th	No follow up
New owner	An accounting firm that has been running for the past 8 years.	November 24th	No follow up
New owner	A family run nursery and daycare and primary school that has been running for 10 years.	November 28th	December 3rd
Manager	A restaurant that has been running for the past 18 years	December 5th	No follow up.

4.11a How long have you or your family been running the business?

This question sought to identify the length of time the new owners (heir) and managers have been running the business.

New owner	Manager	New Owner	New owner	Manager
Just over 3 years.	*We have been doing this for just about 8 months.*	*I have been here for about a year, but I have not fully taken over the running of the organisation. My father is still here with me.*	*This business has been in my ownership for the past 2 years. I started it when I was about 33 years old after suffering with unemployment and losing my father and no one else was willing to help my mother and us.*	*I have been employed by the X family for the past three years, since owner passed on, as I had the experience to run the business, so I am here as the manager of the business.*

Code and description

Question 1	Codes	Description
How long has your Family or you been running the business?	*Period (Pe) Learning (L) Experience (Ex)*	Duration has been described in a number of ways, i.e. learning and experience.

In terms of the length of time that the heirs or managers have been running the businesses, it appears that the duration was less than years for each of them. This means that they have just taken over the businesses and it is hard to gauge whether these businesses were doing well or not, or even if they would survive in the long term. It is important to note that it is still too early to gauge the success of the succession that has occurred here.

4.11b Who makes major decisions in your company?

In this question, it was worth examining who has the authority to make key decisions in the organisation. It was important to examine the question of decision making when the business has been transferred, with the view to know what really happens at the point where crucial issues have to be decided upon. This showcases the level of authority that is there in the organisation.

New owner	Manager	New Owner	New owner	Manager
We work with the family members to run the organisation. I have brothers and sisters, but mainly brothers work together.	*As the manager, I make most decisions, but I involve the family members in this process. It is a difficult thing to do, you have to have a clear balance between the family and the need to be professional in running their business.*	*So far, I participate with my father in doing this business. I can say, he makes me make decisions but also, he makes decisions*	*I am the owners and the person who decides a lot here.* *However, as you can see that is my wife and my son, they are the ones who help me here. So, I tend to allow them to help me decide on some matters: for instance discussing with new clients and making contact*	*Key decisions are made by myself, but I have to consult very much with the family. It is important that I consult, I cannot do much without the family members.*

			with suppliers. My son can run around town and get things done, so he also has to help in making some decisions.	

Code and Description

Question 2	Codes	Description
Who makes major decisions in your company?	*Sharing (Sh) Family (F1) Ownership* *Decision Making (Dm) Consultations (Cl)*	There is involvement between ownership and new management.

In this part, it can be seen that the family is fully involved in making decisions. There is no case of a single decision maker. This is very important from the perspective of the collectivist nature of the Saudi society. It is however, vital to identify if the owner (main owner) was making decisions by himself.

4.11c Do you involve other Family members in running the business?

The previous question was about decision making, but this was to see if family members actually take part in running the business.

New owner	Manager	New Owner	New owner	Manager
Yes, as I said, my brothers also take part	*Yes, mainly when we are consulting to find out what is taking place in the industry, I involve them (family)*	*Usually, we do not involve others for day-to-day activities, but I involve other people for other activities, like planning, meeting clients and managing contacts and contracts.*	*Yes, my son and wife, they are important in helping here. They are here every single day with me and that has been very crucial for me and the business.*	*Yes, very much.*

Codes and Description

Question 3	Codes	Description
Do you involve other Family members in running the business?	*Family (Fm) Participation (Ppt) Support (St)*	Involvement of the parties during the process.

As can be seen, there is some level of involvement in running the organisation. This shows that families play a key role in running the business and they are always hands-on when it comes to running the business. It is, however, too early to gauge whether their involvement is sufficient to make the business succeed or not.

4.11d What are the new challenges faced by you as the new manager or owner of the business?

It was important to gauge the new challenges that are faced by those who have taken over the business. This question sought to identify if there are new challenges that are faced by the heirs and / or managers in running the organisation.

New owner	Manager	New Owner	New owner	Manager
have to learn quickly; this is a very difficult thing. Even after three	*I can say, they are many challenges, first is that I have to be prepared well enough and*	*I have to learn fast. This is a problem for me.*	*As the owner, we have external and internal challenges. There*	*There are a number of issues that are faced. First, you have to know that if you*
years, I can say that	*this is not easy when you are running a*	*There are things that are new*	*are also other things that are happening. In*	*are managing a business*
there are	*company for*	*and very*	*business, you will*	*for*
things I	*someone (the*	*new to me,*	*encounter many*	*someone, then that*
should be knowing by now, which I do not know. That is a big problem for any new owner or manager. So the industry is complex and there are new things to learn daily.	*manager runs the family on behalf of the owner of the business). Also, you have to know that I have to listen to different people (pause), family members have their ideas, and I have mine, so this can be a challenge for anyone.*	*but I have help around me from the family members.*	*challenges. We are faced with cases where we cannot easily afford loans from the bank. This is crucial, because it affects development and improvement of services. Also, we are having issues managing staff, because they can move easily, this means some of the longest serving staff members can easily disappear*	*person is the boss. I have to ensure that I consult the owners at all times. There are times when I need to decide quickly, in which case, I must make calls and reach key family members and seek their views, however, this may be a problem if the decision still involves the owners.*
				Another issue is that the business environment is quite challenging. As you can see, all over the world, there are problems in managing business in terms of suppliers, employees and meeting the many regulations from the government. These are challenging times and they are continuing by the day

Codes and Description

Question 4	Codes	Description
What are the new challenges faced by you as the new manager or owner of the business?	*Learning (Ll)* *Knowledge (Kng)* *Industry challenges (IC)* *Challenges (Cl)* *Preparedness (Ppt)* *Family (Fm)* *New Information (NI)* *Finances (Fnc)* *Management (Mgt)* *Hierarchy (Hi)* *Decision making (DM)* *Timeliness (Tl)*	Challenges range from personal qualities to external factors, denoting the difficulties in understanding and hence managing family businesses after they have been passed on.

It can be seen that all the respondents stated that challenges have been enormous. There have been challenges of learning quickly about the business and how to do things. It is important to note that the heirs stated the need to learn fast, due to inexperience, while the managers had to identify areas where they need to make decisions and how to involve the family. These two levels of challenges are worth investigating more. The assumption is that managers already knew about the practicalities of running businesses, but the new owners had to learn new ways of doing so.

4.11e Do you think you have the necessary preparations in terms of experience or other kind of training that would enable you to run this business successfully?

This question sought to identify if there was a feeling of having to prepare well for the management of the business. Preparedness is crucial because as was seen in the literature, preparedness can be a determinant in making the business to succeed or not.

New owner	Manager	New Owner	New owner	Manager
It is difficult to say that, you know this is new to me and preparation is like a daily thing. I can't say I have prepared well enough for this. But you know, you learn and if you have a good team around you, then you can say you	*Yes, I have been in the business as a manager of various organisations for many years, I have experience in Saudi and also I worked in Singapore for some years. So I can say I am able to run this kind of organisation and so far it has been going well.*	*I can't have that this is a big job, and it is coming to me slowly, I am carrying a burden that I hope I will carry well as time goes by. I think in terms of preparation I am learning daily.*	*I have the skills, the question should be, is my son ready? I am lucky I brought him here long ago. He has been with me for the past 5 years and this has meant he has the skills as well. And he can run the business.* *Obviously, I am holding on, because there are fears like what happens if those who I appoint cannot do the work in a way that I would like them to, or if customers run away? These are my real fears, but eventually, he has to run the business. I am therefore, thinking, I will allow him to do this sooner than later.*	*I have been in this and other management position for many years, and so I think and am confident that I have the right skills to manage the business and ensure it can succeed.*

<u>Codes and Description</u>

Question 5	Codes	Description
Do you think you have the necessary preparations in terms of Experience or other kind of training that would enable you to run this business successfully?	*Teamwork (Tw)* *Preparedness (Pp)* *Task (Tk)* *Experience (Ex)* *Dilemma on readiness (D)* *Fear of delegation (F)* *Experience (Ex)* *Success (S)*	Level of preparedness depends on one's perception of the issues involved in running the business.

In this part, the views were varied. The heirs felt that they are not entirely ready, and this could be because, it is a new engagement, while the managers felt that they are well prepared, and this could be because of experience that they have had in the past.

Appendix F. Country Context, Saudi Arabia (Additional information)

This section provides a brief profile of the country with the view of setting out the context of this study. Saudi Arabia is an Islamic country in the Middle East. It occupies most of the Arab Peninsula, making it the largest Arab country in Asia. Lying in between the Arabian Gulf and the Red Sea, its dry land covers 2,149,690 square kilometres (approximately 868,730 square miles). It is the cradle of Islam, the world's second-largest monotheistic religion, in the birthplace of the Arabian culture and language. In the North, Saudi Arabia borders Iraq and Jordan. On the eastern side, the country borders UAE, Qatar, Kuwait, and Bahrain. The country borders Yemen and Oman in the South. It also shares maritime borders with Iran, Bahrain, Egypt, Sudan, and Eritrea.

The History of Saudi Arabia

Early History
About 15,000 to 20,000 years ago, early humans – hunters and gatherers – roamed the Arabian Peninsula. About 15,000 years ago, during the Ice Age, the peninsula dried up. As a result, the hunters and gatherers were forced to move into the lush valleys and oases. In this area, a place called Mesopotamia, agriculture was invented as a means of survival, since these people could no longer survive as hunter-gatherers. People domesticated animals and settlements become permanent, leading to civilization in art, architecture, language, and political systems.

The Birth of Islam
Around 610AD, Muhammad received a message from Allah (God) to universally proclaim God's oneness. His following grew over the years. After learning of his planned assassination in 622AD, he led his followers to the present-day city of Madinah. The Prophet ultimately

unified the tribes by 628AD; Medina became the Centre for Islam. After Islam had been established, within a few decades, the Islamic Empire had extended to other continents such that Muslims spread across the world from Spain to China. Throughout the following centuries, Islam thrived, until the 17th century, when the empire broke up and was subdivided into smaller Muslim kingdoms (Abubakar & Dano, 2019, p. 9). The split marked the beginning of the dark period of isolation in the Arabian Peninsula. However, Makkah and Madinah remained the spiritual centres of Islam, and the religion continues to attract people from many countries.

Present-day Saudi Arabia

In 1932, a petition was sent to Abdul Aziz ibn Saud the Sultan of Nejd by representatives from the Kingdom of Hijaz requesting the unification of the two kingdoms. The Sultan issued a royal decree, unifying Hejaz and Nedj as a new Kingdom of Saudi (Saud's) Arabia.

Religion

Due to the close contact with Byzantium and Ethiopia from 500 to 1000, the religious practices in the Arabian Peninsula were influenced by Christianity and Judaism. The birth of Islam in the 7th century transformed the cultural and artistic life in the peninsula. Saudi Arabia's national identity, legal system, and governance stem from its religion, which is the core cultural aspect of its citizens' daily lives.

Islam

Islam is the official religion in Saudi Arabia. Sunni Muslims make up 90% of the population, while the other 10% are Shi'a Muslims. There are also non-Muslim expatriates in the country who belong to other religions. Saudi Arabia is famous for hosting the two holiest cities: Mecca (Prophet Muhammed's birth city), and Medina (Prophet Muhammed's burial place). Every year, Mecca, the sacred city, receives millions of visitors who make a pilgrimage (hajj) to the Kaaba shrine, considered the holiest spot in Islam. When praying, Muslims around the world face the

Kaaba. Even though almost every Saudi Arabian practice Islam to some degree, the older generation is stricter and more conservative than the younger generation, who are more exposed to the outside world.

Wahhabism
Wahhabism refers to conservative Islamic beliefs. The term is derived from Muhammad ibn 'Abd al-Wahhab's name. He was a religious scholar who united with the Ibn Sa'ud family to establish the present-day Kingdom of Saudi Arabia. Wahhabism has greatly influenced Saudi Arabia's history and government. It relies purely on Islamic history to understand and determine how the current world should be governed. The main aim of Wahhabism is to purify Islam. It does so by discouraging and removing any religious innovations which are not in line with the ancient teachings of the Prophet Muhammad and his messengers. However, current civilization and socio-political changes have affected many religious traditions in Saudi Arabia. As a result, some religious leaders have been campaigning to review and re-interpret some religious laws in the country's constitution.

Governance and Law
Saudi Arabia's Political legitimacy has been established through the interpretation of Islamic law. The nation's constitution is based on the teachings found in the holy book – the *Qur'an* – and the *Sunnah* (tradition). The country's legal system is drawn from the Sharia laws (mainly from the Sunni Hanbali school). Behaviours that are not in line with the Islamic principles set out in the Islamic religious books are treated as criminal offences. Questioning the holiness of the Prophet or the validity of Islam can render one guilty of apostasy and blasphemy and are severely punished. There is also a strong social and political pressure to follow the political version of Islam. Some religious clerics have been pushing for the review of some extreme

religious issues. They have received both criticism and support, making it an ongoing problem in the country.

Shi'a Muslims

Shi'as are a group of Muslims who slightly differ from the Sunni Muslims on some beliefs. They make up 10% of the total Muslim population in Saudi Arabia. Many Shi'a Muslims are found in the Eastern province of the country, while a minority are found near the country's border with Yemen and in Medina. Shi'as and Sunnis differ mainly due to their differing beliefs concerning Prophet Muhammad's rightful successor. Shia Muslims are free to practice their religious belief systems even though the Sunni '*ulamā*' (clerics) have failed to endorse their practices.

Non-Muslims

There are many non-Muslim foreign workers and residents in Saudi Arabia. They include Christians, Buddhists, Jews, Hindus, and Sikhs. The residents are not required by law to be Muslims and can practice their beliefs privately. Worshipping other forms of religions other than Islam in public is forbidden by law. For non-Muslims to acquire Saudi Arabian nationality, they are required by law to convert to Islam.

Culture, Traditions, and Art

The general Saudi culture is dependent on Islamic heritage and the county's historical role, where it served as the centre for Bedouin traditions and trade. Over the years, the values and practices of Saudi society have tremendously evolved, as seen in the changes in their dressing style and hospitality.

Language

The Arabic language spread from the Arabian Peninsula to other parts of the world in the 7th century AD as Islam continued to spread. Today, the population of Arabic language speakers is about 200 million in Arabic-speaking countries. English is spoken in the country too and is used for instruction in some of its learning institutions.

Dress and jewellery

Saudi's generally wear modern clothes with old-fashioned designs. Their loose, flowing traditional garments are the country's definition of modesty. They are also ideal for the Kingdom's hot climate. Women customarily wear a black cloak (abaya) over their dresses when they are outside. On their heads, they wrap the Shayla, a black scarf secured with jewellery or hats. Most traditional dresses have colourful decorations. Some Saudi women wear veils covering their faces, leaving only the eyes visible, to symbolize modesty and virtue. Most men have adopted modern but modest dressing styles and only wear the *kanzu* during religious events and when conducting prayers.

Government and society

The basic system of government

As an Islamic sovereign state, Saudi Arabia's constitution is based on the laws found in the two religious' books: the Holy Qur'an and the Sunnah. The King is the highest ruler and also the prime minister of the Kingdom. The King is responsible for the appointment of the Council of Ministers who form the cabinet. The duties and responsibilities of the King ensure proper application of the state's general policy and Shariah laws in the Kingdom through the help of the council of ministers. The state also has to protect its citizens and ensure that democracy and human rights are observed and exercised appropriately.

Saudi society respects the family unit. It is in the family where members learn Islamic values. The family unit is also a representation of the Kingdom, hence strengthening the people's relationship with the King

Council of Ministers
Twenty-three ministries and seven ministers of state represent the council of ministers. These ministers facilitate the countries development and offer advice to the King. The cabinet consists of the King, his deputy (the Crown Prince), and 21 ministers. This cabinet oversees the general state affairs and implements government in the country.

Provincial system
Saudi Arabia has thirteen provinces. Each province is ruled by a governor appointed by the royal family. Each governor has a deputy who acts as his assistant. The two also form part of the provincial council, where they serve as chair and vice-chair. Each council has ten private citizens who work on development programs, lay down plans, and monitor ongoing projects in the villages up to the national government. The council reports to the Minister of the Interior, who reports to the relevant government ministries and agencies for discussions.

Education
After the birth of Islam, many Islamic states established unique schools, which became important learning centres during the Dark Ages in Europe. The Muslim scholars and scientists contributed significantly to philosophy, astronomy, and medicine in the world during the "Golden age". This education provided by Muslim scholars becomes the foundation of modern science subjects in European universities up to the 18th century.

Over the decades, Saudi Arabia's education system has dramatically transformed. The government established formal primary education in the 1930s. By the time King Saud established the Kingdom of Saudi Arabia in 1932, only children from wealthy families could access formal education. By 1951, Saudi Arabia had 226 schools countrywide which a total population of 29,887 students.

In 1954, the government established the country's Ministry of Education. In 1957, Saudi Arabia's first university, King Saud University, was founded in Riyadh. Later, in 1975, the government established the Ministry of Higher Education to lead tertiary education.

In 1964, Saudi Arabia established the first female government school. By the end of the 1990s, there were already many girls' schools in the country. Today, the number of female students enrolled equals the number of male students. Currently, there are over 30,000 learning institutions that are open to all citizens. Apart from Islamic studies, the country's education system also provides quality training and research in diverse fields, including arts, sciences, and technology.

General education system
The current Saudi educational system aims at eliminating illiteracy and preparing students for the advancing world without compromising the country's religious beliefs. The education system begins with kindergarten. The learners then spend six years in primary school, then another three years in intermediate and high school. Students can also choose to proceed to high school or join a vocational school after completing primary school.

Saudi Arabia's school educational curriculum is diverse and is regulated by the Ministry of Education. Students are taught a variety of subjects. The main subjects taught are maths,

literature, science, Islam, history, and Arabic. Specialized education is also designed for the disabled and learners overseas. The Kingdom has one of the lowest student-to-teacher ratios of 12:5. The government continues to improve educational standards in the country through its quality training programs for teachers, renovations of schools, and learning materials and equipment in its schools and institutions.

The legal status of women

The law permits the male guardianship system, where Saudi women must have a legal male guardian. Male guardians make certain decisions on behalf of the women under their guardianship. Most male guardians of women are their fathers until their husbands automatically take over the custody. In a case where the woman has no father or husband, her brothers become her male guardians. Today, women are allowed to study and work without permission (Alharbi, 2021). However, many employers and universities still demand male guardians' permission to enrol or to be employed.

Technological advances in telecommunications have made it easier for women to seek fast travel approval from their male guardians. Smartphones have made it even easier for guardians to grant travel permission to the women through Absher, an official government app, enabling more women to travel to different places alone. However, it has made the tracking and control of women by male guardians easier.

Emerging developments in Saudi Arabia
Cities

The government of Saudi Arabia has focused its Vision 2030 development goals on the country's economic growth by carrying out significant developments of cities to improve trade, employment, and general economic growth of the country. The construction of the Riyadh

Metro was completed in 2020, creating an efficient public transport system in the country's capital. Other significant urban constructions structures have started in Jeddah, Neom, Jazan, and the two economic cities of Prince Abdulaziz Bin Mousaed and King Abdulla. The sectors discussed below and others that have been provided in the Appendix section are sectors that are gaining interest among small enterprises, and so, family businesses are emerging in these specific sectors.

Green energy

Under its Vision 2030 development program, Saudi Arabia is looking to produce 30 percent of its energy from renewables. Research conducted by the investment banking company Natixis suggests that the Kingdom can capitalize on solar power technology to drive economic diversification. This is a sector that was dominated by large organisations but where there is an active interest from family entities that are mainly smaller in size. Venturing in this sector comes with numerous challenges besides the succession planning issues: for instance, there are more regulations to which business entities must adhere, some of which may be burdensome for the family businesses.

Healthcare

Because of the country's rapidly growing population, there is a huge demand for better healthcare facilities and professionals in Saudi Arabia. The country lacks trained healthcare professionals and relies heavily on foreign healthcare professionals to meet the healthcare needs of the citizens (AlArjani et al., 2021). The country's Vision 2030 aims at increasing the number of health workers in the country by providing world-class medical training in higher learning institutions. It is also expected that the demand for foreign workforce in the country will reduce, saving on the government expenditure on the foreign workforce.

Information Technology

With the current technological advancements globally, the industrial sector is currently dependent on Information and Communication Technology. In line with its Vision 2030, Saudi Arabia is presently investing in modern technology and digital training programs to transform its growing economy into a globally competitive ICT hub.

Relief and Climate

Saudi Arabia's landscape is a plateau that rises from the Red Sea, dipping gently toward the Gulf of Persia. Mount Sawdā is the country's highest point, with an altitude of between (3,133 to 3,207 meters) above sea level (Kahia, Omri, and Jarraya, 2021, p. 1264). The land has no permanent surface streams. Instead, the country's landscape is covered with numerous oases, basins, and wadis. These features are filled with alluvial deposits. Salt flats are also common on the eastern side of the country.

Saudi Arabia has three climatic zones: the desert, which covers most parts of the country, a small steppe of less than 160km (100 miles) of width along the western highlands, which widens to about 480km (300 miles) at Mecca, and a small area characterized by long summers, humid and mild temperatures in the highlands found to the North of Yemen.

Flora and Fauna

Saudi Arabia's dry climate supports the growth of primarily small herbs and shrubs. However, the date palm (*Phoenix dactylifera*) is common in most regions, with many plants widespread in the Al-Sharqiyyah province. The Southern part of the country also has some grass and trees. The animals present in the desert include smaller animals like mongooses and porcupines and large animals like gazelles and oryx. However, hunting in the 1950s reduced the number of animals to almost extinction. There are several species of birds and reptiles too. There is a large

population of domesticated animals, including camels, donkeys, sheep, Salukis, goats, and chickens.

Economy

The 1970s and 1980s saw rapid growth in Saudi Arabia's economy from revenues from oil exports. Today, the country has developed into a modern state, ahead of other developing countries, with a GDP of $1.9 trillion (Nurunnabi, 2017, p. 539). It is the fifth-biggest economy among the MENA (*the Middle East and North Africa)* countries.

Water and Agriculture

One major accomplishment in Saudi Arabia over the past few decades has been in the agricultural sector. Throughout history, agricultural production and export in Saudi Arabia were mainly date palms. Farmers produced vegetables on a small scale for local consumption. Agricultural development in Saudi Arabia began in the 1970s when the government laid out plans and strategies to promote extensive agricultural development. The government introduced modern farming methods in the country to support its growth and development.

Agricultural Achievements

Technological advancement in Saudi Arabia's agricultural sector has seen significant economic growth over the last three decades. Large unproductive desert areas have been converted to productive agricultural fields (Al-Wabel et al., 2020, p. 651). This is an astonishing achievement for a country with one of the lowest annual rainfall amounts in the world. As a result, the country's food production has increased, making it self-sufficient. Today, Saudi Arabia exports fruits, cereals, vegetables, poultry, dairy products, and flowers to other countries

Government programs

The astonishing government programs have contributed significantly to Saudi Arabia's progress in the agricultural sector. To support agricultural subsistence and commercial agricultural production countrywide, the government, through the Ministry of Agriculture, provides technical support services and access to interest-free loans (Amirat and Zaidi, 2020, p. 1147). The government also funds agricultural research projects in higher learning institutions, research centers, and farmers to improve agricultural diversity and efficiency.

The government offers subsidies on agricultural inputs such as electricity, water, and fuel. Also, imports of farm machinery and raw materials are duty-free. Therefore, farmers in Saudi Arabia can maximize profits from agricultural produce due to low production costs. The government also supports the private sector indirectly by providing an efficient transport system for agricultural produce.

Water Resources

Saudi Arabia receives low amounts of rainfall annually. It has no permanent rivers and lakes, making up one of the largest arid countries globally. The country's population is growing rapidly, hence the increasing demand for clean and sufficient water. As a result, through the Ministry of Water and Electricity, the government has innovated ways to provide enough water to supply the country for domestic, industrial, and agricultural use (Alotaibi, Yoder, & Kassem, 2021, p. 4880). The country boasts a vast network of dams and underground water reservoirs, with one of the most efficient urban and industrial water treatments for irrigation worldwide. Through these advancements, extensive unproductive desert lands have been converted into fertile and productive farmland covering millions of acres.

Petroleum

Saudi Arabia's commercial oil was first discovered at Dammam oil well by Americans in 1938. Petroleum mining and production have since dominated the Saudi economy. One-fifth of the world's total oil reserves are found in Saudi Arabia, ranking the country as the biggest oil reserve internationally. The eastern parts of the country contain the largest oil deposits in the entire country.

Global Trade

According to the Santander Bank, Saudi Arabia is a large exporter of goods, ranking 23rd globally, with petroleum products forming three-quarters of the total exports. Its import market is also ranked 31st globally. As of 2020, 62% of the country's GDP came from trade. Petroleum products form the majority of exports (77% of total exports in 2019) (Al-Faryan, 2020, p. 28).

Saudi Arabia exports its product mainly to Japan, China, UAE, and South Korea. Its largest import partner countries are China, UAE, Germany, Japan, and the United States. The country's top imports are cars, telephones, refined petroleum, broadcasting equipment, and packaged medicaments.

Transport and Communication

In 1932, the country had no modern transport system, with paved roads covering less than 30 miles. Over the last few decades, the Kingdom's industrial development has seen modern and efficient road and railway transport networks despite its rugged terrain and the long distances between cities (Aina et al., 2019, p. 273). It also has 21 large, modern seaports and seven international airports facilitating regional and global movement and trade. The country's economic growth has also been fuelled by the sophisticated modern communications technologies in the Kingdom.

Tourism

Saudi Arabia receives millions of tourists each year. Most of these tourists are Muslims who come to pay a pilgrimage to Mecca. Others are travellers attracted to the natural and historical wonders in the country, from ancient Nabatean tombs to the multicoloured coral reefs.