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Succession and Post-Succession Conflicts in Family Firms

A Multi-perspective Investigation into Succession and Post-Succession
Conflicts in Multigenerational Family Firms

Master Thesis in Business Administration

Title: Succession and Post-Succession Conflicts in Family Firms

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Abstract

Background

The succession process of a family firm is associated with a number of challenges, and hence a potential for conflicts is strongly pronounced. However, succession is of utmost importance for a family firm, as it is the only way to avoid a company closure in the long run. Previous literature has already extensively researched the phenomena of conflicts in family firms. However, there is a lack of research that looks from a multi-perspective lens into the context of succession and post-succession conflicts. Therefore, in the present research, we examine how family businesses experience and cope conflicts that appear after a successfully mastered intrafamily succession.

Purpose

This study aims to advance the understanding of conflicts in family firms related explicitly to the context of successions and post-successions. Hence, the thesis aims to determine how conflicts that appear in these contexts are experienced and how they are coped with.

Method

The study follows a qualitative methodological approach and an inductive analysis. The sample consists of three companies and 14 research respondents, and the data was collected with semi-structured qualitative interviews. Afterwards, the data was coded, and the emerging patterns and themes have been formulated and presented with a general model. Doing so, the focus was on patterns of succession- and post-succession-related conflicts and their coping strategies.

Conclusion

Our findings reveal that succession and post-succession-related conflicts are experienced as evoked intangible and provoked tangible conflicts and these conflicts are consciously as well as unconsciously coped with. Furthermore, our findings suggest that succession and post-succession family firm conflicts appear as conflict loops. Hence, the coping mechanisms identified and presented are helpful to solve a conflict, but the loop can hardly be escaped.

Table of Definitions

To ensure a smooth reading experience and limit the space for misunderstandings of frequently used terms throughout the paper, we want to define the following constructs that are relevant to understand the context of the paper beforehand.

Construct / Terms	Definition	Adapted from
Successor	The *successor* is the person that gets the business ownership and leadership handed over from the decessor. Hence, the successor moves, as the new generation, to the top of the company.	Berkel (2019)
Predecessor / Decessor / Incumbent	Contrary to the successor, the *decessor, incumbent* or *predecessor* hands over the business ownership and leadership. Hence, they can be referred to as the old or previous generation.	Berkel (2019)
Multi-Generational Family Firm	After the business is handed over, the decessor usually retires and exits the business operations. However, the present study examines situations and cases where incumbents are still involved in the operational part of the business. Therefore, it can be referred to as *multi-generational*, as the previous and the new generation are both, although post-succession, actively involved in the company.	Davis & Harveston (1998)
Succession & Post-Succession	The context of our research are *successions and post-succession* settings. Hence, we examine the process after the handover of ownership and leadership has been successfully mastered. Le Breton-Miller et al. (2004) refers to the phase as *"Hand-Off / Transition Process and Installation Phase"*. The phases will be more clearly outlined in the frame of reference.	Le Breton-Miller et al., (2004)
Conflict Insider	We refer to *conflict insiders* as individuals that are actively involved within the conflict (such as, for example, successor and decessor).	Joseph et al., (2013)
Conflict Outsider	Contrary, we refer to *conflict outsiders* as individuals that are not involved within the conflict (such as, for example, Non-Family Employees)	Fahed-Sreih (2018)

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1 Introduction

During the first part of the thesis, the reader shall be introduced to the subject of family business and conflicts within family businesses. Afterwards, the problem the study wants to approach, and its purpose will be outlined. This is followed by discussing the issue and the research void in the area. Lastly, the objective of the thesis and the intended research questions will be presented.

Throughout the paper, the terms family firm, family enterprise, family business, family-owned business, and family company have the same meaning and are used interchangeably. This also applies to the terms of incumbent, predecessor and decessor, coping and managing and disputes and conflicts.

1.1 Background

Family businesses are significant, not only because they are a vital contributor to the economy (Bird et al., 2002), but also because of their long-term prosperity, their unique contribution to local communities, their own obligation, and their values (Filser et al., 2013). Moreover, family businesses are a particular phenomenon that embodies the domestic, social, cultural, and family dynamics (Arregle et al., 2007). For those previously-mentioned significances, in the past 25 to 30 years, family business studies came a long way and have been established as a particular area of research and education for the desire to explore conceptual and theoretical territory (Sharma et al., 2012).

The dynamics of families tangled with their companies give family-run businesses a differentiated and dynamic edge (Cater et al., 2016; Kellermanns et al., 2014). Tagiuri and Davis (1996) demonstrated family firms with three overlapping and interrelated circles; each signifies a system (see Figure 1). Those three systems are ownership, family members, and business (Tagiuri & Davis, 1996, p. 200). From an ideal business perspective, quality and financial turnover are, amongst others, essential success factors for businesses (Brenes et al., 2011). Whereas in families, strength can come from family relations and belonging as the purposes of families are security, moral well-being, and the well-being of the members of the family (Berrone et al., 2012; Bertschi-Michel et al., 2020). With that being said and referring back to the three-circles model, we can identify

that the three systems are interlinked, interrelated, and interdependent (Arteaga & Umans, 2020). Moreover, those systems interact continuously with each other. Hence, as soon as something, such as a conflict, gains momentum, all three systems are at risk to be affected. Therefore, conflicts in family businesses pose a core challenge and fundamental danger to family enterprises (Carsrud & Brannback, 2011; Davis & Harveston, 2001; Frank et al., 2011), and conflicts can even cause a family business not to survive (Großmann & Schlippe, 2015). Lee and Rogoff (1996) found that family companies appear to intertwine the family and business worlds with a far larger propensity for confrontation than most regulated organizations (Stanley, 2010). In addition and because of the presence of familial relations in the business, tensions are far more likely to intensify or move to personal levels due to the role of family ties in the business (Frank et al., 2011). Kellermanns and Eddleston (2004; 2013) account this complexity of family business conflicts to psycho-dynamic interconnections. These interconnections between the family and the business processes open up a range of discrepancies and conflicts, to name a few: family competition, challenges to balance family and job demands, marital differences or differences between family estates as well as successions (Großmann & Schlippe, 2015; Kubíček & Machek, 2020).

Moreover, Davis, Harveston (2001), and Pounder (2015) claimed that the generational transition through successions is one of the unique dimensions which distinguish family businesses from other businesses. However, succession processes fold tremendous challenges and potential for conflicts under their wings, as they are primarily associated with change, disturbance in the running system, transition, and different visions (Miller et al., 2003). Hence, it is understandable why successions can be a fertile soil for conflicts within family businesses (Bertschi-Michel et al., 2020), and why disputes have a higher possibility of occurrence during the succession process and can even prevent successions from succeeding (Chua et al., 2003; Handler, 1990). However, successions are inevitable for a long-term propensity of the family firm and although a positive succession outcome is important for the survival of a family firm (Dyck et al., 2002), the period after the business handover is also fundamental for continued business success (Harvey & Evans, 1995).

The following section will explain why conflicts within the context of succession and post-successions are worth the research shot.

1.2 Problem Discussion

As one can understand from the introduction, the special interplay of family enterprises' structures makes them particularly prone to conflicts, specifically during and after successions. Hence, over the past decades, prospective scholars explored the disputes in family-owned businesses and the resulting conflicts and have persisted (Eddleston et al., 2008; Kellermanns & Eddleston, 2004; McKee et al., 2013). Past research has found that conflicts in family firms are not always harmful and might even positively affect the company's performance (Kellermanns & Eddleston, 2004). However, conflicts have to be taken care of and managed (Levinson, 1971). Moreover, previous literature has also drawn interest in the analysis within the area of family businesses and succession (Alderson, 2015; Qiu & Freel, 2020; Sorenson, 1999) as well as family firm conflict management strategies (Alderson, 2015; Qiu & Freel, 2020; Sorenson, 1999). But most studies have investigated conflicts and conflict management in isolation and hence there is a research gap that examines and connects these topics (Qiu & Freel, 2020). Additionally, although there is various research about the challenges and potentials for conflicts before and throughout the succession procedure (Grote, 2003; Handler, 1990), little is known about family firm conflicts after the official handover has taken place, especially when the previous generation retains an operational position in the company. According to Sciascia, Mazzola, and Chirico (2013), multigenerational managed family firms enhance dynamics that make multigenerational family firms more entrepreneurial and future-oriented. However, they also found that multigenerational managed and operated family firms are more susceptible and vulnerable to conflicts (Sciascia et al., 2013).

Additionally, most previous studies have primarily investigated conflicts between predecessor and successor (Berkel, 2019; Malinen, 2001), and conflicts in family firms have not been studied from a holistic point of view, considering different perspectives. But family firms are multi-faceted, intertwined, and complex and hence, conflicts are perceived differently based on the perspective. Therefore, it is important to take the different viewpoints into consideration.

Based on the gathered theoretical knowledge, a research gap, looking at conflicts during and after successions of family firms from a multi-perspective viewpoint, was identified. With the present study, we aim to contribute to narrow this gap and have therefore developed the two research questions that will be presented in the following.

1.3 Research Purpose and Research Questions

The purpose of this paper is to explore the phenomena of succession and post-succession conflicts in the context of multigenerational family firms. To get a holistic understanding of the phenomena, it will be looked at from various different angles.

The first posed research question aims at exploring how the conflicts in this context are experienced. The second research question concerns the coping mechanisms and management strategies of these conflicts.

The following two research questions have been developed and will be used as a guidance throughout the study:

RQ 1: How are succession and post-succession conflicts experienced in multigenerational operating family firms?

RQ 2: How do multigenerational operating family firms cope with succession and post-succession conflicts?

Deriving from the purpose of this paper and although we acknowledge the importance of all sorts of family business successions, we will only take intrafamily successions into account in this paper. Hence, successions where owner and leadership are transferred to members of the family.

2 Literature Review

The following chapter aims to review, define and discuss the theoretical framework significant for this study. The frame of reference is divided into two parts, covering the main two topics of this study: successions and conflicts in family firms. The literature review will start with family firm successions followed by conflicts in family firms and corresponding coping mechanisms. Subsequently, the two topics will be combined, and lastly conflict management in family firms will be thematized.

2.1 Introduction Family Business

Family Businesses are unique, complex, and dynamic systems (Brundin & Sharma, 2011; Carsrud & Brannback, 2011; Chua et al., 1999; Davis & Harveston, 1998; De Massis et al., 2008; Nordqvist et al., 2009). Past researchers have defined family businesses in a variety of ways. One of the most common definition was developed by Tagiuri and Davis (1996). With the three-circle model of the family business system (see Figure 1), the researchers presented family firms as the combination of the three overlapping and hence interrelated circles of ownership, family members, and business (Tagiuri & Davis, 1996, p. 200). Because each of the circles has its own characteristics, regulations, and requirements, any overlap leads to the challenging dilemma of meeting various and diverse objectives, demands and goals, that are individual to each system (Greenwood et al., 2010; Kenyon-Rouvinez & Ward, 2005). Hence, contradictions and distortions occur between managing the family system's different norms and principles, the ownership system, and those of the business system (Greenwood et al., 2010; Lansberg, 1983). This challenging dilemma of combining the different systems is the root cause for both the unique strengths but also the unique weaknesses of a family firm (Mühlebach, 2005). Besides this overlap between family and work, family firms can also be characterized and defined by their potential transgenerational longevity. Therefore, a family firm is a company "that will be passed on for the family's next generation to manage and control" (Ward, 2011, p. 273). Accordingly, Chua, Chrisman and Sharma (1999) define a family firm as a company where intergenerational family members share united intentions and follow the same future vision for the business. However, to enable this transgenerational pursuance of a family business continuity, a succession of the business is pivotal and inevitable and provides, therefore a very important family business research focus.

Figure 1. Overlap of Family, Ownership, and Management Groups
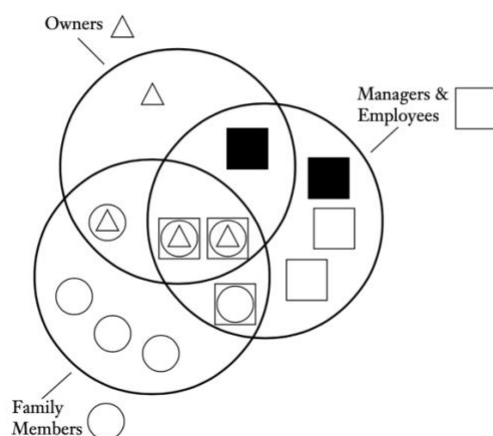
Figure 1 Three Circle Model by Tagiuri & Davis (1996)

2.2 Successions of Family Businesses

The social phenomenon of successions in family businesses has been researched for many years (Chua et al., 2003; Handler, 1990; Sharma et al., 2003; Umans et al., 2020), as it is one of the biggest and most important challenges a family firm encounters (Le Breton–Miller et al., 2004; Radu Lefebvre & Lefebvre, 2016). Family firm successions are as complex and unique as the family and the firm itself (Barnett et al., 2012; Handler, 1990; Nordqvist et al., 2009). Intrafamily successions can be defined as "actions and events that lead to the transition of leadership from one family member to another in family firms" (Sharma et al., 2001, p. 21). Intrafamily successions are by nature, highly contingent, sophisticated, iterative, dynamic, and longitudinal processes (Brun de Pontet et al., 2007; Le Breton–Miller et al., 2004). In general, a family firm succession is more of a drawn-out, multi-stage process than a one-time event (Cater et al., 2016; Longenecker & Schoen, 1978). However, it can be said that the succession process starts at the point when the incumbent forms an intention and willingness for handing the business over and ends at the point where the management of the business is officially relinquished by the previous generation (Brun de Pontet et al., 2007; De Massis et al., 2008). Studies examining intrafamily successions look at the whole process with a multiyear lens and usually consider a timeframe, for the succession process, ranging from five to ten years (Chrisman et al., 1998; Miller et al., 2003).

Previous research has looked at successions from different angles and examined topics such as power transfer and role adjustment (Cabrera-Suárez, 2005; Handler, 1990), communication during the succession process (Leiß & Zehrer, 2018), and preparation and planning of the succession (Umans et al., 2020). Successions have also been studied according to the different stages (Daspit et al., 2016) and phases the company (Le Breton–Miller et al., 2004), the family as a unit (Cater et al., 2016; Davis & Harveston, 1998), but also the individuals go through during the succession process (Handler, 1990; Nordqvist et al., 2009). Based on prior literature, it is apparent that every stage of the succession process comes with its own profound challenges (Barach et al., 1988; Le Breton–Miller et al., 2004; Umans et al., 2020). Consequently, every stage of the succession process provides a different potential situation for conflict. It is therefore relevant for the present study to understand the different stages of a succession process.

2.2.1 Different Stages of the Succession Process

According to Le Breton-Miller et al., there are four crucial and critical stages of an ownership and management succession process of a family firm. The different stages differ in their time length; however, they occur not exclusively in a chronological order, but also parallel to each other (Le Breton–Miller et al., 2004). Moreover, throughout all stages of a family firm succession, unpredicted changes might and will occur (Dyck et al., 2002). Therefore, it is necessary to view the succession process and the associated stages as an iterative and adjustable process where alterations are necessary and change occurs (Chua et al., 2003; Dyck et al., 2002). Hence, constant monitoring and reflection throughout the succession process are essential (Le Breton–Miller et al., 2004).

2.2.1.1 Stage 1: Ground Rules & 1st Steps

Based on the integrative model of effective family-owned businesses successions (see Appendix A) developed by the scholars Le Breton-Miller et al., (2004), the first stage of the succession process lays the ground rules and develops the first steps of the intended succession (Le Breton–Miller et al., 2004; Sharma et al., 2001). Ground rules include strategic decisions on leader- and ownership partition while also considering the transition processes (Le Breton–Miller et al., 2004). An important aspect of setting ground rules is deciding on a future vision for the company, to outline goals and to decide on succession guidelines (Le Breton–Miller et al., 2004; Sharma et al., 2001). Moreover,

the first steps include developing the relevant successor selection criteria, a preselection of potential candidates, and drafting timelines and action plans. Past research agrees that clear-sighted and early succession planning is important and recommended (Joseph et al., 2013; Neubauer, 2003). Additionally, an early and concurrent decision on the successor increases the motivation to start planning the succession process (Sharma et al., 2003). It is important to consider that "the family plays a vital role in guiding the initial planning phases of the succession process" (Daspit et al., 2016, p. 51) and should hence not be omitted in the process.

2.2.1.2 Stage 2: Nurturing / Development of Successor

During the second stage, the group of potential successors has to be prepared for their upcoming role. Accordingly, the stage is labelled as "nurturing and development of the successor" (Le Breton–Miller et al., 2004). During this stage, knowledge gaps have to be established and filled, to match the successors' abilities and skills with the company's needs (Cabrera-Suárez, 2005). The incumbent plays an important role in nurturing the successor and transferring his own knowledge (Dyck et al., 2002). According to Daspit et al., "incumbents who foster positive interactions enhance the preparedness of the successor" (2016, p. 53). During the training phase of the potential successor, sufficient feedback is indispensable and has to be provided to ensure a skill and ability improvement (De Massis et al., 2008). According to a study by Chrisman et al. (1998), the most important attributes a successor has to be equipped with are personal qualities such as integrity as well as a strong sense of commitment to the business. Previous work experience in the company is also a highly appreciated attribute (Chrisman et al., 1998), as it allows the successor to have a good holistic picture and understanding of the different structures, processes, and business streams (Cabrera-Suárez, 2005).

2.2.1.3 Stage 3: Selection

The third stage is labelled as the 'selection stage'. Throughout this stage, the best potential successor has to be selected (Le Breton–Miller et al., 2004). The selection criteria for family firm successors are mainly a combination of "personal fit as well as family needs" (Michel & Kammerlander, 2015, p. 48). Nevertheless "the ultimate goal is to concentrate ownership in the hands of people who can move the company forward because they share common interests, common goals, and common values" (Ward, 2004, p. 70). As family

firm incumbents tend to have a strong emotional attachment to their business, they struggle to make extensive succession decisions at an early stage (Sharma et al., 2001). However, based on prior research, selecting the right candidate is most successful when it is planned and observed thoroughly, through a longer period of time, instead of having to make a forced decision with time pressure; which might happen due to a sudden death of the predecessor (Handler, 1990).

2.2.1.4 Stage 4: Hand-Off - Transition Process - Installation

During the last stage, the incumbent hands-off to the successor, who phases into his new role. This stage is accordingly classified as the "hand-off; transition process, and installation stage" (Le Breton–Miller et al., 2004). The successor is ready for his new position and the implementation of new structures begins (Handler, 1994; Murray, 2003). During the time of the succession process, it is common and useful for the senior generation (predecessor) to collaborate with the junior generation (successor) while power, control, and responsibilities gradually shift (Cabrera-Suárez, 2005; Sharma et al., 2001). This collaborative mentoring relationship is accordingly referred to as a 'phasing-in and phasing-out' procedure (Le Breton–Miller et al., 2004, p. 311). Different studies found that one of the most important factors for a successful succession is the relationship between the incumbent and the successor (Cabrera-Suárez, 2005; Handler, 1990; Le Breton–Miller et al., 2004; Miller, 2014) as well as a shared vision and common goals for the future of the business (Sharma et al., 2001). However, and interestingly, a study by Brun de Pontet et al., found that an increase of power and responsibility of the successor does not automatically imply the reduction of authority of the predecessor and vice versa (2007). This finding shows the complexity of succession processes in family firms once more.

Besides the four described stages, the model by Le Breton-Miller et al., (2004) also contemplates other contextual factors a family firm is embedded with and that play a role in the succession process. The model divides the contextual factors into the three categories of *industry* (the business operates in), *family* and *social* context. While industry context takes economic factors such as competition and market into consideration, family, and social context take the non-measurable aspects into account. As stated by Lansberg, "succession planning means making the preparations necessary to ensure harmony of the

family and the continuity of the enterprise through the next generation" (Lansberg, 1983, p. 120). Accordingly, the family context includes aspects such as family dynamics, harmony, trust as well as internal relationships in the succession process. On the other hand, the social context considers cultural aspects, ethical considerations, laws, and religion (Le Breton–Miller et al., 2004).

The four different stages described display the many complexes and multi-faceted sequences of a succession process. Adding the different contextual factors to this, hence, intertwining the business side with social, personal, and family-related contexts, shows how challenging a succession process is on many different levels. To dive deeper into this and to further understand challenges and obstacles related to family firm successions, some of them will be outlined in the following subchapter.

2.2.2 Dilemmas and Challenges of Successions

Family firm successions bring great hurdles because they motivate change and new directions for the company with regard to strategy, organization, and governance (Miller et al., 2003). Hence, amongst others, reasons for successions to fail are related to change, unclear succession plans, different innovation goals, sibling rivalries, problems with role adjustments, and many more (Handler, 1990; Miller et al., 2003). According to Miller et al., the reason for failure for successions can be summarized as an "inappropriate relationship between past and future" (Miller et al., 2003, p. 528). This can also be seen, as the continued involvement of company founders or older generations after the succession, tends to increase familial tension, especially in corporate governance, management and organizational vision issues (Qiu & Freel, 2020). These challenges and dilemmas lead to a variety of potential conflicts as "succession bundles and increases conflicts that are inherent in both the family and the business subsystems" (Berkel, 2019, p. 22). This shows that conflicts are a big part of a succession process, but they do not stop afterwards and can even harm the business if not solved or taken care of or prevented. The next chapter of the literature review will delve deeper into the topic of conflicts.

2.3 Conflicts Within Family Businesses

2.3.1 Definition Conflicts

Conflicts can be defined as "perceived incompatibilities, or perceptions by the parties involved that they hold discrepant views, or have incompatible wishes and desires"

(Boulding, 1962, p. 7). Conflicts are looked at as a form of communication, and behavioral expressions (Davis & Harveston, 2001) and they can be considered a temporal chain of events starting with a source and cause, followed by a core process and lastly resulting in effects and outcomes (Wall Jr & Callister, 1995). Since the 1950s, researchers presented various types and definitions of conflicts (Behfar et al., 2011; Jehn, 2014). To be more specific towards the content of this paper, conflicts can be referred to as "the process resulting from the tension between team members due to real or perceived differences" (De Dreu & Weingart, 2003, p. 3). Although conflicts are unique, past scholars clustered conflicts into different categories.

In the following section, the different types and characteristics will be outlined and afterwards applied to a family firm context.

2.3.2   Different Types of Conflicts

Theorists clustered conflicts into the two types of affective and substantive conflicts. While affective conflicts appear because of interpersonal affiliations (people-centered) and are mostly rooted in the emotional aspects of interpersonal interactions, substantive conflicts refer to task-related disagreements and are mostly based on the core of the task that individuals are performing (Jehn, 2014; Jehn & Mannix, 2001). To clarify more; substantial conflicts emerge from discrepancies and differences within group objectives as family members attempt to have different opinions and versions of how a task should be done (Jehn & Bendersky, 2003). As for affective conflicts, they tend to occur when individual members concentrate on their personal fulfillment and their desire for status (Jehn & Bendersky, 2003). According to Wall et. al.(1995); unfair and unqualified workload, leadership and attitude discrepancies can be seen as root cause of affective (person-centered) conflicts. While substantive (task-centered) conflicts can be caused over procedural, ideational issues, goals and vision disagreements (Wall Jr & Callister, 1995). To sum it up, the reason for a conflict can be either a task or a person (Behfar et al., 2011).

However, a well-used differentiation of types of conflicts is based on the model by Jehn (1995). With her empirical research on intragroup conflicts, she added a third dimension to previous conflict research. Jehn (1995) classified conflicts according to three different categories of *relationship conflicts*, *task conflicts,* and *process conflicts*. This

classification of conflicts is essential as a way to differentiate between types of conflicts and their specific effect on family and business performance and outcome (Jehn, 2014; Wall Jr & Callister, 1995). Therefore, in the following, we will shed light on the three types of conflicts and their distinctions.

Relationship conflicts refer to non-task issues (Jehn, 1995). They can be defined as "a perception of interpersonal incompatibility and typically includes tension, irritation, and hostility among team members" (Margarida Passos & Caetano, 2005, p. 232). Relationship conflicts occur as a result of interpersonal incompatibilities between family members in various aspects such as personality differences, discrepancies of opinion, or preferences regarding goals or targets (Jehn, 2014; Jehn & Bendersky, 2003). Some researchers refer to relationship conflicts as emotional conflicts (Margarida Passos & Caetano, 2005). Others viewed relationship conflicts concerning interpersonal relationships among family individuals in the business and not necessarily emotional debates (Jehn, 2014).

Task conflicts, on the other hand, has several labels and can be referred to as cognitive conflict, substantive conflict, content conflict, or realistic conflict (Jehn, 2014). Task conflicts are consistently defined as a conflict that approaches due to the actual project or assignment the group has to work on (Jehn, 2014). Conflicts occur due to different opinions, viewpoints, and disagreements on the content of the task (Amason & Sapienza, 1997; Jehn, 1995). Task conflicts can be a result of different interpretations of critical business issues and tasks with different individuals (Jehn, 2014). To sum up, task conflicts are, unlike relationship conflicts, concentrated on the nature of the job or concerns the mission that has to be accomplished (Jehn, 2014).

Lastly, *process conflict* refers to the logistical aspects of the work. Process conflicts revolve around how to accomplish a specific tasks and what kind of strategies to follow to achieve the task, rather than the content of the task itself (Jehn, 2014; Jehn & Bendersky, 2003). Hence, it is not about the content of the task but the journey towards a successful task-accomplishment, the "How?". Process conflicts arise, for example, because of disagreements regarding the allocation of resources, division of roles as well as general administrative and organization disputes (Behfar et al., 2011).

The three different types of conflicts entail different consequences and outcomes to individuals as well as to the organization (Jehn, 2014). However, the different types of conflicts can merge and transform in the course of the conflict (Jehn & Mannix, 2001). Due to the intertwining of family and business in family firms, the different types of conflicts are predestined to correlate, coexist, and merge; although "various types of family-related conflicts are conceptually distinct, they are often empirically intertwined" (Qiu & Freel, 2020, p. 94). Because of this, family firm scholars extended the conflict theory with dividing and separating sorts of conflicts according to the unique junctions of family businesses.

2.3.3 Conflicts in Family Businesses

In general, families are usually love-centered, sentimental, and emotional, and family physiognomies commonly include unconditional acceptance, an inward concentration as well as sharing a membership for life (Alderson, 2015). In contrast to this, the combination of family and business offers a fertile setting for conflicts to arise (Großmann & Schlippe, 2015; Harvey & Evans, 1994; Kellermanns & Eddleston, 2004). These conflicts can arise from one of the three different junctions that family businesses are made of: the *family-business*, the *family-ownership* and the *family-business-ownership* (Qiu & Freel, 2020). In the first junction of *family and business*, the involved individuals encounter potential conflicts in the areas where work and private life collide. These potential conflicts could be, for instance, role difficulties (Handler, 1990; Joseph et al., 2013), sibling antagonisms (Kellermanns & Eddleston, 2004), inter-family competition (Joseph et al., 2013) as well as relationship conflicts (Kellermanns & Eddleston, 2004). In the second junction, the *family-ownership*, a potential conflict of interest might appear between majority and minority family shareholders as well as between family and nonfamily shareholders (Meier & Schier, 2016). Lastly, in the *family-business-ownership* junction, there is a potential for a conflict of interests regarding the strategic goals of the company (Davis & Harveston, 2001), strategic changes (Harvey & Evans, 1994), and succession planning including transfer of control and ownership (Jaskiewicz et al., 2016; Leiß & Zehrer, 2018). One prominent example where all three junctions of conflicts merge and interfere with each other, are the family firm succession

processes including the corresponding aftermaths (Großmann & Schlippe, 2015; Radu-Lefebvre & Randerson, 2020).

2.4 Family Businesses' Conflicts within Successions

During the succession process, different types of conflicts can overshadow the process. For example, sibling competition (Jayantilal et al., 2016), identity and role conflicts (Cabrera-Suárez, 2005), intergenerational differences (Chrisman et al., 2012) as well as uncertainty, and unspoken expectations that lead to disagreements (Björnberg & Nicholson, 2012; Brundin & Sharma, 2011; Radu-Lefebvre & Randerson, 2020). This witnessed dissonance is alleged to greatly influence individual and organizational aspects in the succession process, such as the sentiments and attitude of honesty of the incumbents and successors towards the transition and succession (Bertschi-Michel et al., 2020; Sharma et al., 2001). This in return, can impact succession outcomes and business performance because "personal differences are a reason for failed successions, which means that failure can to some extent be attributed to conflicts" (Filser et al., 2013, p. 4). An extreme result of conflicts during a succession process would not only be a failed succession but the demise of the family company (Großmann & Schlippe, 2015). Hence, during succession processes, it is challenging yet crucial for family businesses to channel the tensions and conflicts that arise (Arteaga & Umans, 2020). But "as long as family members share a desire to keep the family in the business for the long term, such conflicts of interests will continue to exist" (Qiu & Freel, 2020, p. 94). This desire to keep the family business alive and within the family is the joint commitment of everyone involved in a succession process (Levinson, 1971).

Intentionally, there are two main actors responsible for the succession to happen: the predecessor and the successor. As the handover of a company is usually a one-off event in which the predecessor and successor can hardly draw on their own experience (Cabrera-Suárez et al., 2001), the two main actors are the ones that run into the danger of potential tensions that eventually lead to succession conflicts (Cabrera-Suárez, 2005). On the one hand, the predecessor usually sees the company as an extension of his or her personal identity (Wielsma & Brunninge, 2019), the potential loss of it causes anxiety and an identity crisis (Levinson, 1971), while on the other hand, the successor "naturally seeks increasing responsibility commensurate with his growing maturity, and the freedom

to act responsibly on his own" (Levinson, 1971, p. 91). Hence, amongst other conflicts, a clash between the two main actors is almost inevitable during a succession process. To cope with these conflicts and to ensure a survival of the business as well as to save and maintain the family harmony, family firm conflicts have to be managed.

2.5 Managing Conflicts in Family Firms

Conflict Management has been empirically studied by family business researcher in the past (Alderson, 2015; Bodtker & Katz Jameson, 2001; Eddleston & Kellermanns, 2007; Joseph et al., 2013; Sorenson, 1999). Qiu and Freel (2020) reviewed the available literature on the topic and grouped the conflict management strategies into three different approaches of: *More-Than*; *Either-Or* and *Both-And*. This grouping is based on the comparison and consolidation of theoretical approaches on conflict management strategies (Qiu & Freel, 2020). However, it has to be stated that there is a lack of research confirming the effectiveness or the results received from any of the conflict management approaches applied. But, using any of the approaches has a common ultimate goal, which is either resolving the conflict or transforming it to a positive outcome (Qiu & Freel, 2020). The three different approaches and the according conflict management strategies will be further defined and outlined in the following.

2.5.1 Either-Or Approach

Applying a theoretical lens, the Either-Or approach is looked at from a contingency-perspective, which means conflicting individuals manage the conflict while either following their self-interest or sacrificing their self-interest to accommodate others interest (Qiu & Freel, 2020). The Either-Or Approach involves conflict management strategies such as *avoidance, separation, accommodation* and *competition*.

Avoidance is a conflict management strategy that shows a defensive reaction, and the conscious decision to evade or even deny a conflicting situation (Sorenson, 1999). Denying or avoiding a conflict can be a useful tool to "cool down" the situation (Sorenson, 1999), however it is not an applicable approach for finding a long-term solution to the conflict (Fahed-Sreih, 2018). "Unlike avoidance, which handles conflicts passively, *separation* addresses conflicts in an active way with the goal of attenuating them by reducing confrontation" (Qiu & Freel, 2020, p. 97). Actively applying separation as a conflict management tool can be done for example through clearly divide and separate tasks and responsibilities (Grote, 2003). Another conflict management strategy

applied in the either-or approach is *accommodation.* Accommodation can be defined as a way of putting self-interest second and being selflessly concerned with the conflicting parties interest (Kellermanns & Eddleston, 2004). This strategy is however not commonly used with overcoming conflicts in family firms (Sorenson, 1999). The last strategy included in the either-or approach is *competition* and can also be referred to as domination (Qiu & Freel, 2020). This strategy represents the contrary of collaboration. However, it is only a short-term solution as it will harm the family- and business relationships in the long-term (Kellermanns & Eddleston, 2004).

2.5.2 Both-And Approach

The theoretical perspective applied in the Both-And Approach has a paradox perspective, "the paradox perspective acknowledges the persistence and interdependency of contradictory forces" (Qiu & Freel, 2020, p. 95). The Both-and Approach hence involves strategies that simultaneously manage the conflict from each side of the conflicting parties. The mentioned approach includes strategies such as *vacillation, compromise, collaboration,* and *integration* as conflict management tools. While *vacillation* is a constant back and forth between the conflicting parties, it can also be defined as a spiraling inversion (Hargrave & Van de Ven, 2017). It is similar to a *compromise* strategy as it also considers the different sides of the conflicting parties (Qiu & Freel, 2020). However, applying a compromise strategy differentiates from a vacillation strategy, as it expects all different conflicting parties to sacrifice to some extent in order to reach an agreement (Fahed-Sreih, 2018). Another potential strategy applied in the both-and approach is *collaboration*. Here, the final solution and agreement is based on a middle-ground that pleases all conflicting parties without having to make a sacrifice and can be therefore referred to as a 'win-win strategy' (Sorenson, 1999). This strategy can be used best when conflicting parties have equal power distributions (Fahed-Sreih, 2018). The last strategy used in the Both-And Approach is *Integration*. It can be described as the opposite of the separation strategy as it breaks down the different boundaries of family, business and ownership structures (Knapp et al., 2013). Therefore, it is mostly applied to manage work and family related conflicts (Qiu & Freel, 2020).

2.5.3 More-Than Approach

Lastly, the More-Than Approach can be looked at from an theoretical perspective as dialectical, which can be defined as having an interplay of contrasting thoughts (Kenneth, 1992). This approach is the one that manages conflicts with long-term solutions as

"conflict between contradictory elements unintendedly produces transformation, which later becomes a new element in tension as the dialectical process recycles" (Qiu & Freel, 2020, p. 96). Corresponding strategies identified to manage conflicts with the more-than approach are the *involvement of a third and neutral party*, *the use of governance tools*, and lastly *transforming conflicts through change and learning* (Qiu & Freel, 2020). Involving a *neutral party* is a commonly used strategy for solving conflicts in family firms (Levinson, 1971). Those outsiders could be for example mediators, family consultants, family therapists or lawyers (Eddleston et al., 2008; Fahed-Sreih, 2018; Lee & Danes, 2012). Due to the fact that involving an outside perspective will shift the power distribution, it is included as a 'more-than approach' (Qiu & Freel, 2020). The same applies for the next coping strategy introduced *Corporate Governance*, it is a "more-than approach because this strategy focuses on the institutionalization of conflict management to deal with a variety of potential conflicts and the process of institutionalization implies the exercise of power" (Qiu & Freel, 2020, p. 101). Corporate Governance tools could be for example family retreats, family meetings and family councils (Alderson, 2015). The last strategy presented is coping family business conflicts through *change and learning*. This strategy questions the conflict management status quo and tries to cope conflicts through adapt their strategy to constant changing conditions (Fock, 1998). It is considered a 'more-than approach' because it is aligned with changing power, relationships and values (Qiu & Freel, 2020).

3 RESEARCH METHODOLOGY

The following chapter explains our methodological strategy. In order to allow the reader a better and transparent understanding of the empirical findings, we present our research philosophy, purpose, approach, the research design applied, and the data collection method used. Subsequently, the sampling strategy and the data analysis methods will be presented as well as examples from our coding trees. Lastly, we outline the trustworthiness of the research, ethical considerations, and research limitations.

3.1 Research Philosophy

Research philosophy is the less visible aspect of a research project (Easterby-Smith et al., 2015). It represents the "basic belief system or world view that guides the investigation" (Guba & Lincoln, 1982, p. 105). Hence, the research philosophy acts as a guideline for

the reader to understand the researchers' interpretation of the environment. This is relevant because the awareness of philosophical assumptions and suppositions increases the quality of a study and justifies the methodological approach chosen (Easterby-Smith et al., 2015; Fergus et al., 2015). Moreover, the research philosophy justifies the type of the research and its design, which reveals how the knowledge and observations are formed and developed and afterwards how literature and findings are related and connected (Fergus et al., 2015). The research philosophy can be primarily argued to take a positivist or interpretative stand, following the purpose of the study and the analysis (Carson et al., 2001). As we study conflicts within family businesses, we believe that taking an interpretive research philosophy is particularly appropriate in this research's circumstances. One of the reasons is that as researchers, we need to consider and understand the differences between people in their roles as social actors and business partners in contextual and socially constructive meanings (Fergus et al., 2015). We seek truth in a subjectivist perspective as we assume that it is situational and that we, as individuals, are distinct from each other. Hence, the choice of the interpretative position is suitable for our research, as it allows us to examine that people have subjective views and interpretations on matters and unbiasedly develop and improve our analysis approach and methodology.

Research philosophy is characterized primarily by two important terminologies: Ontology and Epistemology (Carson et al., 2001; Easterby-Smith et al., 2015). Ontology examines the fundamental assumptions about the nature of reality and existence. According to Easterby-Smith (2015), there are three types of ontologies: realism, relativism, and nominalism. From an ontological perspective, we believe that the essence of the phenomena we study can be best investigated through a relativistic ontology (Easterby-Smith et al., 2015). This is because the distinctions between individuals and their experiences are relative. There are multiple socially constructed realities as individuals relatively interpret them and subsequently develop subjective meanings (Céline et al., 2016). Moreover, our research is in line with the relativist view, which suggests that many realities result from people embracing diverse viewpoints and experiences (Easterby-Smith et al., 2015). As our research's essential purpose concerns investigations of family business conflicts, we believe that it fits not to perceive reality as one universal truth but rather subjectively created by individuals as there are

differences in perceptions and behaviors within the relationships and the business. Moreover, we assume that people interpret and include various feelings, motives, stories, and values differently within family businesses. Therefore, it is crucial to holistically look at the data we have and analyze it, with the mindset that it only reflects their subjective interpretation of the perceptions they expressed to us. To achieve this goal, we consider it essential to collect data from multiple viewpoints (Céline et al., 2016).

On a different layer of research philosophy comes epistemology. Epistemology helps researchers grasp the nature of knowledge and the relationship between the knowledge and the researchers in terms of what could be established as adequate knowledge to the researchers and how they seek to understand the physical and social worlds (Easterby-Smith et al., 2015; Fergus et al., 2015). Epistemology is explored to allow a coherent interpretation of the information of the researchers. It is divided into two dissimilar views: positivism and social constructionism (Easterby-Smith et al., 2015; Fergus et al., 2015). Given our study's intent and its subject, we believe that social constructionism provides the best stand from an epistemological perspective. We, as researchers, need to understand the distinctions between humans and their roles as social actors. Taking the social constructionism stand allows us to experience the subjective understanding of family business members as continuing circumstances rather than in isolation of being social actors from the fact that they are still intertwined within the family and the business (Carson et al., 2001). Hence, with the social constructionism stand, we will be able to become reflective observers as well as an active part of the underlying phenomena where we will examine and observe human interactions and behavior within the context of family business intertwining conflict zones.

3.2 Research Approach

In conducting research, researchers can adopt many approaches for knowledge creation. However, there are two primary approaches: inductive and deductive (Céline et al., 2016; Saunders et al., 2012). The primary distinction between inductive and deductive reasoning is that inductive reasoning is mostly based on the idea of constructing a hypothesis or a theory out of observation. In contrast, deductive reasoning attempts to test an actual theory by claiming a hypothesis (Saunders et al., 2012). Inductive thinking shifts from simple observations to widespread generalizations, and deductive reasoning is the

inference (Saunders et al., 2012). The approach the researcher plans to take for the study characterizes if it will be an inductive or deductive method (Easterby-Smith et al., 2015; Saunders et al., 2012). By claiming a deductive approach, researchers develop their research questions, and hypotheses based on old theories and hypotheses gathered from the literature since deductive reasoning concerns testing a hypothesis based on known theory (Easterby-Smith et al., 2015; Saunders et al., 2012). On the other hand, by claiming inductive reasoning, researchers indicate a greater understanding of the study context, and a greater understanding of the meanings which people connect to their experiences (Saunders et al., 2012). This is why using an inductive approach was chosen for this thesis, as it allows the researcher to get an in-depth understanding of a yet unexplored phenomenon. Additionally, inductive analysis implies that hypothesis and theories will be established and formed rather than that they already exist and are evaluated (Carson et al., 2001; Saunders et al., 2012), which is also in line with the intention of this study.

3.3 Research Purpose

Research purposes can vary between exploratory, descriptive or explanatory (Saunders et al., 2012). Our research took place in an exploratory manner as the exploratory analysis is preferred to provide new insights into the examined field, where the problem's essence is not well defined (Saunders et al., 2012). In addition, exploratory analysis often focuses on processes and specific contexts to gain insights into an emerging or sensitive issue, such as conflicts. This thesis aims to develop an in-depth understanding of the phenomena of family-firm conflicts within the context of successions and post-successions. There are several reasons we believe exploratory research is more suitable to study this phenomenon. To explain a few, mainly, exploratory research concentrates on the presentation of realistic case profiles where comprehensive information is essential to understand our phenomena (Carson et al., 2001). In our case, we tried to get new insights and develop a more realistic picture into a sensitive topic area. Furthermore, our study aims to explore and evaluate the phenomena of conflicts within the family business from new perspectives and shed a new light aside from the general hypotheses and interrelations that have been investigated before. To sum it up, by using exploratory research, our thesis can help create a thorough understanding of the phenomena of family business conflicts.

3.4 Research Design

Qualitative techniques are used in research to understand what people think, do and the rationale behind their actions and sayings. Hence, qualitative studies mainly address the questions of how, what, when, why, and what if (Carson et al., 2001). In addition, qualitative analyses are advised when research requires a thorough review of a subject or phenomena (Leppäaho et al., 2016). Investigating conflicts within family firms through information-sharing is a sensitive topic that requires a thorough examination. For that reason, a qualitative analysis approach is suitable for our thesis to obtain appropriate data, particularly for grasping the individual perspectives (TiuWright, 2009).

As our thesis is an analysis of different dimensions of family business successions and post-successions and the accompanying conflicts, our thesis seeks to endeavors and comprehends the different perspectives. This includes what individuals in the family are saying, doing, and how they are going through the conflicts. Whilst we collect data for our study, it is necessary to acquire private experiences and distinctive stories that are only qualitatively obtainable and not possibly feasible using a quantitative research method (Leppäaho et al., 2016). With that being said, we believe that qualitative knowledge is our appropriate research design for the understanding of the meaning's family firm place, on events of conflicts, mechanisms, and frameworks of their lives within conflicts, their expectations, prejudices, and presuppositions within the investigated environment. Furthermore, the consistency, depth, and wealth of the results we aim for will be enhanced by a qualitative analysis approach (TiuWright, 2009).

3.5 Data Collection Method

During the data collection phase, the techniques used to gather data must be in line with the claimed research methodology and approach. Data collection may fold, under its wings, multiple methods and strategies, depending on what form of data is desired (Saunders et al., 2012). In this study, as mentioned before, we aim at exploring and gathering qualitative data while using an inductive approach. Therefore, we gathered primary data through semi-structured interviews of individuals in family companies. The semi-structured interviews allowed us to have an interactive atmosphere where our participants felt comfortable to openly talk about their experiences.

3.6 Sampling strategy

To select our interviewees, we applied a non-probability purposive sampling strategy (Easterby-Smith et al., 2015). Purposeful sampling was chosen because we had a clear idea of what eligibility criteria our sample will need to fulfil, so that in the end, we are able to answer our posed research questions (Easterby-Smith et al., 2015). Due to the topic's sensitive nature, companies were approached, where a prior connection through our personal network existed. However, we made sure to avoid any conflict of interest, and participants were only considered if no prior work or personal relationship existed.

There are some pre-defined criterions, the companies, the participants are involved with, had to fulfil to be eligible for the purpose of this research. These eligibility criterions are clustered into the five different areas of: *Company Type and Size* as well as *Timeframe of Succession*, *Type of Succession* and *Post-Succession Involvement of the Previous Generation* (see Table 1). These pre-defined eligibility criteria are relevant because they provide a similar initial situation for the participants.

Company Sampling Criteria

Area of Criterion	Eligibility Criteria
Company Type	Family-run firm; majority of shares is owned by family members
Company Size	Small or medium-sized (SME)
Timeframe of Succession	Succession has to be finalized within the last 4 years
Type of Succession	Ownership as well as Leadership Transition
Post-Succession Involvement of Decessor after Succession	The previous generation of the business has to be involved in the company after the leadership and ownership succession was completed.

Table 1 Company Sampling Criteria

3.7 Interviews
3.7.1 Interview Preparation

In order to be prepared for the interviews, we gathered as much background information about the companies as possible. Hence, all available public information was studied. The information used for the interview preparation included newspaper articles, company websites, interviews, social media accounts, and TV appearances. The primary purpose

of this was to understand the family firm, the history of the business, and the various business activities and operations.

3.7.2 Interview Procedure

Due to the ongoing pandemic, all interviews were held online via Zoom. To imitate a physical-meeting, cameras were turned on during all interviews. However, to not make the interviewee feel uncomfortable and observed with a video recording, only the audio track was recorded. The interviews started with a brief introduction of us and the research purpose as well as the area of application. This was followed by giving the participants some details about the interview, such as duration of the interview, interview process and types of questions asked. Moreover, we ensured the participants understood that there are no right or wrong answers, and every information shared is precious for our research. Additionally, we also ensured the interviewees that all data gathered will be treated anonymously, and they can at any time refuse to answer a question. Afterwards, the purpose of the interview recording was explained, including a brief explanation of how the data-analyzation process later will look like. After this, we asked the participant for verbal consent to record the interview and to sign the consent form. After the consent form was signed, we started the recording.

Due to language barriers and to reduce a personal bias towards the collected data, we did not conduct all interviews as a research team (for a detailed listing refer to Table 3). However, to get familiar with the interview guide and the interview situation and to be able to reflect on the interview procedure, the first interview was held as a research team. Subsequently, all following interviews were only held by either one of us.

3.7.3 Interview Guide

The questions asked in our interviews can be defined as a combination of broad, grand-tour questions, as well as specific experience-related questions (see Interview Guide Appendix B & C). The opening questions were designed to make the interviewee get comfortable with the interview situation. Hence, we used 'easy-to-answer' questions as an icebreaker and made the interviewee get comfortable with the situation. After the opening questions, we asked the interviewees to reflect on the succession process. Here as well, we tried to start with easy-to-answer questions and probed accordingly on the relevant topics and information shared. In the course of the interview, the questions turned

from general and broad questions (such as the role and background of the participants) towards more specific questions about experienced conflicts during and since the company's succession. Although some questions seem like they are closed-ended, a probing technique was applied. Probing is a technique commonly applied in qualitative research and interview settings as it helps researchers elicit a complete narrative (Kvale, 1996). While applying a probing technique, we asked questions such as "How did that make you feel?"; "What do you think were root causes for this?"; "Do you mind elaborating on this?", to understand their perspective in more depth as well as to encourage the interviewees to reflect on the situation in more detail. After covering and probing on the relevant topics, we asked the participants if they have anything else in mind we have not covered during the interview, and they might want to add or share with us. Additionally, we asked if they could think of any question that might be interesting to get an answer on. These lines of questions were used to ensure that the topic was comprehensively covered. The interviews ended with some demographic questions about the interviewees.

3.7.4 Data Set

During the primary collection process, we interviewed participants from three different companies (see Table 2). In total, we conducted 14 interviews (9 in English and 5 in German) throughout the timeframe between the 29th of March and 12th of April 2021. The interviews ranged from 49 to 81 minutes and had an average length of 63.5 minutes and hence a total of 14.81 hours of data was collected. There was an unplanned equal distribution between male (50%) and female (50%) participants. Moreover, al of our participants had an active role within the operational part of the family business during the interview process, and on average, they have more than 24 years of work experience in a family business, ranging however from 2 years to over 50 years of experience in the family firm (more information see Table 3).

3.7.5 Overview of Companies

Fictional Name	Company Type	Current Generation	Industry	Company Location	Company Size (Depends on the season)	Date of Succession (Ownership and leadership)	Generations involved (In the Business Operations)
Alpha	Family Business	5th Gen.	Agriculture	Germany	30 to 45 employees	1st of March 2019	3
Beta	Family Business	7th Gen.	Restaurant Business	Germany	50 to 65 employees	1st of January 2019	3
Gamma	Family Business	5th Gen.	Winery	Germany	5 to 15 employees	1st of September 2020	2

Table 2 Overview of Companies

3.7.6 Overview of Interviewees and Interviews

Table 3 Overview of Interviewees and Interviews

Interviewee *The displayed names are fictious	Company	Gender	Age	Role within the company	Generation	Family Member	Years of being involved in the Business *All interviewees are still active in the business operations	Interview Language	Date	Interview Duration	Researcher doing the interview
Interview 1 Stephanie	Alpha	F	62	Decessor	5th	Yes	24 years	English	29-03-2021	75 min	Lamiaa & Marie
Interview 2 Philipp	Alpha	M	63	Decessor	5th	Yes	< 50 years	German	30-03-2021	53 min	Marie
Interview 3 Isabel	Beta	F	42	Employee	n.a.	No	9 years	English	30-03-2021	69 min	Lamiaa
Interview 4 Alexander	Beta	M	71	Mediator	n.a.	No	35 years	English	31-03-2021	66 min	Lamiaa
Interview 5 Daniel	Gamma	M	62	Decessor	4th	Yes	35 years	German	01-04-2021	81 min	Marie
Interview 6 David	Beta	M	73	Decessor	5th	Yes	60 years	German	01-04-2021	49 min	Marie
Interview 7 Sarah	Gamma	F	28	Successor	5th	Yes	7 years	English	02-04-2021	52 min	Lamiaa
Interview 8 Sven	Alpha	M	48	Successor	6th	Yes	around 30 years	German	02-04-2021	66 min	Marie
Interview 9 Lara	Beta	F	34	Employee	n.a.	No	12 years	English	03-04-2021	61 min	Lamiaa
Interview 10 Sophia	Beta	F	46	Employee	n.a.	No	13 years	English	05-04-2021	56 min	Lamiaa
Interview 11 Katharina	Alpha	F	47	Employee	6th	Yes	2 years	English	06-04-2021	52 min	Lamiaa
Interview 12 Stephan	Beta	M	51	Decessor	6th	Yes	35 years	German	09-04-2021	67 min	Marie
Interview 13 Christian	Beta	M	28	Successor	7th	Yes	3 years	English	11-04-2021	64 min	Lamiaa
Interview 14 Anja	Beta	F	49	Decessor	6th	Yes	27 years	English	12-04-2021	78 min	Lamiaa

3.8 Transcription and Data Analysis

The data analysis followed an interpretative procedure with an iterative process of coding, categorizing and abstracting of the data (McCracken, 1988). Coding is a process that can be seen "as "mining" the data, digging beneath the surface to discover the hidden treasures contained within data" (Corbin & Strauss, 2008, p. 66). However, before coding and interpreting the data, the interview records had to be prepared for the analysis. After the interviews were held, the audio records were transcribed. The transcription was done in a two-step procedure for the interviews held in English and a three-step procedure for the interviews held in German. In the first step, the AI transcription software sonix.ai was used to accelerate and support the transcription process. In the second step, the transcripts, created by the software, were proofread and modified by us while listening to the recorded interviews. Interviews that were held in German followed the same two-step procedure. Afterwards, however the interview transcripts were translated using the software DeepL. Here as well, the translated transcripts were diligently proofread, and necessary alterations were applied while comparing it to the German version. This was done to guarantee the translation captured the proper context and the correct meaning. All these steps were also essential and beneficial for us as researchers to manifest the interviews' content and familiarize ourselves with the collected data.

Afterwards, all fourteen interview transcripts were merged into a single document, and hence we ended up with 196 pages of transcribed interviews. While thoroughly going through the pages and everything said in the interviews, we classified the data according to themes and patterns. While doing so, we thoroughly screened the transcripts to find data connected to the purpose of the research. Hence, we screened according to conflict experience and conflict coping mechanisms. Afterwards, relevant quotes were extracted and collected in an excel spreadsheet. After this step, the extracted quotes were coded according to the method developed by Gioia, Corley, and Hamilton (2013). While working with our data, we developed first and second-order themes and developed aggregate dimensions (Gioia et al., 2013, p. 21). This step was done by looking for common patterns among the different quotes.

After multiple revisions and going back to the transcripts of the interviews, we came up with two aggregate dimensions per posed Research Question (see Coding Trees: Figure 2; Figure 3 and Figure 4). After the coding procedure was finalized, we sorted the spreadsheet according to the alphabetical order of the aggregate dimensions and colored

coordinated them according to the different dimensions. During the last step of our data analysis, we connected the relevant points between the data and hence developed a model that is grounded in data (Corbin & Strauss, 2008). The goal of a grounded theory is to build a theory that is grounded in empirical data. Hence, our model includes all emergent aggregate dimensions from the coding process, while also showing and explaining the dynamic interrelationships between them (Corbin & Strauss, 2008; Gioia et al., 2013). Additionally, some of the second-order themes are also displayed in our model. However, to reduce the model's complexity and make it as comprehensible as possible, not all second-order themes are displayed (Figure 5).

First Coding Tree RQ 1: How are succession and post-succession conflicts experienced in multigenerational operating family firms?

Figure 2 First Coding Tree RQ1

Example Quote	1st Order Theme	2nd Order Theme	Aggregate Dimension

- *"A lot has been changed since Christian entered the business and it was a bit too fast and a lot from all sides, it surely felt overwhelming"*
- *"[…] and there's a lot of questions: How much can we do; how much can we dare? But also, how fast does it have to happen [the new business approach / direction] ?And then one is simply trying to understand the issue of competence and distribution of tasks."*

- Successors bring fast and overwhelming Changes
- Old generations face hardships with new changes and business directions
- Leadership change creates chaos for employees

Business Decisions

- *"But the more fundamental changes were more difficult and more conflictual. But whether that was because of him [successor] or simply because a fundamental change was necessary, is unclear."*
- *"It is all about the point of radicality, how quickly the new philosophy was represented and in general how this reflects on the business performance and our daily tasks."*

- Strategic changes and decisions in the business led to conflicts
- Changing corporate foundations are more conflictive and polarizing
- Fast changed business philosophy affect the business performance

Tangible Conflicts

- *"And then it's just like that, when you're standing in between and one of them tells you A and the other tells you B […] And if I do the task like this now, then I will be blamed by one of them saying "You know we don't do it like that". It's just hard to stand in between. For me and for other employees, too."*
- *"So, the first couple of months where really confusing because it wasn't clear, who should I ask now? And it was very chaotic at the beginning, but in the meantime, it has cleared up well."*

- Conflicting bosses ending up with conflicting and unstable decisions
- Successors intentionally wants to collaborate, yet, holding the upper hand
- New leaders bring confusions at the beginning

Multigenerational Adjustments

- *"So, I have to say I want it that way, because that's my future. Of course, it must please dad too, but he has to work much less with the whole future of the business. He sometimes gets annoyed by that or he forgets that he is not in charge anymore. But it's my future. I would like to or even I have to stand behind it 100%."*
- *"Because the way I made business decisions was not in line with my sons management and then, very quickly, he excluded me from my tasks and then everything was done differently."*

- Old generation must give new generation space
- New Generation expels old generation from decisions and operations

Second Coding Tree RQ 1: How are succession and post-succession conflicts experienced in multigenerational operating family firms?

Example Quote	1st Order Theme	2nd Order Theme	Aggregate Dimension

- *"I am very empathetic for everyone involved in the conflict. But I think what has touched me so much and so deeply on a personal level, was simply seeing her [decessor] facing the emotional struggle with her son [successor]."*
- *"I thought the Monday-meetings were a good idea. Because I was much more involved. But sometimes it ended in conflicts which was difficult and annoying to be honest."*

- Seeing the emotions is painful
- Employees' involvement in the conflicts is an unpleasant experience
- Understanding and respect is very important

- *"In a family business, it's simply the case that you build up a personal bond at some point and then, when tears flow or emotions are simply lived out, that doesn't pass by you as an employee without a trace. I of course think this must be so hard that the other person suffers so much, and I almost suffer a little bit with them."*
- *"[Decessor Anja] has always supported the decision. But I often somehow felt sorry for her and thought that Christian is now taking everything away from her and wonder how she handles all this stress".*

- Employees feel empathetic for conflict-insiders
- Seeing the emotional struggle is difficult
- Inner Emotional Conflict

Excavated Emotions

- *"[…] it's her company, which she first built up, and then someone comes along whom she basically trusts, but on the other hand, more and more is being taken away from her."*
- *"And there can be that conflict of do I decide to let go of my baby, the company, or my "real child"?*
- *"It is the most difficult part when you have been a leader and powerful person all your life and now, you're going down the stairs. This requires lots of adjustments in your life and it can create lots of conflicts"*
- *"[…] the role adjustment conflicts of everyone was very visible."*

- Torn between wanting a future for the business and issues of letting go
- Struggle of letting go of the business
- Letting go of power is difficult
- Role Adjustments are difficult and lead to conflicts

Intangible Conflicts

- *"If there's conflict with the family, it's extreme because the children push the buttons of the parents or the partners pushes the right buttons with their children."*
- *"We put family harmony above operational challenges and financial benefit."*

- Conflicts get intensified because of personal connection
- Family is more important than business
- Due to being a family, there is an awareness of pain points

Intertwinement of Family and Business

Third Coding Tree RQ 2: How do multigenerational operating family firms cope with succession and post-succession conflicts?

Figure 4 Third Coding Tree RQ 2

Example Quote	1st Order Theme	2nd Order Theme	Aggregate Dimension

- *"[...] and blood is thicker than water, no matter what happens and that gives you the courage and the strength to go on and forget about whatever happened."*
- *"If I have chat with my mom 60 to 70% percent of the time, it ends in a conflict where somebody else would leave or be pissed, but it's important to get over this in a couple of seconds because you have to go back to work. So, the moment you enter back into the kitchen after the chat, you have to forget about it and that's ok otherwise, if you hold a grudge, you ruin the business."*

- Courage and strength to continue needed after conflict
- forgiveness and self-reflection is important to continue
- no time and space for resentful behavior

Altruistic Behavior as Conflict Coping Strategy

Unconscious Coping Mechanisms

- *"In terms of how the business is doing and the future vision for the business, sometimes when we have conflicts or challenges, I just say I trust you guys so go for it. I'm happy not to have to worry about it."*
- *"And transparency, of course. We are only a small company with a handful of employees and a lot of things are done verbally and being transparent establishes trust."*

- Transparency leads to a trustful togetherness
- Communication leads to trust
- Trust goes in line with letting go
- Trust is difficult but necessary

Reliance as Conflict Coping Strategy

- *"So, it's really that you have to compromise or sometimes it's even more about compromising with yourself."*
- *"It's quite important in teamwork that you can't do individual escapades or individual walks. I'm saying on a larger scale I can just say I'm going to order a new tractor or a new barrel, but you always have to do it as a team. That is important."*

- Self-compromising as conflict management tool
- Bigger picture is more important than individual needs
- Stubbornness is counterproductive

Caving In as Conflict Coping Strategy

Conscious Coping Mechanisms

- *"Before it escalates then we say, we stop now, sleep over it or over the weekend and talk again next week."*
- *"Conflicts are necessary and it's important that you take your time and allow time for these conflicts to be worked on and to reflect on the situation and listen to your thoughts."*

- Personal Space and Time can help to prevent a conflict outburst
- Personal Reflection on conflicts is important
- Personal Space and Time can help to solve a conflict

Time and Evasion as Conflict Coping Strategy

- *"We also want it to work and then one or the other has to get off their horse or realize their mistake or whatever went wrong."*
- *"So, of course, sometimes you have to jump over your shadow, and I also sometimes say: "Yesterday I was out of line and I got it wrong. I didn't mean it that way. We'll start again from the beginning." So, nobody's perfect. Even if you're older or have some maturity, you have to be able to stand by your own mistakes."*

- Admitting faults has nothing to do with position
- Importance of being able to admit fault or mistake
- Nobody is able to manage a business without mistakes

Admission of Fallibility as Conflict Coping Strategy

3.9 Trustworthiness of Research

To ensure a highly qualitative study result, this paper followed the four aspects of trustworthiness: *credibility, transferability, dependability, and confirmability,* developed by Guba (1981).

Credibility ensures the accuracy of the represented findings with the purpose and intention of the study (Guba, 1981). We applied two methods to ensure the credibility of this study: triangulation and participants' consent. As we interviewed at least two individuals per case company, we gained data about the same situation but from different perspectives and viewpoints. Therefore, we were able to apply a data source triangulation provision, where we were able to either verify a beforementioned statement or probe on something that seemed odd or ambiguous (Shenton, 2004). Secondly, to ensure the honesty of answers, all interviewees were in advance informed about the subject area of the interview, and they decided to participate voluntarily. Moreover, all interviewees were abreast that the data would be used anonymously and they were informed about the option to skip questions or refuse to answer them anytime during the interview (Shenton, 2004).

Secondly, *transferability* refers to the applicability of the findings to other contexts and settings (Guba, 1981). We ensured the transferability of the study by using a purposive sampling strategy (Guba, 1981), including being transparent about the pre-defined eligibility criterion for the sampling strategy. Additionally, we disclosed all relevant contextual information about the companies and interviewees, our interview guide, interview procedure, data analysis process and the limitations of this study (Shenton, 2004).

Thirdly*, dependability* discusses the consistency of the study results, when for example, duplicating the exact same study (Shenton, 2004). To ensure dependability, we established an "audit trail" (Guba, 1981) and revealed information about our research design, the data gathering process, and reflecting on our methodological limitations (Shenton, 2004).

Lastly, *confirmability* refers to any sort of personal perspective or researcher's bias. To ensure that we counteract this, all steps of the research process were done either as a team of two or after mutual agreement of the two researchers. This research triangulation method minimizes individual biases and enhances the quality of the coding process and its corresponding results (Shenton, 2004).

3.10 Ethical Considerations

When carrying out any sort of research, it is of utmost importance to prevent ethical issues from arising (Easterby-Smith et al., 2015). To ensure a research process that does not harm participants, researchers, or the research results, the present study followed the ten fundamental principles of research ethics by Easterby-Smith et al. (2015).

Throughout all stages of the research process, the obtained data has been used in an anonymous way to protect the anonymity and privacy of the individual participants as well as the case companies. We labeled the case companies according to Greek letters and referred to the interviewees with made-up fictitious names to ensure their anonymity. Moreover, the collected data has been treated in a highly confidential manner, and any data collected is password protected.

Before conducting and recording the interviews, we also guided the interviewees through our consent form. The language of the consent form was adapted to the language, the interview was carried out with (see Appendix D and E). Furthermore, to ensure honesty and transparency about the usage of the data, we explained to the interviewees the purpose of the study as well as the procedure on what and how we will use the recorded interviews and hence their answers afterwards. The transparency about the purpose of the study also avoids any deception about the nature or intentions of the research.

3.11 Limitations of Methodology

Carrying out a research project based on an inductive qualitative research method also brings limitations to it, as it, for example, generalizes the outcome of the analysis. Hence "one of the problems with induction is that this type of reasoning involves a leap from the particular to the general and may rely on too limited a number of individuals" (Bryant & Charmaz, 2007, p. 15). Therefore, this study should only be seen as an insight into the topic of succession and post-succession conflicts in family firms. Hence, the results cannot be generalized or transferred to other contexts without doing further research.

Moreover, as the overall topic of conflicts, covered during the research, our interview questions are very personal and of a sensitive nature. Although we tried to make the interviewees feel comfortable and the interview situation as trustworthy as possible, the shared information and stories might be incomplete or falsified. This might also be due

to the fact that we asked questions the interviewees had to answer from a retrospective perspective, and the interviewee might have remembered something different or inaccurate.

Additionally, as some of our interviews were held in the interviewee's non-native language, there might have been errors due to missing vocabulary or language barriers. Lastly, although we followed the rules and regulations of conducting qualitative research, we cannot ignore the possibility of inaccuracies during the interviews, such as an interviewer's bias.

4 Empirical Findings and Data Analysis

The following chapter will portray the analytical results of the empirical findings and collected data. This process is supported by quotes gathered through the semi-structured interview. The reporting of the empirical results will concentrate on the purpose of this study and the structure of the findings section will follow the aggregate dimensions and second-order themes of the coding trees. Therefore, it will start with looking at the experienced conflicts from the tangible and intangible nature of it. Afterwards, this section will display different coping mechanisms applied to deal with the conflicts. Lastly, we will present the model that emerged from our data analysis process in which the dynamics between the findings are portrayed.

4.1 Experienced Conflicts

"[...] Conflicts are simply a part of family business successions, just as sorrow is part of love."

Stephanie (Decessor)

The above quote stated by Stephanie, when asked about conflicts, sums up most of our respondents' opinions about them. Family and Non-Family members have explained that they either have witnessed or have been part of a conflict since the handover of the business was initiated. However, although conflicts were regularly experienced and witnessed, there was a general acceptance for their nature and occurrence.

In this chapter, we will look at experienced and witnessed conflicts in a succession and post-succession setting. We analyzed the nature of those revealed conflicts as *intangible and tangible conflicts*. The two aggregate dimensions mainly differentiate in where the conflicts are rooted in. While intangible conflicts are rooted within the individual, and their relationship with each other cannot be easily uncovered from an outside perspective, such as conflicts related to emotions. Tangible conflicts, on the contrary, occur in a more visible way. They happen because of a tangible event or a cause, such as anything related to business decisions and operations. Hence, they are more visible on the surface.

As our analysis reveals, the previously mentioned two different conflicts are experienced in two different ways. We found that intangible conflicts are experienced as excavating while tangible conflicts are experienced as provoked. The different root causes and reasonings are revealed to evoke intangible conflicts or provoke tangible conflicts.

4.1.1 Intangible Conflicts

4.1.1.1 Intertwinement of Family and Business

One reason for intangible conflicts to appear is the intertwinement of family and business. However, family members showed an embedded understanding that some of their conflict's nature could be easily explained by the idea that family and business are strongly and inseparably intertwined into one thing. This connection was exemplified by Sarah, the successor of company Gamma, by portraying her experience of being raised in a family business and suffering from conflicts because of the connection within family members that makes it hard to avoid the relationship and emotional aspect of it:

"In family businesses, conflicts become even more extreme because a lifelong connection remains. There is also a completely different emotional connection of being a family that also works together permanently. We also theoretically are still dad and daughter. I mean you work, you live, and do everything together it's all combined, and it is super intense because there's no separation and then of course there are problems everywhere."

Sarah (Successor)

Although our interviewee Sarah felt the need and the importance of separating family life and business life, she also disclosed that it is particularly hard to separate the distinct spheres and associated roles. This high level of understanding of such intangible conflicts

has been revealed to be shared across different family and non-family members. Hence, intangible conflicts, rooted in the intertwining of family and business, are perceived as logical to occur, unavoidable, and the reasoning behind them is fairly understood. Furthermore, intangible conflicts, generated because of the family and business's intimate nature, are intense and seem to vary among the distinct family members. This is explained by the level of familiarity the individuals share as a family as well as the intensity of bonds and relationships between family members. However, the high familiarity and strong interrelations between family members allow them to easily stress on points guaranteed to create a conflict and intensify fights. Daniel clarified, when questioned about the intensity of intangible conflicts by referring to the family aspect of it.

"If there's conflict with the family, it's extreme because the children push the buttons of the parents, or the partners pushes the right buttons with their children."

Daniel (Decessor)

4.1.1.2 Excavated Emotions

Moreover, intangible conflicts were experienced amongst successors and incumbents and extended to other family members and non-family employees. It has been shown that intangible conflicts are related to emotions such as empathy. Hence, conflict outsiders feel empathetic for conflict insiders. This was uncovered by interviewees who explained that they were indirectly involved in the conflict by feeling empathetic.

"In a family business, it's simply the case that you build up a personal bond at some point and then, when tears flow or emotions are simply lived out, that doesn't pass by you as an employee without a trace. I of course think this must be so hard that the other person suffers so much, and I almost suffer a little bit with them."

Isabel (Non-Family Employee)

Another interesting finding that emerged during the course of our study was that non-family employees, who witnessed intangible conflicts, felt empathetic with conflict insiders and could relate to their emotional turbulence. Isabel explained that observed conflicts are usually perceived to touch upon the personal level and excavate strong emotions:

"I am very empathetic for everyone involved in the conflict. But I think what has touched me so much and so deeply on a personal level, was simply seeing her [decessor] facing the emotional struggle with her son [successor]."

Isabel (Non-Family Employee)

Also, conflict outsiders who happened to be family members experienced intangible conflicts from an emotional and empathetic side. Stephanie explains how emotional and unsettling her experience was with a conflict between her husband and her son during the succession process and how this conflict was experienced and excavated strong emotional feelings towards the two conflict insiders.

"[...] seeing them fighting and in conflict felt bad, emotional and just not right. Just not right. I had this sadness and feelings for them hit me surprisingly strong."

Stephanie (Decessor)

Besides conflict outsiders' external empathy towards conflict insiders, precisely decessor and successor, tend to have conflicts within their inner emotional state. It has been noticed that the older generations have a strong emotional attachment and ownership to the business. The older generation's attachment to the business was powerful and precise in the incumbent's description and the manifestation of their pride as the leader of the business as well as a strong stone in its past success. This was clear from the words of the previous generations of Company Alpha represented by the incumbent Philipp. He spoke affectionately and expressed his attachment to the business as it is his child.

"The business is also so emotional for me; it is like having another child. I made it big and successful in my own way and we were happy with that and lived well off of that, but you have to have the courage to do it [the succession] and the energy to move on from how you feel."

Philipp (Decessor)

This strong attachment to the business is revealed to be a strong initiator to intangible conflicts that are revealed because of conflicting inner emotions. Having rock-hard

emotional ownership towards the business that is taken away by the successor is portrayed as creating a state of inner tension for the incumbent. This inner tension is perceived to be immaterial reasoning for intangible conflicts. Isabel and Alexander explain their observation of intangible conflicts because of the incumbent's emotional attachment and his conflicting inner emotions, and their sympathy with them.

"[...] it's her company, which she first built up, and then someone comes along whom she basically trusts, but on the other hand, more and more is being taken away from her."

Isabel (Non-Family Employee)

"And there can be that conflict of do I decide to let go of my baby, the company, or my "real child"?"

Alexander (Mediator)

This emotional tension, emotional connectedness, and attachment manifested themselves as intangible roots for conflicts. This excavated inner emotional status quo also expands from the decessor pride of the company to include mixed emotions about the successor. It has been witnessed that the inner emotional tension is a justified reason for intangible conflicts in several situations:

"[Decessor Anja] has always supported the decision. But I often somehow felt sorry for her and thought that Christian [Successor] is now taking everything away from her and wonder how she handles all this".

Sophia (Non-Family Employee)

Moreover, role adjustments during and after the succession process is when several intangible conflicts are initiated due to the corresponding conflicting inner emotions. The reason for this conflict initiation is that incumbents face a significant life and role adjustment when they step away from their old roles and must take the passenger seat instead of the drivers' seat. Hence, during this role adjustment, many life modifications move where family members and the business need to adjust, leaving an intangible emotional trace with the decessor. This was portrayed in Philipp's words.

"It is the most difficult part when you have been a leader and powerful person all your life and now, you're going down the stairs. This requires lots of adjustments in your life and it can create lots of conflicts."

Philipp (Decessor)

Hence, intangible conflicts can be initiated by the predecessors inner emotional confusion of being proud and excited for the new generation to join the business, yet, feeling attached to the business or left aside and replaced.

In addition, intangible conflicts are initiated somewhere between family members, specifically successor and incumbents trying to find themselves within the new roles and yet to keep their connection together. Lara has clarified that saying:

"[...] the role adjustment conflicts of everyone was very visible."

Lara (Non-Family Employee)

Another dimension of emotional conflicts was being witnessed from the successors' side. Some successors tend to feel guilty when they take over their parents' position, they are emotionally connected to their parents, and this cannot be replaced by business leadership. The inseparable connection of role and life adjustment between taking parents' jobs and claiming their rightful position in the business initiate inner tension that mostly leads to intangible conflicts. Sophia has portrayed this:

"When he [successor] newly entered the company, I noticed that his head is not 100% in the fact that he took his parents' business. He [successor] knows that his father [decessor] is no longer sitting in front [...] that somehow doesn't make him feel comfortable".

Sophia (Non-Family Employee)

4.1.2 Tangible Conflicts

4.1.2.1 Business Decisions

When it comes to the tangible conflicts within the business, the majority of our respondents in the three companies agree that they have experienced elevated levels of those conflicts between different individuals in the firms. Tangible conflicts can be

initiated from the nature of the succession process itself. Most likely new successors come with fresh blood to the business strategy, which creates a chain of tangible conflicts, manifested in conflicts about business decisions or chores. Some tangible conflicts were described to be intense, while other conflicts were seen to be minor. Both family and non-family members claim that they experienced at least one tangible conflict between successor and decessor regarding business strategy adjustments. Katharina, a non-family employee, explained her experience with a tangible conflict during the Christmas season by stating an example:

"I'd also like to give an example that kind of stuck in my mind. It was about the Christmas cookies at Christmas time and in what type of package they will be sold this year and, in the future, whether there will be mixed packages and what size they should be then. And there they [Successor and Decessor] just disagreed and fought about it. So, the conflicts I witnessed were mostly about decisions that had to be made."

Katharina (Family Employee)

This example indicates that tangible conflicts are experienced on different levels as small business decisions and chores can be combined and pilled to lead to more significant tangible conflicts.

Generally, both the previous and the succeeding generation believe that strategy changes are necessary for the future of the business. However, they are conflictual in a very provoked manner as they bring lots of changes to the business operations that have been done for years. Despite this seemingly opposing attitude of succeeding and previous generation vis-à-vis their belief of the importance of implementing fresh blood and strategy changes, non-family employees tend to appreciate change and understand its importance and necessity. Lara has affirmed that change is linked with levels of difficulty of tangible conflicts.

"But the more fundamental changes were more difficult and more conflictual. But whether that was because of him [Successor] or simply because a fundamental change was necessary, is unclear."

Lara (Non- Family Employee)

Furthermore, it is worth mentioning that hitting the business suddenly with new business philosophies, strategies, or visions brings corresponding new risks to the business, provoking tangible conflicts. The perceived risks can be a potent initiator for tangible conflicts manifested in doubts of competencies between successor and decessor.

Decessor' and employees' suspensions about the new business directions come from the perceived radical deviations and the quick movement towards the new strategy. They believe that it can lead to tangible conflicts that affect the business performance. Lara has voiced out her observations and concerns regarding the fast shifting of business direction and how it could initiate tangible conflicts and affect the overall business performance.

"It is all about the point of radicality, how quickly the new philosophy was represented and in general how this reflects on the business performance and our daily tasks."

Lara (Non- Family Employee)

Hence, tangible conflicts seemed to be experienced when there is a clear difference in strategy between successor and incumbent about how a specific business strategy or business chore should be made or adjusted.

As explained above, new leadership comes with new business directions. New business directions bring lots of changes on board to help to implement and ensure the fresh blood injection into the business.

Another point highlighted during our research was that respondents described companies to improve since the successor took the business over. As successors bring new ways of doing business, however, the newness and the paradigm shifts are still held solely to be tangible conflict creators. The new business directions with the changes that follow afterwards can incentivize tangible conflicts. The valid reasoning behind this is that the business with its employees is used to a specific and proven-to-be-successful system. Hence changes can be provocative, overwhelming, too fast, or become too much to handle. This was the case when Christian was appointed as a new successor. He joined with some fundamental changes where both incumbents and employees felt overwhelmed, which provoked tangible conflicts. The provoked feelings and tangible conflicts are portrayed by Sophia, a non-family employee when she explained her experience with the change Christian introduced to the business:

"A lot has been changed since Christian entered the business and it was a bit too fast and a lot from all sides, it surely felt overwhelming"

Sophia (Non-Family Employee)

This shows that change does not only provoke new fresh blood, but it also provokes confusion alongside. Provoked tangible conflicts in the firm are also visible in the answers we received from other employees as it portrays their confusion and misalignment after the succession has happened. Isabel described her experience with the conflicts as chaotic and misaligned, as it was unclear whose boss orders to follow in conflictual situations.

"So, it was chaotic especially that you don't have the feeling, who are you working for now? Who is the contact person for which area and how that has turned out?"

Isabel (Non-Family Employee)

Across different interviewees, it has also been pointed out that one key element of intangible conflicts within their businesses was the fluctuating decisions and practices regarding business operations within their firms. Non-family employees were explicitly concerned about changes in their daily tasks. They mentioned the necessity of having a clear and steady attitude towards changes and decisions concerning their tasks. Isabel has explained her unsettling experience with changing tasks that mostly lead her to be involved or witness a provoked tangible conflict.

"Usually, it was super annoying because a decision was made and then it was revised again and again and then conflicts happened."

Isabel (Non-Family Employee)

In line with this, across our data collection, it was also connoted that family and non-family members are skeptical about change. Thus, this leads to evoked tangible conflicts because of changing approaches and directions within the business core functions. Indeed, it has to be noted that change sometimes can be perceived as uncertain and unnecessary, whereas its effect on tasks and business performance is, at that moment, undetermined. This uncertainty about change brings out lots of unanswered questions that

create ambiguity about the tasks and thus can lead to conflicts. As Lara explained her experience with change and tangible conflicts, saying:

"[...] and there's a lot of questions: How much can we do; how much can we dare? But also, how fast does it have to happen [the new business approach and direction]? And then one is simply trying to understand the issue of competence and distribution of tasks."

Lara (Non-Family Employee)

However, successors usually perceive change as a critical aspect even though it will evoke conflicts. As David explains, the difference between how the succeeding generation perceives change differently than the previous generations.

"[...] because change never goes down well, right? Especially with the old-established generations. They think like 'we've been doing it that way for 25 years. Why do we have to change anything now?'"

David (Decessor)

With the introduction of the successor, he or she is perceived as the one who comes to lead, build, and adapt new ideas into the business. Nevertheless, in dialogue with both family and non-family members, it was evident that the heated discussion about business operations and decisions between the different generations in the firm can lead to tangible conflicts on an overarching scale. The distinction that the successor aspires is believed to be steamed from their power and control over daily tasks as well as their far-fetched vision for the business. However, usually, the older generation tends to resist or contradict those intentions. As Sarah, the successor of company Gamma, highly emphasized, in her own words, the importance of taking full ownership of the future and dealing with the generation gap:

"So, I have to say I want it that way, because that's my future. Of course, it must please dad too, but he has to work much less with the whole future of the business. He sometimes gets annoyed by that, or he forgets that he is not in charge anymore. But it's my future. I would like to or even I have to stand behind it 100%."

Sarah (Successor)

From the incumbent's point of view regarding the generational gap, they perceive it as a provoked tangible conflict about competencies. The new business philosophy and directions introduced by the successor as well as associated changes in the business operations can be hard to get accepted by the previous generation, hence, can provoke intense discussions about management styles and visions. Moreover, the family business running system can be challenging to renovate, and hence incumbents can find it hard to consent to the new directions. Incumbents often relate the exclusion of their roles in the business with the new wave of changes. Hence, incumbents predict evoking tangible conflicts because of the generational gap created. Among other valid reasons, this can be a root cause for the incumbents' resistance to change. David has explained his view and experience with new business strategy and how his decision-making ability and involvement in the business has been affected as following:

"Because the way I made business decisions was not in line with my sons management and then, very quickly, he excluded me from my tasks and then everything was done differently."

David (Decessor)

Hence, another train of evoked tangible conflicts can be experienced because of the generational gap between the previous generation and the successor as they appealed to most likely differ in their vision and plans for the future of the business or the current business operations.

4.1.2.2   Multigenerational Adjustment

The battle of taking the upper hand as well as claiming leadership and authority has been chiefly the main driver for provoked tangible conflicts within our interviews. There is a certain level of chaos provoked along with tangible conflicts because of unclarified leadership and sudden new leadership positioning due to the succession. Moreover, the authority, the successor claims, can be a reason for tangible conflicts to arise. This also affects employees' daily jobs, and they reported that they sometimes fall between the authority and control dilemma and are torn between the old and the new boss. This chaos

is alleged to lead to elevated and evoked tangible conflicts and affects the business operations.

Katharina and Lara, respectively, explained their confusion with the tangible conflicts and the chaos that steamed because of ongoing trials of authority control from the successor and incumbent.

"And then it's just like that, when you're standing in between and one of them tells you A and the other tells you B [...] and if I do the task like this now, then I will be blamed by one of them saying "You know we don't do it like that". It's just hard to stand in between. For me and for other employees too."

Katharina (Non-Family Employee)

"So, the first couple of months where really confusing because it wasn't clear, who should I ask now? And it was very chaotic at the beginning, but in the meantime, it has cleared up well."

Lara (Non-Family Employee)

Moreover, Anja explained her view of the significant nature of tangible conflicts evoked by authority and leadership control and how her expectations from Christians leadership practices have changed in many ways. She explained that tangible conflicts were mainly initiated by the power moves from the successor and her urgent feelings to interfere with making sure the business is operating as usual.

"He [successor] said at the beginning that he really only wanted to collaborate, but at the same time was actually immediately after joining the business, acting as a boss and was probably not aware of many things in the business and its tasks, I had to interfere a lot."

Anja (Decessor)

Another revealed fascinating insight is believed to be that due to leadership shifting and power moves, businesses and their communication channels tend to be unclear and unstructured. Accordingly, Sophia states that change provokes loads of uncertainty and a lack of structure, leading to tangible conflicts. This resulted in a pile of pending tangible

conflicts and could thus provoke and intensify them. She also illustrated her experience of being caught in the middle between incumbent and successor without landing a proper position of the proposed change.

"For me it's often the case that there's a lack of structure somewhere and that tasks are unclear, sometimes I'm caught in between the one says A and the other says B. Well, yes, the point that it's unclear what ultimately who I'm authorized to give instructions to and how."

<div align="right">

Sophia (Non-Family Employee)

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Employees' experience with tangible conflicts when it comes to leadership fights is illustrated in the miscommunication practices between family and non-family employees, alongside with problems in the interaction between family members in the company that occur from time to time. This was clarified by Lara and Sophia's examples of tangible conflicts regarding claiming authority and leadership experience:

"And that's when it became very clear that she [decessor] said something, and he [successor] said something else and then it was just confusing."

<div align="right">

Lara (Non-Family Employee)

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"Simply to clarify this topic of communication in many points: what actually applies now? And agreements also in the direction of competencies in the sense of: "Who is responsible for what? Who should do what, who is allowed to do what? "Of course, this also applies to employees. What is necessary to communicate and what is not? Who communicates with whom?"

<div align="right">

Sophia (Non-Family Employee)

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4.2 Coping Mechanisms

We were able to analyze two different mechanisms of how tangible and intangible conflicts are coped with. The uncovered coping mechanisms are classified as either unconscious or conscious coping mechanisms. These two mechanisms differ in how actively solutions are applied to cope with the conflict. While unconscious coping mechanisms happen in a more incidentally manner, conscious coping mechanisms are

deliberately chosen, thoughtfully applied, and act as a reaction to the conflict. Within these conscious and unconscious coping mechanisms, we identified five major coping strategies from our data: *altruistic behavior, reliance, caving in, admission of fallibility*, and *time as evasion*.

We will explain the mechanisms chosen with corresponding and supporting quotes in the following. However, before doing so, the chapter will discuss the importance of coping mechanisms in succession and post-succession-related conflict situations. They show that everyone wants to continue to work on the company's existence, even if there are conflicts and even if they are painful and exhausting.

The following quote by the family-firm mediator shows the importance of having conflicts. Alexander refers to conflicts as energies that transform into something good in the long term and hence can be helpful in the future of a business. As Alexander explains, conflicts have to be perceived differently. Conflicts should be perceived as dynamics that push positive outcomes to the surface rather than only harmful disputes. However, he also explained that this positive outcome would only be visible when conflicts are well-managed and taken care of. As Alexander explained, managing conflicts and coping with them can guide the conflict to the right channel. It can bring a positive outcome to the surface and push the business forward rather than bringing them harming the business.

"But I always say I don't like to talk about conflicts, but about energies. And you simply have to manage these energies. You have to steer and guide and lead them."

Alexander (Mediator)

Aligning with Alexander's view of conflicts as energies, other interviewees agreed and highlighted that succession and post-succession-related conflicts never harmed the business. However, it harms in the long-term if conflicts are not taken care of. The following statements from Sarah and Stephan support this:

"What is counterproductive is not the conflict, but counterproductive is when one sits out the conflicts or does not get rid of them."

Sarah (Successor)

"You can't go through an entire period of operations only through conflicts, you can bear and endure conflicts for a certain time such as a succession period. But then again you have to either step-down or resolve."

<div align="right">

Stephan (Decessor)

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Additionally, to potentially harming the business side, including business development and business operations, Stephanie explained her eagerness to solve succession and post-succession-related conflicts as she believes that unresolved and unmanaged conflicts also harm the family side.

"That's why we also wanted to resolve the [succession] conflict, that neither the family business nor the family harmony would be disturbed by this."

<div align="right">

Stephanie (Decessor)

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Moreover, we found that unresolved conflicts are also harmful because, while remained unsolved, the conflicts pile up, intensify and in the end, they burst in an unexpected manner. Conflict avoidance is believed to be a failing mechanism, as our interviewee alleged it leads to conflict pilling-up and explosion. Isabel portrays this in the following quote:

"And then some things that might have been a very small conflict go in the wrong direction because someone is overtired or annoyed, and then it explodes unintentionally. They [decessor and successor] try to avoid the conflict and then that builds up. And then at some point the barrel comes to overflow."

<div align="right">

Isabel (Non-Family Employee)

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Confirming the importance of resolving and coping with conflicts, the following quote shows that conflicts can be postponed, but they do not have an expiration date, and the individual has to live through the conflict despite getting older.

"The emotional conflict whether it's at 67 or 68 or at 78 or at 80, the conflict, if you don't solve it or don't work it out, it always remains."

<div align="right">

Philipp (Decessor)

</div>

Going in line with past research, our interviewees agreed that communication is a significant factor when it comes to conflicts. Isabel states in the following quote that calm and beforehand communication would have prevented a conflict from out bursting.

"Perhaps the conflict would not have degenerated so much if they had simply talked about it calmly."

Isabel (Non-Family Employee)

Communication, however, does not only act as a prevention but also as a conflict initiator. A simple conversation can initially start to prevent a particular conflict. However, it can end to be the reason why a whole new conflict just started. Moreover, it cannot always be used as a management tool, especially when there is already an underlying tense mood.

"We try to communicate a lot, but communication is certainly the best thing, but it is also the most difficult and never easy and you know beforehand "Okay, this isn't going to be an easy discussion," but you have to address it somehow, because otherwise it just remains unspoken for a long time and ends up being even worse than originally planned."

Sarah (Successor)

What can also be seen is that managing conflicts in a wrong way will harm the business and the family and will not make the conflicts disappear but only prolong, worsen, and intensify them:

"Throughout the last few years, conflicts were very, very difficult because there was no conversation at all. Both of them [decessor and successor] were not willing to have conversations and that almost wore the situation [future of the business] down. Because the opinions are so different that it never came to a solution. That's why meetings always ended up in exhaustion and chaos."

Katharina (Non-Family Employee)

With that being said, managing conflicts has been proved throughout our data to be an essential aspect for the family business to succeed and move forward. Hence, and in

addition to past research on how family firms manage conflicts, our analysis has revealed the following mechanisms applied to cope with post-succession conflicts.

4.2.1 Unconscious Coping Mechanisms

4.2.1.1 Altruistic Behavior

Succession and Post-Succession Conflicts can be managed with altruistic behavior. By altruistic behavior, we mean taking a positive attitude of being unselfish, human, understanding, and accepting towards other family and non-family members despite the ongoing disputes. If conflict insiders cannot be thoughtful and forgiving and move past the conflict, then post-succession cooperation would not be possible. Anja, for example, explained the importance of forgiveness as an altruistic behavior that favors family ties over any other thing.

"[...] and blood is thicker than water, no matter what happens and that gives you the courage and the strength to go on and forget about whatever happened."

Anja (Decessor)

Moreover, as the daily business cannot be put on hold while fighting or solving a conflict, it is not even an option to be vindictive because the business operations have to continue. As Christian explained, communication and conflicts are always there. However, one has to move past them as quickly as possible and not leave a space for revenge so that the business can also move on.

"If I have chat with my mom 60 to 70% percent of the time, it ends in a conflict where somebody else would leave or be pissed, but it's important to get over this in a couple of seconds because you have to go back to work. So, the moment you enter back into the kitchen after the chat, you have to forget about it and that's ok otherwise, if you hold a grudge, you ruin the business."

Christian (Successor)

What can be seen from the above analysis is that conflicts are very much entangled in the daily business operations and have to be solved in the most efficient way possible. There is neither time nor space to be vindictive and take the conflict towards a personal level.

Hence, adapting an altruistic behavior is one way of coping with conflicts to solve them effectively.

4.2.1.2 Reliance

Our findings reveal another interesting unconscious coping mechanism used as a coping mechanism for succession and post-succession-related conflicts: reliance. By reliance, we mean any necessary foundation that help family members feel safe to rely on each other as reliance comes in very different forms. Trust and dependency are two forms of reliance as a base for family members to rely on each other.

Trust was highlighted in the example of Stephan as he trusted his daughter and her entrepreneurial gut feeling and future business direction. This mutual trust has helped the family business to cope with many arising conflicts during their succession process.

"In terms of how the business is doing and the future vision for the business, sometimes when we have conflicts or challenges, I just say I trust you guys so go for it. I'm happy not to have to worry about it."

Stephan (Decessor)

Transparency has also been revealed to be a base for reliance. Transparency is alleged to be equally important for family and non-family members to establish trust. Daniel further explains his opinion that reliance can be gained through transparency.

"[...] and transparency, of course. We are only a small company with a handful of employees and a lot of things are done verbally and being transparent establishes trust."

Daniel (Decessor)

Nevertheless, reliance not only plays an entangled role with trust but also plays a role in managing the business operations. Individuals, both family, and non-family members have to rely on the reliability of the other person. Leaving the tasks' stick in someone's hand, even when the operation details are clearly communicated, requires much reliability. This has been illustrated by Daniel as following:

"You always have to communicate in the evening beforehand, without agreements nothing works in general and that was a good learning model and I have always done that with my children, that you agree and stick to the agreements."

<div align="right">

Daniel (Decessor)

</div>

Moreover, reliance is not only a one-way street but also during phases of change, a business and its employees must be taken into consideration. Isabel portrays her feelings towards a conflicting situation in the following quote. Interestingly, she states that although conflicts were apparent, the bond of trust between the newly formed management team is still there.

"Although there were conflicts, I know they still had it under control they're really on top of everything. That's always been the case and that's always giving support. But you can tell when everything's not okay, you can't hide that, but you can still see a lot of trust at the management level."

<div align="right">

Isabel (Non-Family Employee)

</div>

Additionally, Philipp shows that full confidence has to be shown although the old generation might find it hard to watch the new generation who potentially repeats mistakes.

"I always see what he is doing, and I have my opinion about it, but I don't have to know everything anymore, but I had to learn that. The company leader, so the successor then has to make their own mistakes, although you can already spot when you look at it, this will go wrong but still you cannot say anything about it."

<div align="right">

Philipp (Decessor)

</div>

However, Alexander states that trust from the decessor towards the future of the business, and hence the next generation, has to be naturally given if he believes on the way of upbringing of his children. Alexander explains this by comparing it to situations where parental instincts were needed and given.

"But I always tell my clients, if you haven't done quite so much wrong in the upbringing and development of your children, then they are, let's say, they are heading in the right direction. So, and then, then you have to trust. So, I ask them: when your child walked to school by themselves for the first time you were scared but you trusted your instincts and your child, and this trust must be present throughout life and especially when handing over a business and stepping down."

<div align="right">

Alexander (Mediator)

</div>

4.2.2 Conscious Coping Mechanisms

4.2.2.1 Caving In

Another coping mechanism applied in dealing with succession and post-succession conflicts falls under the umbrella term of caving in. By caving in, we mean the behavior of stepping back or compromising for the sake of a benefit of both the family and the business. The following example is a valid representation of its importance because both conflict insiders know that someone has to cave in and step back or find a compromise. However, finding a compromise is not always possible and requires much effort, especially when it comes to the future of the business. Hence, one of the conflict insiders has to back down and cave in to allow more space for the other to lead with the decision or the conflictual matter. The following scenario looked at from both conflict insiders' perspectives, will illustrate the mechanism of caving in.

"And sometimes it's a bit difficult, because he says okay, but he would like to invest in for example a new tractor, because he would like it so much. But Niklas [my brother] and I question the need of it and because it is our future and for that we don't necessarily need it. And then it's sometimes difficult. But he [my dad] says "Yes, but he has worked the whole time so that he can afford it now", where it is sometimes like that, sometimes you say "Okay, you do it now so that he is happy", although you say I would have rather put the money into something else. So, it's really that you have to compromise or sometimes it's even more about compromising with yourself."

<div align="right">

Sarah (Successor)

</div>

"It's quite important in teamwork that you can't do individual escapades or individual walks. I'm saying on a larger scale I can just say I'm going to order a new tractor or a new barrel, but you always have to do it as a team. That is important."

<div align="center">

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As the above quote shows, successors constantly have to evaluate and outweigh decisions that eventually would not satisfy the previous generation. However, successors are also required to evaluate the cost of their caving in and comprising a particular matter on the future of the business. On the other side of the coin, the above example revealed how incumbents should understand the importance of their slight adjustment and acceptance to stand down on some issues related to the business's future. With the high acceptance and willingness to step back and cave in from either successor or incumbent, conflicts can be undoubtedly copped with.

Furthermore, refusing to cave in can result in an unpleasant outcome. This is illustrated by Alexander, the Family Firm Mediator, as he sees a reason for failed conflict management in narrow-mindedness as well as being reluctant to caving in.

"[...] and to have an open ear, to weigh the points of view against each other. Yes, and then, as a rule, a common denominator is found. Yes, so if one or the other wants to go through the wall with his or her head, then it [making decisions and solving problems] will definitely fail."

Alexander (Mediator)

4.2.2.2   Admission of Fallibility

Another identified coping mechanism for dealing with succession and post-succession conflicts is the admission of fallibility. By the admission of fallibility, we mean the process of self-reflection and realizations of 'There was a mistake', or 'I made a misstep', and hence as a next step is that 'I' have to act accordingly and apologize for it. With that being said, and with the fact that during and after successions, conflicts can be tense, and arguments can intensify, leading individuals to say things or act in a way they might regret later, admission of fallibility has revealed to be a critical conscious coping mechanism to cope with those conflicts.

Daniel, in the following quote, portrays the importance of admission of fallibility as a coping mechanism.

"We also want it to work and then one or the other has to get off their horse or realize their mistake or whatever went wrong."

Daniel (Decessor)

Although our interviewees were clear about the importance of admission of fallibility, they were also realistic and honest about its visibility. In a conflictual environment and during intense succession and post-succession processes, admission of fallibility can be perceived as giving up or losing. In this way, admission of fallibility can be tough to apply and requires high levels of courage and self-control. Daniel and Sven's words highlight how admitting a mistake and admitting fallibility can be difficult and takes courage.

"So, of course, sometimes you have to jump over your shadow, and I also sometimes say: "Yesterday I was out of line, and I got it wrong. I didn't mean it that way. We'll start again from the beginning." So, nobody's perfect. Even if you're older or have some maturity, you have to be able to stand by your own mistakes."

Daniel (Decessor)

"I've always been a very collegial guy, I can be tough as nails, but I'm not infallible. Yeah, that's my advantage. So, I'm not unfair and I can also take a step back sometimes and say stop, stop, I am Sorry, I overshot the mark."

Sven (Successor)

With that being said, admitting mistakes and taking responsibility for fallibility is a good way to help the individual cope with and solve their succession and post-succession conflicts.

4.2.2.3 Time as Evasion

While time seems counterproductive in solving or coping with a conflict, it was frequently stated as an effective and consciously applied coping mechanism. The reason for time being a good coping mechanism for ongoing conflicts goes back to the intertwinement of family and business. Taking time off, rethinking, and running away from conflicting situations has been mentioned across different interviewees as their go-to way during succession and post-succession-related conflicts. The individuals are aware of the worst

outcome of the conflicts and hence know how much is at stake, precisely the survival of a business and the survival of the family harmony. Therefore, giving each other some personal space and time can take the fire out of the conflict.

Daniel and Philipp shared their coping mechanism of off-putting the conflict fire from burning all their cards.

"Before it escalates then we say, we stop now, sleep over it or over the weekend and talk again next week."

Daniel (Decessor)

"Conflicts are necessary and it's important that you take your time and allow time for these conflicts to be worked on and to reflect on the situation and listen to your thoughts."

Philipp (Decessor)

Moreover, taking time off can be perceived as coping with the ongoing conflict and healing from the intensity of the aftermath of the conflict. Anja even refers to the time as an evasion conflict coping strategy as a healing procedure.

"We actually heal conflicts with time and sometimes with just not talking to each other. Sometimes that helps more than talking the situation to death."

Anja (Decessor)

In the following quote, Katharina portrays a situation where the decessor and successor actively avoid the conflict. Although it seems inefficient and unrelatable for Katharina, as a conflict outsider, not to solve or discuss a conflict right away, evading the situation seems to work for the conflict insiders.

"I mean both [successor and decessor] are just stubborn and it's always been the case that as soon as conflicts approached one of them turned around, took the bike and left. I would do it differently if it was my father. But I have never worked with my father in this way and intensity".

Katharina (Family Employee)

4.3   Introduction Model: Succession and Post-Succession Conflict Loop

Succession and Post-Succession Conflict Loop

Figure 5 Succession and Post-Succession Conflict Loop
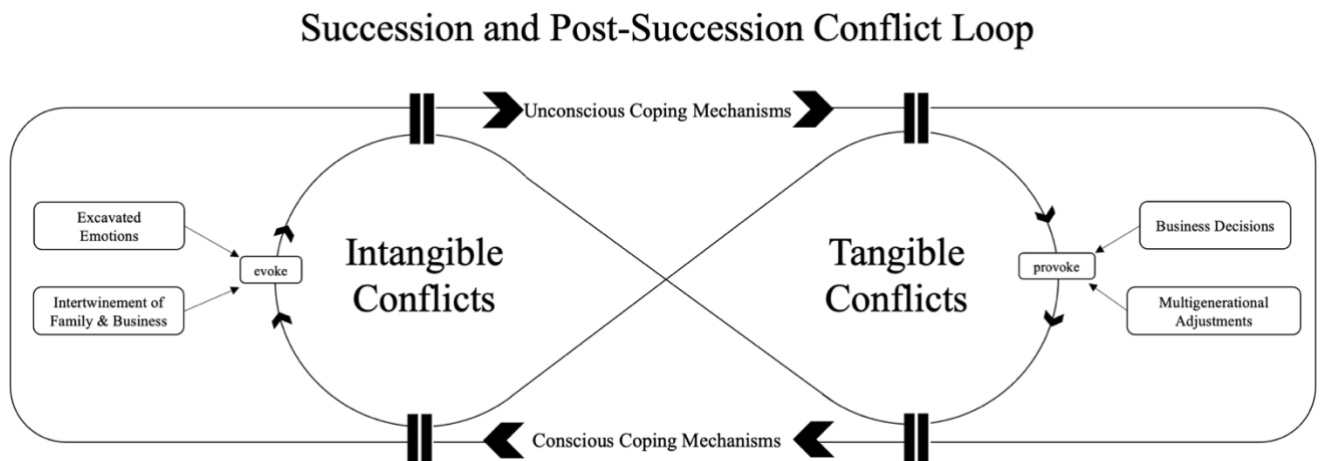
The illustrated model tries to explain the tangibility, intertwining, and ongoing loop-running nature of succession and post-succession conflicts. The model portrays the important finding that succession and post-succession conflicts do not come out of anywhere but are either provoked or evoked by other factors. Moreover, and as illustrated in the model, excavated emotions and the intertwining nature of family and business can, under certain circumstances, evoke intangible conflicts in succession and post-succession contexts. Similarly, business decisions and the multigenerational adjustments that both family members and the business must undergo can powerfully provoke tangible conflicts. With that being said, and as illustrated in the model, succession and post-succession conflicts, either tangible or intangible, most likely run in a loop, and once a conflict starts, it ends with another conflict. This means that either tangible or intangible conflicts can trigger a train of followed conflicts, and it can end up in an uninterrupted conflict loop. Moreover, the conflict loop can be interrupted but not escaped, such as with the previously analyzed coping mechanisms. Additionally, the model shows that conflicts can be coped with and managed through conscious and unconscious mechanisms. We found that family members try to apply conscious and unconscious coping mechanisms as they try to discontinue the conflict loop and cope with evoked tangible and provoked intangible conflicts.

The following statement by decessor Anja is chosen to conclude the analysis and our findings section, as it sums up our findings and model. Moreover, the quote shows once

again that conflicts are somewhat accepted and belong to succession and post-succession scenarios.

"[...] and in retrospect, you really noticed that everything including conflicts, was actually good but only in retrospect. It feels like the never-ending conflicts and frictions are just part of the family firm and succession package but they also kind of make us successful in a weird way. If we wouldn't have fought about it, a lot wouldn't have been done and that would be a pity for the future of the business."

Anja (Decessor)

5 Discussion

The purpose of the last chapter is to discuss the empirical data. This is done by presenting the theoretical implications and managerial implications. Subsequently, the general limitations of the study will be outlined as well, as avenues for interesting future research will be presented.

5.1 Theoretical Implications

There has been a broad range of research in the area of family firms, successions, and conflicts. Nevertheless, and to our best knowledge, previous research has never combined the topics of succession and post-succession conflicts in multigenerational operating family firms. Hence, this paper continues the road of previous literature within conflicts, family firms, and successions while looking at it from a different context and various perspectives.

Previous researchers have claimed that succession-related conflicts are important, critical but difficult conflicts for family businesses (Brun de Pontet et al., 2007; Le Breton–Miller et al., 2004). Moreover, scholars within the field of family business conflicts have classified conflicts in their erstwhile literature as task, relationship, and process conflicts (Jehn, 2014; Jehn & Mannix, 2001; 1995; Jehn & Bendersky, 2003). Additionally, several past research identified the nature of the relationships in family firms to be delicate, which is why some implication can spill over their business operations and create conflicts (Kellermanns & Eddleston, 2004). Following the literature mentioned above and the scholars' rationale, this thesis has succeeded in mapping out the different roots of succession and post-succession conflicts under the two wider umbrellas as intangible and

intangible conflicts. Our thesis found that the two different roots of conflicts lead to a different conflict experience. While tangible conflicts are perceived as provoked, intangible conflicts are experienced as evoked. This finding contributes to existing theory, as it does not only show the root causes or types of conflict but displays how they are experienced.

According to Qiu and Freel (2020), who reviewed the available literature on the management of conflicts in family firms, there is a lack of research that examines conflict coping mechanisms in combination with the conflict itself. With the proposed framework, we display how conflicts and their corresponding coping mechanisms can be linked and how they interact. We found that conflicts in succession and post-succession contexts run in loops, although they have different conflict roots. However, it is difficult to escape the loop of conflicts, and the analyzed coping mechanisms are only strategies to interrupt the loop. This is an important finding, as it shows that successions and post-succession settings offer fertile soil for conflicts that can hardly be escaped.

In addition, previous research clustered conflict coping mechanisms into the three categories of *either-or*, *both-and* as well as *more-than* (Qiu & Freel, 2020). We extend this theory with our findings of coping mechanisms and clustered them as unconscious and conscious. This is relevant because it shows that there are coping mechanisms that are carefully and deliberately chosen. However, there are also conflict coping mechanisms that are unconsciously applied.

Furthermore, this study found that succession and post-succession conflicts do not necessarily damage the business. This goes in line with past researchers who found that not all conflicts harm a family firm, and some conflicts even bring positive outcomes (Kellermanns & Eddleston, 2004). However, we can add to this with our findings and show that succession and post-succession-related conflicts are even perceived as something expected and natural. Hence, there is mental preparation for them.

Thus, this thesis confirms previous literature on conflicts and family firms and extends it by demonstrating the interaction of conflicts and their coping mechanisms, examining various perspectives, and adding a new context on the experience of conflicts and their applied coping mechanisms to existing literature.

5.2 Managerial Implications

This paper aspired to enhance the understanding of succession and post-succession conflicts of family firms. The results and findings of this study contribute to practitioners in the following ways.

Although past research has already shed light on the various types of conflicts, family firms can experience (Davis & Harveston, 1999; Fahed-Sreih, 2018; Großmann & Schlippe, 2015), the results of this study go one step further and show how the different conflicts are experienced from different perspectives. This is an important finding because it helps conflict insiders more clearly understand their own experiences with conflicts and conflict outsiders, such as mediators or employees, to more thoroughly understand what the conflict insiders experience. Moreover, as multigenerational operating family firms offer fertile soil for conflicts, this study's outcome and insights might help practitioners prepare for their upcoming succession and post-succession stage and maybe even prevent the corresponding conflicts portrayed in this study.

In the present research, we also found different coping mechanisms that can be applied to overcome and manage the occurrence of succession and post-succession conflicts. This is important because family firm members can apply the different coping mechanisms and see if they help them solve their conflicts. Moreover, practitioners might carefully reflect on their coping mechanisms and use them more strategically and consciously during the subsequent dispute, in the future.

The last implication practitioners can take from this study is that conflicts are normal and part of the process. Hence, they should be expected and worked with, but they should not be a deterrent, and with suitable coping mechanisms and strategies, they can even lead to positive outcomes.

5.3 Limitations

Additionally, to the beforehand mentioned methodological limitations, the presents study also has general limitations, and they will be outlined in the following. However, the limitations also open up new and exciting future research areas, which will be stated in the chapter afterwards.

The first limitation is based on the location of the family firms we examined for this research. All participants of this study work or are a part of family firms which is based in Germany. However, as individuals with a different cultural background or family firms

located in a different country might experience and cope with conflicts differently, the outcome of this study might not apply to them.

Moreover, as successions cannot be pinpointed to one specific point in time but are timely, longitudinal processes and phenomena, the second limitation is that some of the data gathered are based on the reflection of experiences, as we asked the participants to, amongst others, reflect on their previously experienced conflicts. Hence, there might be concerns about biased or falsified answers and it cannot be guaranteed that the gathered data includes experiences that happened before the succession and post-succession period.

Additionally, due to the scope of this paper, we only looked at intrafamily successions. However, as there are also other types of family firm successions, this might limit the generalization of the study results.

5.4   Future Research

In the course of our research and based on the empirical findings and the limitations, we found interesting new avenues for potential future research projects.

Firstly, deriving from one of the study's limitations, as the data was collected from a retrospective perspective, we would suggest future research that collects data in real-time, for example, with a longitudinal study that accompanies the participants over a more extended period of time. One interesting research topic, within that context, could be to examine the developing process of the identified conflicts and their conflict coping strategies.

Moreover, and also in a longitudinal research manner, we recommend further examining the effectiveness of the applied conflict coping mechanisms that past researchers such as Alderson (2015) as well as this study found.

Another avenue for future qualitative research would be to explore how the identified conflict-coping mechanisms presented in this paper can be used with the most successful outcome. This goes in line with further exploring the best possible combination of conflict coping mechanisms with the corresponding conflict type and conflict root. Deriving from one of our limitations, this could be done by looking at different countries that allow to examine different cultural backgrounds.

Additionally, as the present study found a certain degree of conflict-assumptions of involved individuals of a succession process, it would be interesting to dig deeper into

this topic and explore conflict expectations towards succession processes as well as their expected conflict aftermaths. Doing this in a longitudinal study would shed light on how expectations differentiate or are similar to reality.

Moreover, as this research looked at succession and post-succession conflicts of multigenerational operated family firms, another avenue for future researchers would be to look at the post-succession conflicts family firms experience, where the previous generation leaves the company after the transition has happened. Here, it might be interesting to focus on the excavated emotions, especially from the generation that handed the business over.

Furthermore, as this study solely focused on intrafamily successions, we suggest further research that looks at different types of successions and their corresponding conflicts and succession aftermaths, maybe with a comparative research methodology.

Lastly, as this study included different perspectives of conflict insiders and conflict outsiders, it did not focus on a specific perspective. Hence, future research could pick one specific perspective and qualitatively examine their thoughts towards experiencing conflicts. Such as from a Non-Family Employee perspective solely.

6 Conclusion

The purpose of this final chapter is to conclude the insights we gained throughout this research. Moreover, this last chapter summarizes the main points derived from our presented study as well as how our posed research questions can be answered.

The purpose of our study was to explore how succession and post-succession conflicts are experienced in the context in which both old and new generations are still involved in the business operations and how to cope with those conflicts. To fulfil this purpose, two research questions were posed and answered across the course of our research:

Research Question 1: *How are succession and post-succession conflicts experienced in multigenerational operating family firms?*

To answer our first research question, our empirical data illustrated that succession and post-succession conflicts are deemed to be twofold and experienced as tangible and intangible conflicts. Moreover, our empirical findings also indicated that tangible and intangible succession and post-succession conflicts can be evoked or provoked depending

on different aspects and underlined reasons. Those influencing aspects determined in this research deemed to be best explained by influences such as excavated emotions, the intertwining nature of the family business, business decisions, and multigenerational adjustments applied during post succession.

Research Question 2: *How do multigenerational operating family firms cope with succession and post-succession conflicts?*

To answer our second research question, our empirical findings reveal that succession and post-succession conflicts can be coped with through two sets of coping mechanisms. Those coping mechanisms deem to be twofold as conscious and unconscious coping mechanisms. Adapting altruistic behaviour besides having some characteristics that build strong reliance ties between family members are deemed to be folded under the umbrella of unconscious coping mechanisms. Meanwhile, conscious coping mechanisms fold other techniques such as caving in, admission of fallibility, and taking time as evasion.

Previous researchers already dived deep into conflict management, what we uniquely found in our analysis is that disputes between family members from different generations manifest as a loop of disputes. This loop is not necessarily from one type of conflict, but a rather unpredicted chain of conflicts follows each other. Hence, our model portrayed strategies for dealing with a disagreement can be useful to escape the conflict loop.

With that being said, we believe our analysis has answered our previously posed research questions and fulfilled our research purpose of exploring succession and post-succession conflicts in the context of multigenerational family firms.

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8 Appendix

8.1 Appendix A: Integrative Model for Successful FOB Successions (Le Breton–Miller et al., 2004)
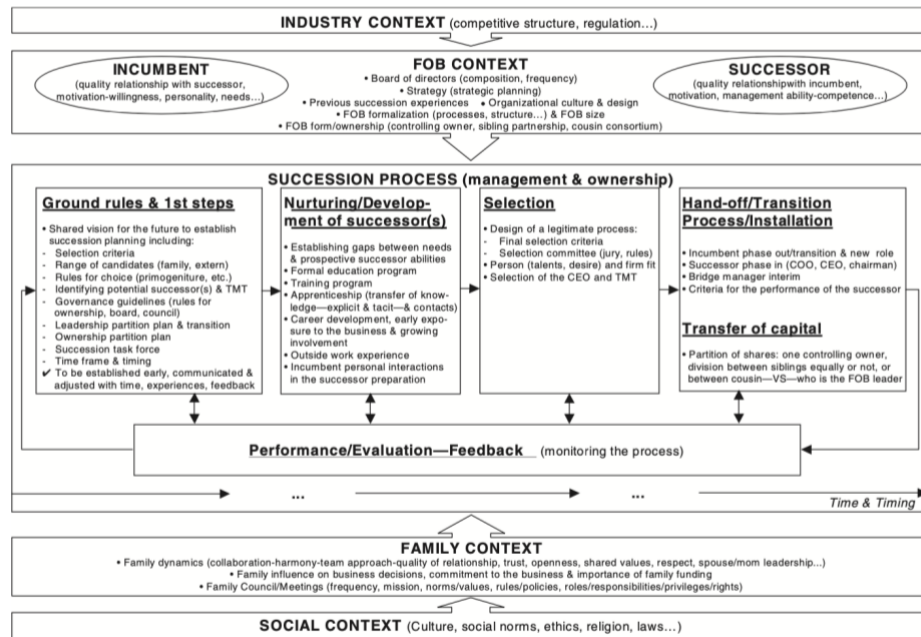
8.2 Appendix B: Interview Guide with Example Interview Questions (English)

1. General Information and Introduction

2. Opening Questions and Work-Relation to the Company

Are you a family member of the family business you work with?
How long have you been working for the family business?
How did you start and when?
Do you remember why you decided to join the family business?
Could you please describe your specific current role in the family business
What kind of different roles and positions have you held in the past up to present?

3. Questions related to the succession procedure

What was your role during the succession period?
How have you experienced the succession period?

Based on your experience, what went good in the succession process?
Based on your experience what went bad in the succession process?

4. Questions related to conflicts during and since the succession procedure

Have you experienced challenges during and since the succession period?
In case yes, have you experienced any of these challenges become conflicts? • Who was involved in the conflict? • What was the conflict about? • When did the conflict occur (what stage of the succession process)? • What do you think was the root-cause for the conflict? • How did the main actor of the conflict interact? • How have you experienced these conflicts?
Have you been involved in any conflict during and since the succession period? In case yes: • Besides you, who was involved in the conflict? • What was the conflict about? • When did the conflict occur (what stage of the succession process)? • What do you think was the root-cause for the conflict? • How did the main actor of the conflict interact? • How have you experienced the conflict?

5. Questions related to reflection on the outcome and handling of conflicts

Has the conflict been managed? If yes, how?
In your opinion, what was the outcome of managing / not managing the conflict?
Based on your experience what conflicts could have been avoided?
Reflecting on it now, what is the outcome of the conflicts?
Have the conflicts harmed the succession procedure or the business?
Have the conflicts helped the succession procedure or the business?
Is there anything you would've done differently?
Do you have any questions? Is there anything you want to add?

6. Demographic Questions

Where are you from?
How old are you?
Gender?

8.3 Appendix C: Interview Guide with Example Interview Questions (German)

1. Allgemeine Informationen und Einleitung

2. Eröffnungsfragen und Arbeitsbezug zum Unternehmen

Sind Sie ein Familienmitglied des Familienunternehmens, mit dem Sie arbeiten?
Wie lange arbeiten Sie schon für das Familienunternehmen?
Wie haben Sie angefangen und wann?
Erinnern Sie sich, warum Sie sich entschieden haben, in das Familienunternehmen einzusteigen?
Könnten Sie bitte Ihre spezifische aktuelle Rolle im Familienunternehmen beschreiben
Welche verschiedenen Rollen und Positionen haben Sie in der Vergangenheit bis heute in den Unternehmen besetzt?

3. Fragen im Zusammenhang mit dem Nachfolgeverfahren

Was war Ihre Rolle während der Nachfolgeregelung?
Wie haben Sie die Nachfolgeregelung erlebt?
Basierend auf Ihrer Erfahrung, was lief gut im Nachfolgeprozess?
Basierend auf Ihrer Erfahrung, was ist im Nachfolgeprozess schlecht gelaufen?

4. Fragen im Zusammenhang mit Konflikten während des Nachfolgeverfahrens

Haben Sie während oder seit der Nachfolgezeit Herausforderungen erlebt?
Falls ja, haben Sie eine dieser Herausforderungen als Konflikt erlebt?   - Wer war an dem Konflikt beteiligt?   - Worum ging es in dem Konflikt?   - Wann ist der Konflikt aufgetreten (in welcher Phase des Nachfolgeprozesses)?   - Was waren Ihrer Meinung nach Ursachen für Konflikte?   - Wie haben sich die Hauptakteure des Konflikts verhalten?

• Wie haben Sie diese Konflikte erlebt?

Waren Sie während oder seit der Nachfolgezeit in einen Konflikt verwickelt?   Für den Fall, dass ja: • Wer war außer Ihnen an dem Konflikt beteiligt?   • Worum ging es in dem Konflikt?   • Wann ist der Konflikt aufgetreten (in welcher Phase des Nachfolgeprozesses)?   • Was war Ihrer Meinung nach die Ursache für den Konflikt?   • Wie haben die Hauptakteure des Konflikts interagiert?   • Wie haben Sie den Konflikt erlebt?

5.   Fragen im Zusammenhang mit der Reflexion über das Ergebnis und den Umgang mit Konflikten

Wurde der Konflikt bewältigt? Wenn ja, wie?
Was war Ihrer Meinung nach, das Ergebnis des Managements / Nicht-Managements des Konflikts?
Welche Konflikte hätten aus Ihrer Erfahrung heraus vermieden werden können?
Wenn Sie jetzt darüber nachdenken, was ist das Ergebnis der Konflikte?
Haben die Konflikte dem Nachfolgeverfahren oder dem Unternehmen positive Effekte gebracht?
Haben die Konflikte dem Nachfolgeverfahren oder dem Unternehmen geschadet?
Gibt es etwas, das Sie anders gemacht hätten?
Haben Sie noch Fragen? Gibt es etwas, das Sie hinzufügen möchten?

6. Demographische Fragen

Woher kommen Sie?
Wie alt sind Sie?
Geschlecht?

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GDPR Thesis Study Consent Form

GDPR Consent for being interviewed

With my signature, I confirm that I am participating in an interview for a master's thesis and agree to JIBS handling my personal data in accordance with the applicable data protection laws.

I have been informed verbally and in writing by the undersigned interviewer about the aims, the procedure of the study, the effects to be expected, possible advantages and disadvantages as well as possible risks. My questions in connection with participation in this study have been answered satisfactorily and I am receiving a copy of this consent form.

My questions in connection with participation in this study have been answered satisfactorily and I will receive a copy of this informed consent form.

I have had sufficient time to make the decision to participate in the study or I have actively volunteered to participate in the study.

I understand that my personal data may be stored in anonymized/pseudonymized form and I consent to an audio recording of the interview. The researchers may use my age, gender, role in the company, and number of years of business involvement, in their study for research purposes.

I consent to Marie Klein & Lamiaa Bakry having access to the interview data and I understand that I may request that the data be deleted at any time.

I am participating in this study voluntarily. I do not feel urged to do so, nor would non-participation have any negative impact on me in any way. I may withdraw my consent to participate at any time and without giving reasons without incurring any disadvantages.

In the event of a risk to my physical or mental health, the study director may exclude me from the study.

_____   _____   _____

Name of participant [IN CAPITALS]   Signature   Date

Thesis contact details for further information
Marie Klein : klma18wv@student.ju.se
Lamiaa Bakry: bala19cw@student.ju.se

8.5 Appendix E: GDPR Thesis Study Consent Form (German)

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Einwilligunserklärung

Für ein Interview im Rahmen einer Masterarbeit

Mit meiner Unterschrift bestätige ich, dass ich an einem Interview für eine Masterarbeit teilnehme und damit einverstanden bin, dass JIBS meine persönlichen Daten gemäß den geltenden Datenschutzgesetzen behandelt.

Ich wurde von dem unterzeichnenden Interviewer mündlich und schriftlich über die Ziele, den Ablauf der Studie, die zu erwartenden Effekte, mögliche Vor- und Nachteile sowie mögliche Risiken aufgeklärt. Meine Fragen im Zusammenhang mit der Teilnahme an dieser Studie wurden zufriedenstellend beantwortet und ich erhalte eine Kopie dieser Einverständniserklärung.

Ich hatte ausreichend Zeit, um die Entscheidung zur Teilnahme an der Studie zu treffen oder ich habe mich aktiv zur Teilnahme an der Studie bereit erklärt.

Mir ist bekannt, dass meine persönlichen Daten in anonymisierter/pseudonymisierter Form gespeichert werden können und ich bin mit einer Tonaufzeichnung des Interviews einverstanden. Die Forscher dürfen mein Alter, mein Geschlecht, meine Rolle in der Firma und die Anzahl der Jahre meiner Betriebszugehörigkeit in ihrer Studie zu Forschungszwecken verwenden.

Ich bin damit einverstanden, dass Marie Klein & Lamiaa Bakry Zugriff auf die Interviewdaten haben und ich weiß, dass ich jederzeit die Löschung der Daten verlangen kann.

Ich nehme an dieser Studie freiwillig teil. Ich fühle mich weder dazu gedrängt, noch hätte eine Nichtteilnahme in irgendeiner Weise negative Auswirkungen auf mich. Ich kann meine Einwilligung zur Teilnahme jederzeit und ohne Angabe von Gründen zurückziehen, ohne dass mir dadurch Nachteile entstehen.

Im Falle einer Gefährdung meiner körperlichen oder geistigen Gesundheit kann mich der Studienleiter von der Studie ausschließen.

_____ _____ _____

Name des Teilnehmers (in Großbuchstaben)   Unterschrift   Datum

Kontaktdaten für weitere Informationen

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Lamiaa Bakry: bala19cw@student.ju.se