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SUCCESSION IN FAMILY BUSINESSES: CULTURAL VARIATIONS AND IMPLICATIONS

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ABSTRACT

Purpose: *This study investigates the impact of cultural factors on succession planning practices in family businesses, addressing the need for a deeper understanding of how cultural differences influence leadership transition.* ***Objective****: The objective is to conduct a cross-cultural comparison of succession planning practices in family businesses, exploring how cultural values and norms shape succession decisions and processes.* ***Methodology****: A qualitative research approach was employed, involving in-depth interviews with family business owners and successors from diverse cultural backgrounds. The study analyzed case studies from multiple countries to identify cultural-specific succession planning practices and challenges.* ***Findings:*** *The study reveals that cultural influences significantly impact succession planning practices in family businesses. Key findings indicate that cultural values such as collectivism, individualism, and power distance shape succession decisions, and that cultural intelligence is crucial for navigating succession planning challenges.* ***Originality:*** *This research contributes to the family business literature by providing new insights into the role of culture in shaping succession planning practices. The cross-cultural comparison offers a nuanced understanding of the complexities involved in transferring leadership across cultures.* ***Implications:*** *The study's findings have implications for family business owners, successors, and advisors, highlighting the need for culturally sensitive succession planning approaches. The research also informs policymakers and educators about the importance of cultural awareness in family business succession.* ***Recommendations****: The study recommends that family businesses develop succession planning strategies that account for cultural differences and nuances. It also suggests that educators incorporate cultural intelligence into family business curricula to prepare future leaders for the challenges of cross-cultural succession planning. Future research directions include exploring the impact of globalization on succession planning practices in family businesses.*

Keywords: ***Cultural dimensions, Family Dynamics, Succession Planning, Family Business, Cross-cultural Comparison***

Introduction

Family business culture is heavily shaped by the values of the founder and is often maintained across generations. These values, which can include economic goals like profit or growth, or more personal values like enjoying work, play a crucial role in the business's success and longevity. A strong, shared culture can foster loyalty among employees and provide a competitive advantage. Family businesses are known for their strong, distinctive cultures; cultures that are often heavily influenced by the vision, style and values of the founder and carefully maintained through the generations. These cultures bind employees to a common cause and foster loyal and stable workforces. If managed well, a strong culture can prove to be a major competitive advantage for a family business seeking to attract and retain the best talent in order to achieve sustainable long-term goals. In an ever-changing business environment where digital transformation and business model disruption is inescapable, every family business must examine whether its culture is fit for purpose. The good news is that company culture can be measured and actively managed, enabling leaders to grasp new opportunities and take their organizations along with them.

Spencer Stuart, (2020), has been advising family businesses on their leadership and talent needs since its founding more than six decades ago. Now more than ever we see culture as a differentiator in the businesses we work with. But as family businesses grow, embark on a new strategic direction or respond to the many external forces of change, they must invest in both understanding and managing their culture. It is a mistake to believe that culture should be fixed and unchanging. A business with an entrenched culture is vulnerable when the ground starts shifting around it.

Family businesses are generally very good at articulating their purpose. Purpose is an increasingly critical factor in attracting and retaining talent; it defines what the business is doing to improve the lives of others, how its products or services benefit the community or society at large. Purpose infuses day-to-day work with greater meaning; it resolves to convert effort into something that transcends the pursuit of profit and acknowledges the interests of stakeholders.

You must ensure that you are developing what the organization stands for and how the organization is going to live up to its vision and values. Values are the glue that binds the family, the business and its employees. They usually reflect the founder's philosophy and act as a guide to "the way we do business". Sometimes they are enshrined in statements of 'core values' that are frequently referred to in company communications and that underpin day-to-day decision-making. "Our values go back almost 20 years and still define our business," says Torben Østergaard-Nielsen, CEO of United Shipping and Trading Company (USTC). "We don't employ people who cannot identify with our values." (Sharma, 2004; Salganicoff, 1990)

Culture and leadership are inextricably linked, so select and develop leaders who support the culture you want. We don't employ people who cannot identify with our values. Despite its influence on business performance, culture is notoriously difficult to manage because the underlying drivers are usually hidden. Truly understanding the culture and diagnosing the elements of the culture that do or do not support the strategic priorities of the family business can unlock its full potential.

An important part of shifting culture in a certain direction is leadership selection, since the senior leadership team tends to have a disproportionate influence on the culture. If strategic or cultural change is on the agenda, family businesses can hire and promote leaders who will serve as catalysts for change. These leaders should possess the style preferences of the ideal target culture, but also have the influencing skills to model the right behaviours and bring along others in the organization. Bringing in a change agent from outside can be particularly difficult in a family business unless that person has the full backing of the owners who are, themselves, willing to model any desired changes in behaviour.

You must have a culture that enables people, making sure that they are at their best. The most effective culture change leaders are credible in the current culture but also able to help push the culture in the desired direction. As Bejjani says: "Breaking entrenched practices and challenging 'the way things are always done' can require fresh eyes or a new perspective. Bringing about this shift means not simply on boarding new people, but identifying the organizational culture that will drive your company's success and seeking the talent that reflects those aspirations to become an agent of the change you want to see." Recruiting people into a family business always carries a risk, particularly at senior management level. Our research shows that in around 70% of cases where executive hires do not work out, cultural factors are involved. When bringing someone into the business, it helps to have a clear definition of the existing culture and to be able to articulate the desired culture if change is needed. Only then is it possible to assess an individual to determine their potential cultural impact on the organization. The culture framework developed by Spencer Stuart directly connects individuals to the culture by using the same language to describe both organizational culture and the personal styles of individual.

Diagnosing Culture Helps De-Risk Recruitment Decisions
An organization's culture can support or undermine its business strategy. We help clients assess the alignment of culture and strategy, establish a target culture and evaluate the degree to which executives are likely to fit with, adapt to and shape culture. Our framework for assessing culture is rooted in the insight that each organization and each individual must address the inherent tension between two critical dimensions of organizational dynamics:

i). Attitude toward people, from independence to interdependence,
ii). Attitude toward change, from flexibility to stability.

Applying this fundamental insight, we have identified eight primary and universal styles, which can be used to diagnose highly complex and diverse behavioral patterns in a culture and understand how an individual executive is likely to align with that culture. Each style represents a distinct and valid way to view the world, solve problems and be successful. While no single style can fully depict a culture or personal style, individual styles and organizational cultures tend to be more heavily weighted in two to three styles that reflect their orientation toward people and change.

2. Review of Extant Literature

2.1. Family Systems Theory (FST): Bowen, 1966.

The author of the FST is Bowen (1966, 1978), who set out to explore individual interdependent family systems. The fundamental tenets of the FST within family studies include the determination of membership, the existence of subsystems, families striving to maintain equilibrium, need for resources, adaptation, change, the existence of family rules, and the presence of unique behaviors. These tenets allow clinical psychologists to support patients better based on knowledge of certain behaviors due to the underlining patterns of family traits. Underlying family traits in individuals can be the reason for the complex system of characteristics observed among immediate family members, (Scott et al., 2018, Pratt & Skelton, 2018, Williams-Reade, et al., 2018).

Bowen (1966) suggested that the FST is an appropriate framework for studying individual interdependent systems. Human social systems are complex and adaptive systems like all living systems. The complex system of interrelated family-level interdependence among the immediate family members reflects how individuals develop within families. The family is a complex system with subsystems and mutual and interdependent social influence where members interact to influence each other reciprocally. Social systems, such as the family, can play a significant role in communication and transfer of resources between members. There is a direct link between the nature of the family system and how the family turns out, either positively or negatively. For example, the decline in parental monitoring or involvement with adolescents contributes to adolescent problem behavior, substance use, and internalizing problems. Factors such as parents' mental health, co-parenting relations, and parenting quality can also play a significant role in how well a child adjusts (Missimer, et al., 2017; Padilla-Walker et al., 2019; Vedanthan et al., 2016).

The FST presents the family as a complex, interacting social system that is open and continuously pursuing a common goal. But although family characteristics and family traits can influence the features of the next generation's families, parents who have the will and intention may be able to improve the aspects of their children through higher levels of connection, individuation, and minimizing conflict. Unique family member behavior patterns and interactions lead to ongoing individual behavioral changes, repetitive habits, routines, rituals, and the creation of shared realities. The unique developments influence the complex interactions among the behaviors of family members over time, (Padilla-Walker et al., 2019; Pratt & Skelton, 2018; Scott et al., 2018).

The FST applied to the complex dynamics involved in family business succession planning in Nigeria and Africa. The FST provides a valuable framework for studying group behavior because of the focus on a systems approach. Researchers can identify mechanisms through which parents train other generations, broadening understanding of how families evolve in behavior through longitudinal, whole-family designs. Family businesses make a significant contribution to economic growth; therefore, it is paramount to further study creating a shared cognitive map and the associated consequences). Family business leaders can develop well-informed succession planning strategies with defined means of dealing with family conflicts that could arise during leadership transitions, (Bowen, 1978; Scott et al., 2018).

Researchers using the FST go beyond biological observations to include thinking around family systems and engaging the family of origin. Family systems thinking can be used to train clinicians to understand family behaviour patterns better. Family psychologists have made meaningful recommendations for appropriate remedies using the family systems approach to establish a systems-based psychosocial understanding of relevant family cycle patterns and transitions (Rolland, 2019). Consistent with family systems psychology, problems are rooted in a complex matrix of culture, economics, history, politics, psychology, and religion, (Pratt & Skelton, 2018; Thoburn et al., 2019).

Adopting family interactions using family systems thinking helped in this study to appreciate the family patterns. For instance, members of family businesses may select the best leaders when they understand the development patterns of individual family members. The family business is often the manifestation of the family system and the nature of family structures, parenting styles, and communication patterns that influence the entrepreneurial abilities of family members. A relaxed parenting style nurtures entrepreneurial ability where family members are open to democratic leadership, comfortable with delegation, and supportive of collaborative cultures. A more rigid inflexible parenting style promotes entrepreneurial capabilities because family members have mind-sets that do not appreciate adaptability, change, and decentralization. The nature of the home environment also impacts what happens in the family business, (Soleimanof et al., 2019; Jaskiewicz et al., 2017; Combs, et al., 2018).

2.1.1. Transformational Leadership Theory, (TLT)

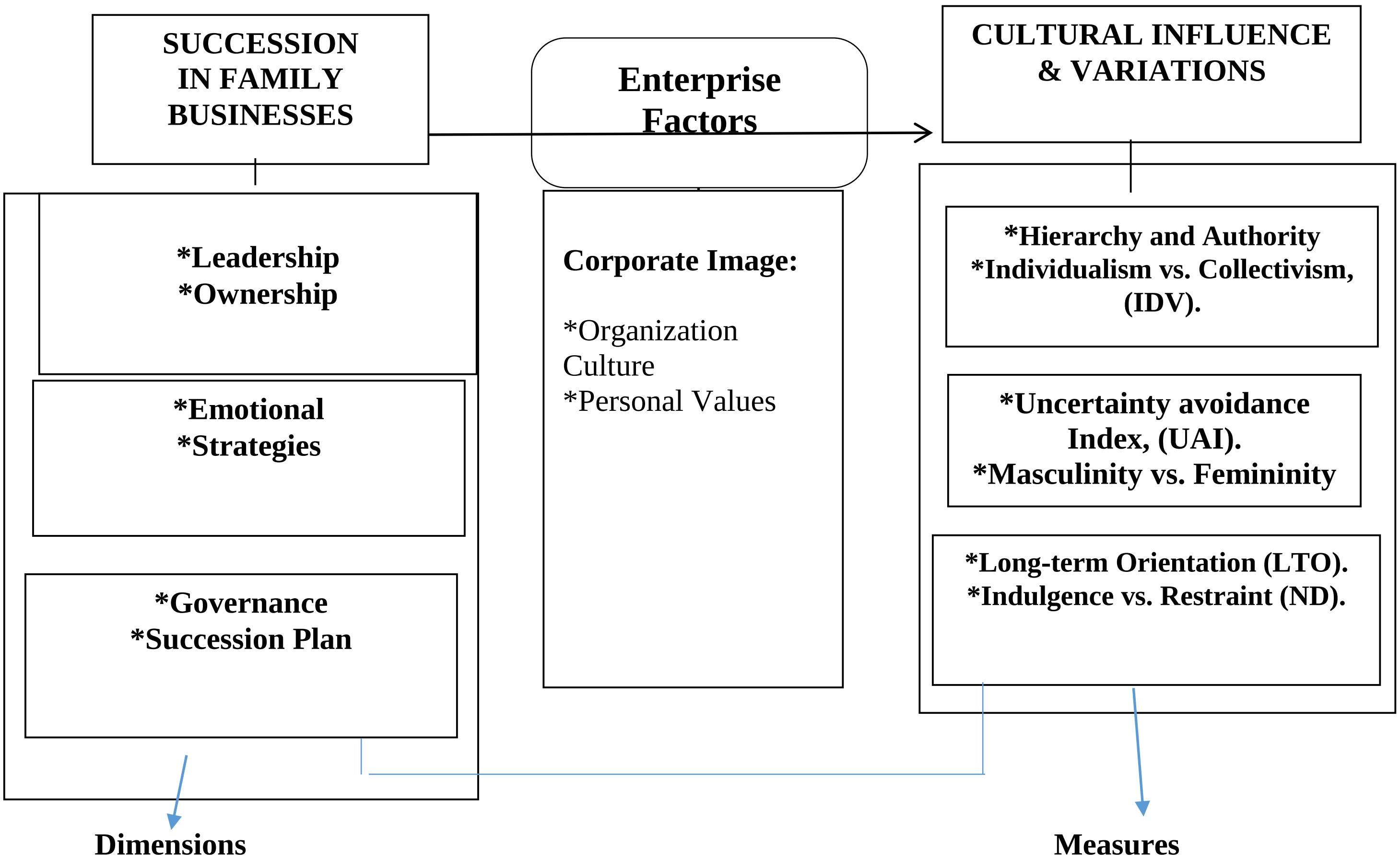
The transformational leadership theory is an alternative conceptual framework for this secton. Downton (1973) introduced the term transformational leadership and James MacGregor Burns (1978) introduced the concept of transformational leadership with four main components including charisma and idealized influence, inspiring motivation, intellectual stimulation, and individual approach. Bass then introduced a new multifactor leadership theory model, including the transformational, transactional, and laissez-faire leadership types (Safonov, et al., 2018; Samanta & Lamprakis, 2018).

A transformational leader is a person who drives processes of transformational change and unites followers to realize higher shared goals. Transformational leaders contribute at a higher level to organizational outcomes because of their ability to lead and impact the job satisfaction of their followers. Transformational leadership styles relate to leaders' vast experiences and high decision-making abilities. Transformational leadership is related to the quality of exchanges between leaders and their followers, supporting interactions that foster healthy working environments. During a crisis, leaders can harness their social influence to elicit their social circles' cognitive, social, and emotional capacity to generate leadership and relational connections that could impact the team's resilience. The transformational leadership style thus enhances employees' competency, leading to increased productivity and high organizational performance, (Fourie & Höhne, 2019; Samanta & Lamprakis, 2018).

There are three critical assumptions involved in transformation leadership, including (a) leaders transform followers, (b) followers transform in specific ways, and (c) followers' transformation is responsible for the effectiveness of transformational leadership. Further, transformational leader behaviors are associated with an increase in a leader's emotional exhaustion due to how transformational leadership behaviors have often appeared as beneficial. Additionally, acknowledging that a leader is not perfect may lead to curbing unrealistic expectations placed on transformational leaders and empowering followers. Although both transformational and transactional leadership styles contribute to practical organizational commitment, the transformational leadership style has a more substantial impact compared to the transactional style of leadership, (Choi-Sang et al., 2016; Siangchokyoo et al., 2019; Lin et al., 2019; Fourie & Höhne, 2019).

Figure: 2.1: The Conceptual Framework:

SUCCESSION IN FAMILY BUSINESSES:
Cultural Variations and Implications



(Source: Author's construct, 2025)

2.2. The Interface of Culture (Firm), and Values (Personal), in Family Businesses: Sharma, (2004) and Danes, et al., (2007) in their studies on the influence of culture and values, stated the following as the characteristics of both:

a). Founder's Vision:

The original founder's vision and leadership style are often the foundation of the family business's culture.

b). Generation and Transmission:

Values are often passed down through generations, sometimes reinforced by family councils, boards, or management teams.

c). Importance of Values:

Family values can include a commitment to integrity, ethical behaviour, long-term relationships, and the preservation of the family name.

d). Cultural Impact:
The family's values can influence the organizational culture, leading to a unique identity and a sense of community among employees.

e). Benefits of Strong Culture:
A strong culture can attract and retain talent, boost employee morale, and contribute to the business's sustainability.
f). Challenges of Maintaining Values:
Family businesses may need to periodically refresh their values to ensure they remain relevant and credible.
g). Impact on Business Performance:
The values that are considered significant by the family and the owner can impact the business's performance, growth, and expansion.
h). Culture in Family Business:
Family businesses are known for their strong, distinctive cultures — cultures that are often heavily influenced by the vision, style and values of the founder. (Günter, Faltin, 2011)

When family values are extended into the business, they provide a powerful source of strength and continuity to meditate financial priorities and shape more humanistic plans and actions. Values can act as a kind of glue for business and family success. Crucially, family values are a source of competitive advantage to many successful businesses, they serve many different purpose in family business. In some families they express a code of family conduct; in others they reinforce the organizations culture or underpin the firm's business strategy. In some families they frame social responsibility, while in others they support philanthropy or spell out next-generation leadership behaviours, (Danes et al., 2007; Fapohunda, 2010).

A family business beliefs and values start with the founder, reflecting his or her behaviours as the family leader and entrepreneur. Over time, these values are shared by a wider group of family members-passed from one generation to the next and renewed each time. Although family values are not always explicit they have a big impact on company culture and the way a business operates. Without shared values, family business success is unlikely because disagreements over priorities and decisions become a source of struggle and conflict, (Sharma, 2004; Danes et al., 2007; Fapohunda, 2010).

Family values are in many ways the family's attempt to express who they are, to make meaning for themselves- and a guiding star for the business. Values are unique to each family, representing a narrative business. Values are unique to each family, representing a narrative about how their behaviours make them successful. Success is always socially constructed, which means that it is expressed or interpreted in the context of each family's experience and relationships. One family may interpret success by financial performance, where another measures it terms of family reputation or services to others. Values also form the basis of performance standards or expectation within the family. Again, one family may see higher education as an important measure of accomplishment while another would see work experience as the real indicator of achievement. The family's values set the internal standards of behaviour so that members will know what to expect from each other. There is a classic line that many parents repeat when a child acts inappropriately: “That is not how we behave in the family. When families act in accordance with shared values, trust develops. Shared assumptions, norms, beliefs, and experiences also help family members understand each other’s motivation. Common values can frame decisions and planning by encouraging cooperation, promoting relationships, reducing harmful conflict, and enabling effective responses to crisis, (Danes, et al., 2007).

Values also act as the glue for building and sustaining long-term family and interpersonal relationships across generations and branches. Agreed values are important to the next generation in supporting how they will work together. Family values shape thinking about issues such as careers and compensation. Shared values are the bedrock of stability but they can also be a roadblock to change, especially during generational transitions. Family business struggle as generations and branches multiply, because the same values are interpreted differently according to experiences, education, and changes in the business world. Members of the senior generation, who accepted equal salaries, may have sent their children to top business schools, where they were taught that compensation is based on qualification and contribution. (Sharma, 2004; Danes, et. al., 2007).

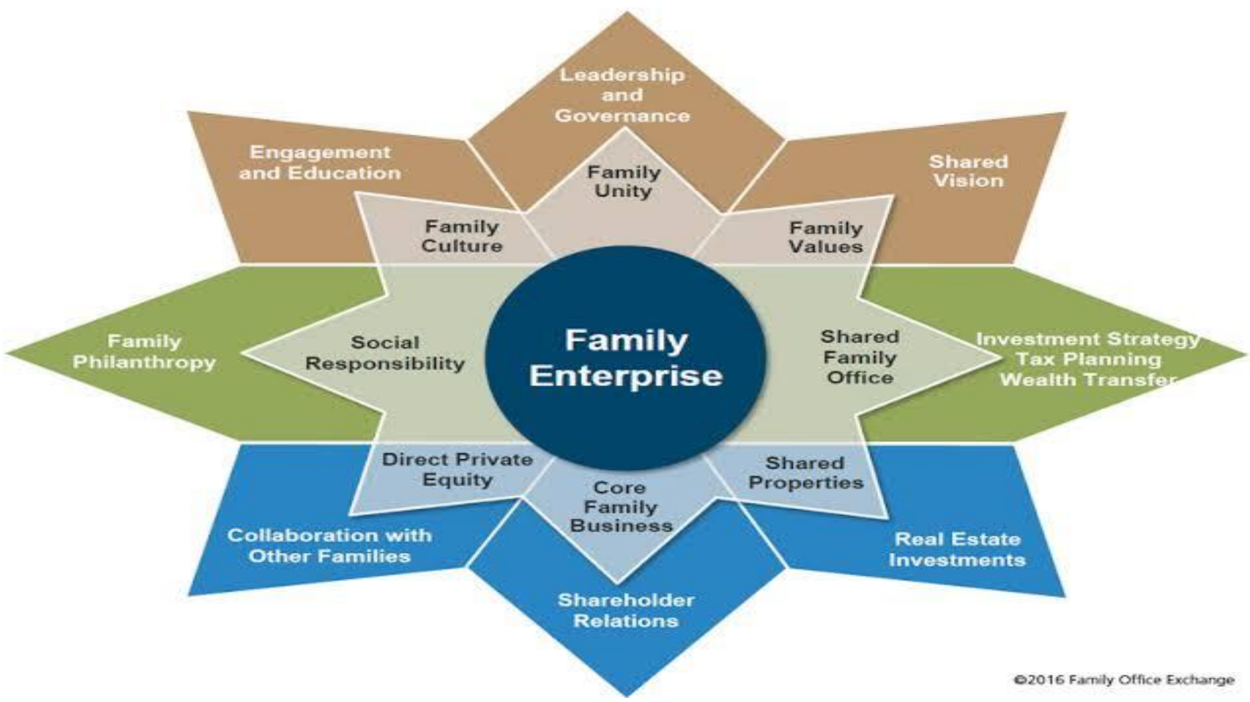


Figure. 2.1. Core Values in Family Business
Source: 2016 Family Office Exchange.com

Family Business Drives Key Decisions Regarding:

a) ***Strategy***
b) ***Structure***
c) ***Competitive advantage***
d) ***Culture***
e) ***Employee recruitment***
f) ***Governance***
g) ***Succession***
h) ***Owners‟ cohesion***

i) ***Owners" commitment***
j) ***Owners" constitution or protocol***

(Sharma, 2004; Salganicoff, 1990; Danes et al., 2007).

The family's values often define the number of business units and which markets a firm chooses, and certainly the degree of risk-taking. The family's values often define the organization structure: who works where, for whom. And in what areas. The family's values might make quality differentiation or long-term investing the obvious competitive advantage. Or, the key to success may be the goodwill created in their community or country through lifelong relationships and local philanthropy. The family's values are the company's culture. That culture is so important to most business owners that it calls for unique ways to recruit, train and compensate the employees-or members or associates, as many family business calls their employees. Values common in family business consist of:

i. Courage
ii. Dignity
iii. Reputation
iv. Fairness
v. Open- mindedness
vi. Authenticity
vii. Hard work
viii. Stewardship
ix. Dependability
x. Empathy
xi. Curiosity
xii. Humility
xiii. Discipline
xiv. Prudence
xv. Loyalty
xvi. Sincerity
xvii. Respect

(Sharma, 2004; Salganicoff, 1990; Danes et al., 2007).

3. Methodology

A qualitative research approach was employed, involving in-depth interviews with family business owners and successors from diverse cultural backgrounds. The study analyzed extant literature and case studies from multiple countries to identify cultural-specific succession planning practices and challenges.

4. ANALYSIS OF FINDINGS AND PRAXIS

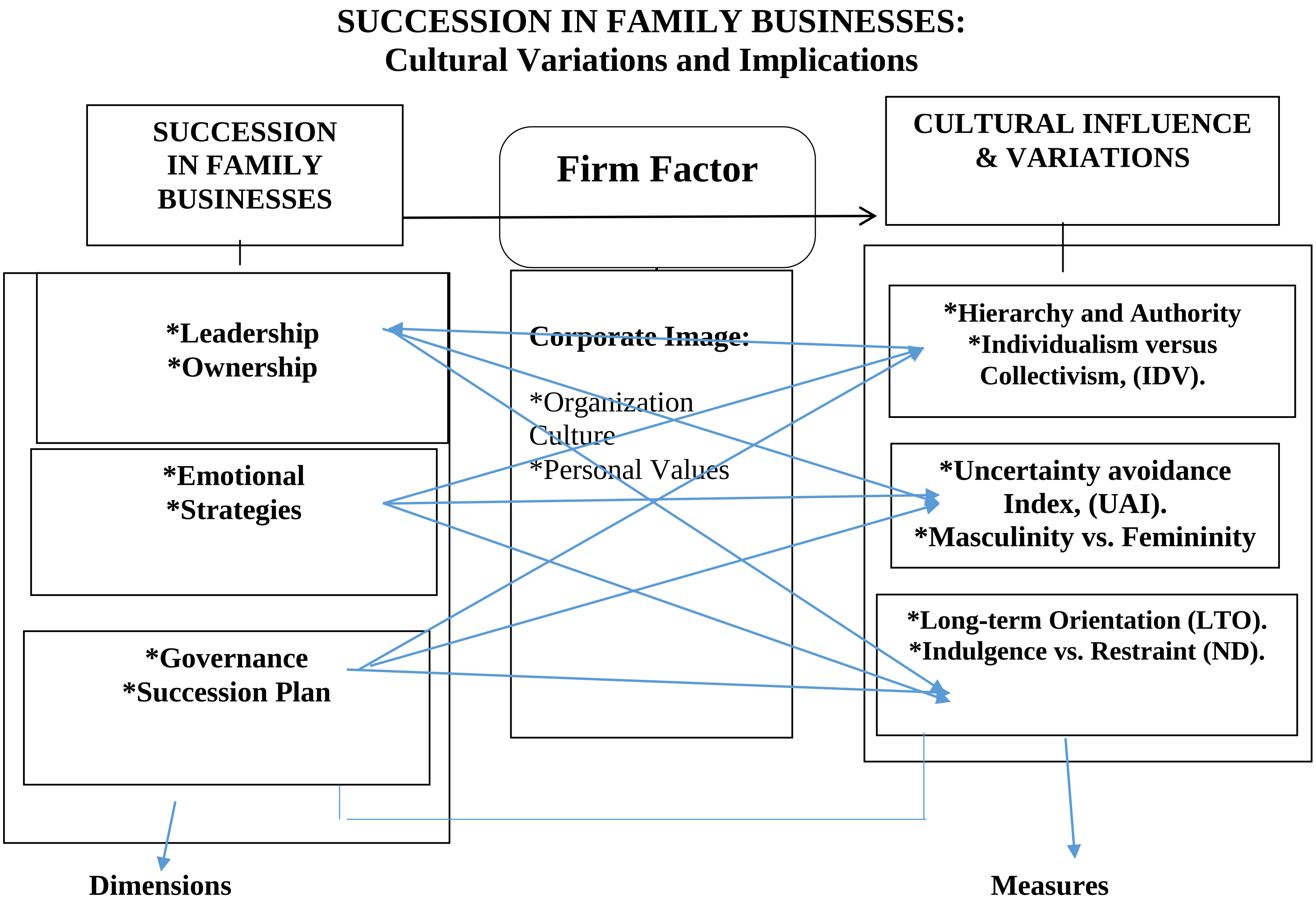
4.1. Core Values in Family Businesses

You must ensure that you are developing what the organization stands for and how the organization is going to live up to its vision and values. Values are the glue that binds the family, the business and its employees. They usually reflect the founder's philosophy and act as a guide to "the way we do business". Sometimes they are enshrined in statements of 'core values' that are frequently referred to in company communications and that underpin day-to-day decision-making. "Our values go back almost 20 years and still define our business," says Torben Østergaard-Nielsen, CEO of United Shipping and Trading Company (USTC). "We don't employ people who cannot identify with our values." (Sharma, 2004; Danes, et al., 2007).

Mohammed K.A. Al-Faisal, president of Al Faisaliah Group Holding, is also clear that creating an effective culture involves translating values into action. "I am not happy with our values until we actually put the application of those values into the annual remuneration calculation of senior management, myself included.” A few years ago, while addressing problems inside one of the Group entities, Mohammed K.A. Al-Faisal discovered that the company’s values meant different things to different members of the management team. So, it became necessary to articulate three to five actionable items under each one of these values. “One of our values is ‘ethics and integrity’; it is not open to interpretation,” he says. “We told people that we only need five things from you. First, we don’t lie, cheat or steal; second, we respect ourselves and respect others; third, we treat others how we want to be treated; fourth, we never talk badly behind another’s back; and fifth, we admit mistakes and correct them. If you have done these five things, in our eyes, you have lived up to the ethics and integrity value.” As Korsager Winther says, “Values are fine, but it’s the way you live them and the stories you tell to illustrate them that really matters.” (Mehrtak, et. al, 2017; Meier & Schier, 2016; Reardon, 2018; Reay, 2019).

Values are closely linked to culture, but they are not the same thing. Understanding the distinction can make it easier to uncouple them when the business context changes. Family firms often have a unique set of core values that are deeply ingrained in their culture and guide their actions. These values reflect the family's principles, traditions, and long-term vision for the business. They also become entrenched in the underlying DNA of successful family businesses, and whilst they may change over time, they link directly back to the values of the founder and will be driven from that starting point - an entrepreneurial founder who set out on a journey with a dream that has created a sustainable business from their heart, steeped in emotion, determination and drive to succeed, with the baton picked up by subsequent generations too. (Sharma, 2004; Salganicoff, 1990; Mehrtak, et. al, 2017; Meier & Schier, 2016; Reardon, 2018; Reay, 2019).

Figure: 4.1: The Resultant Model:



A Constructs depicting the interface of Hypotheses Construction, Predictor variables, Criterion variables, Mediating and Intervening Variables.

(Source: Author's, Construct. 2025)

The founder's indelible stamp will have been made on the founding business which will have evolved but it is likely that many of those values will be embedded into the family firm that they have passed on too. While the specific core values may vary from one family firm to another, some common inherent values as revealed by the study include:

Family Unity: *The preservation of family unity and harmony is a central value. Family firms often prioritize maintaining strong family relationships while working together in the business and whilst there may be conflicts and disagreements along the way, many will put family and relationships between family members at the top of their priority list.*

Long-Term Perspective: *Family firms tend to focus on long-term sustainability and the well-being of future generations. They are often less driven by short-term financial gains and take decisions accordingly.*

Legacy and Tradition: *The value of preserving and building upon the legacy and traditions of the family and the business is fundamental. Each family was born from an idea, an entrepreneurial spark that grew into a sustainable business. Accordingly, each has a narrative, a history and a source of heritage that has been part of their ongoing journey. Respecting where they have come from whilst focusing on the needs of the business to enable it to be successful going forward is often found deeply rooted in family businesses.*

Stewardship: *Family firms often view themselves as stewards of the business, with a sense of responsibility to pass it on to the next generation in a better state than they received it. Doing business the right way and being responsible owners is important to many family business leaders too.*

Ethical Conduct: *Ethical behaviour and integrity are highly emphasized. Maintaining a reputation for honesty and fairness is crucial. Honesty and integrity often top the list of core values when family business owners are asked what values are important to them.*

Community Involvement: *Many family firms prioritise being actively involved in and giving back to their local communities. It is often intrinsic and becomes part of the way they do business on a daily basis.*

Customer and Employee Loyalty: *Building strong, long-term relationships with customers and employees is often seen as a key value.*

Adaptability: *A willingness to adapt and innovate while preserving core values and traditions is essential for success across generations.*

Respect for Employees: *Family firms tend to value their employees as part of the extended family, showing respect and care for their well-being and investing in their development too.*

Innovation: *Encouraging innovation and entrepreneurship, often with a focus on finding new ways to stay competitive and relevant.*

Open Communication: *Maintaining open and transparent communication, both within the family and with employees and stakeholders, is highly valued.*

Community and Social Responsibility: *A commitment to social responsibility, which may include philanthropic efforts, sustainability initiatives, and ethical business practices.*

Quality and Excellence: *A commitment to delivering high-quality products or services and striving for excellence in all aspects of the business.*

Collaboration: *A culture of collaboration, where family members work together and with non-family employees to achieve common goals.*

Independence: *Maintaining independence and control over the business's destiny can be a core value for some family firms.*
(Sharma, 2004; Danes et al., 2007; Mehrtak, et. al, 2017; Meier & Schier, 2016; Reardon, 2018; Reay, 2019).

These values often shape the identity of the family firm and influence its strategic decisions, governance structures, and relationships with stakeholders. While family firms are diverse, and each may prioritise certain values over others, these core values are generally deeply ingrained in their DNA and guide their actions over generations.

4.2. The Role of the Board in Overseeing Culture

It is important for the board of a family business to understand the role organizational culture plays in business performance. Because culture is a key driver of business results, the boards should ensure that it has an adequate line of sight on the culture, including any potential risks the culture could pose. Here are some questions they can ask to assess the impact of culture, which are business-centred, while values are personal:

i. What is the current culture of the organization?
ii. How well aligned is our company's culture with our strategy?
iii. What is the difference between our current and ideal company culture?
iv. How do we consider culture in our leadership succession planning?
v. How can the board contribute to the right tone at the top?

4.2.1. Distinguishing Culture and Values

There is a saying that "families have values and companies have cultures". Values are highly personal and, in a family context, result in shared beliefs, attitudes and ideals that can permeate a business. There is a fine line between someone who is resistant to change and someone that has an opinion that you are not willing to accept. You need to have someone that will give you a certain level of discomfort. (Sharma, 2004; Salganicoff, 1990; Ritchie, 202; Rivolta, 2018; Walsh & Harrrigan, 2003; Wang, & Jiang, 2018).

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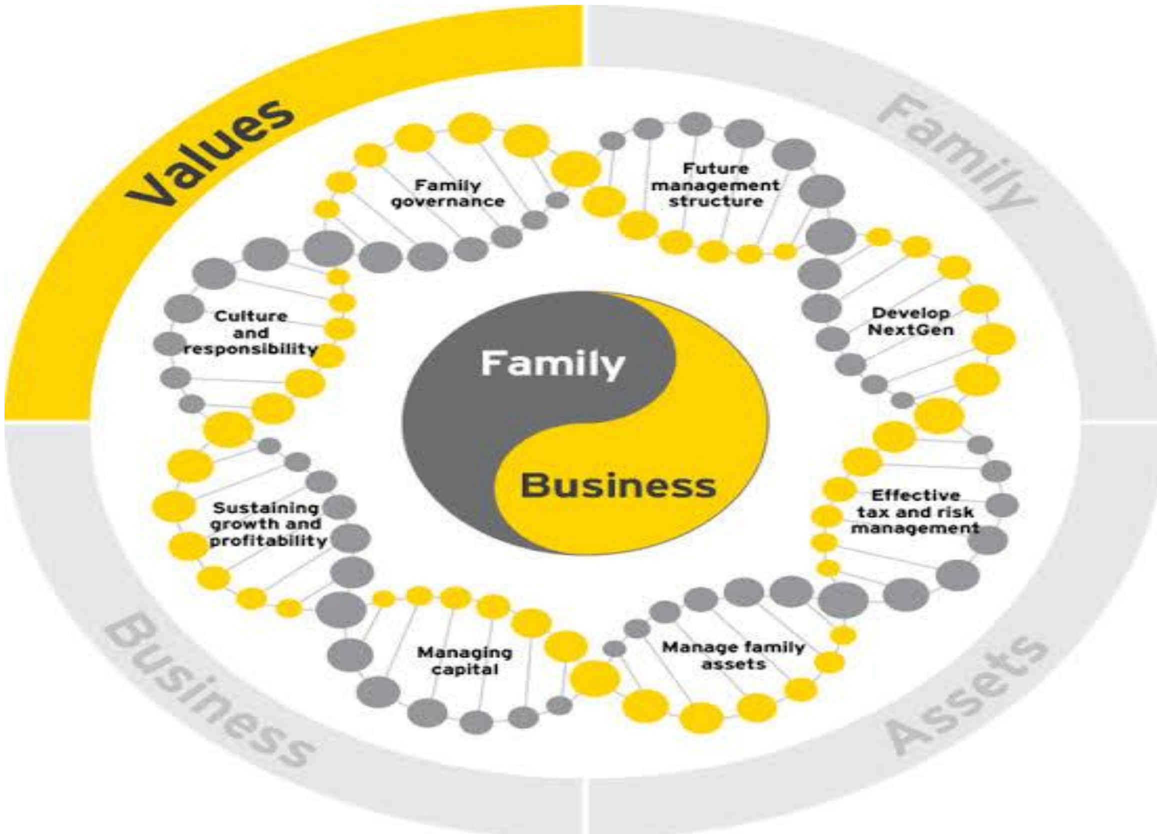

Figure. 4.1. The Interface of Values & Culture
Source. 2016 Family Office Exchange

The values of a family business are invariably built off the core values of the founder. Over time they are amplified by family members, whether they sit on the family council, the board or the management team. Companies may need to dust their values off and reinvigorate them from time to time, but our experience is that most successful multi-generational family businesses are effective at preserving their foundational values and championing them across the enterprise. “Values have to be both credible and consistent,” writes Colin Meyer, Peter Moores Professor of Management Studies at the Saïd Business School in Oxford. “They have to be believed and enduring. They have to stand the test of time — for better for worse, for richer, for poorer, in sickness and in health.” (Ritchie, 2020; Rivolta, 2018; Walsh & Harrrigan, 2003; Wang, & Jiang, 2018).

A company’s culture, at its best, is an outward manifestation of its values. According to Spencer Stuart, we define culture as:

“The tacit social order of an organization: It shapes attitude and behaviours in wide-ranging and durable ways. Cultural norms define what is encouraged, discouraged, accepted, or rejected within a group. When properly aligned with personal values, drives, and needs, culture can unleash tremendous amounts of energy towards a shared purpose and foster an organization’s capacity to thrive.”

Culture has a powerful effect on business results, helping to make or break even the most insightful strategy or the most experienced executives. It can encourage innovation, growth, market leadership, ethical behaviour and customer satisfaction. On the other hand, a misaligned or toxic culture can erode business performance, diminish customer satisfaction and loyalty, and deflate employee engagement.

4.2.2. Changing the Culture

Whereas values are constant and provide the underpinnings of a family business, culture is necessarily more pliant; it is a catalyst for performance and yet it must evolve over time. The company culture needs to be able to adapt in line with a changing strategy. Since every company has to revisit and upgrade its strategy (with increasing frequency and urgency in the current climate), it must also devote time and energy to examining whether its culture is up to the task of delivering on the strategy. This agrees with the following studies: Sharma, (2004); Salganicoff, (1990); Danes et al., (2007); Ritchie, (2020); Rivolta, (2018); Walsh & Harrrigan, (2003); Wang, & Jiang, (2018).

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Even the best laid strategic plans will go to waste if the organizational culture is not aligned to the changing context, realities and goals of the business. When alignment is missing, culture eats strategy for breakfast, as the saying goes. Even before the coronavirus pandemic, the world was in a constant state of flux as new technologies appeared, consumer behaviours changed and business models were upended. When leaders take their companies in a new strategic direction they need their organizations to respond. When transformation is required, the biggest barrier companies' face is often their culture.

Cultural change is daunting, especially when the current culture has served an organization well for many years. Grundfos has a strongly rooted culture of social responsibility; for example, three to five per cent of its workforce has 'reduced work ability'. According to CEO Mads Nipper, experience is highly valued and the company invests heavily in training. Like many family businesses it has always taken a long-term view. But whereas it might once have been able to invent a new hydraulics technology and have the market to itself for many years, competitors today are far quicker to respond, especially those in China. "Today, everything is about speed, about being fast to develop and deploy new initiatives. That's where our culture works against us," he says. "The world, thankfully, is moving in the direction of taking more long-term decisions, and so should we. But the execution of those things needs to be faster — not five or ten per cent faster, but twice as fast." For Grundfos, this has meant adopting completely new ways of working that were foreign to the culture — overlapping processes, more self-guiding teams and a high degree of empowerment for 'on-the-fly' decision making, (Ritchie, 2020; Rivolta, 2018; Walsh & Harrrigan, 2003; Wang, & Jiang, 2018).

Nipper created a digital transformation office, a semi-independent unit at HQ which gathered people from across the company to work on digitally enabled projects. He invited an entrepreneur with digital transformation experience to come in and lead the unit, but he wanted to avoid sending out a signal that cultural change could only come by importing talent. "Digitalization is for everybody. In my opinion, it's wrong to assume that somebody who has worked in a strong culture for 20 years is by definition unable to change. I find that our most tenured employees are among the most curious and willing to adapt. If you are a 60-year old hydraulics engineer and you want to get involved on a digital project, you have the opportunity to do so. And by bringing together younger and more experienced staff everyone can learn from each other." Different, more agile processes were essential for Grundfos to retain its competitive edge. They could not be embedded in the organization without cultural change. This change was made easier by values of inclusivity and fairness and by a shared belief in the mission and social purpose of the business. (Sharma, 2004; Salganicoff, 1990; Danes et al., 2007).

Østergaard-Nielsen, (2020), says that culture has been a frequent topic for discussion in meetings of the board and the family council, most recently as part of a major restructuring involving changes to the business model and supplier and customer relationships. "Having the right culture profile enables us to charge more for our services," he says. (Danes, et al., 2007; Ritchie, 2020; Rivolta, 2018; Walsh & Harrrigan, 2003; Wang, & Jiang, 2018).

4.3. Towards a Learning Culture

Organizational transformation tends to accelerate during a crisis. Change programmes that might have taken years under normal circumstances are being implemented rapidly, an obvious example being the mass shift towards working from home caused by the coronavirus. One of the disadvantages of deeply embedded cultures with their long-established ways of working, habits and behaviours, is that they can be found wanting during a period of upheaval. Unless, that is, they also have a bias towards learning agility. We see a number of cultural shifts taking place in family-owned businesses: for example, a move away from patriarchal, hierarchical and authority-based cultures towards ones that are flatter, more decentralized and inclusive, where people are encouraged to be learning-oriented, open to change, capable of having "courageous conversations", and willing to embrace new ways of working.

For an organization to achieve this kind of change, its leaders must embody the change they wish to see — leadership behaviours are critical in reshaping culture. As Alain Bejjani, (2018) group chief executive officer of Majid Al Futtaim, (2018) Holding, says: "As a leader, you not only have a critical role, but a very personal stake in your company's readiness to handle the challenges of business cycles. To be successful as a leader is to continually challenge yourself to learn, to embrace a mind-set of curiosity and an openness to change. To do so enables the identification, adaption and adoption of new ways of working, thinking and seeing the world around you. Without this, you are doomed to fail." Bejjani stresses the importance of stretching people and ensuring that they benefit from an 'outside-in' view of the business. "Perhaps most importantly, your role is to actively contribute to a culture that sees learning and self-development as a means to personal, professional and organizational growth." (Ritchie, 2020; Rivolta, 2018; Walsh & Harrrigan, 2003; Wang, & Jiang, 2018; Sharma, 2004; Salganicoff, 1990; Danes et al., 2007).

You have to invest a lot in people, you have to communicate, help them develop their skills, help them to be committed to do these things, you have to set standards for what good looks like, you have to give them a clear roadmap in order to get there. When Dr. Mohsen Sohi, CEO of Freudenberg SE, took office, it was clear to management and shareholders alike that an evolution in the company's organization and culture was necessary. While preserving Freudenberg's long-term orientation, he set about implementing comprehensive changes in how the company was run. "I felt that a more agile, performance-driven organization would only be brought about by transferring decision-making power from the headquarters to the divisions where the actual entrepreneurial vigour of the company was most impactful and helpful to our customers." He emphasizes that his role was only to be the catalyst. "My colleagues and I defined the processes and supported behaviours which brought about change. All the innovations were aligned with the company's existing values; indeed, there were designed to make the values more real." Through effective communication and the multiplying effect of getting the top 45 managers on board, the cultural change began to spread throughout the organization, (Salganicoff, 1990; Danes et al., 2007).

Culture and leadership are inextricably linked, so select and develop leaders who support the culture you want. We don't employ people who cannot identify with our values. Despite its influence on business performance, culture is notoriously difficult to manage because the underlying drivers are usually hidden. Truly understanding the culture and diagnosing the elements of the culture that do or do not support the strategic priorities of the family business can unlock its full potential. An important part of shifting culture in a certain direction is leadership selection, since the senior leadership team tends to have a disproportionate influence on the culture. If strategic or cultural change is on the agenda, family businesses can hire and promote leaders who will serve as catalysts for change. These leaders should possess the style preferences of the ideal target culture, but also have the influencing skills to model the right behaviours and bring along others in the organization. Bringing in a change agent from outside can be particularly difficult in a family business unless that person has the full backing of the owners who are, themselves, willing to model any desired changes in behaviour, (Salganicoff, 1990; Danes et al., 2007).

You must have a culture that enables people, making sure that they are at their best. The most effective culture change leaders are credible in the current culture but also able to help push the culture in the desired direction.

As Bejjani, (2018), says:
"*Breaking entrenched practices and challenging 'the way things are always done' can require fresh eyes or a new perspective. Bringing about this shift means not simply on boarding new people, but identifying the organizational culture that will drive your company's success and seeking the talent that reflects those aspirations to become an agent of the change you want to see."*

Recruiting people into a family business always carries a risk, particularly at senior management level. This research shows that in around 70% of cases where executive hires do not work out, cultural factors are involved. When bringing someone into the business, it helps to have a clear definition of the existing culture and to be able to articulate the desired culture if change is needed. Only then is it possible to assess an individual to determine their potential cultural impact on the organization. The culture framework developed by Spencer Stuart directly connects individuals to the culture by using the same language to describe both organizational culture and the personal styles of individual, (Sharma, 2004; Salganicoff, 1990; Danes et al., 2007).

Diagnosing culture helps de-risk recruitment decisions. An organization's culture can support or undermine its business strategy. We help clients assess the alignment of culture and strategy, establish a target culture and evaluate the degree to which executives are likely to fit with, adapt to and shape culture. Our framework for assessing culture is rooted in the insight that each organization and each individual must address the inherent tension between two critical dimensions of organizational dynamics:

i). Attitude toward people, from independence to interdependence

ii). Attitude toward change, from flexibility to stability

Applying this fundamental insight, we have identified eight primary and universal styles, which can be used to diagnose highly complex and diverse behavioural patterns in a culture and understand how an individual executive is likely to align with that culture.

Each style represents a distinct and valid way to view the world, solve problems and be successful. While no single style can fully depict a culture or personal style, individual styles and organizational cultures tend to be more heavily weighted in two to three styles that reflect their orientation toward people and change, (Ritchie, 2020; Rivolta, 2018; Walsh & Harrrigan, 2003; Wang, & Jiang, 2018).

4.4. Government Attitudes & Influence in Other Countries

Picketing against "gender ideology" in Warsaw, 2014. In Central and Eastern Europe, anti-gender movements are on the rise, especially in Hungary, Poland, and Russia.

Russia

In Russia, gender studies is currently tolerated; however, state-supported practices follow the traditional gender perspectives of those in power. The law related to prosecuting and sentencing domestic violence, for instance, was greatly limited in 2017. Since 2010, the Russian government has also been leading a campaign at the UNHRC to recognise Russian "traditional values" as a legitimate consideration in human rights protection and promotion, (Babalola, 2007; Ritchie, 2020; Rivolta, 2018; Walsh & Harrrigan, 2003; Wang, & Jiang, 2018).

Hungary

Gender studies programs were banned in Hungary in October 2018. In a statement released by Hungarian Prime Minister Viktor Orbán's office, a spokesperson stated that "The government's standpoint is that people are born either male or female, and we do not consider it acceptable for us to talk about socially constructed genders rather than biological sexes." The ban has attracted criticism from several European universities which offer the program, among them the Budapest-based Central European University, whose charter was revoked by the government, and is widely seen as part of the Hungarian ruling party's move away from democratic principles. (Ritchie, 2020; Rivolta, 2018; Walsh & Harrrigan, 2003; Wang, & Jiang, 2018; Babalola, Y. A. 2007).

China

The Central People's Government supports studies of gender and social development of gender in history and practices that lead to gender equality. Citing Mao Zedong's philosophy, "Women hold up half the sky", this may be seen as continuation of equality of men and women introduced as part of Cultural Revolution; (Babalola, Y. A. 2007; Butler, Judith, 1994; Butler, Judith, 1999; Butler, Judith, 2011).

Romania

The Romanian Senate approved by broad majority in June 2020 an update of National Education Law that would ban theories and opinions on gender identity according to which gender is a separate concept from biological sex. In December 2020, the Constitutional Court of Romania overturned the ban; earlier, President Klaus Iohannis had challenged the bill, (Babalola, Y. A. 2007; Butler, Judith, 1994; Butler, Judith, 1999; Butler, Judith, 2011).

United States

The United States currently allows academic institutions to offer courses in gender and sexuality studies, women's studies, feminist studies, queer studies and LGBT studies. Institutions that offer such courses include Harvard, Stanford, USC, UCLA, Lehigh University, and Lafayette College. Donald Trump issued Executive Order 14168 during his second presidency, which called for, among other things, "end[ing] the Federal funding of gender ideology." (Babalola, Y. A. 2007; Butler, Judith, 1994; Butler, Judith, 1999; Butler, Judith, 2011).

Women in Asia

Certain issues associated with gender in Eastern Asia and the Pacific Region are more complex and depend on location and context. For example, in China, Vietnam, Thailand, Philippines and Indonesia, a heavy importance of what defines a woman comes from the workforce. In these countries, "gender related challenges tend to be related to economic empowerment, employment, and workplace issues, for example related to informal sector workers, feminization of migration flows, work place conditions, and long term social security". However, in countries who are less economically stable, such as Papua New Guinea, Timor Leste, Laos, Cambodia, and some provinces in more remote locations, "women tend to bear the cost of social and domestic conflicts and natural disasters".(Babalola, Y. A. 2007; Butler, Judith, 1994; Butler, Judith, 1999; Butler, Judith, 2011).

Places such as India and Polynesia have widely identified third-gender categories. For example, the hijra/kinnar/kinner people of India are often regarded as being a third-gender. Hijra is often considered an offensive term, so the terms kinnar & kinner are often used for these individuals. In places such as India and Pakistan, these individuals face higher rates of HIV infection, depression, and homelessness. Polynesian languages are also consistent with the idea of a third-gender or non-binary gender. The Samoan term fa'afafine, meaning "in the manner of a woman", is used to refer to a third-gender/non-binary role in society. These sexualities are expressed across a spectrum, although some literature has suggested that fa'afafine individuals do not form sexual relations with one another; (Babalola, 2007; Federal Ministry of Education Nigeria, 2004 Report, 2009; Federation of African Women Educationists (FAWE), 1995; FaithWorld, 2015; Ettinger, 2006).

One issue that remains consistent throughout all provinces in different stages of development is women having a weak voice when it comes to decision-making. One of the reasons for this is the "growing trend to decentralization [which] has moved decision-making down to levels at which women's voice is often weakest and where even the women's civil society movement, which has been a powerful advocate at national level, struggles to organize and be heard;" (Federation of African Women Educationists (FAWE), 1995; FaithWorld, 2015; Ettinger, 2006).

East Asia Pacific's approach to help mainstream these issues of gender relies on a three-pillar method. Pillar one is partnering with middle-income countries and emerging middle-income countries to sustain and share gains in growth and prosperity. Pillar two supports the developmental underpinnings for peace, renewed growth and poverty reduction in the poorest and most fragile areas. The final pillar provides a stage for knowledge management, exchange and dissemination on gender responsive development within the region to begin. These programs have already been established, and successful in, Vietnam, Thailand, China, as well as the Philippines, and efforts are starting to be made in Laos, Papua New Guinea, and Timor Leste as well. These pillars speak to the importance of showcasing gender studies; (Federal Ministry of Education Nigeria, 2004, 2009 Reports; Federation of African Women Educationists (FAWE), 1995; FaithWorld, 2015; Ettinger, 2006).

5. Summary and Concluding Thoughts

This study examines the impact of cultural influences on succession planning in family businesses across different cultures. Using a mixed-methods approach, the research reveals significant cultural differences in succession planning approaches, emphasizing the importance of cultural sensitivity.

Conclusively; by addressing the challenges of culture and capitalizing on the prospects, Africa can unlock the full potential of women entrepreneurs and drive sustainable economic growth within herself. Family businesses are facing the most turbulent, disruptive period in generations. They must make sure that one of their sources of competitive advantage (their culture), does not become a liability. During a time of change it is vital that a company's culture remains aligned to its strategy. Failure to do so will almost certainly result in underperformance. With the help of a simple but robust framework, it is now possible for any family business to define its existing culture, identify changes it may wish to make and measure progress towards a redefined, target culture. Are you comfortable that you understand your culture sufficiently well to be sure that it is fully aligned with the direction of your business?

The findings suggest that family businesses must consider cultural factors when developing succession plans to ensure successful transitions. Cultural awareness and sensitivity are crucial for effective succession planning, and ignoring these factors can lead to potential conflicts and business disruptions.

The following recommendations are necessary for growth:
i). Develop culturally sensitive succession planning strategies that account for the unique cultural context of each family business.
ii). Provide training on cultural awareness for family business leaders and successors to enhance their understanding of cultural differences.
iii). Foster open communication among family members and stakeholders to discuss cultural values and expectations related to succession planning.

iv). Consider engaging external advisors or consultants with expertise in cross-cultural family business succession planning.
v). Regularly review and update succession plans to ensure they remain relevant and effective in the face of changing cultural contexts.

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