



# Process Analytical Study of Entrepreneurial Behavior in Family Businesses

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## Abstract

This paper reviews previous research on succession in family business from the perspective of the successor in the entrepreneurial activity process. This research paper reveals new issues of succession in family business, and tries to show the direction of future research. Business succession has been considered as the most important issue in previous research work on family businesses. Therefore, there have been many studies in the area of business succession in research work on family businesses. Dynamics of Innovation Entrepreneurial orientation is important for family businesses, as the behavior of the next generations and the process of succession have been overlooked. This research paper attempts to integrate both research on succession in family business and research on family entrepreneurship by entrepreneurship. As a result, this paper suggests the following ideas: Dependence of resources on prior management, Successor recognition of business Opportunities, redefinition of the business domain per successor, and acquisition of the successor depend on the deployment of resources.

**Keywords:** entrepreneurship, succession, family business, managerial resources, orientation, business domain.

## Research objective

This research focuses on the relationship between the business succession process of family businesses and the entrepreneurial activities of the heirs.

The objective is to build an analytical framework to examine the issue of tradition and innovation through business succession Target. The focus is on the generation and development of entrepreneurial activities through the business succession process between the successor and parent generations. Especially,

- (1) How the successor will depend on the resources of the predecessor,
- (2) How will the successor
- (3) How to identify business opportunities in the business environment through process
- (4) How to capture and redefine business,

It is about dynamically figuring out what to acquire and raise. However, in response to these questions, this paper cannot answer with a single book. On the other hand, in this paper, based on the review of previous studies, we will consider the future of the above question.



### **An analytical framework for empirical research**

I believe it may be possible to present an analytical framework for empirical research. This paper is positioned as a preliminary study for future new empirical research. Below, we systematically organize domestic and foreign research on the family business succession process and successors' entrepreneurial activities. After clarifying the implications and issues in the research, we will present an analytical framework and implications for future empirical research.

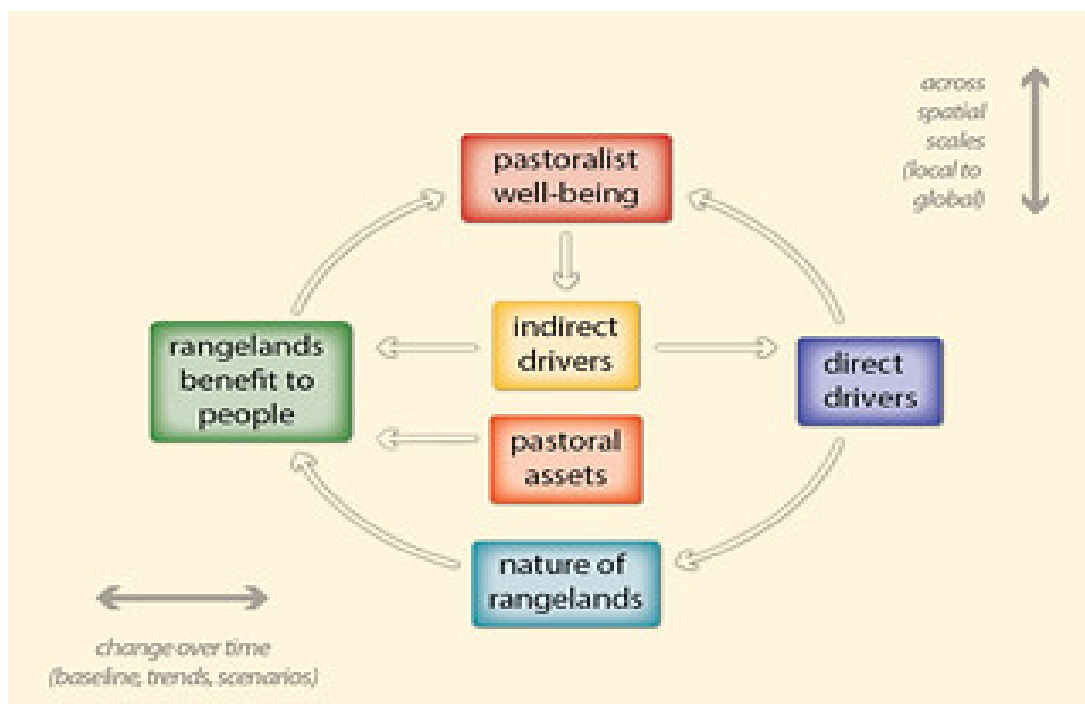
The purpose of this paper is to discuss Disadvantages of differential development in previous research traditionally, the problem of proactive behavior of the next generation has been through occupational succession of family businesses

The separate research areas of family business succession research and family entrepreneurship research have been discussed (Ochoa, 2014; 2016). In prior family business succession research, generation has been discussed (Handler, 1990), but it has been interaction and role coordination that have an effect on the emergence of the successor's proactive behavior, and on the outcome of that successor's proactive behavior. What effect?

### **Entrepreneurial orientation**

By doing so the question of what is to be produced has been ignored. Subsequent family enterprise research focused on family orientation (traditionalism, stability, conservatism) and entrepreneurial orientation (innovation, entrepreneurship, risk).

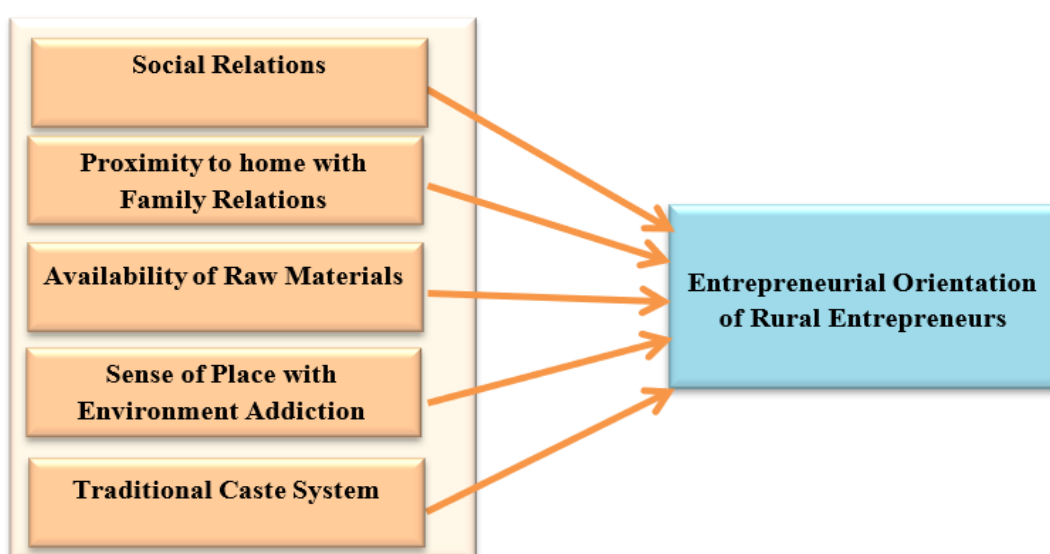
It has been reported that the correlation between preferences leads to sustained value creation in family businesses (Zellweger et al., 2012). However, discussion of how the two orientations are shared, coordinated, and linked across generations remains controversial. It is the study of family business succession and family businesses



It can be said that this is a failure which is in line with the differentiated development in the preceding research on both the entrepreneurship studies. In this context, this paper attempts to present a perspective that links the two studies. It is the business succession of a family business. It is a new analytical perspective to explain the generational mechanism of the entrepreneurial activities of the heirs through their successors. This analysis posits that points may fill a missing link in existing family business research.

Below, we review the study and the genealogy of both, before presenting a unified analytical framework. Let us examine the remaining issues.

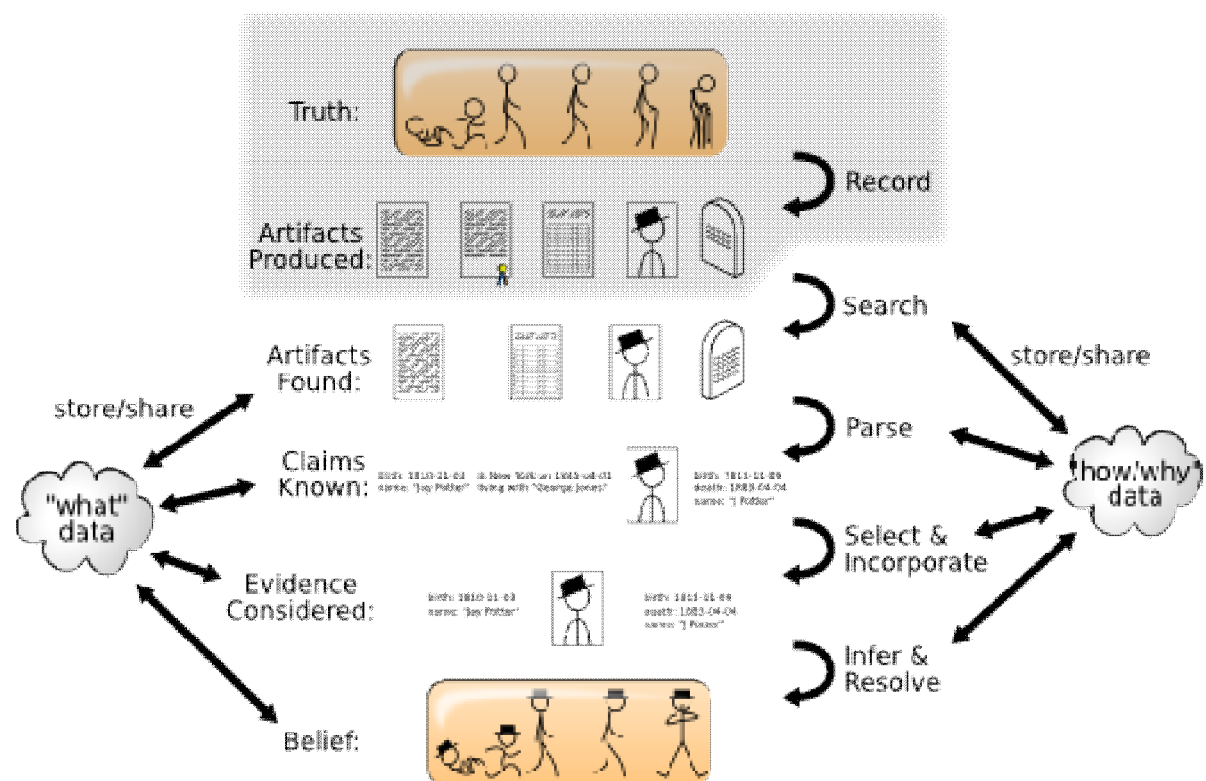
### Spatial Factors



## Genealogy of Family Business Succession Research

Recognition of business succession in family businesses (Handler, 1994). Business succession research on family businesses begins with the roles and challenges played by the predecessor and the next generation. After increasing interest (2012).

In business succession research, the phenomenon of business succession is not treated as a transient event but as a process or its interrelationships (Churchill and Hatton, 1987; Handler, 1990; Longenecker and Schoen, 1978). This includes stages such as succession management cooperation and generational change (Churchill and Hatton, 1987). The successor is to join the family business and, after gaining experience in non-managerial positions, gain experience in business management and become a manager (Longenecker and Schoen, 1978). And appointed as the future manager through placement and promotion planned by the previous manager over a long period of time under the successor parent's generation. Perform their duties (Long Necker& Schoen, 1978).



## Thinking of the successor according to the culture of the family business

Successors must adopt patterns of thinking and behavior in accordance with the culture of the family business, gaining the support of others earns trust that fosters the ability and willingness to bring value to the family business. Develop a position of succession to those around you while building self-confidence through your contribution to the ancestral family business. This is said to lead to the acquisition of acceptor validity (Breach et al., 1988).

In this way, the business succession process could be viewed from the perspective of overlap between generations (Churchill and Hatton, 1987), and it was possible to conceptualize the reciprocal roles of predecessor and successor (Handler, 1994).

Delegation of authority to successors based on evaluation of acquired capabilities (Handler, 1994). The successor is accumulating potential. Despite this, the predecessor does not allow the successor to take on new roles.



However, if the predecessor assigns the role of management to the successor, the problem of coordination of roles arises. According to Handler research, in the business succession process, the predecessor manager responds to the successor's accumulation of skills. It can be seen that there is an inherent provision of an autonomous work environment to the successor by delegating authority according to the position.

In relation to ensuring the autonomy of successors, sources that encourage active actions by the successors themselves in the business succession process.

### **Business succession process of family businesses**

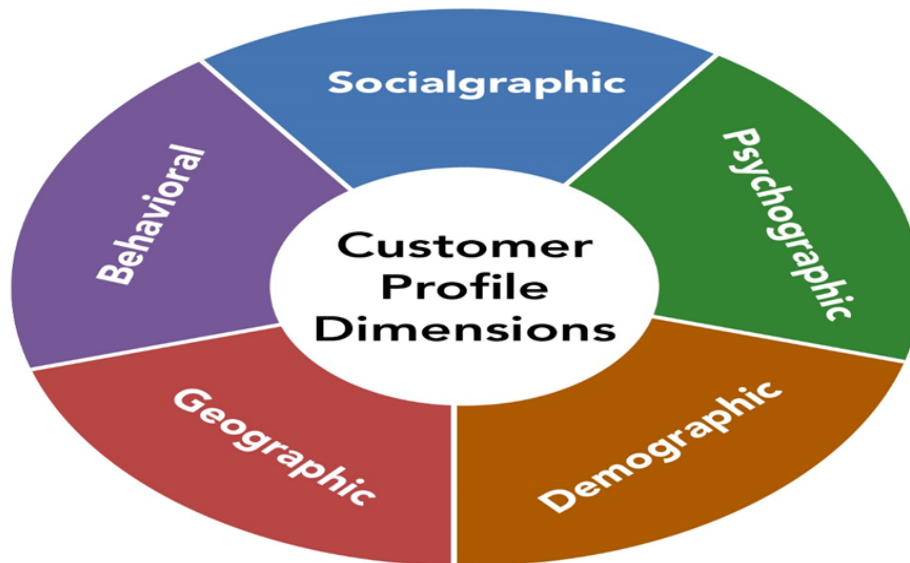
However, previous research on the business succession process of family businesses focused on the development stage of business succession. Most of them focused on the business succession process itself, such as the transition phase of influence and influence. As mentioned above, business succession of family businesses with overlapping generations of managers (Churchill and Hatton, 1987)

In this process, the successors are influenced by the previous generations. That is not everything. Succession is influenced by the parent generation (Gorski et al., 1997). It is in a restrictive condition (Ochoa, 2014bc; 2015; 2016a).

Thus, in the business succession process, in which both autonomous and restrictive conditions co-exist, previous research has shown that the process leading to pro-successor behavior has not

been elucidated. The issue of origin and evolution of proactive behavior by successors as an expression of entrepreneurial dynamism has been discussed extensively in relation to business succession.

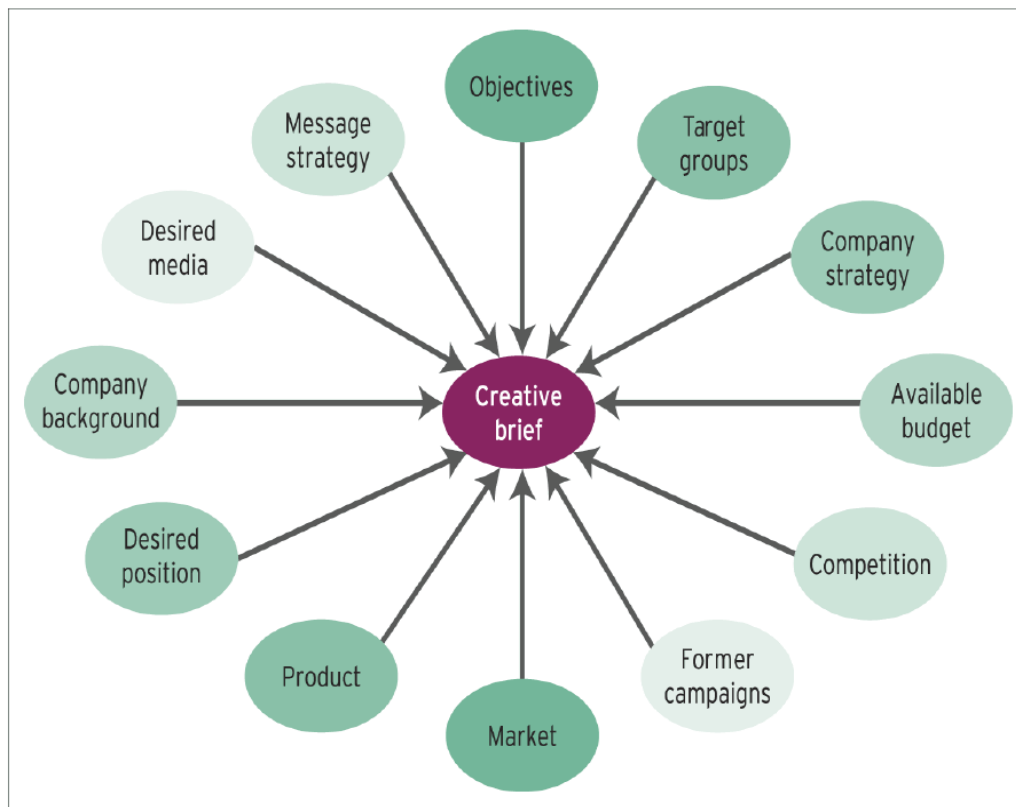
Family entrepreneurship research in a way that is distinct from the business succession process. It has been argued that as a result of different research on the business succession process and analytical approaches to successor behavior, it can be said that through business succession Dynamic behavior is built in, this issue has been overlooked.



## **Genealogy of Family Entrepreneurship Research**

Next, let us trace the genealogy of family entrepreneurship research. At the dawn of research on family ant leprosy, the issue of how to foster in-house entrepreneurs in family businesses was discussed. Nurturing successors as the next generation of entrepreneurs in a family business is critical to the survival, profitability and growth of family businesses (Poza, 1988; Salvatore, 2004; Kellermans and Edelstein, 2006). Poza (1988) argues that founders are within family businesses.

The company should nurture and support the in-house entrepreneurs. Poza (1988) Research Contribution While family business research has emphasized aspects related to the personality of the founders, this is largely due to the fact that the founding manager appeals to the need to support the entrepreneurial activities of the second and subsequent generations. In particular, the need for proactive behavior with risk-taking by subsequent managers and former managers who protect and support it is useful in introducing the role of generation.



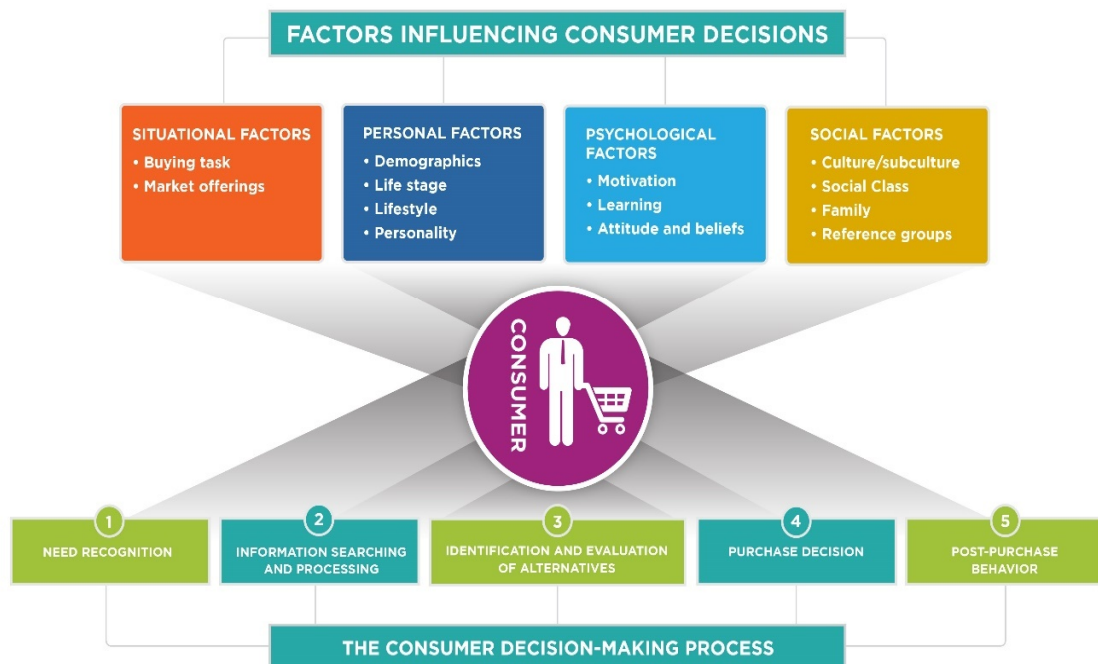
**FIGURE 1**  
**CREATIVE BRIEF GENERATED BY THE STUDENTS ENROLLED IN THE**  
**ENTREPRENEURSHIP COURSE**

### **Discussion on the characteristics of management behavior of family businesses**

After that, a discussion develops on the characteristics of management behavior of family businesses. Family business Family-oriented, such as tradition, stability, and conservatism, as well as innovation, entrepreneurship, and risk-taking. It is also said to have characteristics of entrepreneurial orientation such as black preference. Kellermans and addles ton(2006), Entrepreneurial orientation as a source of entrepreneurial innovation in family businesses this includes engagement, willingness to change and the ability to recognize technological opportunities.

Between generations Involving change involves interactive evolution in the succession process from predecessor to successor. Intention and opportunity recognition have been discussed as elements that generate entrepreneurial activity in traditional entrepreneurship research. it is. Thereafter, the management behavior became conservative due to the extension of the tenure of the management of the family business.

The revitalization of management through trends and generational changes will be discussed. Zahra (2005) A sense of belonging to the company fosters entrepreneurial orientation, but extension of manager tenure drives manager behavior.



This explains the research contribution of Zahra (2005) owning family business as their tenure gets longer, they become more risk-averse, so the next generation is managed through business succession. It showed the need for entrepreneurial innovation by the people. Later, the concept of inter-generational entrepreneurial activity was introduced as an extension of the above mentioned research on in-house entrepreneurship. (Zellweger et al., 2012). Zellweger et al. (2012) consider intergenerational enterprise in family businesses.

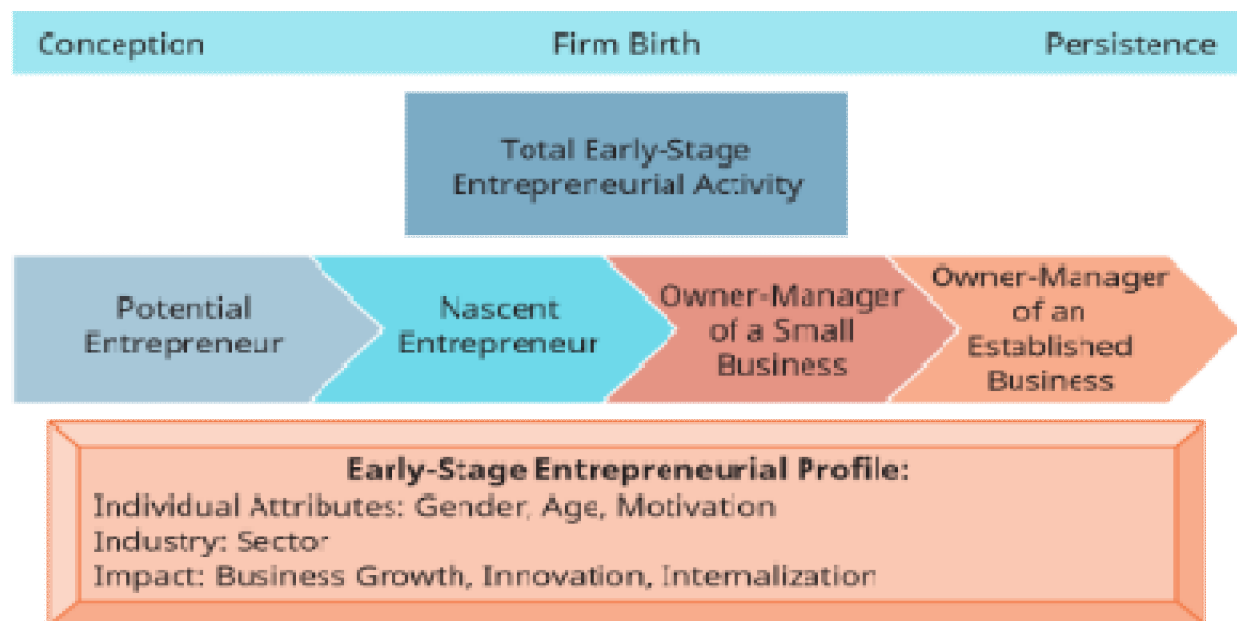
I am doing research on entrepreneurship and value chain creation. Zellweger et al. (2012) We point out the importance of the interaction between entrepreneurship and family orientation in Millie business, and Use impacts the management outcomes of family businesses and leads to value creation that transcends generations, leading to company longevity.

### **Entrepreneurship process of family business successors**

Entrepreneurship research typically focuses on how venture entrepreneurs with scarce management resources can manage in a restrictive business environment.

It is a research that pursues to acquire and mobilize management resources in a timely manner to launch a company and bring it on track. On the other hand, heirs to family businesses are usually expected to take over the management resources held by previous generations. Should be known, it is not appropriate to implement it in succession. At the outset of joining the family business, the successor will have unconditional access to management resources.





Previous research has shown that rather than being in a position where they can be mobilized, they are instead dependent on their predecessors to manage resources (Ochoa, 2014bc; 2015; 2016a). Entrepreneurs being the first to recognize business opportunities, successors are expected to be aware of the resources held by their family business.

Therefore, in this paper Relying on traditional entrepreneurship research, introducing a new "entrepreneurial activity process of family business successors "Doing. This analytical framework is based on three factors: "reliance on resources from previous managers," "identification and evaluation of business opportunities, "Defined as a process with four requirements: "definition" and "acquisition and mobilization of resources". Based on this the following Analyzing the business succession process from the perspective of the successor's entrepreneurial activity process,

### Let us consider new issues in business succession research-

(1) Dependence of Management Resources on Predecessor Managers Venture entrepreneurs who start a business from scratch have only limited management resources (H Camaiore 2002). On the other hand, it is considered possible for the successors of family businesses to use the management resources accumulated by the previous generations. The unique management resources of family businesses are called family nature (Zellweger et al, 2012). Previous studies have specifically clarified the functions and effects of familiarity.

Therefore, it is important to consider what type of management resources the successor is dependent on from the parent generation and how. What has not been adequately discussed is the analytical approach of "resource dependence on the predecessor manager" into two types. Can be divided into: dependencies from within the company and dependencies from outside the company. (Ochoa, 2016b). The first perspective on the dependence on resources within the company is the family business. It is possible to analyze the situation in which the successor depends on the previous generation of workers, engineers, equipment, funds, technology, etc.

# The Marketing Research Process



Wear and tear According to Yochai (2014bc; 2015; 2016a), successors to family businesses are unconditional if sufficient management resources were not available. Trying too hard to keep up with the generation that preceded it, it is also believed that people try to suppress creative behavior. From the perspective of "resource dependence on predecessor managers",

Whether the successor's behavior of relying on the predecessor's management resources will ultimately increase the autonomy of the successor's actions.

It may be possible to get suggestions as to whether or not it warrants increased restrictions on behavior. That's not all. Successors to family businesses are sought not only by internal stakeholders but also by external stakeholders.

This may depend on management resources (Ochoa, 2016b). For example, customers who have been doing business with us over the past generation. It is the relationship (social capital) with external stakeholders such as suppliers, industry associations and local communities. Successors are accepted by external interested parties, precisely because of the benefits of the previous generation of managers. On the other hand, as is the case inside the house, ties with external stakeholders reduce the scope of autonomy of successors with stronger ties to predecessors.

There is also a possibility of getting trapped. Thus, by analyzing the relationship of "resource dependence on the predecessor manager" it would be possible to clarify the constraints faced by the workers and the basic work environment conditions generated by the entrepreneurial activities.

## Recognition and evaluation of business opportunities by successors

The identification of business opportunities by venture entrepreneurs is said to be an opportunity to deviate from the status quo (Kanai et al., 2002).

In this sense, business opportunities are identified by entrepreneurs as an expression of entrepreneurial activities as a whole. Previous the analytical perspective of "recognition and evaluation of business opportunities" by the successor is a question of whether the successor to the family business has the right business environment.

This can inform how they find business opportunities. Unlike entrepreneurs, heirs to family businesses have links and constraints with previous generations (Churchill and Hatton, 1987; Handler, 1990; Longenecker and Schoen, 1978). Should be recognized and appraised. Compared to venture entrepreneurs, there is no successor to the family business. It can be said that the work environment is restrictive. In this sense, the successor is expected to inherit the tradition from the preceding generation. This can provide insight into how entrepreneurial activities arise within the constraints imposed by the industry.

### THE MARKETING PLANNING PROCESS

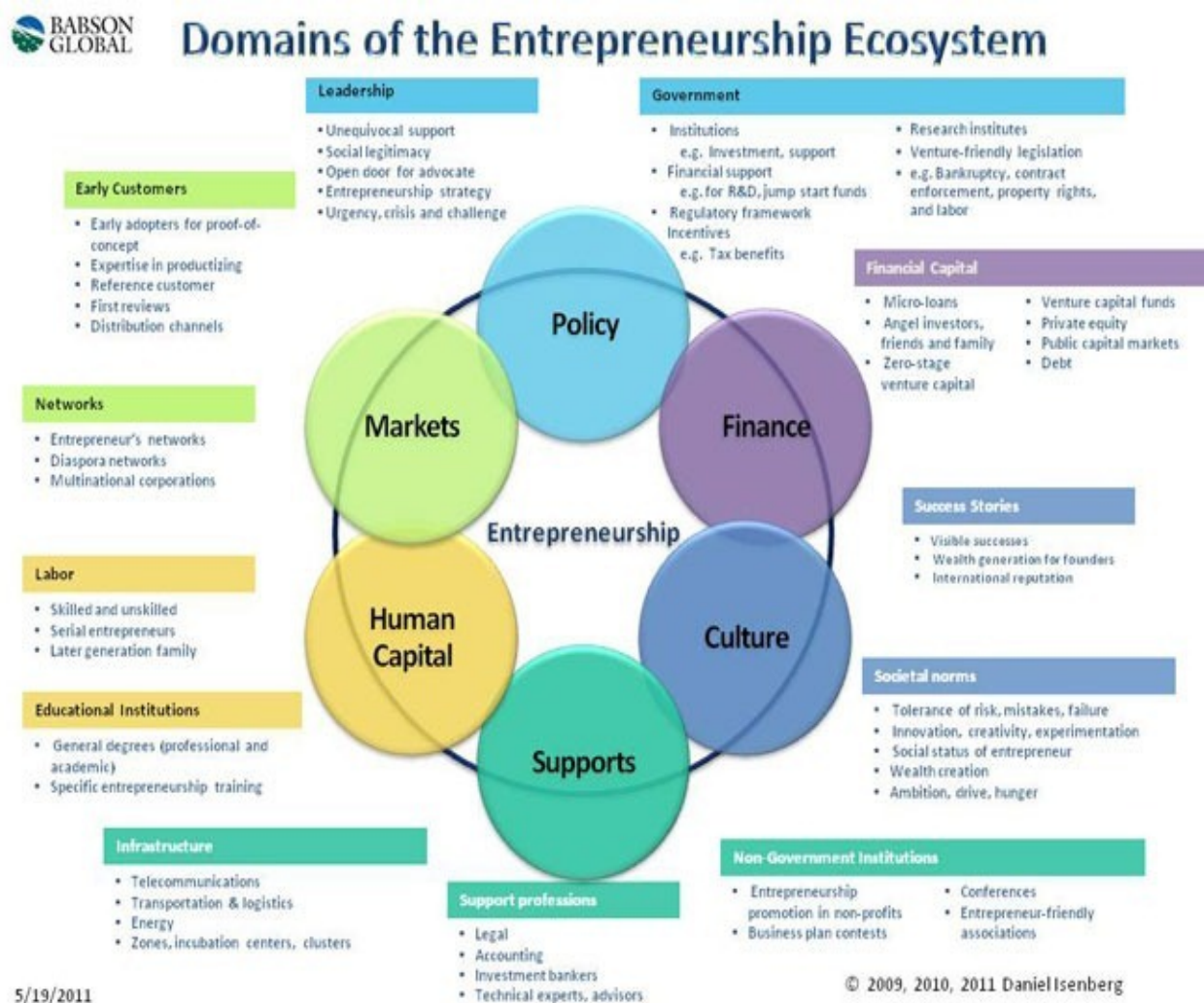


## Redefinition of business domain by the successor

The setting of the business domain for a venture entrepreneur is linked to the business concept and business plan. This will also lead to changes in the industry system (Kanai et al., 2002). Then, the business practices and customs of the preceding generation

How can an heir to a family business, which requires a family business, set up their business domain?

Is it because from the analytical perspective of "redefining the business domain" by successors, it may be possible to derive suggestions on how to set a unique business domain that serves as a blueprint for entrepreneurial innovation? And earlier research in the United States suggests that the traditional business environment according to the successor business environment (family orientation) and conservative behavior consistent with entrepreneurial behavior (entrepreneurial orientation) led to many discussions in the opposite sense of gender. On the other hand, for long-standing family businesses in Japan, a recent study suggests that successors are reinterpreting existing businesses (Kato, 2014). In addition, the active behavior of the heirs of family businesses has led to the formation of many existing business domains that have been created over many years.



## Conclusion

There are three results of this research. First, in the dynamic analysis of the family business succession process and successor behavior, we will focus on the process of entrepreneurial activity through the business succession process, drawing on previous research. It is the introduction of a unique analytical framework called it will facilitate the business succession process for family businesses.

It can provide a framework that can explain the process dynamically. In addition to the generation of entrepreneurial activities of business succession, especially at the beginning of the business succession process, I presented a foundation to explore. Second, research on business succession of future family businesses and research on family entrepreneurship. This study has become a new area of controversy. Point presentation. Entrepreneurial Activities in Family Business Succession

The process concept has been used in family business succession studies and family entrepreneurship. It is likely that this will become a nodal point for future research. In this sense, this paper aims it is this research that fills in Glinka. Third, an analytical framework is presented for the issue of business succession, which can be said to be a critical point of complex family businesses.

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