Parental influence on next-generation family members in South African Black-owned family businesses

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Abstract

Purpose – There are many factors that contribute to a person’s career choice. The decision of whether or not to join the family business is certainly most influenced by parents. The aim of this research is to determine how much of an impact parents have on their next-generation family members’ (NGFMs) decision to join the family business.

Design/methodology/approach – Following a positivistic paradigm, a cross-sectional design was followed using a quantitative, self-administered questionnaire through a judgemental sampling technique. A structured questionnaire was distributed to South African respondents who have parents who own a family business. The data were analysed using Statistica.

Findings – The results indicate that parental style, culture, self-efficacy and parental identification were found to influence the NGFMs’ intention to join the family business significantly. Their decisions can be influenced by several factors, and parents can better manage these aspects by being aware of these influencing factors.

Practical implications – Given the imminent ageing of a large cohort of senior leaders, this research adds to the body of knowledge by highlighting the necessity for committed, willing and ready next-generation family members (NGFMs) to ensure efficient succession in family businesses. Therefore, effective management is required for succession-planning, particularly from the perspective of the successor.

Originality/value – This study, therefore, responds to calls for more in-depth quantitative studies on family businesses in general and on Black-owned family businesses in South Africa in particular. This study will evaluate the significance of parent influence on NGFMs to join Black family-owned businesses in South Africa. This research will assist family business owners and their families in understanding their children’s intentions, designing and evolving an appropriate system to instill necessary traits, skills and attitudes in the children, preparing them for upcoming challenges, adding new perspectives to the family business and ensuring its profitability and long-term growth.

Keywords Career choice, Family business, Next generation, Parental influence, Black, South Africa

Paper type Research paper

1. Introduction

Family businesses account for 70–90% of the global annual gross domestic product (GDP) and 50–80% of all jobs (Rajan et al., 2020, p. 13). In many nations, family businesses are extremely important economically, emphasising the necessity for – and importance of – a smooth transition from one generation to the next (Urban and Nonkwelo, 2020, p. 3). Hjorth (2016), p. 3; Gedajlovic et al. (2012, p. 25) note that family businesses represent approximately 90% of all companies worldwide and play a significant role in both developed and emerging economies. Significant research interest has been generated by the increasing influence of family businesses in the global economy, particularly in relation to the development of next-generation family members’ (NGFMs) intention to join the business (Wang et al., 2018,
Family businesses have made substantial contributions to the South African economy during the last 300 years, representing 60% of listed businesses on the Johannesburg Stock Exchange (JSE) (Urban and Nonkwelo, 2020, p. 3). Given the historical importance of these businesses, succession-planning is never an option but a prerequisite (Tjano and Janse van Rensburg, 2020, p. 2). As suggested by Tjano and Janse van Rensburg (2020, p. 2), owing to the importance of family businesses around the globe, intergenerational succession is at the heart of their renewal and continuity.

Family businesses did not take off in Africa until the mid-19th century at the height of the colonial period when some African colonies opened up for European settlement, including modern-day South Africa, Angola, Mozambique, Kenya and Congo (Zellweger, 2017, p. 27). According to Zellweger (2017, p. 27), until the 19th century, the majority of Africans lived in small tribal societies that engaged in a mix of traditional subsistence-based hunting, gathering and agriculture.

Zellweger (2017, p. 27) states that, owing to the isolation of most African peoples from innovations in Europe and Asia, family businesses - as economic entities that control resources to achieve a monetary profit - were largely absent on the continent until the arrival of Portuguese traders in the 16th century, followed by the Dutch and English in the 18th century. In the South African context, Musengi (2006, p. 4) suggests that Black family businesses are increasingly known for creating jobs, which improves social welfare and alleviates poverty amongst Black South Africans. However, before 1994 the economic and social contributions of Black family businesses were restricted by legislation (Gomba and Kele, 2016, p. 9; Musengi, 2006, p. 4). This was because less than 5% of the businesses involved in the economy were owned by the Black population (Gomba and Kele, 2016, p. 9; Musengi, 2006, p. 4). The economy is changing rapidly and Black businesses are developing (Gomba and Kele, 2016, p. 9). There are several first-generation Black-owned family businesses in South Africa currently (PWC, 2016, p. 10). These businesses still have unresolved issues about how business mindsets are cultivated and passed down to the next generation as well as how revenue is retained for the next generation (PWC, 2016, p. 10). According to Musengi (2006, p. 4), limited research has been done that has focused on Black family businesses. Netsianda (2008, p. 3) and Daba (2007, p. 4) state that little research has been conducted in South Africa on Black-owned family businesses. Therefore, more research on such undertakings is necessary (Musengi, 2006, p. 5).

The primary objective of this study is to determine the influence of parents on the NGFMs joining Black-owned family businesses in South Africa. According to Jamil et al. (2022, p. 1), the family business sustainability rate has remained low, especially with the long-term generational transition. Magrelli et al. (2022, p. 15) add that there is still a limited understanding of generations and the implications of their involvement in the family business. Ejupi-Ibrahim et al. (2020, p. 286) highlight that family businesses are crucial to the development of every nation’s economy.

Previous research has focused more on situational factors that relate to the “contextual” environment surrounding the individual than on “cognitive” (person-related) factors (Tjano and Janse van Rensburg, 2020). Researching how children from family businesses develop career-choice intentions provides insight into how the family business context sets off the child’s target desires, an understudied process in the entrepreneurship literature. Little is known about how the influence parents have on NGFM’s decisions to commit to family businesses (Tjano and Janse van Rensburg, 2020, p. 2). The parental influencing factors could indirectly lead to succession-related failure in family business as these factors are overlooked by business owners. Tjano and Janse van Rensburg (2020, p. 2) strongly call for increasing attention by academics on the NGFMs as little research has been done on NGFM’s intentions to join the family business. Understanding the aims of the NGFM, especially within family businesses, requires further research.
2. Literature review

Across the world, new family businesses are formed but only selected handful businesses manage to succeed from generation to generation (Chirapanda, 2020, p. 58). The clarity of succession plans, the amount of preparation of the successor, parental roles, the level of faith in the successor’s capabilities, and family disputes all impact succession plans (Gimenez-Jimenez et al., 2021, p. 741).

According to Gagné et al. (2021, p. 154), the succession process poses a significant difficulty for family businesses. Given the low rates of survival across generations in family businesses, succession has received a lot of attention in family business research (Suhartanto, 2022, p. 1). Parents who operate family businesses tend to instil a sense of confidence in their offspring’s family business skills (Garcia et al., 2019, p. 225).

According to Bloemen-Bekx et al. (2019, p. 645), of all the adults who can influence the next generation, parents hold the most important position and serve as the best role models. Gimenez-Jimenez et al. (2021, p. 741) state that when generational connections are positive, professional objectives are in line with the family business. Successors have a high internal locus of control and succession is more likely to occur. NGFMs who join their family business, because of a strong affinity with the business or a perceived alignment of professional objectives with possibilities in the business, do well and have meaningful careers (Garcia et al., 2019, p. 224). Participation of NGFMs is critical to the success and continuity of family businesses (Garcia et al., 2019, p. 224). Family bonds have a vital role in building the next generation of family members’ involvement in the family business (Garcia et al., 2019, p. 224). Georgescu and Herman (2020, p. 47) state that the successful integration of young people into the workforce and the lowering of the risk of social exclusion amongst the next generation may both be accomplished by encouraging them to pursue entrepreneurial careers.

This study draws on career choice theories including Super’s developmental self-concept theory, social cognitive theory and Holland’s theory of vocational personalities in the work environment (Rogers and McKinney, 2019, p. 1658, Sahithya et al., 2019, p. 358 and Yamamoto and Holloway, 2010, p. 191). Career choice theories give insight into the different factors that impact a person’s career choice in general, as well as their decision to enter the family business as a career. These career choice factors are summarised in Table 1 below.

2.1 The influence of parents on their next-generation family members

According to Ing (2014, p. 89), parents greatly impact the next generation’s career choices. Ing (2014, p. 89) states that parents have a greater impact on the next generation’s career decisions than teachers, friends, family members or individuals working in the desired field. Padaki et al. (2017, p. 2) agree that parental participation is essential to improving the next generation’s structural involvement in early childhood.

According to Padaki et al. (2017, p. 2), parents significantly influence the next generation’s engagement in youth through verbal support and engaging in healthy lifestyles. Therefore, this study focuses on the following parental influences as identified in career choice theories highlighted in Table 1.

2.1.1 Parents’ job characteristics. Job characteristics include the quality of a career, the knowledge of skills needed and the ability to do a job, as well as the kind of interest and character that might fit the job well (Bates, 2015, p. 68). The work experience and feelings of parents in a family business have a significant impact on their children’s job choices (Schroder et al., 2011, p. 308). As a result, individuals with a family business history grow up in a distinct family environment that shapes and determines their future career objectives (Zellweger et al., 2011, p. 524). According to Van der Voet and Steijn (2019, p. 7) and Grant (2007), parents’ job characteristics are connected to pro-social motivation and the degree to which employment includes social elements is an important indicator of pro-social motivation.
Garikai (2018, p. 1) argues that parents’ job characteristics are the quality of a job, such as the skills, experience and ability to do a job, as well as the type of motivation and personality that is well suited to a job. Subsequently, the following hypothesis is formulated:

\[ H1. \] There is a significant relationship between Parents’ job characteristics and an NGFM’s Intention to join the family business.

2.1.2 Self-efficacy. “Self-efficacy” refers to trust in one’s ability to perform a specific task (Frank Webb et al., 2016, p. 48). This refers to the determination of the individual’s ability to obtain a certain degree of power or the desired outcome (DeNoble et al., 2007, p. 130). Huang et al. (2018, p. 748) state that self-efficacy directly influences an individual’s ability to take initiative and show resilience in challenging situations. According to Hewitt (2015, p. 300), self-efficacy affects individual preferences as people tend to choose tasks and activities in which they feel competent and safe and avoid those they are uncomfortable doing. Garcia et al. (2019, p. 227) state that self-efficacy determines work and performance outcomes such as career decision-making, career choice goals, business objectives and behavioural and job-related performance.

Subsequently, the following hypothesis is formulated:

\[ H2. \] There is a significant relationship between Self-efficacy and an NGFM’s Intention to join the family business.

2.1.3 Outcome expectations. Williams et al. (2010, p. 418) states that individuals’ expectations are defined as the outcome they expect to achieve from required work based on their

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**Table 1. Factors that influence career choice**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Description</th>
<th>Theory</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parents’ job characteristics</td>
<td>The younger generation with a family that supports their career development is more likely to experience higher levels of career achievement</td>
<td>Super’s developmental self-concept theory</td>
<td>Fouad et al. (2016, p. 200)</td>
</tr>
<tr>
<td>Self-efficacy</td>
<td>The ability to modify one’s confidence and the likelihood of accomplishing a task</td>
<td>Social cognitive theory</td>
<td>Campo (2011, p. 15)</td>
</tr>
<tr>
<td>Outcome expectations</td>
<td>Outcome expectation has been discovered to influence behaviour</td>
<td>Social cognitive theory</td>
<td>Landry (2003, p. 4)</td>
</tr>
<tr>
<td>Parent-child relationship</td>
<td>Improving communication and parental involvement is designed to improve the emerging self-esteem of the younger generation</td>
<td>Super’s developmental self-concept theory</td>
<td>Rogers and McKinney (2019, p. 1658)</td>
</tr>
<tr>
<td>Parental identification</td>
<td>The younger generation learning experiences from observing in a social environment with whom they can relate and in a field in which they wish to succeed</td>
<td>Social cognitive theory</td>
<td>Bosna et al. (2012, p. 414)</td>
</tr>
<tr>
<td>Parental expectations</td>
<td>Parents’ hopes, desires, goals and capabilities in relation to the potential achievement expectations of their younger generation</td>
<td>Holland’s theory of vocational personalities in the work environment</td>
<td>Yamamoto and Holloway (2010, p. 191)</td>
</tr>
<tr>
<td>Parental style</td>
<td>Human behaviour and socialisation processes are often subject to social and cultural factors</td>
<td>Social cognitive career theory</td>
<td>Sahithya et al. (2019, p. 358)</td>
</tr>
<tr>
<td>Culture</td>
<td>Individual variations such as gender, age, personality and race/ethnicity are key personal factors that influence how people respond and adjust to new job opportunities</td>
<td>Social cognitive career theory</td>
<td>Thompson et al. (2017, p. 44)</td>
</tr>
</tbody>
</table>

**Source(s):** Authors’ own creation
judgement. Landry (2003, p. 4) states that outcome expectations influence behaviour. According to Shoffner et al. (2015, p. 104), the predicted outcomes of a given plan of action are referred to as outcome expectations. These are a belief that specific behaviours will be useful in the future (Shoffner et al., 2015, p. 104). Peterman et al. (2017, p. 784) state that positive outcome expectations serve as an opportunity to promote future behaviour. Outcome expectations can be described as expected positive or negative outcomes for the performance of certain tasks (Huang et al., 2018, p. 748). Outcome expectations derive from observing the state and events of the individuals’ environment and the actions taken by the individual (Fouad and Guillen, 2006, p. 131). According to Peterman et al. (2017, p. 784), outcome expectations influence the choice of actions when people take actions that are likely to yield positive outcomes.

Subsequently, the following hypothesis is formulated:

H3. There is a significant relationship between Outcome expectations and an NGFM’s Intention to join the family business.

2.1.4 Parent–child relationship. The link between a parent and a child, as well as their level of reliance, may be used to characterise their relationship (Melin et al., 2014, p. 128). Bates (2015, p. 68) highlights that the parent–child relationship must be built to connect the parent to the child. According to Sudhakar and Nellaiyapen (2016, pp. 339–340), a parent–child relationship is a combination of behaviour, feelings and expectations unique to a particular parent and child. The parent–child relationship is most important for the child’s social and emotional development and well-being (O’Connor et al., 2018, p. 4). The quality of parent–child relationships can help predict a child’s behavioural outcomes (Onifade et al., 2016, p. 138).

Subsequently, the following hypothesis is formulated:

H4. There is a significant relationship between the parent–child relationship and an NGFM’s Intention to join the family business.

Reined and Roach (2010, p. 405) state that parental identification is where children learn the parents’ characteristics and feel similar to the parents. Fathers have a higher impact on the career of their male children and mothers have an impact on female children (Thomas et al., 2012, p. 6). Parents serve as inspiration if their actual behaviour is identified by adolescents as what they need in their childhood (Wiese and Freund, 2011, p. 223). In a family business, a person may be associated with a family business that was typically started by their parents (Whetten et al., 2014, p. 481; Schroder et al., 2011, p. 308).

Subsequently, the following hypothesis is formulated:

H5. There is a significant relationship between Parental identification and an NGFM’s Intention to join the family business.

2.1.5 Parental expectation. “Parental expectations” are described as the parent’s beliefs or choices about their child’s future conduct (Yamamoto and Holloway, 2010, p. 191). According to Mesurado et al. (2014, p. 1474), parental expectations are defined by the parents’ beliefs and decisions about the future success and behaviour of their NGFMs as well as what they want or expect from them. Yamamoto and Holloway (2010, p. 191) argue that parental expectations are reasonable ideas or expectations of future achievement expressed by parents in the form of decisions reflecting their schooling or higher education. Parental expectations can be seen as an aspect of the home environment that directly and indirectly affects child behaviour and success (Zhan, 2006, p. 963). Guo et al. (2020, p. 3) state that parental expectations are commonly described as parents’ realistic beliefs about their next generation’s potential educational outcomes, such as the highest level of education.
Subsequently, the following hypothesis is formulated:

\[ H6. \] There is a significant relationship between Parental expectations and an NGFM’s Intention to join the family business.

2.1.6 Parental style. “Parent style” refers to the system that creates a structure articulated by parenting the child (Zahedani et al., 2016, p. 131). The adopted parenting style - whether strict, democratic or permissive - has shown that it affects the child's maturity, behavioural and emotional preparation, social expectations and standards (Zahedani et al., 2016, p. 131; Boa, 2001, p. 19). Parental style is described as a process that creates a sincere environment for the mind of the child (Boa, 2001, p. 18).

Cripps and Zyromski (2009, p. 5) state that parental styles are defined as the behaviours, attitudes and values that parents use to determine how they interact with their NGFMs. Sahithya et al. (2019, p. 358) argue that parenting style refers to the collection of parental attitudes and behaviours that parents use most often, sequentially in various ways, to regulate the actions of their NGFMs, which is dictated by models of discipline, sensitivity, warmth and punishment. The level of approval, warmth and sensitivity that parents convey to their NGFMs, and the degree of parental support, are central to the general development of the child. Also, these are key contributors to the parenting style of the child (Garcia et al., 2019, p. 8).

Subsequently, the following hypothesis is formulated:

\[ H7. \] There is a significant relationship between Parental style and an NGFM's Intention to join the family business.

2.1.7 Culture. “Culture” is described as collective and learnt experiences, meanings, values and knowledge that inform and articulate people as well as reproducing and communicating these in a partially symbolic manner (Hall and Nordqvist, 2008, p. 55). Kalé et al. (2020, p. 74) state that culture is common conditioning of the mind that separates one group or set of individuals from other groups.

According to Bornstein et al. (2011, p. 216), culture contributes to parenting and nurturing. It is maintained and transmitted through parental attitudes, leading to the belief that it impacts parental conduct. The next generation’s experience with parents in a cultural context ultimately motivates them to become culturally competent members of their community (Bornstein, 2012, p. 213). According to Krishnan (2020, p. 84), these shared values and the integrity of the common culture promote unity and improve teamwork amongst members of the organisation. Values are principles, standards and norms that describe what people believe to be good or bad and right or wrong (Sharma and Hoy, 2013, p. 115). Osei et al. (2012, p. 15) and Dumas and Blodgett (1999, p. 210) state that the values generally found in family businesses are trust, commitment, honesty, fairness, quality, integrity, social responsibility and respect. According to Basco et al. (2019, p. 103), it is evident that some sociocultural norms, practices and beliefs support – rather than hinder – the attitude that leads to entrepreneurial behaviour and the degree to which the family influences a business’s skills and resources.

Subsequently, the following hypothesis is formulated:

\[ H8. \] There is a significant relationship between culture and an NGFM's intention to join the family business.

2.2 Hypothesised model

Given the literature support provided in Figure 1, the following hypotheses were subjected to empirical testing in this study. There is a significant relationship between the parental influences (Parents’ job characteristics H1, Self-efficacy H2, Outcome expectations H3,
3. Research design and methods
This study adopted a positivist research paradigm and a quantitative methodological approach that was deductive. Furthermore, the sample and the sampling technique (criterion sampling is a specific type of judgemental sampling that was used in this study), as well as the data collection methods were described. The methodology adopted to collect primary data was an analytical survey of a cross-sectional nature.

3.1 Population and sample
The population for this study consists of all Black South Africans over the age of 18 whose mother or father, or both, owns a family business. The exact number of the population is unknown; therefore the sample frame was unavailable. The non-probability sampling technique used in this study is a judgemental sampling technique. The criteria to qualify as a next-generation Black South African family member to participate in this study were as follows; (1) the person must be over the age of 18 years, (2) the family of the respondent owns more than 50% of the family business and (3) the respondent’s father or mother, or both, are actively involved in their family business. There were 400 hard copy questionnaires

Parent-child relationship H4, Parental identification H5, Parental expectations H6, Parental style H7 and Culture H8) and the intention to join the family business.

Figure 1. Hypothesised model of relationships between parental influences and an NGFM’s intention to join the family business.

Source(s): Author’s own creation
distributed to the respondents by the researcher. The researcher used snowballing to identify the respondents. From the 400 questionnaires that were distributed, only 371 were completed and filled in correctly. This indicates a response rate of 79%.

3.2 Measuring instrument and data collection
There were two sections in the measuring instrument used in this study. Section A of the study included a question to evaluate the eligibility of potential NGFMs to participate in the research. This section contained demographic questions. Section B of the questionnaire included multiple statements assessing the different parental impacts on NGFM’s intentions to join the family business. A five-point Likert scale was used.

A structured questionnaire was used to obtain data. Non-probability criterion sampling was used. The data was collected from 19 September 2022 to 22 October 2022.

3.3 Data analysis
The Statistica (Version 13.3) software programme was used for this study’s data analysis. This analysis included the assessment of the measuring instrument’s validity and reliability, as well as the calculation of demographic data from the intended sample, which was analysed using descriptive and inferential statistics. An exploratory factor analysis (EFA) was used to determine the accuracy of the independent and dependent variables’ measurements. Cronbach’s alpha coefficients were calculated to determine the questionnaires’ reliability. To determine whether the independent variables had any significant relationship with the dependent variable, a multiple regression analysis was performed and Pearson product-moment correlations measured relationships.

4. Empirical results and discussion
4.1 Sample description
The majority of the family businesses associated with the respondents are owned by the respondent’s father, accounting for 48.26%, with 31.5% owned by both the father and mother and only 20.19% owned by the mother. The first generation owns the majority of the family businesses (53.63%), followed by the second generation (34.07%) and the third or later generations (12.30%). The results show that 76.34% indicated that their parents had been involved in the family business for less than 10 years and the remaining 23.66% indicated that their parents were involved in the family business for more than 10 years.

The results show that 92.74% indicated that their family business has less than 10 employees and the remaining 7.26% indicated that their family business has more than 10 employees. Men made up the majority of the respondents (57.73%) and women made up 41.96% of the respondents, with only one respondent not stating their gender. The majority of the respondents (70.03%) were between the ages of 18–25, with 38.80% working in the family business.

4.2 Validity and reliability
In this study, EFA was used to assess the construct validity of the instrument measuring the independent variable. The validity of this study’s independent variables was assessed for construct validity using an EFA. Eight factors emerged from the EFA conducted on the independent variables. Most items loaded as expected and items that did not load were removed from further analysis. Table 2 illustrates that all the EFA factors were well above
the recommended guideline (0.4). According to Guadagnoli and Velicer (1988), scores greater than 0.4 are considered stable.

Cronbach’s Alpha (CA) coefficients were calculated to ensure reliability. According to Tavakol and Dennick (2011, p. 54), a Cronbach’s alpha coefficients between 0.7 and 0.95 suggests acceptable reliability. As a result, coefficients higher than 0.7 were deemed significant as proof of a reliable scale. All factors reported CAs of more than except for Parental style and Parental expectations that reported CAs of less than 0.7 but Parental style was retained because its reported CA was at an acceptable level of 0.599. Parental expectations were not accepted as valid and reliable and were therefore excluded from further analysis. The original items column is for items that were first intended to be measured, and the items loadings column is for items that loaded as expected. The items that did not load were removed from further analysis. In Table 2, satisfactory evidence of validity and reliability for scale measuring the independent variable is provided. The validity and reliability results for the independent variables are summarised in Table 2.

4.3 Descriptive statistics
Descriptive statistics were used to summarise the study respondents’ responses to the independent and dependent variables. Mean scores, standard deviations and percentages were determined for these factors.

Table 3 shows the descriptive statistics for these independent variables: Parents’ job characteristics, Self-efficacy, Outcome expectations, Parent-child relationship, Parental identification, Parental style, and Culture.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Original items</th>
<th>Items loadings</th>
<th>Minimum and maximum loadings</th>
<th>CAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intention to join the family business</td>
<td>8</td>
<td>5</td>
<td>0.525–0.875</td>
<td>0.757</td>
</tr>
<tr>
<td>Parents’ job characteristics</td>
<td>8</td>
<td>3</td>
<td>0.582–0.831</td>
<td>0.752</td>
</tr>
<tr>
<td>Self-efficacy</td>
<td>8</td>
<td>5</td>
<td>0.656–0.778</td>
<td>0.901</td>
</tr>
<tr>
<td>Outcome expectations</td>
<td>8</td>
<td>3</td>
<td>0.519–0.809</td>
<td>0.758</td>
</tr>
<tr>
<td>Parent-child relationship</td>
<td>8</td>
<td>6</td>
<td>0.644–0.853</td>
<td>0.891</td>
</tr>
<tr>
<td>Parental identification</td>
<td>7</td>
<td>5</td>
<td>0.458–0.776</td>
<td>0.744</td>
</tr>
<tr>
<td>Parental expectations</td>
<td>8</td>
<td>2</td>
<td>0.760–0.797</td>
<td>0.002</td>
</tr>
<tr>
<td>Parental style</td>
<td>8</td>
<td>3</td>
<td>0.688–0.826</td>
<td>0.697</td>
</tr>
<tr>
<td>Culture</td>
<td>8</td>
<td>3</td>
<td>0.626–0.743</td>
<td>0.774</td>
</tr>
</tbody>
</table>

Source(s): Authors’ own creation

Note(s): INT = Intention to join the family business; JC = Parents’ job characteristics; SE = Self-efficacy; OE = Outcome expectations; PCR = Parent-child relationship; PI = Parental identification; PSTYLE = Parental style; Culture

Source(s): Authors’ own creation
identification, Parental expectations, Parental style and Culture as well as this dependent variable: Intention to join the family business.

The dependent variable, Intention to join the family business, received a mean score of 3.78, with the majority of respondents (63.01%) agreeing that they want to pursue a career in their family business, are willing to make every effort to join their family business, are determined to join their family business in the future, tend to work in their family business rather than someone else’s and have a strong desire to take over the family business.

The independent variable, Parents’ job characteristics, received a mean score of 3.72, with the majority of respondents (61.13%) agreeing that working in the family business allows their parent to work independently, provides their parents with advanced knowledge and skills and that their parents have a good working atmosphere in the family business.

The independent variable, Self-efficacy, reported a mean score of 4.03, with the majority of respondents (77.73%) agreeing that the family business has a good working physical environment and that they are confident that they have the skills required to work in their family business, they have what it takes to work in the business, are willing to put a great deal of effort beyond that normally expected to help the family business be successful and have found working in the family business exciting.

The independent variable, Parental identification, reported a mean score of 4.08, with the majority of respondents (76.98%) agreeing that they have the same career interest, behaviours or attitudes, values and beliefs as their parent, have a strong desire to follow in the footsteps of their parent and have similar career goals as those that their parent has for them.

The independent variable, Culture, reported a mean score of 4.50, with the majority of respondents (62.70%) agreeing that their parent helps them to address the same problem in different and creative ways in their family business, that their parent supports strategic thinking in their family business and makes sure they understand their family business roles and responsibilities.

However, the independent variable, Outcome expectations, scored a mean score of 3.38, with the majority of respondents (28.68%) disagreeing that working in the family business would help them improve their skills in managing challenging opportunities, allowing them to work closely to their parents and was financially rewarding.

The independent variable, Parent-child relationship, reported a mean score of 3.55, with the majority of respondents (20.75%) disagreeing that they regularly spend time with and relate well to, their parents, communicate openly and freely with them and appreciate each other.

The independent variable, Parental style, reported a mean score of 3.85, with the majority of respondents (24.89%) disagreeing that their parent has a strong influence over their family household, guiding how they spend their free time and that they frequently communicate with their parent.

The majority of respondents agree on four of the independent variables: Self-efficacy, Parental identification, Culture and Parents’ job characteristics (77.73%, 76.98%, 62.70% and 61.13%, respectively) and 63.01% agree on the dependent variable Intention to join the family business.

4.4 Pearson’s product-moment correlations
Pearson’s product-moment correlation is a measure of the strength of the relationship between two variables (Schober and Vetter, 2020, p. 332). The study will make use of the Pearson correlation to indicate the correlation of each independent variable (Parents’ job characteristics, Self-efficacy, Outcome expectations, Parent-child relationship, Parental identity, Parental style and Culture) had any effect on the dependent variable, Intention to join the family business. Pearson’s product-moment correlation coefficients (r) range from −1
to +1, with absolute values increasingly closer to 1 indicating an increasingly stronger relationship and may be interpreted as follows: “weak” \((r < 0.40)\), “moderate” \((r = 0.40 \text{ to } 0.69)\), or “strong” \((r \geq 0.70)\) (Schober and Vetter, 2020, p. 332).

Table 4 above shows that the independent variables Parents’ job characteristics \((r = 0.5549)\), Outcome expectations \((r = 0.6972)\), Parent-child relationship \((r = 0.6310)\), Parental identity \((r = 0.5965)\), Parental style \((r = 0.5686)\) and Culture \((r = 0.6685)\) are significantly \((p < 0.05)\) and positively correlated with the dependent variable Intention to join the family business. The \(r\)-value indicates a moderate relationship between the independent variables (Parents’ job characteristics, Outcome expectations, Parent–child relationship, Parental identity, Parental style and Culture) and the dependent variable (Intention to join the family business). The \(r\)-value indicates a strong relationship between the independent variable Self-efficacy \((r = 0.7909)\) and the dependent variable (Intention to join the family business). Significant and positive relationships were also reported between all the independent variables themselves. These correlation coefficients varied between \(r = 0.5010\) and \(r = 0.8280\).

4.5 Multiple regression analysis
A multiple regression analysis was used to see if the independent variables had any effect on the dependent variable, Intention to join the family business. In Table 5, the independent variables explain 60.40\% of the variance of the dependent variable (Intention to join the family business).

<table>
<thead>
<tr>
<th>Factors</th>
<th>PJ</th>
<th>SE</th>
<th>OE</th>
<th>PR</th>
<th>PI</th>
<th>PSTYLE</th>
<th>Culture</th>
<th>INT</th>
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<tr>
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<td>0.6168</td>
<td>0.5537</td>
<td>0.5105</td>
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<td>0.5839</td>
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<td>0.6796</td>
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</tr>
<tr>
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<td>0.8280</td>
<td>1.0000</td>
<td>0.7403</td>
<td>0.6998</td>
<td>0.6142</td>
<td>0.7782</td>
<td>0.6972</td>
</tr>
<tr>
<td>PR</td>
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<td>0.7770</td>
<td>0.7403</td>
<td>1.0000</td>
<td>0.6713</td>
<td>0.6857</td>
<td>0.6774</td>
<td>0.6310</td>
</tr>
<tr>
<td>PI</td>
<td>0.5105</td>
<td>0.7455</td>
<td>0.6998</td>
<td>0.6713</td>
<td>1.0000</td>
<td>0.5375</td>
<td>0.8116</td>
<td>0.5965</td>
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<tr>
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<td>1.0000</td>
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<td>0.5411</td>
<td>1.0000</td>
<td>0.6685</td>
</tr>
<tr>
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<td>0.7909</td>
<td>0.6972</td>
<td>0.6310</td>
<td>0.5965</td>
<td>0.5686</td>
<td>0.6685</td>
<td>1.0000</td>
</tr>
</tbody>
</table>

Note(s): Italics = \(p\)-value<0.05
Source(s): Authors’ own creation

<table>
<thead>
<tr>
<th>Factor</th>
<th>(b^*)</th>
<th>Std. err. of (b^*)</th>
<th>B</th>
<th>Std. err. of B</th>
<th>t (258)</th>
<th>(p)-value</th>
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<tr>
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<td>0.400789</td>
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<td>5.03739</td>
<td>0.000001</td>
</tr>
<tr>
<td>Culture</td>
<td>0.492676</td>
<td>0.067173</td>
<td>0.400789</td>
<td>0.076588</td>
<td>5.03739</td>
<td>0.000001</td>
</tr>
</tbody>
</table>

Note(s): \(p\)-value<0.005; INT = Intention to join the family business; JC = Parents’ job characteristics; SE = Self-efficacy; OE = Outcome expectations; PCR = Parent-child relationship; PI = Parental identification; PSTYLE = Parental style; Culture
Source(s): Authors’ own creation
A significant positive relationship ($0.0000008; p < 0.005$) was found between Parental style and Intention to join the family business. Given the results of this study, there is a significant and positive relationship between parental style and the NGFM’s intention to join the family business.

Furthermore, a significant positive relationship ($0.000001; p < 0.005$) was found between Culture and the Intention to join the family business. Based on the results of this study, there is a significant and positive relationship between Culture and the NGFM’s Intention to join the family business.

The independent variable, Self-efficacy, and the dependent variable, Intention to join the family business, had a significant positive relationship ($0.000254; p < 0.005$). According to the study results, there is a significant and positive relationship between Self-efficacy and the NGFM’s Intention to join the family business.

Furthermore, a significant positive relationship ($0.000008; p < 0.005$) was found between the independent variable, Parental identification, and the dependent variable, Intention to join the family business. This study’s results show a significant and positive relationship between Parental identification and the NGFM’s Intention to join the family business.

Outcome expectations, Parent-child relationship, Parent’s job characteristics and the dependent variable, Intention to join the family business, were found to have no significant relationship.

5. Discussion

Parental style, Culture, Self-efficacy and Parental identification were found to have a significant positive influence on the NGFM’s intention to join the family business. Each of these relationships will be briefly discussed below.

There is a significant and positive relationship between parental style and the NGFM’s intention to join the family business. Parental style suggests that the more the NGFM perceives that their parent has a strong influence over their family household guides how they spend their free time. The more frequently they communicate with their parent, the greater the impact on their Intention to join the family business. Garcia et al. (2019, p. 8) state that the level of approval, warmth and sensitivity that parents convey to their NGFMs and the degree of parental support is central to the child’s general development and are key contributors to the parenting style of the child.

According to Bindah (2017, p. 5), family parental styles show that entrepreneurial values will shape the business and the path of the NGFM. It has been noted that it is very important for parents to choose a parenting style that encourages their child’s development, behavioural and emotional readiness as well as social standards expectations. This is because this leads the NGFM’s behaviour towards fulfilling their career goal expectations. Parents should have an open relationship with their NGFMs that will enable them to speak freely about their future career intentions, which will help parents guide their children from an early age.

There is a significant and positive relationship between culture and the NGFM’s intention to join the family business. Culture suggests that the more the NGFM knows that their parent helps them to address the same problem in different and creative ways in their family business. In their family business, the more their parent supports strategic thinking and makes sure they understand their family business roles and responsibilities, the greater the impact on their Intention to join the family business. Osei et al. (2012, p. 15) and Dumas and Blodgett (1999, p. 210) state that the values generally found in family businesses are trust, commitment, honesty, fairness, quality, integrity, social responsibility and respect. According to Cruz et al. (2012, p. 148), Duh et al. (2010, p. 475) and Zahra et al. (2004, p. 364), an organisational culture within family businesses addresses the continuing ideals of
the founders who form the character of the business and how it adapts to the external environment. Neff (2015, p. 3) states that visions need to evolve as the next-generation family business owners present their vision and perspective on the role of business leadership. It has been noted that culture shared amongst family members enables individuals to think and behave in the same way. It shapes the behaviour of NGFMs and helps parents build up the family structure to allow working together for the greater good. Parents need to understand that family culture links with the family business. When the NGFM understands their culture and beliefs, it is for the greater good of the family business.

There is a significant and positive relationship between **Self-efficacy** and the NGFM’s **intention to join the family business**. Self-efficacy implies that the more the NGFM perceives that the family business has a good working environment and are confident that they have the skills required to work in their family business, that they have what it takes to work in the family business, are willing to put a great deal of effort beyond that normally expected to help the family business be successful and have found working in the family business exciting, the greater is the influence on their **Intention to join the family business**. Garcia et al. (2019, p. 227) argue that self-efficacy in a family business is a belief in the ability of the NGFMs to participate effectively in their family business management.

According to Garcia et al. (2019, p. 227), parents can affect the loyalty of the next generation and, particular, parenting habits are successful in improving the self-efficacy and engagement of family members of the next generation. DeNoble et al. (2007, p. 130) state that self-efficacy can reflect subject-specific characteristics or abilities within a family business. Parents need to note that the high level of self-efficacy of the NGFM is characterised by their ability to take the necessary action to achieve the desired results, giving them the strength and belief that they can successfully perform the tasks necessary to meet a specific set of needs. Therefore, parents need to help the NGFM by providing working opportunities that will enable them to gain the necessary skills and work experience.

There is a significant and positive relationship between **parental identification** and the NGFM’s **intention to join the family business**. Parental identification suggests that the more the NGFM perceives that they have the same career interests, behaviours or attitudes, values and beliefs as their parent, the more they will have a strong desire to follow in the footsteps of their parent and have similar career goals for themselves as those their parent has for them and the greater the influence on their **intention to join the family business**. In the context of a family business, parental identification means that the NGFM identifies with their parent’s family business (Schröder et al., 2011, p. 308), and the NGFM may come to the conclusion that they want to do what their parents have done (Wiese and Freund, 2011, p. 218). Parents serve as an inspiration and need to spend more time with their children from a young age to understand what they need in their childhood. The determination of parents to balance work and family life is believed to be influential in shaping and understanding the career aspirations of their NGFMs.

**Outcome expectations**, **Parent-child relationship** and **Parent’s job characteristics** were found to have no significant relationship. This suggests that these had no significant impact on NGFMs’ intentions to join the family business in this study’s sample.

### 6. Conclusion

The primary objective of this study was to determine the influence of parents on the NGFMs joining Black-owned family businesses in South Africa. **Parental style, Culture, Self-efficacy** and **Parental identification** were found to have a significant positive influence on the NGFMs’ intention to join the family business. Therefore, these factors should be concentrated on to improve the intention of the NGFM to join the family business. Based on the results, parents...
must consider what the family business will require in the future and what the NGFMs expect of themselves. Reading books and articles on family businesses - and attending conferences and seminars on issues related to running family businesses - should support the formal education of NGFMs. The more educated the family is about the general issues, stages and activities associated with generational transitions, the better equipped it will be to understand how succession manifests itself in this specific instance. In addition, NGFMs must assess their career goals and family relationships to make informed decisions about their future.

If NGFMs are interested in a future career in the family business, they should share it openly with their parents, determining what opportunities exist within the family business. Parents should be aware that their expectations of their NGFMs, in terms of joining the family business, can positively or negatively impact their children’s self-belief, attitude and desires. Expectations must be realistic and attainable and consider their NGFM’s abilities and interests. Expectations must be set to motivate rather than discourage them from joining the family business. This will result in a more complete and thorough understanding of the factors that parents can control and have an influence on NGFM’s career choice.

References


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