

# Personality trait imprints across generations: small family business context

Personality  
trait imprints  
across  
generations

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## Abstract

**Purpose** – The purpose of this study is to investigate how the congruence between predecessor and successor personality traits (PTs) with the values of their small family business (SFB) contributes to a successful succession transition across generations.

**Design/methodology/approach** – The conceptual model method was employed in this investigation, which describes an entity and identifies issues that should be considered in a study (MacInnis, 2011). It involves a form of theorizing that seeks to create a nomological network around the focal concept, to examine and detail the causal linkages and mechanisms at play (Delbridge and Fiss, 2013).

**Findings** – Drawing on the trait activation theory (TAT), this study conceptualizes that the congruence of the successor's PTs with those of the predecessor, as well as the values, transitions and nature of the assigned task, activates the successor's PTs and motivates him to work diligently for a successful succession transition while preserving the business's core values established by the founder.

**Research limitations/implications** – This study is an eye-opener for strategists and SFB predecessors to ponder the successor's PTs disparities across generations. Additionally, it urges them to consider the congruence of SFB's values and nature of operations with the successor's PTs for successful succession transition. Thus, such awareness may contribute to stabilizing the SFB's survival rate.

**Originality/value** – This study contributed to the existing literature by answering how predecessor's and successor's PTs congruence and SFB's values and nature of operations congruence with their PTs may contribute to successful succession transition across generations. This study contributed to the TAT by thematically explaining the organizational cues to bridge a relationship between entrepreneurial personality traits (EPT) and succession success of SFBs.

**Keywords** Personality traits, Value congruence, Small family business, Succession success, Generational transition

**Paper type** Conceptual paper



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## 1. Introduction

Small family businesses' (SFBs) survival across generations is alarmingly low (Basly & Saunier, 2020). Global statistics reveal that nearly 70% of SFBs do not endure through the second-generation phase, and approximately 90% do not undergo the third-generation (Tang & Hussin, 2020). Researchers Umans, Lybaert, Steijvers and Voordeckers (2020) also backed these alarming statistics. Similarly, Baron and Lachenauer (2021) endorsed: "Only 30% SFBs during the second, 10-15% in the third, and only 3% are expected to survive in the fourth generation". Moreover, a fact prevails that one generation rules for approximately twenty-four years (Teixeira, Veiga, Figueiredo, Fernandes, Ferreira, & Raposo, 2020). Thus, a generational shift (i.e. succession transition) after or before the mentioned period influences the business operation efficiency and performance slowly, but grievously. Despite prevailing statistics on succession success across generations, literature indicates its scarcity (Basly & Saunier, 2020).

One of the prior studies conducted by Parada, Samara, Dawson and Bonet (2019) suggested several reasons for SFB failure. Some of the reasons were changes in markets and technology, competitors replicating successful strategies, takeovers by an outside buyer who is willing to pay a premium for the company, lack of financial capabilities and lack of staff's skills. However, despite all these complicated reasons, Parada *et al.* (2019) believed that the primary reason for SFB failure is the predecessor's wrong cognitive anticipation during the succession phase. Stefanova *et al.* (2020) revealed that cognitive anticipation varies from person to person due to their personality traits (PTs). So, a successor having any specific personality may have excellent or poor cognitive anticipation, and therefore make a decision that may constructively or devastatingly influence the succession transition. Researchers Bettinelli, Mismetti, De Massis and Del Bosco (2021) also endorsed that discontinuation of succession execution at an early stage traces to differences in predecessor-successor PTs. Kandade, Samara, Parada and Dawson (2021) found that predecessor's and successor's traits incongruence cause vision, goals and strategies disparity, and subsequently different succession success priorities. Family members (i.e. predecessor and/or successor) having different or similar PTs manage their SFB's adeptness and performance. Successors join their SFB without considering their business' values, traditions and cultural cues congruence with his/her PTs. A viable or well-balanced combination of PT and business values leads to a satisfied successor and a forward-thinking firm (Al-Qallawi, 2019), and vice versa.

Researchers Ahmad and Yaseen (2018) revealed that a highly educated successor with appealing ideas and financial backing might fail. The reason for the failure can be PT's incongruence with the nature of business operations and values. This difference in PTs among individuals results in dissimilar objectives, priorities, opinions and perceptions about business performance and succession. Literature indicates that PTs influence business performance, but how it influences the succession transition in SFB is still unanswered. Research is particularly limited to PTs and their influence on subsequent generations due to the shift of power from predecessor to successor (Brown-Devlin, Lim, Bouchacourt, & Devlin, 2021). A few researchers, like Marler, Botero and De Massis (2017), also pointed out that predecessor's and successor's PTs incongruence and their influence on succession success in SFB are vague. In addition, literature is empirically and theoretically silent in regard to PT influence on succession transition across generations.

This study adds to existing literature by addressing how the predecessor's and successor's PTs, SFB's values and nature of operations, by being congruent with said PTs,

may contribute to succession transition across generations. Moreover, the work points out that predecessors' PTs are consistent with SFB's values and nature of operations, which is the most likely explanation for that business' sustainability, and that the selected successor must have PTs that are similar to the predecessor's, congruent with the values and traditions of the SFB, to carry forward the predecessor's vision, objectives, priorities and perceptions to subsequent generations. Arguably, by having congruence with the predecessor's PTs and business values, the successor would successfully preserve the SFB's legacy and become able to transact the SFB toward subsequent generations.

The present study explicates the trait activation theory (TAT) in the context of SFBs. Additionally, it contributes to TAT by thematically explaining the organizational cues to bridge a relationship between entrepreneurial personality traits (EPT) and the succession success of SFBs. Thus, this study opens a window to empirically test the relationship between PTs and succession success across generations and calls for investigating reasons for PTs' incongruence among predecessors and successors across generations.

The conceptual model methodology proposed by [Snow and Ketchen Jr \(2014\)](#) was employed in this investigation, describing an entity and identifying issues that should be considered in a study. It involves a form of theorization that seeks to create a nomological network around the focal concept, to examine and detail the causal linkages and mechanisms at play ([Delbridge & Fiss, 2013](#)).

After a careful introduction, this conceptual paper discusses the relationship between PTs and succession success through TAR in a theoretical framework. In the conceptual framework, the researchers propose the ideal and actual influence of predecessor's and successor's PTs and their congruence on the succession success of SFBs. Later, the study discusses the literature and builds arguments on how successor's and predecessor's PTs are congruent with SFB's values and traditions, and how they influence succession across generations. Finally, study's implications, conclusion, future research directions and limitations are presented.

## 2. Theoretical framework

The longevity of a SFB is dependent on its successful transition to the subsequent generation ([Riar & Kellermanns, 2021](#)). Remarkably, SFBs' predecessors are more concerned about handing over their business to a competent successor among siblings, who can handle their business affairs and achieve objectives and targets in a fashioned way ([Ahmad, Imran, Siddique, & Khan, 2018](#)). However, the predecessor's failure to scrutinize, appoint and hand over the business to such successor results in succession failure ([Sharma, Chrisman, Chua, & Steier, 2020](#)). The critical issues are succession crises, leadership crises among successors, predecessor's and successor's PTs incongruence, lack of operation's professionalism and unsuitable successor selection ([de Araujo, Hoffmann, & Pizzolato, 2018](#)). The predecessor and/or successor controls the SFB's long-term and day-to-day affairs. Every predecessor/successor owns a specific PT and thus may have a different vision, priorities and strength of control to gauge their SFB's performance and longevity. [Teixeira et al. \(2020\)](#) also supported the earlier argument and revealed that a leader's specific PTs contribute to SFB's success. Arguably, various researchers indicated that an individual's PTs reflect on the accomplishment of assigned responsibilities ([Woods, Wille, Wu, Lievens, & De Fruyt, 2019](#)). Likewise, [Mount, Barrick and Ryan \(2003\)](#) revealed that an individual's work outcome (i.e. performance, achievement, progress, successful succession transition) is influenced by their PTs. Moreover, [Turner \(2019\)](#) also revealed that an individual's PTs correlate with performance. Therefore, an entrepreneur with a specific PT is more likely to preserve a business' performance and successful transition toward subsequent generations ([Ghee, Ibrahim, & Abdul-Halim, 2015](#)).

An entrepreneur's PTs (big-five) are predictors of business performance and business creation (Riedo, Kraiczy, & Hack, 2019; Woo, 2018). Despite the reality of PTs' contribution to SFB's performance, Bernardino, Santos and Ribeiro (2018) indicated that big-five PTs could not distinguish between an individual's or business person's traits. Due to big-five PT's limitations, researchers considered the EPT. A couple of years back, research funded by Harvard Business School proposed EPTs (Kerr, Kerr, & Xu, 2017). They relied on entrepreneurial behavior and revealed five traits (self-efficacy (SE), innovativeness, internal locus of control (ILC), achievement motivation and risk-taking) (Kerr *et al.*, 2017).

Furthermore, the theorists Tett and Burnett (2003) theorized a link between PTs and business performance by proposing the TAT. The TAT explains that an individual's PTs are activated by particular situational cues: task, social and cultural. The congruence of situational cues with specific PTs leads to an individual's productive behavior and performance. However, cultural cues are more critical than the rest of situational cues, as they are more persistent, and their influence can be felt for decades. Cultural cues (i.e. values, traditions, etc.) take years to be structured or restructured. So, cultural cues disparity with the PTs of a successor may not drastically change his/her perception about successful succession transition of SFB, but can gradually do it. However, the predecessors' established values, traditions and practices help the successor by means of their execution (Alexy, Poetz, Puranam, & Reitzig, 2021). So, a combination of successor's PTs with predecessor's may result in the successor's congruence with the cultural cues, values and traditions set by his/her predecessor. Subsequently, the congruence of successor and SFB ensures the survival and growth of the SFB. In addition, the predecessor's set of values, cultural cues and traditions can be changed and preserved, but has a long-term impact (Dettori & Floris, 2021). This real impact can foster or suppress SFB sustainability over generations.

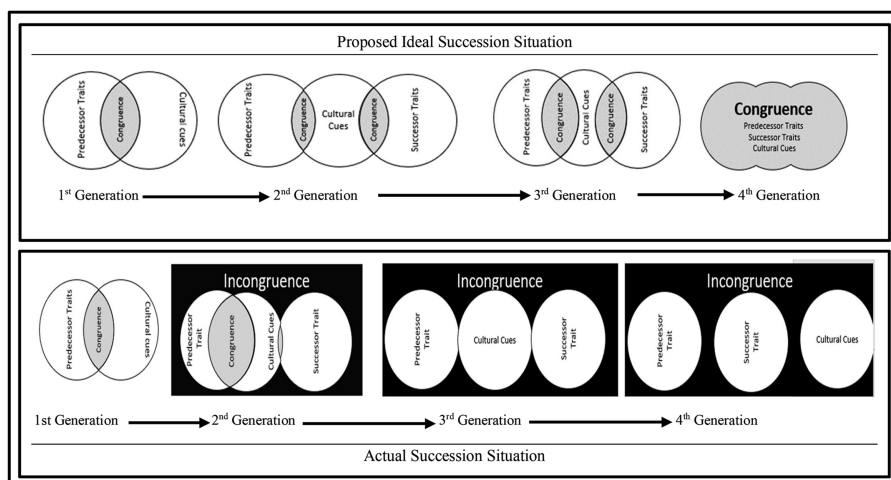
### 3. Conceptual framework

This conceptual framework proposes two situations pertaining to successful succession transition: one is ideal, the other is actual. The ideal situation assumes the predecessor's and successor's PT congruence with each other and with the SFB's values may result in a successful succession transition across generations. On the other hand, the actual situation reveals that the prevalence of PT incongruence between predecessor and successor damages the cultural cues and values of SFB across generations. Thus, SFB loses control over its core operational values, experience and traditions – reasons for success during first generation – and result is succession failure and subsequent business failure (see Figure 1).

### 4. Self-efficacy

SE is the individual's strength of belief and capability to perform the assigned roles and business tasks (Bandura, 1986). In the SFB context, SE is the successor's motivation and persistence for generational transitioning management and successfully leading the family firm (Hamid & Fuad, 2013). In the entrepreneurial context, previous research has primarily investigated how SE influences entrepreneurial intentions and actions (Yohana & Salsabila, 2019), social entrepreneurship (Konaklı, 2015), green entrepreneurship (Tan, Suhaida, & Leong, 2013), entrepreneurial performance (Hallak, Assaker, & O'Connor, 2014) and entrepreneurial confidence for business startup (Hmieleski & Baron, 2008). On this subject, there appears to be a scarcity of information in the literature. Indeed, literature indicates a dearth in establishing the theoretical and empirical association between the successor's SE traits and succession success.

Individuals with highly developed SE traits are more dedicated to dealing with their own business and possess high entrepreneurial potential, despite career building in private-sector



**Figure 1.**  
Conceptual framework

jobs (Chester, Martínez, Orero-Blat, & Chau, 2020). SE trait entrepreneurs are more confident, cogent and vigilant about their decision's effect on business progress and milestone achievements. Similarly, the SE trait successor takes the initiative and has confidence in their ability to successfully transact their SFB into subsequent generations. Conversely, successors with underdeveloped SE trait are more skeptical and impulsive. Such successor may not anticipate their SFB future and thus cannot envision their SFB's transition into subsequent generations (Porfirio, Carrilho, Hassid, & Rodrigues, 2019).

Recent research carried out by Porfirio, Felício and Carrilho (2020) supported the TAT and signaled that low SE trait influenced by SFB values, traditions and cultural cues might cause hindrance for succession transition. A similar connection has been considered by Maitlo, Pacho, Liu, Bhutto and Xuhui (2020), who explained that SE trait dominance can be predicted through assigned task accomplishment frequency or skills possessed for a task in SFB. Moreover, researchers Zhu and Zhou (2021) found that a successor with highly developed SE trait is more motivated to join the SFB. Notably, recent theoretical work by Newman, Obschonka, Schwarz, Cohen and Nielsen (2019) supports that successor's training and preparedness to control and manage their performance is influenced by SE. TAT postulates that values, cultural cues and traditions encourage the SE trait dominating successors to take bold initiatives based on their capabilities, and even instigate their motivation in case of failure. Thus, initiative-supportive business values, consuetude and cultural cues activate the successor's SE trait and subsequently enhance the likelihood of successful succession transition. A second-generation SE dominating successor (i.e. next to founder predecessor) absorbs confidence and courage from SE supporting values or cultural cues of his/her SFB. Simultaneously, the second-generation successor's SE-oriented initiatives feed or enrich bold initiatives, making values and tradition of SFB even stronger. Thus values, cultural cues and practices generated in first generation are transferred into second generation. Mysteriously, a successive successor (third generation) congruent with his second-generation predecessor's PTs and business values may maintain the legacy. Thus, the congruence of predecessor and successor PTs with SFB values, cultural cues and practices may result in successful succession transition across generations. On the other side, a low SE trait second-generation successor (i.e. next to founder predecessor) may have less courage and motivation to achieve the set goals and targets (i.e. contrary to the predecessor). Thus, low SE trait successors may

not ingest or enrich SE, nor encourage cultural cues or values. In such a situation, cultural cues, values and traditions that used to contribute to business success in the previous generation start to fade away. Such SFBs start to lose grip on essential constraints and objectives, which used to be the core reason for their success during the previous generation. Conclusively, a disparity of PTs between predecessor and successor and cultural cues, values and practices of SFB may influence its succession success across generations.

*P1. Successor's self-efficacy traits contribute to enhance SFB succession success across generations.*

## 5. Innovativeness

Innovativeness (INN) is defined as “an individual’s willingness and interest to seek new ways of performing tasks” (Steel, 2011). INN is the core concept of entrepreneurship (Tidd & Bessant, 2020). INN traits are essential for the success of SFB, but to attain and retain innovative capabilities across generations is challenging (Wu, Coleman, Rahaman, & Edziah, 2020). Researchers Haddoud, Onjewu and Nowiński (2021) also endorsed that INN is a crucial driver of SFB performance and longevity. INN stems from the innovative traits of individuals. Similarly, a successor having innovative traits may intrinsically find new ways to accomplish tasks. He strives to establish a dynamic, highly productive, innovation-based organization. Such a successor is committed to diversity and is not afraid of breaking norms to serve his customers in a new and better way. Thus, INN trait dominant successors may find many ways for the successful succession transition of their SFB. A study conducted by Chatterjee, Chaudhuri and Vrontis (2021) in the Indian SFB context revealed that the tendency for SFB to undertake innovative activities was primarily determined by the innovative values inherited from previous generations of leaders. However, the role that the innovativeness trait plays in the congruence of innovative values, and subsequently the success of the succession process, is still unaddressed. Hauck and Prügl (2015) investigated Austrian SFB in hospitality industry and concluded that the adaptability of family members to innovation is positively associated with a successful succession phase. Chrisman, Chua, De Massis, Frattini and Wright (2015) proposed a framework pertaining to a family firm’s involvement in innovation management. They noted that family firms have superior ability but lower eagerness to engage in technological innovation. In addition, bottlenecks during the process and intervening management or predecessor may hamper their innovative capabilities and result in adverse outcomes. In conclusion, cultural cues or values of an innovation-oriented SFB (i.e. IT consultancy, blog consultancies, web designing, architecture, electronic repairs, etc.) instigate the innovative trait successor to find new innovative ways for business success, thus creating an opportunity for SFB’s succession success. Furthermore, an INN trait successor may draw inspiration from his predecessor as well as innovative cultural cues. In such situational congruence, a second-generation successor (dominant in the same trait) is more likely to follow the predecessor’s legacy, rules and experiences (i.e. low conflict), not only enhancing the successor’s competence but also establishing a competitive advantage based on utilization of preserved generational experiences, robust techniques and secret formulas. Thus, an unbiased predecessor’s bequest and successor’s acceptance may rise successful succession likelihood and successful succession cycle development across generations. A successor with a low level of INN traits may not have innovative inspiration. This shortcoming, however, may be remedied with few initiatives, for instance, taking inspiration from the prevalence of SFB’s unique innovative cultural cues, or hiring consultants to maintain the SFB’s innovative capabilities. To some extent, these remedies consolidate SFB’s competitive advantage during that generation. Consecutively, third-generation successors deficient in INN traits and the unavailability of competent, innovative trait consultants may



result in the collapse or downturn of that SFB. However, a coincidence may lead the SFB toward the fourth generation.

*P2.* Successor's innovation traits contribute to enhance the succession success of SFBs across generations.

## 6. Internal locus of control

"An individual's belief to regulate his own life" is termed as ILC (Rotter, 1966, p. 4). ILC generates the expectation that an individual can manage the outcomes of his behavior, destiny and future (Suárez-Álvarez & Pedrosa, 2016). In addition, ILC trait students with SFB backgrounds were identified as having strong intentions for their business' succession success (Gimenez-Jimenez, Edelman, Minola, Calabrò, & Cassia, 2021) and preserving their legacy through successful succession (Gannon, MacKenzie, & Shaw, 2014). Saputra (2020) investigated the concept in relation to organizational behavior and posited that individuals with a dominant internal (rather than external) locus of control are capable of completing complex and creative tasks. Moreover, they also have the potential to accomplish various types of administrative and technical work. Thus, SFB successors with the ILC trait may have a high willingness to lead and the potential to successfully transition their business to subsequent generations. In an empirical study conducted on Turkish family firms, Agca and Kizildag (2013) researched generational involvement in these businesses, and found that family members designated as top management belonged to different generations. Most of these members had a dominant ILC and attained high entrepreneurial performance. Wu, Tsai and Yeh (2014) supported Jung's original theories and indicated that there was a theoretical link between bearing ILC and the succession process in SFB. The ILC trait successors believe in hard work and take practical initiatives. Thus, ILC trait successors believe in their capabilities to transact their business into subsequent generations.

TAT's underpinning dwells in that the successor's ILC trait activates and enhances his/her accomplishment frequency in SFBs with appreciation and recognition culture. Such cultural cues, values and traditions instigate the ILC trait successor to strive harder. It results in elevated performance, and subsequently a high likelihood of successful succession transition. The second-generation successor, having the ILC similar to the predecessor, attains the ultimate capability to take an intellectual and calculated move. Such second-generation successor sketches robust plans for his/her SFB success. Thus, congruence of predecessor's and successor's ILC traits with the SFB's appreciating values instigates the successor to handle problems and overcome barriers. This results in high performance and SS transition in the second generation and so on. On the other hand, a second-generation successor with a low ILC trait, contrary to his founder predecessor, may not make mature decisions. He/she might not believe in his/her capabilities but may take some directions from the predecessor's footprints and cultural cues of SFB. Additionally, consecutive third-generation successors with low ILC traits may not find the first-generation predecessor's clear footprints, cultural cues and values. Such SFB loses its core values and cultural cues up to the third generation, and its successor is less confident in his/her abilities and guidelines to control the business. Thus, it results in less likelihood of successful succession transition.

*P3.* Successor's internal locus of control traits enhances the likelihood of successful succession transition across generations.

## 7. Achievement motivation

Achievement motivation (AM) is an individual's tendency to desire and work toward accomplishing challenging personal and professional goals (Byrne *et al.*, 2004). AM trait

individuals are involved with self-improvement expectations and competence perception (Lather, Khatri, & Prakash, 2017). Individuals having AM traits identify and exploit entrepreneurial opportunities (Zhani, Mouri, & Hamdi, 2021) and most likely establish a successful business enterprise (Staniewski & Awruk, 2019). They engage themselves in various constructive business activities, contributing to the entrepreneurial success (Amorós, Cristi, & Naudé, 2021). AM trait individuals are energetic and goal oriented. They are ambitious to attain businesses' declared targets (Stephan, Hart, & Drews, 2015). Such determination may ultimately enhance SFB performance and the likelihood of transition of SFB into subsequent generations.

TAT reflects that AM trait activates and boosts the successor's inner drive to achieve set targets. AM trait successor remains vibrant for goal attainment and develops the SFB due to the prevalence of achievement-oriented cultural cues. These cultural cues instigate the AM trait successor to meet deadlines, maintain high standards, overcome hurdles and contemplate their followers. The prevalence of achievement-oriented culture is due to the predecessor's AM congruence with SFB's nature of the operation (i.e. target-centric performance). Thus, congruence of predecessor's and successor's PTs with each other and with SFB's values and cultural cues results in boldness toward goal achievement and the likelihood of successful succession transition. Furthermore, AM trait successor having diversified business objectives may result in either adverse or advantageous business progress: adverse in a scenario where the successor loses control of his core business; advantageous if a successor has a firm grip on diversified business objectives along with the core business. Contrarily, a low AM trait successor (incongruent with predecessor's trait) might have inexistent or weak progressive intentions, resulting in low business performance. Even his/her poor performance is attributable to his predecessor's achievement-oriented cultural cues. Regrettably, the third generation's low achievement trait successor may take the SFB for granted. As a result, SFB closes during third or fourth generation.

- P4.* Successors' dominating achievement motivation traits contribute to transacting the SFB into subsequent generations.

## 8. Risk-taking

An individual facing some potentially negative consequences (loss) in anticipation of positive outcomes (benefits) is termed as risk-taking (RT) (Levenson, 1990). An individual's RT trait triggers his/her eagerness to take the risk for a substantial gain, and low RT individuals lose opportunities (Breivik, Sand, & Sookermany, 2020). Despite the widely researched relationship between one's risk-taking propensity and intentions to enter entrepreneurship and new business start-ups (Santoro, Messeni-Petruzzelli, & Del Giudice, 2021), the role of risk propensity in entrepreneurship continues to be undefined (Ferreira, Fernandes, & Kraus, 2019). Moreover and most importantly, a successor's risk-taking propensity toward SFB sustainability is still unaddressed.

Recently, Llanos-Contreras, Baier-Fuentes and Valdés (2020) reported that an individual's risk-taking propensity, behavior and strategies depend on his/her previous experiences. So individuals high in risk-taking traits make risky decisions, and they do so by anticipating the enormous growth of the family business, which results in successful succession transition. A comparative study conducted by Alan, Ertac, Kubilay and Loranth (2020) revealed that individuals anticipate the risk intensity, but individuals in groups have high social confidence and are more willing to take bold decisions and risks on behalf of their group. Another comparative study (Engle-Warnick, Laszlo, & Sayour, 2020) found that male individuals having high risk-taking traits are more willing to lead even in tough situations than females. This aligns to the principle of responsibility (Keller, Bieleke, Koppe, & Gollwitzer, 2021), which



points out that individuals having risk-taking PTs are more willing to take responsibility for the welfare of peers, and ultimately successfully accomplish the assigned task.

TAT lens explicates that a successor's RT traits activate and urge him to explore new investment avenues. The successor ponders his/her past failure and success experiences and rationalizes different approaches and strategies for investment. However, the RT trait successor remains vibrant and makes accurate decisions when backed by risk instigating SFB's cultural cues or values. Thus, the RT trait successor may take a high risk or may be willing to pay a high cost for SFB's profitability and success. Business culture is largely dependent on nature of the operation (Hechavarría *et al.*, 2017). An RT trait successor may perform well businesses of risk-taking nature (Cirillo, Pennacchio, Carillo, & Romano, 2019) like e-commerce, gambling, financial services and legal services. The successor's RT trait congruence with SFB's cultural cues, values and traditions results in a high likelihood of transaction of SFB into subsequent generations. Interestingly, the second-generation successor may take advantage of his/her predecessor's knowledge by following their footprints. Thus, the successor may handle the operations more efficiently and preserve the longevity of SFB. Conversely, a neuroticism trait successor (following an RT trait founder) may not control the risk-oriented SFB. Such successor may not rationalize the nature or intensity of risk and may lead the businesses toward loss. Even risk-oriented values and culture cues established by the founder predecessor may not help the neuroticism trait successor to handle the SFB. However, this adversity is mainly dependent on the successor's RT trait strength and the intensity of RT operations of the SFB. In the discussed situation, succession failure or business downturn may be a bit slow and start appearing in the third or subsequent generations.

- P5. Risk-taking trait successors have a high capability to transact their SFB into subsequent generations.

## 9. Discussion

SFBs are economic engines. Therefore, survival of SFBs for decades is lucrative for economies. The uncertainty prevalence regarding the successful business transition to the subsequent generation is still a puzzling phenomenon (Porfírio *et al.*, 2020). There is a declining trend of SFB, generation after generation (Ward, 2016). Naturally, every SFB confronts various devastating crises (i.e. financial, economic, leadership, etc.). Admittedly, several SFBs successfully handle tragic circumstances and thus prolong their survival, but all cannot. Interestingly, the influence of various crises on SFBs prevails for a limited period (i.e. 1 to 10 years) (Bondarenko, 2019), whereas the influence of the PTs of predecessor or successor may be felt for decades (Soto, 2016). Thus, this study considered the predecessor's and successor's PTs in the SFB transition context. This study proposed that congruence of successor's and predecessor's PTs aligned with cultural cues, values and tradition is critical for successful succession transition in SFB (Eka, 2020). The successor having similar PTs to the predecessor is more likely to preserve and carry forward the core values of business operations and enrich the established traditions and cultural cues which keep on nurturing the SFB's success (Camfield & Franco, 2019). The sustainability of the continuous nurturing process across generations is dependent upon the selection of an appropriate successor, who should show congruence to predecessor's PTs. Conversely, the incongruity of predecessor's and successor's PTs with each other and with the nature of business operations may tend to fade the values, traditions and cultural cues, which results in weakening the foundations of said SFB, and subsequently the collapse of that business.

Interestingly, the results of this study explained the famous Mexican statement about the SFB, "*Grandfather entrepreneur, father playboy, grandson beggar.*" A grandparent of an

entrepreneur establishes a specific type of firm that appeals to him (i.e. business nature and PT congruence). PTs and business nature congruence urge the founder to work more deliberately and succeed. PTs incongruence between predecessor, successor and cultural cues, but the nature of business operations, values and traditions may reduce the successor's interest on that SFB. Such an unconcerned successor conjugates with that SFB for the sake of monetary benefits and enjoying perks. Despite business progress, he/she invests money and time to fulfill self-esteem and pleasure (i.e. father playboy). It results in a business downturn during the second generation. During this generation cycle, a business either closes down or is close to closing down. In such a situation, the third-generation successor may not possess sufficient business or even survival resources (i.e. grandson bagger) (Oudah, Jabeen, & Dixon, 2018). However, this declining trend across generations (30% second generation, 13% third generation, 3% fourth generation) may be slowed down or halted by inducing a balanced combination of PTs with the business nature or cultural cues. Authors also endorsed that individuals with different PTs have different attitudes and behaviors. That is why every successor deals with the crisis or anticipate certain situation differently across generations. Based on PTs, ideal crisis handling or situational anticipation leads to business success and successful succession transition. To summarize, consideration of PTs congruence is critical for the effective transmission of SFB throughout generations.

## 10. Study implications

This study conceptualizes significant approaches for increasing the survival rate of SFB. The conceptual research indicated that the predecessor of the SFB should anticipate the successor's PTs and their congruence with business values, job duties and the nature of the SFB operation. Thus, relying on the propositions, congruence of successor's PTs with predecessor's traits, values and nature of the SFB operation, activates the former's PTs and motivates him/her to perform exceptionally well. In such an ideal situation, the successor puts core efforts and vital energies into SFB prosperity. Thus, the business attains the propensity to transact into subsequent generations successfully. Contrarily, in case of incongruence, the predecessor should consider alternative ways for succession success. For instance, business operations diversification aligned with the successor's traits, consulting with a psychological expert to select a potential successor among siblings and following the suggestions without emotional bias and pressure. This study provides insight for SFB policymakers as well. Policymakers should encourage the establishment of SFB consulting firms. They should provide directions to the consulting firms to diagnose the succession issues and provide a roadmap for succession execution. Policymakers should also devise a mechanism like successor's personality congruence test and declare parameters by providing training plans based on diagnostics. In this way, the predecessor would be able to find a successor aligned with the SFB's nature and values. Thus, such successor would serve the business toward certain success and successful succession transition.

The study derived its main concept from TAT, thus contributing to it by explaining that succession can be successful across generations due to the consideration of the successor's PTs by SFBs. In addition, successor's PTs are activated – and thus, the likelihood of SFB succession success can be more realistic – if the congruence of tasks, values and traditions with them is seriously considered. Conversely, in case of incongruence between the successor's PTs and SFB's values and traditions, a predecessor or authoritative business supervisor must be assigned to look after the business affairs and keep on nurturing the successor during the ups and downs of business performance. In a worst-case scenario, business diversification might be required to align with the successor's traits, so that the survival of such SFB can be made certain across generations.

## 11. Conclusion

The authors conclude that PTs may play a vibrant role in the successful succession transition of SFBs across generations. Furthermore, this study pointed out that congruence of predecessor's and successor's PTs with each other and with the values and traditions of SFB is an important consideration that has been overlooked in the family business literature, particularly in the succession context. Conclusively, preserving the first generation's established values, cultural cues, traditions, objectives and ambitions across generations maintains the longevity of SFBs; it may be possible by assigning a successor with similar traits as those of the predecessor. So, a successor who has identical PTs may rationalize the situation and deal with the issues like the predecessor would, and maintain the objectives and visions of the previous generation.

## 12. Future research direction

This study paves the way for further empirical research on the relationship between PTs and succession success across generations. Most significantly, this study encourages SFB scholars to examine the PT difference between predecessors and successors across generations and its effect on succession transition. It also recommends explaining the PTs and succession success relationship through mediation and moderation mechanism. The empirical results of moderation and mediation mechanism between PTs and succession success should be explained using TAT. Furthermore, task, social and organizational level cues prescribed by TAT should be explained through a situational moderator and thematically in the SFB context.

## 13. Limitations

Alike many other studies, this one too has limitations. First, it has only focused on SFBs, with less organizational hierarchy levels. However, the proposed concept might have a different implementation in medium- and large-size FBs due to the higher number of organizational hierarchy levels. Second, this study only focused on predecessors and successors belonging to a single family; again, the concept might have different implications when non-family member successor's PTs are considered.

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