Non-Family employees as witnesses of ideological tensions in small family business successions.

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Abstract

Family business is an ideological arena of three cultural forces – entrepreneurialism, managerialism, and paternalism, all of which influence the succession implementation. This study analyses paternalism, managerialism and entrepreneurialism as ideological tensions in family business succession from viewpoint of non-family employees' experiences. Non-family employees offer resources for succession, but simultaneously different ideologies offer threats in the form of founder centrality and delayed succession. Six small family firms were chosen for the qualitative case studies to understand non-family employees' perceptions. The results show that the change of ideological tensions that come with the change of generation is related to the commitment and well-being of non-family employees.

Introduction

Family business literature has been dominated by family orientated research [1] with internal succession literature devoted to managing succession in a family [2]. Since there is a need to study non-family stakeholders in family business succession [3], this study focuses on non-family employees' perceptions regarding tensions that can occur during family business succession through multiple case study analysis. Qualitative analysis was chosen because the majority of succession studies have been quantitative [4]. Six small family firms were selected on the criteria that they were facing family business succession when the interviews were being conducted. This methodology facilitates the understanding of human capital in family firms from the perspective of non-family employees [5]. Ideological tensions during the family business succession were studied in these companies while family members were also interviewed in order to increase case study analysis validity

Family firms and non-family firms are often separated by the portion of family ownership and management. These family firms are further divided by generation into founder generation, next generation and multigenerational groups [6,7]. It should be noted that the frequent characteristics of family firms are succession planning and management in which variation and selection occurs [8] through familial connection as a strategic resource of the business. Succession planning, protocols, and continuity

have dominated family business research over the previous decades [9]. Family business succession, as one form of exit strategy [10], is a legal, fiscal and financial transfer of a family firm from one generation to another [11] which differentiates family owned and governed firms from non-family ones [12]. Family business succession can be focused on a change in management and/or a change in ownership succession which can involve both family and/or non-family members [13]. The succession reflects on the business, and the family goals, which can be non-financial and long-term [14].

Succession is one of the socio-emotional goals of family firms [15]. Family business succession is a mixture of emotional commitment along with differing intentions for the future of the business and the family [16,17] which can be effected by the difference in succession characteristics between countries [18]. Influences and calculations together with imperative and normative behaviour help explain the continuation of commitment within a family business [19]. Parents can be role models for the next generation when it comes to being self-employed [20]. Relationships between owners, family and non-family employees characterise the daily routines in small family firms [21]. Together with these relationships, the current status of a business influences the succession as well as the readiness to plan the succession in a timely manner [22,23]. A planned family business transfer helps predecessors to a favourable succession result [24], which opens up opportunities for

business renewal [25] and improves post-succession performance [26]. Family social capital may have a role to play in supporting family business succession, which can create challenges for business stability especially in the case of sudden changes or accidents [27].

The growing size of a family business may indicate a wider range of possible exits from the business [28]. Personalities as well as emotions, through individuals cognitive processing, may also bear influence on family business succession planning [29]. Individuals construct ideologies through their individual perceptions and experiences [30]. This is a reflection of their roles in a family, as men and women [31]. Tomkins defines ideology as "any organised set of ideas about which humans are at once most articulate, ideas that produce enduring controversy over long periods of time and that evoke passionate partisanship, and ideas about which humans are least certain because there is insufficient evidence". [32]. By comparing Tomkins' and de St. Aubin's definitions we can suggest that ideology is individually constructed by reflecting experiences and mindset, which is frequently based on selective and insufficient evidence about the environment [30,32].

Family firms are typically seen as paternalistic organisations that protect their own interests [33]. Long term time and family control might increase paternalistic behaviour in the form of guarding family interests in the business [34,35]. Decision making in larger family firms that have a board of directors and stakeholders is complex and more social [36,37]. Since statistically most of the family firms are small and founder driven, the likelihood of paternalistic behaviour increases through visible and responsible founder generation owner managers. Depending on the leadership style of owner managers and key family members, paternalism can damage entrepreneurialism and innovative behaviour in family firms. [33,38].

In the context of a family business, Koiranen states that ideological forces can be represented by a triangle: entrepreneurialism, paternalism, and managerialism (Figure 1) [39]. Paternalism means to act for the good of another person without that person's consent – as fathers can do for their children. As a leadership style in owner-
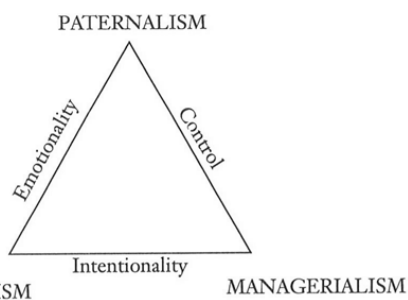
managed firms, a paternalist is a person who believes in the policy of controlling other people in a fatherly way by providing them with what they need, but gives them little or no responsibility or freedom of choice [39,40].

Koiranen suggests that the family business ideologies presented by Johannisson and Huse are characteristic for small and medium, sized family firms and that they can be adapted in these business environments into caring (paternal), controlling (manage) and creating (entrepreneurship) [39,41]. Running contrary to the position in family firms, McMurray and Dawson see that entrepreneurialism and managerialism can damage professionalism in public organisations [42,43]. Managerialism in the public sector has been seen negatively as a synonym to running the organisation like a business unit. It has been a challenging to increase the effectiveness and productivity in these organisations [44]. Mussolino and Calabrò present that various paternalistic leadership styles practiced by predecessors influence the attitudes, norms and behavioral control of eventual successors in family firms [33].

Farh and Cheng define paternalistic leadership as a style that combines strong discipline and authority with fatherly benevolence and moral integrity [45]. According to Pellegrini and Scandura, another form is paternalism authoritarianism which refers to leader behaviour that asserts authority and control and demands unquestioning obedience from subordinates [46]. They further state that under authoritarian leadership, subordinates comply and abide by leaders' requests without dissent. Benevolent paternalism points to leaders' behaviour that demonstrates individualised, holistic concern for subordinates' personal and family well-being [47]. In benevolent paternalism subordinates feel grateful and the need to repay when the situation allows. The third form of paternalism is morality, which depicts leader behaviours that demonstrate superior virtues and leads subordinates to respect and identify with the leader. For instance, a person with superior virtues does not abuse their authority for personal gain but instead acts as an example in personal and work conduct.

A fatherly manner in caring for, regulating and controlling, members of the family firm can lead to a situation where the patriarch is surrounded by people characterised by frustration, anger or learned helplessness caused by repeated experiences of the paternalist behaviour. All these members may be family or non-family employees [16].

Whether paternalism disappears during successions and generational changes is still not known. However, multigenerational family firms tend to choose external non-family directors for the position of CEO more often than founder generation companies. The growth of the family firm may increase the importance of the board of directors while also broadening the pool of managerial resources [48]. Family firms that lose paternalism seem to

Figure 1. *Triangle of entrepreneurialism, paternalism and managerialism [39]*

have more shared leadership and decision making. [49]. External boards with non-family members is a typical solution for family firms that have external shareholders whose interests require the board members to participate in strategic decision making [50].

Paternalism and entrepreneurialism, in the form of entrepreneurial drive, seems to influence the family firm both negatively and positively. Paternalistic behaviour and entrepreneurialism, are characteristic of family firms in which family inertia influences the dynamic capabilities needed when it comes to competition [51,52].

Managerialism as an ideology can be seen as conducting one's own affairs or those of an organised group so that planning and implementation are under control [39]. Organisational behaviour and individual managers' behaviour combine to create unique forms of managerialism for each firm [53]. Managerialism is rooted in hierarchy, and the command and control of a unit of employees [54]. This has made managerialism contradictory to entrepreneurialism, which has been seen as an innovative, idea-driven and proactive culture [55]. Johannisson and Huse see managerialism as a manner of relating objectives to measurable units, such as growth and profits [41]. The ideology of managerialism could be described as calculative and supervising, where its activities are typically structured mechanistically and functionally. Whereas paternalistic control is related to the power of directing, protecting and restraining people, managerial control is more the setting of standards or targets, checking results, and analysing variances. As Diefenbach suggests, managerialism, as all other ideologies (including entrepreneurialism and paternalism), is a resource that brings change in an organisation. Preparing for succession creates changes for family firms, in which paternalistic, managerial and entrepreneurial routines might alter. Diefenbach warns that managerialism creates negative consequences for the employees in the form of fear management and fear of loss of employment [56]. Managerialism creates resisting behaviour and might even damage performance instead of improving it.

Entrepreneurialism as an ideology is connected to adventuring. It is a combination of visionary, opportunity-seeing, and intentional action-orientation [39]. This ideology is characterised by will-power, intuition, and alertness. In entrepreneurialism, the structuring of activities is organic and holistic; competence with formal knowledge will be used with associative information [41]. Covin and Slevin suggest that firms with entrepreneurial drive are innovative and proactive, where entrepreneurs are willing to take risks with the possibility of high returns [57]. Koiranen and Johannisson and Huse, state that contesting and contrasting ideologies do not have to be conflicting [39,41]. According to Koiranen, when properly understood and lived with, these three contesting ideologies can lead to a situation where a family business system can have balance among the cultures of caring,

controlling and creating [39]. These cultures stem from paternalism, managerialism and entrepreneurialism.

Paternalism, entrepreneurialism and managerialism each have weaknesses and negative effects on the behaviour of individuals [39,41]. Paternalism may appear in the behaviour of leaders as domination and superiority [58]. A paternalistic person can have emotional control over family and non-family members. Furthermore, a paternalistic person has a tendency to highly value business and family traditions. On the other hand, entrepreneurialism in the worst cases can appear as recklessness in risk taking. In entrepreneurialism a person feels the need to keep the business in a state of constant change while managerialism can appear as a form of behaviour that is an attempt at total control by the leader. In a working community, this form of behaviour can stifle all creativity and individual decision making.

It appears that entrepreneurialism, managerialism, and paternalism as ideologies in family firms are cited only occasionally in late research literature, and have not been empirically tested. This article aims to fill this research gap. This study aims to discover, pursuant to Koiranen's suggestion, whether paternalism, managerialism and entrepreneurialism appear as ideological tensions during family business succession [39]. Furthermore, this study discovers, pursuant to Pellegrini and Scandura, different forms (benevolent, authoritarian and moral) of paternalism [46]. These ideological tensions may overlap while variations between family firms may also exist. Johannisson and Huse suggest that family business systems are a mixture of entrepreneurialism, managerialism and paternalism [41]. In their model, entrepreneurship represents an ideology of entrepreneurialism, family intuition represents an ideology of paternalism and management represents an ideology of managerialism. The article is based on qualitative case studies of six small family firms. Through an abductive method, and interpretative analysis, answers will be given to the following two research questions: What kinds of variation of ideological tensions can be found in family business succession from the viewpoint of non-family employees? How do the different ideologies of predecessors and successors influence non-family employees during succession implementation?

Methodological Choices of the Study

This study is a multiple case study based on qualitative analysis. Its purpose is to produce new and constitutive information about personal and sensitive research phenomenon [59]. Case studies are criticised for lacking ontological and epistemological background, however, this has been answered by critical realism and the justifying of results that come from studies [60]. A case study method was used in this paper to describe problems defined by research questions through a limited number of cases. It is not necessary for a case study method to have only one specific way of implementing results. On

the contrary to implement a case study it is possible to use several different ontological, epistemological and methodological choices [61]. Case study brings with them certain limitations; first of all case study results cannot be generalised to wider connections, or if so have to be so done with extreme care. Secondly, this study has its own context and the results cannot be applied outside of that context [59].

This study is both abductive and interpretive. The aim of the interpretive analysis is to reveal the meanings behind the concepts and their definitions. According to Kyrö and Kansikas we can analyse meanings combined with concepts while the interpretation links to contextual facts [62]. In this research, interpretive analysis was the most suitable from a phenomenological viewpoint. The main interest was to understand researched phenomenon and from the findings compose a theoretical contribution. This article is based on multiple case studies involving six different cases. The logic behind the contribution for all of these cases is the same and all cases were selected by careful pre-consideration. Selection of the cases was based on the consideration that family firms were small and that they were preparing for a succession. Possible family business cases were identified and their willingness to participate in the study confirmed. A schedule for interviews and list of subjects to be covered was then planned. Interviews were conducted in an unstructured form so that a preliminary list of subjects could be dealt with the interview.

During the interviews the interviewer made notes regarding the interviewees' behaviour, manner of speech and tone of voice. Interviews were transcribed and during which analysis of the acquired information was carried out. All the companies involved were from different fields of business. Four of them were founder generation firms, one third and fourth generation firms. Two of the companies were founded at the beginning of the 1990s, two in the middle 1980s, one in the 1950s, and one in the 1930s. In case 5, both predecessor and successor were female and in all other cases both predecessors and successors were male. More information on the cases is presented in Table 1.

Information was collected in two ways: the main and most important part was the individual face-to-face interviews. Fourteen participants were interviewed, 3 from cases 1, 2, 3 and 6, two from cases 4 and 5. Taped interview material totalling 17 h and 25 min was collected. Individual interviews varied from 42 to 122 min. The transcribed notes ran to 238 pages, with an average of just under 17 pages per interviewee. Additional sheets contain the information on the interviewees' behaviour (body language), manner of speech and tone of voice.

The conceptual methodology of this research consists of two basic branches: Analytical and interpretative. The interpretative branch is designed to reveal meanings behind concepts and their definitions, in such a way as to expand the understanding of those concepts. We can analyse meanings related to the concepts, while the interpretation is linked with contextual factors [62]. The data collected

***Table 1.** Demographics of the family business cases*

	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6
Established	1991	1993	1984	1955	1934	1984
Start of the succession	2004	2004	2004	2005	2007	2007
Field of Business	Bakery	The field of repairs and sales of HVAC electronics	Steel mechanical engineering services	Food	Grocery store	Building supplier
Generation	1st generation succession	1st generation succession	1st generation succession	3rd generation succession	4th generation succession	1st generation succession
Owner before the succession	The founder with his brother 75%/25%	The founder alone	The founder alone	The predecessors	The predecessor	The Predecessor and his business partner 50/50
Ownership during the interviews	Founder with Successor 25%/75%	The founder owns 31% of the shares, the successor 34.5% and the brother in law of founder 34.5%	Each of three successor 30%, the founder 6,67% and the mother of family 3,33%	Successor	Predecessor	Successor and predecessors business partner
Leader of the company now	Officially the successor	Officially the founder	Officially the founder	Officially the successor	Officially the successor	Officially the successor
Real leadership situation now	Management: the Successor Leadership: the Founder	The successor	The founder and family meeting together	The predecessors and successor	The successor	The successor
Amount of the workers	Family members 4 and 11 workers	All together with owners 8 person	All together with owners 7 person	All together 18	All together 35	All together 16

from this study has been analysed by hermeneutic and abductive analysis methods. Hermeneutic analysis concentrated on indexing the interviews, which examined the interviewee's stories about their experiences during succession. It also looked at what happened and how those events and experiences affected their thinking and relationships. Data was collected from different groups of participants, (founders, successors and NFEs), which made it possible to compare the different participant stories and their experiences.

Abductive analysis was used alongside the hermeneutic method (Figure 2). It deals with observations from research and theories, comparing and explaining findings. In this research, abductive analysis is important from a phenomenological perspective. Essentially, this research seeks to understand phenomena that occur in daily life. The purpose of the research is not to test some already existing theories through hypotheses, but to achieve an understanding of phenomena and through the findings, shape and formulate some contribution towards the existing theories. Analysis of the data started during the transcription process and continued during the reporting process. Abductive analysis needs continuing alertness and critical thinking about connections, possible explanations and research findings. Researchers have to be able to identify which findings are important for the validity of

Figure 2. *Abduction in this study*

their research and which findings may be questionable and/or viewed with suspicion or doubt. Furthermore, a researcher has to be able, by use of preceding or existing theories, to argue their own conclusions logically.

Results

Competing ideologies had variations in the form of differences and similarities in family firms which were preparing for succession (Table 2). In all six cases, non-family employees saw predecessors from a paternalistic and managerial perspective namely as fatherly and controlling. However, there were also differences between the firms. In four cases, paternalism was viewed as a form of benevolent paternalism with two cases resembling the authoritarian form. Paternalism was viewed as having been accepted as a part of the family, with its traditions and guardianship. In each case the predecessor was markedly older than the non-family employees. Younger non-family employees saw older predecessors as heroic leaders especially in the case of caring and taking responsibility for the business. The attendance of older experienced persons created feelings of trust in the workplace. However, cultures can change:

Employee in case 2: "... my opinion is that it was a nice working atmosphere, it was open. We spoke quite often about a lot things other than issues related to work, but not anymore...earlier we got information about what is going on at the company, but not anymore...earlier everything was much more open in every sense."

Paternalism as an ideology has a negative connotation in the form of leaders who are paternalistic towards employees in small organisations. Furthermore, a paternalistic person can easily slip into a situation where caring can lead to learned helplessness with the cared persons becoming too dependent on the care givers' decisions and orders. From the non-family employees' viewpoint, caring, protection and superiority seem to be common in all six cases. When it comes to leadership in small family firms, trust matters. The employees trust their leaders and the leaders trust their employees. Managerialism typical in small family firms creates mechanisms for monitoring employees and building trust between owner managers and the non-family employees. The variations in entrepreneurialism were attributable to the individual behaviour of owner managers. The decision making processes typical for these small family firms were characterised by the personal leadership style of the owner managers. In all cases, the main goals of the predecessors were to maintain their own and their families' lifestyle and to be able to develop their dream businesses.

The change of manager and leader influences the balance of contesting ideologies especially within cases 1 and 2 as well as influencing non-family employees' motivation and work well-being. In cases 3 and 5, changes in ideology have not happened while in cases 4 and 6, change has happened from authoritarian paternalism to
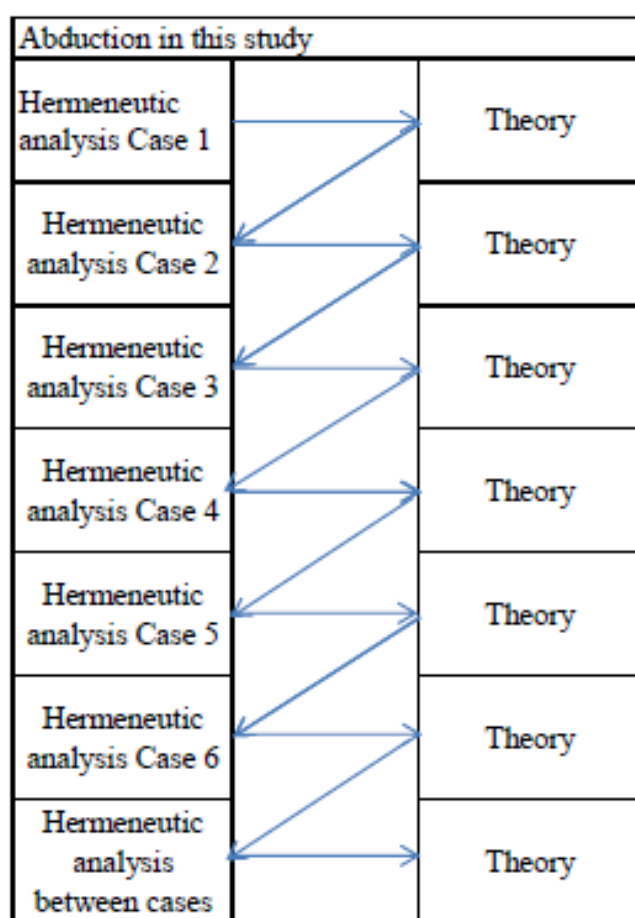
	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6
Ideology	Paternalism	Paternalism	Paternalism	Paternalism	Paternalism	Paternalism
	Benevolent	Benevolent	Benevolent	Authoritarian	Benevolent	Authoritarian
Characteristics of predecessor	Caring, emphatic and father-like leader	Caring, trustful and non-bureaucratic leader	Father-like, empowering and emphatic leader	Authoritarian but caring leader	Caring and trustful leader	Authoritarian but caring leader
Mode of appearance in daily actions	Shared vision of daily goals, Controlled empowering of employees	Learning by emotions and intuition, Controlled empowering of employees	Controlled empowering of employees, Easiness and smoothness of daily actions	Controlling quality of work, exact orders	Empowering in daily actions, controlling that tasks will be done	Controlling quality of work, exact orders
Mode of appearance in leaders behaviour	Caring for every employee in the organisation, teaching employees	High level of reciprocal trust, empowering	Father-likeliness, objectivity, Teaching the employees	Father-likeness, authority and strong will	Mother-likeness, caring of wellbeing, objectivity	Father-likeness, authority and strong will
Attitude of keeping	Keeping tradition of actions, Continuity of firm; family-likeness	Keeping tradition of actions, holding the firm in the family; Family-likeness	Keeping firm in the family, but on the other hand predecessor worried what kind of heritage he is leaving for his sons	Keeping tradition of actions, holding the firm in the family; family likeness	Keeping tradition of actions, holding the firm in the family; family likeness	Holding the firm in the family; Family-likeness
Justification of Power	Trust and position	Empowerment and trust	Empowerment and trust	Authority and position	Empowerment and trust	Authority and position
Employees vision about the leader	Like father, taking good care of every employee	Like father, trusts employees and delegates power to make own decisions	Father-like person who has taught employees their work	Father-like person who has taught employees their work	Mother-like person who has taught employees their work	Experienced and strong leader, knows what to do

Table 2. Ideology before successions, as seen by non-family employees

moral paternalism, which has improved ideology in these family firms. In cases 3 to 6, the non-family employees in the interviews mentioned that they believed the successors would continue the existing traditions and activities after the changes had been completed.

During the interviews, employees in cases 1 and 2 related that ideological change has increased uncertainty for the future concerning both individual employment and the survival of the firm. Correspondingly in cases 4 and 6, ideological change from authoritarian paternalism to moral paternalism had improved non-family employees work motivation and belief in the continuation of employment after the succession (Table 3). In case 1, the employees felt that the successor had totally forgotten them and had concentrated solely on finding new markets. The employees perceived that they were left alone with their daily work, which they had to manage on their own. According to the agreement made by the successor and the predecessor, the predecessor should have been at the same level as the employees. However, this equality had not occurred because the employees were not able to accept him at the same level. This had created conflicts between the successor and the employees.

In case 2, the successor exhibited a high degree of managerialism. After the change of the managing person, formal decision-making increased. The employees had to accept the successor before accepting orders and commencing work. The successor wanted to control the development of the firm, the direction it would develop and how goals were to be achieved. He wanted to know everything that happened in the organisation, wanted to make the final decisions with the other owners without consulting employees, control the employees by giving orders as to how the work should be completed and declined any empowerment of the employees which the predecessor had encouraged. The successor made it clear to everyone his leading position in the firm and knew the responsibility he had taken for future developments.

Employee in case 2: "...nowadays money matters, and costs are monitored heavily, everything is much more under control. So it is not as free at all…all decision-making is so awfully difficult...first they have some meetings together and it takes time at least one week. I would like to see if the predecessor could do a bit more with his gut feeling and especially with us, the people...but now it looks like the successor wants to show who is the boss, especially towards the *young* employees…"

Table 3. *Ideological changes in succession as seen by the non-family employees*

	Case 1	**Case 2**	**Case 3**	**Case 4**	**Case 5**	**Case 6**
Ideology	Entrepreneurialism	Managerialism	Paternalism/ benevolent	Paternalism/ moral	Paternalism/ benevolent	Paternalism/ moral
Character of leader and actions within the firm	Growth seeking, new business actions and territories, Creating new products and business fields	Controlling all actions within organisation, Formal decision-making, Successor's acceptance for actions	Very little changes because predecessor acts still clear leader and manager of the firm	Good to motivate employees, listens others opinions and uses authority to get works done	Take care of employees, keeps company going on and brings improving changes to employees work	Easy to approach, mutual respect with employees, uses authority to get works done
Mode of appearance in daily actions	Marketing, Business negotiations, Client seeking and making new business connections	Successor's promise and acceptance for actions, controlling disturbs daily working,	Daily business operations	Lead employees to do their daily actions	Improve work environment and business, create new with employees	Steady development of business, work environment improving changes
Mode of appearance in leaders behaviour	Strong believe to employees, often out of reach	Supervising of the actions in the firm, Formal controlling all the actions	Leading employees through caring	Always present and reach of employees if needed	Mother-like leader, strong support for employees	Caring leader, knows what to do to improve business and work environment
Attitude of keeping	Developing business expansion, High empowerment for employees	Keeping business under own control, Controlled development of the firm, Clear hierarchy	Surviving with the business	Believe to traditions and good family reputation, developing business further	Believe to traditions and good family reputation, developing business further	Developing on business, keeping tradition and business strategy fresh
Justification of Power	Ownership, risk taking	Position and professional experience	Founder's role as an owner manager	Authority in work and position as a leader	Position and mutual respect	Authority in work and mutual respect
Employers vision about the leader	Visionary and good PR-person	Unsure in decision-making, wants' to control and use authority	Paternalistic leader	Easy to approach, excellent leader	Caring and very similar with predecessor	Easy to approach, respects employees

The employees' experiences with the successors varied between cases (Table 4). While the employees' experiences with the predecessors were similar and positive, the experiences of the employees in relation to the successors varied from positive to negative. Transfer of the management from the predecessor to the successor seems to have a connection to the experience of the employees. This shows that the transfer of leadership and management raises challenges for the implementation of the family business succession [63]. During this transfer there may not only be tension between predecessor and successor but also tension among the employees as they adapt to the new leadership style [16,64].

Employee in case 1: "...now it is larger and much more effective...the successor is out in the field with clients and does a lot of PR-work...there are days in which we (employees) do not even see him...he has got many new clients and the product assortment has enlarged a lot..."

In case 1, the successor is more entrepreneurial than his predecessor was in recent years. This is contradictory to earlier findings, which stated that the next generation is not as entrepreneurial and committed as the founder generation members [65]. In case 1, the successor developed the firm further; he entered into a totally new field of business activity and doubled the number of employees. The successor was creative and focused on new business ventures, demonstrated strong will-power to achieve his goals, used intuition and alertness to evaluate new opportunities, had entrepreneurial drive to be innovative and proactive and was willing to take high-

Table 4. Employees' experiences of the succession

	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6
Official owner manager of the firm now	The successor	The predecessor	The predecessor	The predecessor	The predecessor	Successor ½, Business partner ½
Management and Leadership	Management: the Successor Leadership: The Predecessor	The successor	The predecessor and family meeting together	The successor	The successor and family meeting together	The successor
Employees' experiences about Successor	Negative	Negative	Positive	Positive	Positive	Positive
Employees' experiences about Predecessor	Very positive	Very positive	Very positive	Neutral or positive	Very positive	Neutral or positive
Working with successor before starting the succession	Yes, about 1-1,5 years, successor at the lower level in the firm	Yes, over 15 years, successor at same or little higher level in the firm	Yes, about 3-4 years. Working at same level in the firm	Yes, 27 years, successor at same or little higher level in the firm	Yes, about 6 years, successor at same or little higher level in the firm	Yes, over 15 years, successor at same or little higher level in the firm
Experiences about the change of management	Little negative	Negative	Positive	Positive	Positive	Positive
Experiences about the change of leadership	Negative	Negative	Positive	Positive	Positive	Positive

risks in projects with the likelihood of high returns. This is all in line with high entrepreneurialism [39,41,57].

In case 2, the employees noticed that the successor was very good in managerialism, but lacked creative ability necessary for entrepreneurialism [66]. By contrast in case 3, the predecessor was still the manager and the leader of the firm. The successors participated in decision-making during formal and informal meetings but the predecessor alone made routine operational decisions. Furthermore, employee inclusion was high and represented a strategic resource for the business [67,68]. Non-family employees were involved in some decision making meetings and they were even invited to participate in official and unofficial family parties and celebrations. The predecessor handled personalities that differed psychologically in order to create high performance in the firm. He did not force employees or successors into any decision but allowed everyone under his supervision to find their own solutions for problems that arose.

Non-family employees' experiences in case 3 in relation to leadership change were totally opposite to the experiences in cases 1 and 2. In case 3, successors showed the same amount of respect and care towards non-family employees as the predecessor while in terms of leadership, there were no major changes. In this firm, family owners treated employees like family members; non-family employees were asked to attend meetings where they were listened to especially around decision making associated with succession changes. This kind of behaviour highlights benevolent paternalism because

non-family employees mentioned the need to repay the kindness they were shown.

Employee in case 4: "...predecessor was like that all his life, giving out or cribbing, he was only happy when he was cribbing...I would feel he (successor) is a good leader, I think he would be good, would I follow him to the end of the earth, I don't know, just because he is the boss does not mean his decisions are the best all the time, would I tell him he is making a wrong decision? I would, if it was something to do with the store, he would always ask for my input before he would do anything..."

In case 4, during the time of the predecessor the ideology had been authoritarian paternalism. Non-family employees indicated that the predecessor had a tendency to command employees to do something. If employees did not do the work the way the predecessor wanted, he might shout and angrily present how the work should be done. Whereas when the successor gave non-family employees tasks to do, he would do so with patience and control. The change in the family firm was from authoritarian form to moral form, where the successor was seen as a hero who non-family employees could follow.

Employee in case 5: "...they are very similar, when I first started I can see successor as a younger predecessor but I think when successor brings in new things she pushes them more and it works, does that make sense? Successor is very like predecessor; she has got a lot of ideas to keep the company going which I think is important..."

In case 5, the ideology before succession was benevolent

paternalism and it appeared predecessors were concerned about the well-being of their employees. Non-family employees said that the personality, behaviour and values of the predecessor and successor were similar, which is why the ideology in this firm has remained unchanged after succession had commenced. The successor took care of non-family employees' well-being and motivation in the same way as the predecessor had done.

In case 6, the ideology was confused. Between the time of the predecessor and successor, the ideology in the firm changed from the predecessor's authoritarian paternalism to the successor's moral paternalism. However, because half of the family firm stayed with the predecessor and the other half of the family firm joined the successor, the firm was no longer capable of operating successfully. In addition, this complicated situation led the non-family employees to follow the successor who they viewed as the most effective leader.

Discussion

The results of this study indicate that paternalism does not disappear after successions or from generation to another. In all cases, stories from non-family employees indicate that the ideology in these family firms was paternalistic. In cases 4 and 6, it was authoritarian and in other cases it was benevolent paternalism (Table 5). After succession the stories of non-family employees show changes in the ideology. In cases 1 and 2, the prevalent ideology changed from paternalism to entrepreneurialism or managerialism. In cases 3 to 6, the prevalent ideology was paternalism. In cases 3 and 5, a form of paternalism remained similar to benevolent paternalism but in cases 4 and 6 authoritarian paternalism changed to moral paternalism.

In all the cases, non-family employees saw the predecessor's ideology of leadership as paternalistic. In two cases, paternalism was of the authoritarian variety and in four others, benevolent. There are several reasons for that, most often it was the case that non-family employees fondly remembered the leadership time of the predecessor. Furthermore, all non-family employees mentioned that they highly respected the predecessors and while they may have been authoritarian, employees did appreciate the predecessors' father-like care and concern for their wellbeing [69]. On the other hand, one reason predecessors did not have any entrepreneurial ideology was that they had started to cool down all entrepreneurial actions because they did not feel the need to battle for the success of the firm. This was said by predecessors themselves or by successors. The results from this study do not reveal

the reason why the predecessors were not viewed as either being ideologically managerial or entrepreneurial leaders.

In the cases from the viewpoint of the employees the ideological change from paternalism to managerialism or to entrepreneurialism (Table 5) led to situations where the employees felt that the future of family firm was threatened and they felt need to resist the implementation of the succession. In these cases, the ideological change caused the most severe problems for succession implementation while non-family employees' resistance delayed some of the changes which family members wanted to complete.

In cases where a form of paternalistic ideology is perceived negatively, i.e., as authoritarian, ideological change to other forms of paternalism appeared to improve non-family employees' perceptions about succession while ideological change to entrepreneurialism or managerialism looks to decrease non-family employees' perceptions about succession implementation and work well-being (Figure 3). In cases where a form of paternalistic ideology is perceived positively, i.e., benevolent or moral way, ideological change to authoritarian paternalism, entrepreneurialism or managerialism looks to decrease non-family employees' perceptions about succession implementation and work well-being. If the successor has the same manner as the predecessor (benevolent or moral paternalistic ideology) then non-family employees perceive succession positively and it improves non-family employees' belief in the success of the family firm.

Conclusion

This paper has concentrated on the experiences of non-family employees in small family firms that are implementing succession. From the viewpoint of the employees it appears that the change in leadership influences the ideological balance which relates to the employees' well-being and work motivation. The results of this research show that paternalism with benevolence and care [39] is good for the employees' well-being and motivation. The results of this study indicate that the benevolent aspect in paternalism is underappreciated in family business literature [46]. A benevolent paternalistic person, who is often from an older generation than the employees, can be seen as a protective, caring and father-like leader. Furthermore, it can be perceived that it is not easy for employees to trust the successor especially in cases where the successor is the same age or from a younger generation compared to employees. It seems to be natural that people more easily trust a person from an older generation than someone from their own generation.

Table 5. Ideology in studied cases pre and mid succession

|	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6
Pre succession Ideology	Paternalism	Paternalism	Paternalism	Paternalism	Paternalism	Paternalism
	Benevolent	Benevolent	Benevolent	Authoritarian	Benevolent	Authoritarian
Mid succession Ideology	Entrepreneurialism	Managerialism	Paternalism	Paternalism	Paternalism	Paternalism
			Benevolent	Moral	Benevolent	Moral
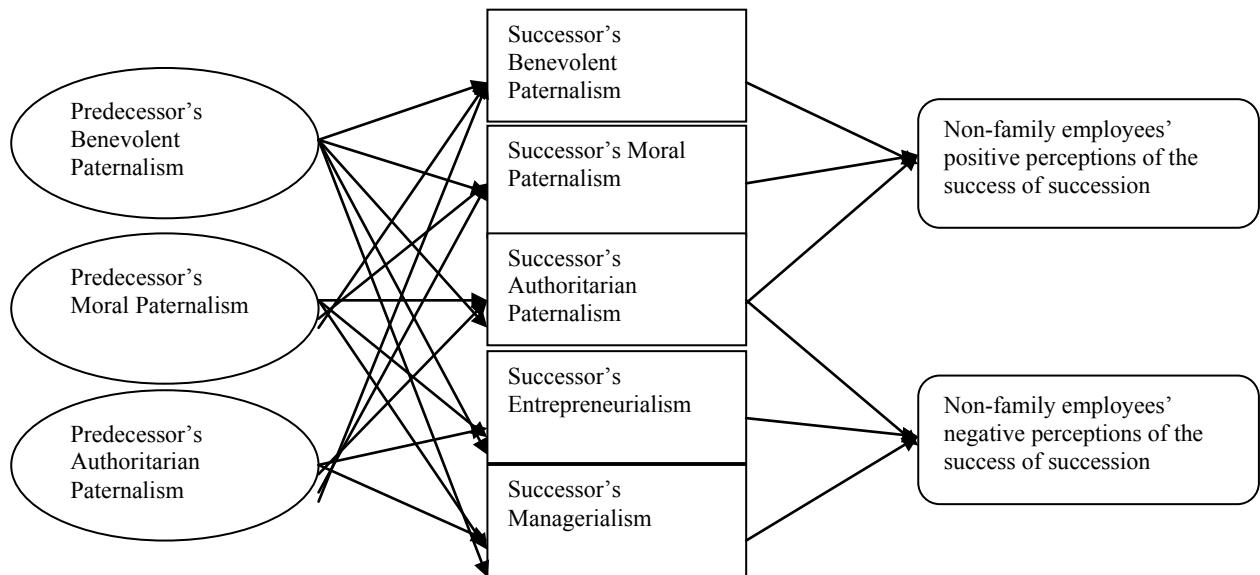
Figure 3. Antecedents of non-family employees' perceptions of success of succession

Succession in management and ownership differs according to the size of the firm. This is especially the case for small family firms in which predecessors and successors react directly on a daily basis with the employees and face ideological tensions directly in everyday circumstances. Every change directly influences the employees who are forced to adapt to the changes. From a practical viewpoint this paper shows how important it is to execute the change of leadership and management with proper planning and in good time. When implementing changes, non-family employees should also have an opportunity to participate in the planning and implementation of change.

This study has shown that paternalism can have positive effects on an employee's behaviour, but during the family business succession it can cause problems when the next generation presents a differing ideology. This should be studied more widely. In addition, in this study the deviation of the successor's ideologies from paternalism towards managerialism and entrepreneurialism were easily seen. It appears some combination of ideologies such as paternalism and entrepreneurialism or paternalism and managerialism or entrepreneurialism and managerialism, could co-exist in small family businesses. This also requires further study. Other questions arise such as what effect could these combinations have on a leader's behaviour? Could these combinations ease the employees' adaptation and acceptance of family business succession? Finally, could these combinations improve the employees' experiences of the incoming successor?

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