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Strategic Configurations for Successful Succession in Family Businesses: A Mixed-Methods Study Using Case Research and fsQCA

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Abstract

Family businesses have long been a vital business type and a key economic pillar in Taiwan. After decades of family business development, business owners have encountered succession challenges. The succession of a company not only involves internal family matters but also significantly impacts the company's long-term sustainability. In the process of passing down the business, family business owners strive to develop a successful succession strategy that considers both the interests of the business and the family. They carefully select suitable candidates to ensure a smooth transition to the successor role. This research explores the model of building a successor in a family business and formulates a success strategy for family business successors. The research consists of two studies. In-depth interviews were conducted with nine cases in the first study, and the information gathered was analyzed using a grounded theory approach. The first study identified five key elements: company, family, first-generation company owner, successor, and culture. In the second study, a questionnaire was developed based on the above elements. Factor analysis was performed on questionnaires from CEOs, resulting in the extraction of six major factors: business management, corporate culture, succession training, family benefits, succession candidates, and willingness to shift power. Subsequently, the fsQCA method was employed to identify five well-performing configurations that achieve succession performance, serving as a reference for developing a successful strategy for family business successors. The study's findings provide valuable insights for family businesses and successors.

Keywords: Family business, FsQCA, In-depth Interviews, Succession, Successful Strategy

1. Introduction

1.1 Family Businesses

Family businesses in Taiwan have played a crucial role in the country's economic growth and have faced the challenge of succession planning for the second and even third generations (Wang et al., 2019). Particularly, many family businesses initially expanded to international markets and have recently shifted back to Taiwan or ventured further southward. The owners and employees of these Taiwanese family businesses face the complex situation of transitioning their business strategies while also planning for family succession. To maintain a long-term mutually beneficial relationship between the family and the business, as well as harmony and unity among family members, a "family constitution" is often established to explicitly define the rights and obligations of family members within the family governance platform. Effective corporate governance relies on the support of the family; therefore, the "family constitution" also emphasizes the importance of the family in supporting high-level corporate governance to ensure mutually beneficial relationships among all stakeholders (Situ, 2014). The personal values of entrepreneurs significantly influence the overall values of the enterprise (Lo & Liao, 2021). The values of entrepreneurs shape the essence and distinctiveness of corporate culture, occupying a central position in the organizational culture (Zhang, 2005).

1.2 Challenges in Family Business Succession and Transition

The difficulty of transitioning and passing down family businesses in Taiwan stems from three key factors. Firstly, entrepreneurs themselves possess the ability and experience to oversee the overall operations and are reluctant to entrust their life's work to others or the second generation of the family. Secondly, insufficient corporate governance exposes the business to a high risk of losing control if ownership is transferred to "outsiders" who may take advantage of the company. Thirdly, despite the intention to pass on the business, a lack of structured and gradual succession plans hinders the implementation of a concrete strategy (Wang, 2011). The cultivation of successors requires a continuous, long-term talent development program that necessitates the mutual coordination of the entire management system. Companies should create opportunities for succession and select the most suitable, ambitious, and mentally prepared individuals as successors (Li, 2018).

In Taiwan, family businesses account for approximately 70% of the total number of enterprises, exerting a significant influence on economic development and society as a whole. One of the most important objectives in managing family businesses is ensuring successful succession. The previous generation of family business members aspires to hand over the business in the best possible condition to the next generation, where capable successors can stabilize and further enhance the enterprise. However, establishing a business that can withstand generational transitions, maintain the entrepreneurial spirit, engage in creative and innovative operations, and achieve sustainable growth is a challenging task that requires careful strategizing and profound contemplation.

1.3 Significance of Success or Failure in Family Business Succession

Placing the successor within the grassroots level of the family enterprise has become a consensus among many Taiwanese family business owners. In fact, 93% of Taiwanese family businesses have second-generation family members working within the company, a significantly higher proportion than the global average of 65%. This demonstrates the strong expectation for second-generation succession in Taiwanese family businesses. This practice of internal training and mentorship allows successors to gain a deeper understanding of the company's operations and accumulate practical experience.

Succession and transition in small and medium-sized enterprises (SMEs) are not merely domestic affairs; they are closely tied to the future direction of the business, its competitiveness, employee well-being, as well as the subsequent impact on the supply chain and industry. Succession in SMEs must be considered in conjunction with innovation, enabling the company to become stronger (Chung, 2018). In terms of corporate governance, the distribution and structure of share ownership often determine everything (Duong et al., 2020). Even though EVA Airways was promoted to vice president, who held a larger share of the company. As a result, he departed from the company's management team (Lin et al., 2017). If a family wishes to retain control of their business, they must consider succession as an ongoing task rather than a final destination. Unsmooth transitions in business succession lead to conflicts among family members and entanglement of power and interests within the family business. The disputes over management responsibilities between the second-generation brothers in the International Electric Corporation and Shin Kong Group are examples of severe flaws in succession. Therefore, family business succession and governance require careful planning and cautious handling (Qiu, 1997).

Taiwan faces unique succession challenges. While enterprise succession is a global issue, no other country has faced such a large number of succession problems simultaneously as Taiwan has. Many Taiwanese SMEs were established in the 1980s, and now, after over three decades of entrepreneurial endeavors by the first generation, they are facing a comprehensive generational shift (Wan, 2018).

1.4 The Significance of Timely Succession in Family Business

Succession planning in family businesses should be done in a timely manner. While succession may not be the most urgent matter for family businesses, it is undoubtedly the most important one. Just as the saying goes, "A sword takes ten years to forge," succession planning must be initiated early to ensure the smooth and solid continuity of the family enterprise. There is limited academic research on the succession strategies of family business owners, particularly qualitative research in this area. This lack of research has motivated the present study, which aims to examine the application of family business governance and succession strategies in academic theory and practice. It also seeks to provide progressive recommendations on the operational models of family businesses and how to successfully pass on the business to the next generation. This study focuses on Taiwanese enterprises that exhibit a family business structure, exploring the owner's decision-making, training, mentoring, transition, and supervision of the successor. It delves into the connotations and analyzes the current situation, providing innovative and practical succession strategies for family business owners.

The management of the family within the company, the values of the entrepreneur, and the corporate culture are all closely related to the selection and succession model. The difficulties faced by family businesses in succession primarily stem from the owner's concerns, inadequate corporate governance systems that make them wary of external intrusion, and a lack of referenceable succession strategies. The success or failure of family business succession has significant implications not only for the business itself, its employees, and shareholders, but also for suppliers, industries, and the socio-economic fabric. Therefore, family businesses must engage in long-term and early planning to ensure smooth and stable succession. The combination of quantitative and qualitative comparative analysis in business research methods is an important trend (Lo et al., 2020; Tsai & Lo, 2020). This study contributed to identifying practical succession strategies through interviews, surveys, and empirical analysis.

2. Literature Review

Family businesses are primarily composed of two entities: the business itself and the family. The succession process is completed through interaction between the business owner and the successor. Family businesses, also known as family-owned businesses, are a common model of enterprise management worldwide. The interest in studying family businesses as a unique academic research field has been increasingly recognized. This is primarily due to the widespread prevalence of family businesses globally and the increasing awareness among individuals and institutions of their significance. It has become evident that a deeper understanding of this particular organizational type is necessary (Calabrò et al., 2018). Family businesses contribute to regional economic development in many areas (Stough et al., 2015). They are often the most representative form of organizations and have a significant impact on regional economic and social development, which can determine the success or failure of a particular region (Basco, 2015). In enterprises influenced by the family, the interactions between the family, the business entity, and individual family members establish unique systemic conditions that influence the performance outcomes of the family business social system. The performance goals of family businesses are often related to the potential for intergenerational wealth and wealth creation (Habbershon, Williams, & MacMillan, 2003).

When there is a significant presence of family businesses in the economy, the driving force behind a nation's export performance and competitiveness is enhanced. The unique international advantage of family businesses lies in their ability to improve production efficiency and their capacity to operate shorter and relatively simple value chains (Carney et al., 2017). Most family business owners believe that an open corporate governance structure can facilitate the internationalization of family businesses, such as introducing non-family business owners, non-family board members, or non-family CEOs (Calabrò et al., 2013). From a review of the literature on international business and family businesses, six promising research areas emerge: (1) mission and goal performance of the firm, (2) corporate governance and international business, (3) attitudes towards risk and internationalization patterns, (4) timing, pace, and speed of internationalization, (5) cross-cultural management, and (6) network perspective and social capital of the firm. These areas of focus align with the future development trends of family businesses (Casillas & Moreno-Menéndez, 2017).

The dynamic development of family businesses is currently prevalent worldwide; however, researchers have yet to thoroughly explore the intricacies of family ownership (He et al., 2013). Do researchers grasp the institutional, social, and economic complexities and dynamics of the family businesses under investigation? Existing research has predominantly focused on studying the business system while paying little attention to the family system (Goel et al., 2012). Accordingly, family businesses are commonly found in SMEs, where even after going public, the company continues to be managed in a family business model. Therefore, the operators of these businesses must pay attention to both "family governance" and "corporate governance." The appointment of a family member or a non-family member as the company's CEO can have different effects, and various research perspectives may not necessarily align. Family businesses often prioritize long-term sustainability over short-term performance in their company management and strategy. The acceptance of technology and innovation by new successors can contribute to the company's ability to embrace new business practices and corporate management in a changing environment.

In terms of corporate governance, in non-family businesses, board size and gender have a negative impact on company performance. High CEO compensation, on the other hand, encourages management to focus on improving the company's efficiency (Ling et al., 2016; Kaplanski & Levy, 2012). Compared to non-family businesses, family businesses are highly sensitive to corruption. Family businesses are better at risk avoidance, and informal payments may serve as an additional insurance against export risks, helping them compensate for any deficiencies in their export management capabilities (Bassetti, Maso, & Lattanzi, 2015).

The higher the level of family involvement, the lower the level of diversification within the family firm. Family involvement (in terms of ownership, control, and management) and the developmental stage of the company (first-generation vs. subsequent generations) influence the diversification among family businesses (Eugster, 2019). Internationalization is a crucial entrepreneurial strategy designed to foster long-term growth and enhance survival capabilities for SMEs. The high presence of family members in the top management team (TMT) can explain the heterogeneous behavior of these family firms in the international entrepreneurial process. The high concentration of family members in managerial positions in Spanish SMEs hinders the internationalization of the entrepreneurial process. This fact strongly emphasizes the importance of hiring non-family managers to facilitate internationalization. Furthermore, the involvement of multiple generations in decision-making can also hinder the internationalization of the business, leading to control and coordination issues (Alayo et al., 2019). Lineage is a crucial factor in the selection of successors within family businesses, and it also presents a disadvantage for non-family professional managers in these businesses. Non-family professional managers in family businesses must be aware of the inherent disadvantage of their non-family lineage. To successfully work in a family business, it is necessary to approach one's career goals pragmatically. The influence of the family on the business can be traced back to the founder. With consideration for both family interests and business objectives, the family can concurrently focus on both, potentially leading to the long-term survival of the business. Family involvement can lead to various developments in diversification, innovation, and

internationalization for the business. As long as the benefits outweigh the costs, family businesses have the potential to exist and maintain value.

In family businesses, the founder is naturally the leader who takes risks and makes decisive decisions. They strive to establish the family business by identifying goals at the right time, and the first-generation leaders provide life goals and visions for family members. Family-controlled companies tend to pay fewer cash dividends compared to non-family-controlled companies. However, with the improvement of corporate governance and company value in Taiwan, these family-controlled companies may not pose a problem. Many successful businesses, especially family-controlled businesses in East Asian countries, are influenced by Eastern philosophies, such as Confucianism, which can be attributed to "cultural factors" that emphasize honor and respect in East Asian family-controlled companies. Therefore, family businesses that pay less cash dividends are likely to reserve cash for future investments rather than using their resources for self-interest (Wu, Ni, & Huang, 2020). Ownership and governance systems also influence the corporate culture of a company (Zahra, 1996).

3. Methodology

3.1 Study 1: Qualitative research

In the first study, individual in-depth case interviews were conducted, and grounded theory was employed to identify succession patterns and their implications in family businesses. The selection of interview participants in this study utilized purposive sampling, targeting family business owners or successors who are currently in the process of succession or have already succeeded. The interviews included 5 cases from the manufacturing industry and 4 cases from the service industry, resulting in a total of 9 interviews conducted (see Table 1).

Table 1. Interviewees' background information

Case #	Company Code	Industry	Interviewees' Role in Family Business	Notes
1	B	Services	Business Owner	Chain store operator
2	C	Manufacturing	Second-generation Business Owner	Succession with a professional team
3	E	Services	Business Owner	Chain store operator
4	J	Manufacturing	Business Owner	Second-generation entrepreneur
5	K	Manufacturing	Business Owner	Outstanding external investment
6	N	Services	Second-generation Business Owner	Management with a professional team
7	P	Manufacturing	Business Owner	Active training
8	R	Services	Business Owner	Trade outsourcing and processing
9	S	Manufacturing	Second-generation Business Owner	Successor yet to be determined

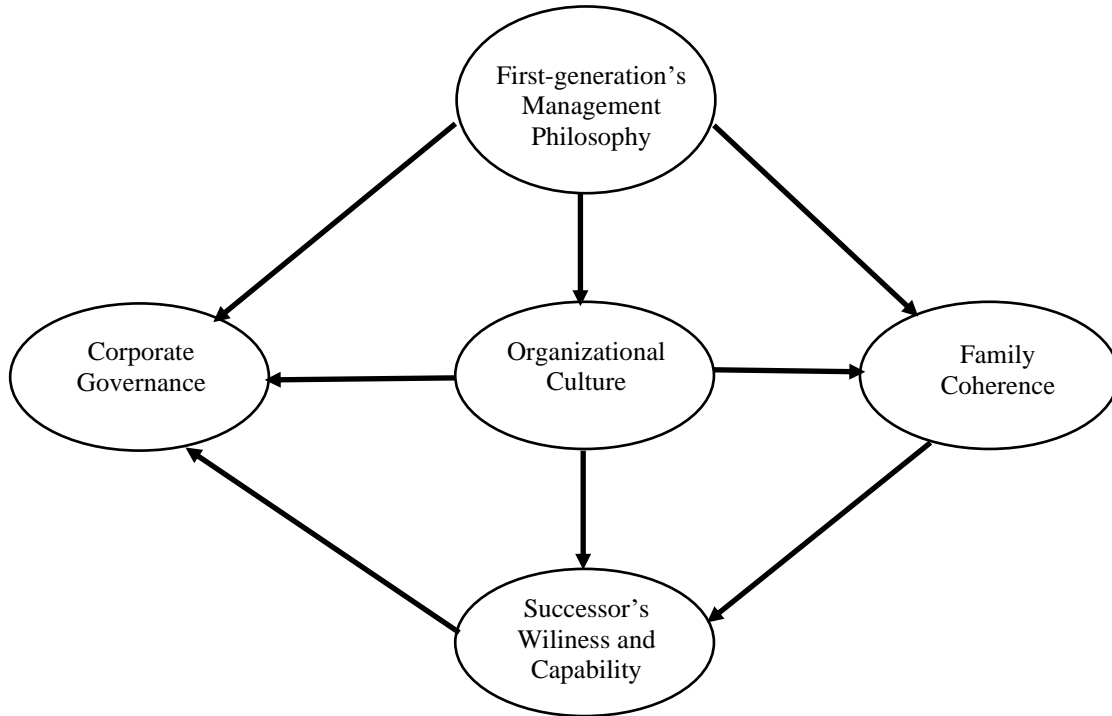
This study developed a semi-structured open-ended interview guide. The guide includes the following questions: (1) Please provide a brief overview of your company's history and important events. (2) Please explain your company's governance and challenges. (3) Please describe the ideas of your successor. (4) What qualifications and capabilities should the successor possess (including senior managers)? (5) How do you cultivate the successor (with emphasis on the pre-succession phase)? (6) To ensure a smooth and successful succession process, what strategies does your company have for the successor? Based on the results of the interview, the elements and connotations of the succession models in family businesses, extracted from grounded theory, were used to develop a survey questionnaire for the second study.

In this study, in-depth interviews were conducted with business owners or second-generation successors of 9 family businesses. The verbatim transcripts from the interviews were analyzed using grounded theory, employing open coding, axial coding, and selective coding techniques. Through this process, the elements of succession patterns in the businesses were extracted, serving as the foundation for designing the subsequent survey questionnaire. The data collected from the in-depth interviews have been deconstructed into separate parts and thoroughly examined and compared. The aim was to identify those parts that are equal or share similar attributes, and to extract the main implications when analyzing entire sentences or paragraphs. From the 9 verbatim transcripts of the case interviews, after removing pleasantries and irrelevant topics, a total of 297 meaningful statements were extracted and subjected to open coding. Through the process of axial coding, these statements were further developed into 17 subcategories, which were then grouped into 5 main categories. The entire process, from verbatim transcripts to open coding and axial coding, followed a logical progression (see Table 2). Accordingly, the qualitative study developed a successful model for family business succession (see Figure 1).

Table 2. Main categories and subcategories for successful succession strategies

Main Category	Subcategory
Enterprise	corporate governance, information technology, and corporate vision
Family	family ethics, family interests, kinship relationships, and gender attributes
First-generation	entrepreneurial experience, management philosophy, and succession willingness
Successor	global perspective, professional competence, and succession willingness
Organization Culture	performance, corporate ethics, values, and social responsibility

Figure 1. Successful Model for Family Business Succession



3.2 Study 2: Quantitative research

In the second study, a questionnaire survey was conducted, and fuzzy-set Qualitative Comparative Analysis (fsQCA) was employed to identify the success strategies of successors in family businesses. The questionnaire was administered to participants selected through purposive sampling, including individuals who have observed completed successions, ongoing successions, and potential successions in family businesses. The questionnaire design utilized a 7-point Likert scale. Based on this scale, fuzzy scores were generated using the fsQCA software. These fuzzy scores were then transformed into truth tables through Boolean logic operations. Standard model analysis was employed to identify the successful succession strategies for family businesses.

According to the results of the quantitative analysis, Table 3 indicates that the majority of respondents were male (48 individuals, accounting for 51.6%) and were aged between 41 and 60 (64.5%). Over 50% of them were engaged in the manufacturing or service industry (90.3%), and the number of employees in their companies was mostly below 50 or above 401 (64.5%). The majority of respondents were the owners themselves (63.4%), and their companies were established less than 10 years ago, between 21 and 30 years ago, or more than 46 years ago (61.3%). Table 4 indicates the results of factor and reliability analysis.

Table 3. Respondents' descriptive statistics

Variables	Items	Frequency	Percent (%)	Variables	Items	Frequency	Percent (%)
Gender	Male	48	51.6	Industry	Manufacturing	44	47.3
	Female	45	48.4		Service	40	43

Age	Under 30 years	1	1.1	Company Established Year	others	9	9.7
	30-40 years	11	11.8		Under 10	14	15.1
	41-50 years	33	35.5		11-15	9	9.7
	51-60 years	27	29		16-20	7	7.5
	Over 61 years	21	22.6		21-25	12	12.9
Employee	Under 50	40	43		26-30	20	21.5
	51-100	18	19.4		31-35	8	8.6
	101-150	4	4.3		36-40	9	9.7
	151-200	3	3.2		41-45	3	3.2
	201-250	3	3.2		Over 46	11	11.8
	251-300	1	1.1				
	301-350	1	1.1				
	351-400	3	3.2				
	Over 401	20	21.5				

Table 4. Results of reliability and validity analysis

Constricts	Number of Items	Reliability	Convergent Validity
Enterprise (QF1)	3	0.792	14.271
Culture (QF2)	4	0.737	27.892
Succession training (QF3)	3	0.766	40.898
Family interests (QF4)	2	0.678	51.336
Successor candidate (QF5)	2	0.736	61.268
Succession willingness (QF6)	3	0.537	71.075

4. Results of fsQCA

This study employed fsQCA to explore the sufficient conditions for successful succession in family businesses (i.e., superior performance of the second generation), and based on the criteria provided by Ragin (2017), the solution coverage needed to be greater than 0.1 and the solution consistency needed to be greater than 0.6 to determine the explanatory power and consistency of the sufficient conditions. The quantitative data from a survey of 93 family business owners or senior managers yielded six configurational factors (corporate governance, corporate culture, succession training, family interests, successor candidate, and incumbent's willingness), which were then analyzed using fsQCA to determine the configurations of factors leading to superior performance of the second generation in family businesses after succession. The results revealed five distinct paths or configurations (T1, T2, T3, T4, and T5) that could lead to superior performance of the second generation, exhibiting strong explanatory power and internal consistency from an overall perspective. For example, the first path (T1) showed that superior

performance of the second generation could be achieved as long as there is a focus on business operations, corporate culture, and the incumbent's willingness, without the arrangement of a successor candidate. From a male perspective, there were four configurations (M1, M2, M3, and M4) that led to superior performance of the second generation, meeting the sufficient conditions. From a female perspective, there were two configurations (F1 and F2) that led to superior performance of the second generation as sufficient conditions (see Table 5).

Table 5. The causal configurations for superior-performed succession strategies

	path	QF1	QF2	QF3	QF4	QF5	QF6	Raw coverage	Consistency	Solution coverage	Solution consistency
Overall perspective	T1	●	●			○	●	0.503	0.852		
	T2	●		●	○	●	●	0.265	0.985		
	T3	●	●	○	●	●		0.222	0.914	0.950	0.796
	T4	●	●		●		●	0.877	0.842		
	T5	●	●	●			●	0.909	0.837		
Male's perspective	M1	●	●	●			●	0.875	0.844		
	M2	●	●		●		●	0.869	0.842		
	M3	●	●	○	●	●		0.224	0.907	0.920	0.797
	M4	●		●	○	●	●	0.252	0.987		
Female's perspective	F1	●	●		○	○	●	0.306	0.912		
	F2	●	●	●	●		●	0.871	0.871	0.902	0.853

Notes: Black circles “●” indicate the presence of causal conditions (i.e., antecedents). White circles “○” indicate the absence or negation of causal conditions. The blank cells represent “don’t care” conditions.

5. Discussion and conclusion

5.1 Successor model in family businesses

Qualitative research extracted five major elements from grounded theory, a model for the succession in family businesses is constructed, which can be illustrated through a story axis. Firstly, family members establish the business, where resources are interconnected between the family and the business. Secondly, when the first generation of the business wants to pass it on to a successor, whether the successor is from within the family or an "external" professional manager, they are influenced by corporate governance and family interests. Thus, an interactive relationship is formed among the first generation, the successor, the business, and the family. Within this interaction, four elements shape the culture of the family business, and culture also influences these four elements. However, culture is inherently intangible and metaphysical compared to the other four tangible and foundational elements. Therefore, elevating the cultural element to the apex of a pyramid model would better fit the reality. The four foundational elements can shape the core cultural element, and culture can, in turn, influence the other foundational elements. In specific circumstances, the four foundational elements can also directly interact without relying on the core cultural element.

5.2 Success strategies for successors in family businesses

Quantitative study conducted 93 surveys from family business owners or senior managers, empirical analysis yielded six configuration factors (corporate governance, corporate culture, succession training, family interests, successor selection, and incumbent's willingness). Using fsQCA (Fuzzy-Set Qualitative Comparative Analysis), pathways or configurations that lead to the successful performance of second-generation successors in family businesses were identified. Each factor can essentially exist, be negligible, or not exist, resulting in a total of 729 possible combinations theoretically. Through powerful computations with fsQCA, five pathways were identified that can lead to successful performance and superior outcomes for successors. These five different pathways or configurations (T1, T2, T3, T4, and T5) can achieve superior performance of the second-generation successors with strong explanatory power and internal consistency, indirectly obtaining success strategies for the successor in business succession.

This study focuses on the result of superior performance by second-generation successors after succession, but the outcome may not always meet expectations. Therefore, factors and configurations that lead to poor performance of second-generation successors in family businesses were investigated, revealing three different pathways or configurations. Within the configurations related to superior and poor performance of the second-generation successors, a "paradoxical phenomenon" was observed and further explored for its underlying meaning. Among the five pathways of superior performance, T4 and T5 do not exhibit relatively contradictory phenomena. Only T1, T2, and T3 show the emergence of contradictory phenomena in the pathways of poor performance.

5.3 Additional analysis from the perspective of gender

Gender may have a different perspective on this issue. This study conducted an additional analysis of males and females. As to the comparison between male and overall perspectives, in terms of the sufficient conditions for superior performance of the second generation, the male perspective (subset) has four configurations that are consistent and included within the five configurations of the overall respondents' perspective (superset). The remaining one configuration of the overall respondents' perspective can be explained by the female perspective. Although the female perspective specifically explains only one-fifth of the overall perspective, it highlights the sufficiency of the female perspective and contributes to a more comprehensive theoretical model.

5.4 Managerial and theoretical implications

In terms of managerial implications, it is the practical validation of the existence of the model that highlights its theoretical value. After establishing the model, a key interview was conducted with a Taiwanese small and medium-sized enterprise founded by a husband and wife, which was already undergoing succession transition. When asked about the most important factor for the successful succession strategy of the successor, the female owner, who is part of the entrepreneurial couple, straightforwardly answered, "Parents should not interfere." The company was established based on family interests and has well-established systems, corporate governance, and a commitment to social

responsibility and sustainable operations. The parents of the company's owners have a strong desire for their children to take over the business. Surprisingly, the element of "training" among the six key factors was perceived as "parents should not interfere" based on the painful experience of actual succession within the company. Elements that are completely absent or should not exist at all became the most crucial supportive factors for successful succession. In traditional quantitative analysis, the success of the outcome is usually determined by the abundance or scarcity of a single or a few factors. However, fsQCA derives one or multiple successful paths or configurations based on the combination of the fuzzy degrees of multiple factors. Resources are limited, but even in cases where certain factors can be ignored or do not exist, fsQCA analysis may still identify successful paths or configurations by incorporating other factors.

This succession situation resonates with the successful succession model of T3, which advocates "excluding succession training and letting the transition happen naturally." In this case, even if the outgoing business owner has a strong desire to hand over the business, adopting a natural and hands-off approach allows the successor to avoid additional pressure from the older generation and potentially manage the business more relaxedly. A similar experience was observed in a previous in-depth interview with business owner P, who said, "I think I've been fortunate. My children are willing to take on these responsibilities. I've always told my children that I won't oppose whatever they want to study. Haven't we seen many parents demanding things from their children, but the children don't want to comply?" The desire for succession is strong internally but not outwardly manifested. The configurations derived from fsQCA include elements of absence, which provide different perspectives and choices in management. For example, excluding family considerations implies that the company operates more like a typical business focused on overall interests. Excluding successor selection and succession training allows employees and professional managers to perceive fairness and a natural progression.

From T1: Exclude predetermined successor selection, de-emphasize family interests and succession training. For family businesses, this is a lesson in returning to the essence of business management. By excluding deliberate successor selection, the focus shifts to individuals with both moral character and capabilities. By de-emphasizing family interests, the interests of shareholders and employees can be highlighted. Not intentionally arranging succession training provides a fair opportunity for professional managers to step up and perform. T4: Do not emphasize successor selection, do not emphasize succession training, and T5: Do not emphasize family interests, do not emphasize successor selection. Other aspects such as business, culture, training, and transition are still given importance. For businesses, this means diluting the family element. If it cannot be diluted, then there is no need to emphasize succession training. As for the choice of successor, it can be left to natural progression. T2 specifically excludes family considerations, while T3 specifically excludes succession training. Unlike quantitative linear regression, which often results in the measurement of one or a few variables, fsQCA analysis reveals that there are many different paths or configurations for successful succession strategies in family businesses. This allows businesses to flexibly utilize different combinations of resources or elements to achieve successful outcomes.

5.5 Suggestions for future research

When constructing the succession model for family businesses, five elements are obtained: the business, the family, the first generation, the successor, and the culture. If these five elements are considered equal, a two-dimensional diamond framework of successors can be obtained. However, if we refer to the concept of integrating main categories in grounded theory and present it in a four-cornered pyramid model, culture becomes the top corner, connecting the other four base corner main categories. It is suggested that future research can refer to this four-cornered pyramid model to explore the significant influence of culture as the core category in family business succession.

In this study, in-depth interviews with individuals in businesses were conducted, and the five major elements of the family business succession model were extracted based on coding with grounded theory. A survey questionnaire was then developed and analyzed using fsQCA. However, due to differences in the target groups between the pre- and post-surveys, and the anonymity of the respondents in the second-stage questionnaire, it was not possible to conduct follow-up interviews to strengthen validation through fsQCA. Future research can consider involves planning for named or traceable interviews in advance.

In the configuration groups of superior and poor performance among the second-generation entrepreneurs, a "contradictory configuration" phenomenon was observed, and an in-depth exploration of its underlying meaning was conducted. This contradictory configuration phenomenon in fsQCA, which produces non-absent or non-present conditions in the opposite outcomes, can serve as an auxiliary warning for the sufficient conditions of positive and negative elements in practice. It is worth investigating in future research.

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