

University of KwaZulu-Natal

**Sustainability of Families in Business  
into the Third Generation and Beyond:  
Analysis of Three Cases**

By

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## ABSTRACT

A major factor for a family business failing in its second or third generation is the death of the founder member, and the second generation not equipped to manage the business. Barker and Ishuzu (2012) added that it was rare for family businesses to survive into the third generation. As a consequence of families in business succeeding beyond second and third generation, a family will achieve financial stability while sustaining and creating jobs and positively impacting on the economy. This qualitative study was modelled on the STEP protocol in which three family businesses in KwaZulu-Natal were interviewed. The interviews were conducted and directed to get an 'in-depth story' of each business with regards to their history and performance, with the aim of finding solutions for long term success and sustainability.

The research methodology used in this qualitative study was a narrative analysis. Although the findings of this study cannot be generalised to the entire population of family businesses, this narrative provides the researchers interpretation based on her findings of the three cases studied. The narrative analysis used in this research study was useful to understand certain phenomena, particularly in generating new theories that could be tested or researched further. The conclusions of this study were drawn by analysing the following points in particular: Personal Challenges of Owners, Levels of Succession Planning, if any, Power Control issues, The Role of Familiness and the maternal influence on succeeding generations.

From the three case studies, it was concluded that the interplay of the above factors do affect firstly, the founder members degree of risk-taking to start a family business and then the successful trans-generation to third generation and beyond. The role of the mother featured dominantly in influencing trans- generational succession. This influence has been under-researched and provides some justification for empirical testing.

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## **CHAPTER 1**

### **Introduction and Overview of the Study**

#### **1.1 Introduction**

The study of family business is not a new concept, family businesses are capturing interest from scholars the world over, yet, research about family business is still in its infancy. There appears to be a diversity of theories and perspectives regarding families in business and this probably explains the somewhat cluttered and conflicted landscape. Family businesses are driven by the belief that the family involvement in firms influences the corporate policy and processes and it is this influence that makes families in business distinct from their corporate counterparts. However, a common observation is that family businesses rarely survive beyond the second generation. This sentiment is shared by the researcher, presently a second generation employee of a family business, and who has experienced first-hand the various personal and environmental challenges family business face, and the need for succession planning for sustainability of the family business.

This chapter presents an overview of the study in which the problem statement and focus is presented and research objectives are stated. The hypothesis of this study is presented followed by limitations identified during this research study.

#### **1.2 Problem Statement**

The majority of owners of family businesses want to ensure a livelihood for their dependents by running the business (Barclays Wealth Insights, 2009). Morris, Williams, Allen and Avilla (2010) stated that successful family business can be achieved by those that are able to steward a family forward while simultaneously instilling entrepreneurial orientation in the different generations, rolling forward the core values and systems. A major factor for family business failing in its second generation is the death of the founder member and the second generation is not equipped to manage the business (Barker & Ishuzu, 2012). They added that it was rare for families in business to survive into the second generation.

The Successful Trans-generational Entrepreneurship Practices (STEP) founded in 2005 by Babson College is a global applied research initiative that explores the entrepreneurial process within business families and generates solutions that have immediate application for family leaders. This qualitative study was modelled on the STEP protocol in which the

sample consisted of three families in business in KwaZulu-Natal. The interviews were conducted and directed to get an ‘in-depth story’ of each business with regards to their history and performance with the aim of finding solutions for long term success and sustainability.

The story was then analysed against the background of the literature available on a few key issues of interest in this study. The overall aim of the study was for this research study to provide its own interpretation of the findings which could offer new insights into family businesses that may not have not been researched sufficiently, or to provide motivation for further research.

### **1.3 Objectives of the Study**

The research aimed to address the following key objectives:

- To determine the personal challenges faced by owners.
- To understand the reluctance of the founder to hold on to power/ control the reins.
- To determine the role of family togetherness or ‘familiness’.
- To determine the influence of the mothers and wives on the family and succeeding generations.

### **1.4 Focus of the Study**

The proposed research will be a qualitative, comparative case study of three family owned businesses located in KwaZulu-Natal. The key role players of each of the family businesses will be interviewed. Participants of the study included the controlling owner (s), the CEO or Chairman/MD of the firm, family member who are actively involved in the firm’s main business, other family members who represent a different generation in the family and a non-family member who are active in the management of the business.

### **1.5 Significance of the Study**

The STEP Project has been conducted in various countries to expand the body of knowledge on family businesses. This study following STEP protocol has not previously been conducted among family businesses in KwaZulu-Natal, as advised by the STEP Liaison contact in Kwazulu Natal, Professor Shahida Cassim. Furthermore, two of the case studies were conducted on Indian owned family businesses. As far as the researcher is aware, a study of

this nature has not yet been conducted on Indian owned family businesses in KwaZulu-Natal. It is hoped that the information gathered from this research study will provide new insights into family businesses and will contribute to the body of knowledge on family businesses. Also, based on the findings of this study, the researcher will present a narrative analysis of the study after which pertinent recommendations would be made for further research, and to ensure the sustainability and successful succession of families.

## **1.6 Limitations of the Study**

The following limitations were identified in the study:

- Cultural limitations were existent in that two families were Indian and one was Greek. Religious and cultural aspects gave different biases to traditional roles such as parenting and roles in the business, patriarchal roles in the family and the modern aspect of levels of education that influenced traditional husband/wife roles.
- Pragmatic limitations impacted on the study such as fitting into work schedules, study schedules, family secrets.
- The families chosen were for the case studies differed in the number of subjects in each generation. This made analysis of the different generations difficult.
- The interview method chosen to gather data has the disadvantage of introducing bias and it is a less reliable in research methodology
- The interview consisted of confining the history of the family to 20 questions. Perhaps, greater flexibility in the interview method in addition to using a structured questionnaire would have elicited responses that would have been more consistent that would have been easier to test for validity and significance.
- The interview should have interrogated the role of the mother in more detail as there is currently insufficient theory on the influence of the mother in the growing years.
- Not all members included in the family tree were interviewed. Difficulty was experienced working around the schedules of family members that were not too active in the business or were simply not interested in the study.
- Three case studies may be too small a study to draw conclusions that could be generalised to the population at large. It does however provide some information and motivation for further research in this field of study

## 1.7 Chapter Outline

**Chapter 1** is the introductory chapter in which presents the overview of the research study. The problem statement and research objectives of the study are stated. The focus of the study is briefly described, followed by the hypothesis. The purpose or significance of this research study presented followed by a summary if the introductory chapter.

**Chapter 2** focuses on the relevant literature pertaining to this study. The definition of a family business and what sets it apart from non- family businesses was researched thoroughly. Particular emphasis was placed on the succession in family businesses, entrepreneurial orientation, role of cultural orientation and family values, and the influence of the mother in the family business and transmission of values from one generation to the next.

**Chapter 3** describes the research methodology used in this research study. Due to the nature of this study, a qualitative method of study was undertaken with an analytical narrative approach. Some theoretical background to these methods and approaches are described. This chapter also describes the selection and description of the case studies, followed by the data collection method and subsequent analysis of the information obtained.

**Chapter 4** is essentially tells ‘the story’ from the interviews conducted on the different role players in in each family. The information is presented under the different headings in keeping with the objectives of the study.

**Chapter 5** integrates the ‘story” as told by the subjects against the backdrop of relevant literature related to each of the objectives of this study. The advantage of using narrative analysis as a research method lies in the fact that different readers of the same story may in fact have different interpretations. The researcher will provide her own interpretation of the findings from the case studies.

**Chapter 6** is the concluding chapter of this research paper in which the relevant findings of this research were listed, together with for further research as well as recommendations arising out of this study that will benefit families in business towards successful trans-generation and value creation for their businesses.

## **1.8 Summary**

This introductory chapter provided a brief overview of this research paper. The following chapter is based on a review of the literature on family businesses.

## CHAPTER 2

### Literature Review

#### 2.1 Introduction

There are various ways in which a business may be classified. Of relevance to this study, a business can be categorised into essentially two types: family owned and managed businesses. The fundamental differences are noted in the nature and function between the two. The differences relate to the time horizons of management, decision making and accountability thereof, job security and the impact of the family system on the business system. Family businesses contribute extensively to the global wealth creation and most of the corporates are also classified as family businesses. (Claasens, et al as cited in Bammens et al, 2010, 134)

As most entrepreneurial activity within the economy is generated by Small, Medium and Micro-sized enterprises (SMME) it may be said that entrepreneurship has been identified as a vital part of the contemporary South African economy (Bozas, 2011,2). Entrepreneurs are crucial for the job creation and the improvement of the South African economy. The researcher applied the same ideology to sustainability of families in business to third generation and beyond, and should they succeed, economic stability and job creation will be the success outcome factors.

This chapter focuses on relevant literature pertaining to this study with an emphasis on entrepreneurial orientation, succession of family businesses, governance in family businesses, role of family values and familiness, and the influence of gender in family businesses.

#### 2.2 Definition of a Family Business

The definition of a family business is not straightforward and researchers continue to disagree over the definition of a “Family Business”. The theories and perspectives regarding families in business are diverse and this probably explains the difficulty in defining a family business. Family businesses is driven by the belief that the family involvement in firms influences the corporate policy and processes, and it is this influence that makes families in business distinct from their corporate counterparts (Bammens, Voordeckers & Gils, 2011). Astrachan, Klein and Smyrniotis (2005) cited in Cliff and Jennings (2005) in defining a family business, suggested that the extent to which a business is a family business is reflected by the

influences of the family's involvement. Litz (2008) was of the opinion that the influence was of two totally divergent and unconnected systems i.e. business and family: which exercises influence over each other.

Researchers in Family Business academia generally accept that a family's involvement in a business, makes the business unique and could simply be referred to as a family business. However, researchers argue for a distinction between an operational and theoretical definition. Chua, Chrisman and Sharma (1999) stated that a theoretical definition must identify the essence of the family business that distinguishes it from other businesses and it is this standard against which operational definitions must be measured.

Other definitions offered in the literature include "a family business as one in which ownership and policy making are dominated by members of a kinship group" (Carsrud, 1994 cited in Morris, Williams, Allen & Avila, 1997) and "organizational interest and not self-interest, in which people achieve utility through organisational motivation" (Davis, Schoorman & Donaldson, 1997). For the purposes of this study, the researcher proposes that a family business is that in which the family exerts influence over the organisational processes and the strategic direction of the firm.

### **2.3 Unique Characteristics of a Family Business**

Having reached a suitable definition for the purposes of this study, equally important, is the interrogation of the unique characteristics of a family business, and the characteristics that set them apart from non-family owned enterprises or managed firms.

Research on family business is driven by the belief that family involvement in firms significantly influences organizational processes and corporate policy, thereby making family businesses theoretically distinct from their non-family counterparts (Bammens et al., 2011). Morris, William, Allen and Avila (1997) stated that there are essentially two types of firms: family owned and managed businesses. They stated that the fundamental differences are noted in nature and function between the two, which relates to the time horizons of management, implications of business failure, degree of job security, centralisation of decision making, accountability for decision making, and the impact of the family system on business system. These differences are tabulated in Table 2.1.

The interaction between the family and the business establishes its character and this defines its uniqueness. Therefore the most common view of a family business is the two aspects interpenetrating each other (Maheswari, Nandagopal and Kavitha, 2013), and “when one looks at a family firm, one is really looking at the interaction of two complex social systems” (McCullom, 1990, 251 cited in Maheswari et al., 2013).

The development and growth of family firms is usually characterised by trial and error and the growth and development of small family-owned businesses is usually characterized by trial and error and this is influenced by the family values (Maheswari et al., 2013). In troubled economic times it is often the family business that survives, and this is not necessarily because family businesses are more robust or “good business”, but because of the family (Keough & Forbes, 1991, cited in Maheswari et al., 2013).

Table 2.1 tabulates the differences between family owned businesses to their non-family counterparts.

Table 2.1 Differences between family owned and managed businesses

<b>Family owned, managed</b>	<b>Not family controlled</b>
Family Members in managerial positions have a lifetime and personal stake in the firm	Managers interest is limited, specific to his employment contract
Family members have indefinite time horizons	Managers have shorter time horizons
Failure of business have dramatic personal and career implications	Failure of business has less personal impact
Likelihood of termination is low	Likelihood of termination is greater
Personal gain results in a sense of pride in organisations growth, success, job creation and family wealth creation	Personal gain results in advancement, promotion and increased compensation
Decision making tends to be more centralised, although this may lessen across the generations	Decision making is often more participative and team based
Internal control systems tend to be more informal	Internal control systems tend to be more formalised
Succession can be problematic and traumatic	Succession can involve conflict and competition
Family members managers are accountable to self and family	Managers are accountable to stockholders
Conflicts tend to further a dynamic pattern that is circular	Conflicts tend to be linear
Non family employees may perceive real limits to upward mobility	Employees have an equal opportunity in terms of advancement

(Adapted from Morris, Williams, Allen & Avilla: 1997)

A study by Tagiuri and Davis (1992) investigated the importance of goals in a family business. In a sample of 524 family firms, they used factor analysis and identified six sets of goals related to employee satisfaction, financial security, products, personal advancement, corporate citizenship and job security. Interestingly, they did not find a single goal that rated as the most important by more than 8% of respondents. These findings can be attributed to the fact that family firms represent a confluence of stakeholders involved to varying degrees in ownership, family and the business.

Researchers posited that there is a theoretical ambiguity as to whether the firm or the family should be the focal point of analysis. Like many issues in the Social Sciences, the ambiguity contributes to the virtual absence of measures, where phenomenon cannot be directly observed rather it is a construct that should be measured through instrumentation (Cliff & Jennings, 2005).

Klein, Astrachan and Smyrnios (2005) as cited in Hauswauld (2012) contributed greatly into the understanding of the family influence and involvement of the family in the business. The FPEC (Family influence on Power, Experience and Culture) scale defined the potential channels of influence a family can establish in a business; essentially it is an index of family influence. This index enables comparisons across various businesses concerning the degree of family influence, business behaviours and its effect on performance.

Figure 2.1 illustrates the FPEC Power Scale and demonstrates the various components of influence in family businesses.

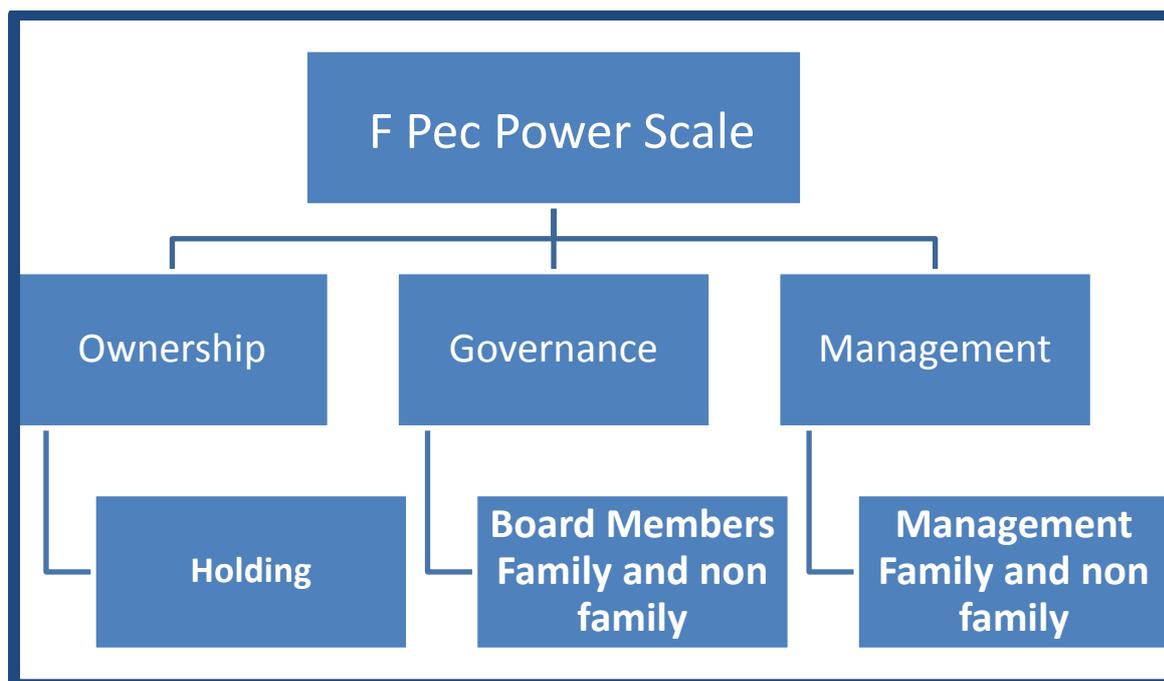


Figure 2.1 Illustration of the FPEC Power subscale

Adapted from Maheswari, Nandgopal & Kavitha: (2013)

According to Maheswari et al., (2013), the FPEC scale takes into account the percentage of family members on each board level and well as the percentage of members who are names through family members of the management and governance boards. Cliff and Jennings (2005) establishing the validity and reliability of the FPEC scale on family influence on power, experience and culture and suggested that future researchers should incorporate this rigorous , relevant and rich tool into their own research.

According to Carsrud (1994), family firm succession may be seen as a process of evolution, while managed businesses are associated with professionalism. Given their primary status for the development of individuals, families are also the primary status for transferring beliefs attitudes and values in a population from generation to another (Euler, Hoier & Rohde, 2001). Families in business, the business represents a significant part of the family's context and in turn the family represents a significant part of the business context (Lansberg, 1992). Family and business can be seen as having permeable boundaries where the business affects the family and the family affects the business and could therefore also be seen as interpenetrating systems (Basco & Rodriguez, 2009). Pieper (2010) stated that the strong interactions among family and business are innate to family businesses.

There are multiple dimensions in a family business: relationships among heirs, between heirs and family business head, between heirs and the spouse of the family business head, and so on. The success of family business transitions would suggest that the two critical issues in the relationships are trust and affability, where affability is concerned with mutual respect and trust is characterised by openness and honesty among family members (Morris, Williams, Allen & Avilla: 1997) they also suggested that rivalry should be replaced by accommodation and teamwork. Dyer and Handler (1994) argued that if a family firm is conceptualised as a ‘total system, then it can be said to consist of a number of subsystems, including the business as an entity, the family as an entity and the founder as an entity. They also stated that the interaction between the family and the business, or the business and the founder, or even founder and the family should be referred to as co-evolution. Morris et al (1997) stated that family firms are stable so long as the founder is in place and in the correct role.

Walsh (2011) used the Three Circle Model to illustrate the impact of the “family component” on the ownership and management of the business. As illustrated in Figure 2.2, the ownership circle represents the interaction that the owners have on the management and family. Similarly, the management circle represents the impact that management has on the family and on ownership and the family circle represents the interaction/impact that the family has on the management and ownership of the business. The three circles meet in the middle and this shows how the three aspects of the family business are mixed together at some stage of the family business.

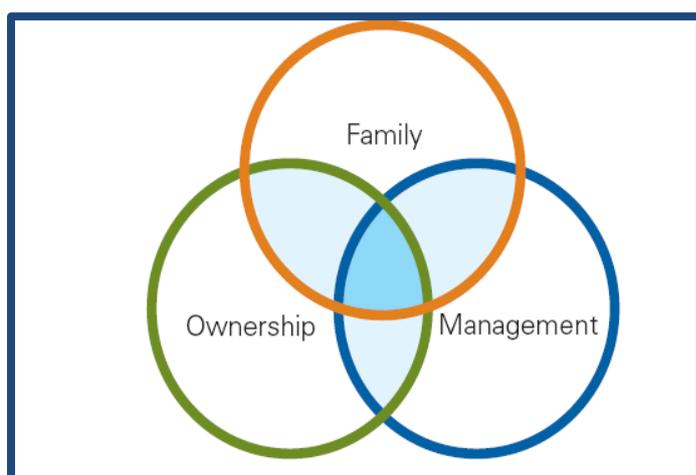


Figure 2. 2 Three Circle Model (Adapted from Walsh, 2011)

According to Walsh (2011), the Three Circle Model illustrates how each of the components interacts with each other and how all three circles meet in the middle, indicating that at some stage of the family business, ownership, management, and family are mixed together. The ownership circle and management circle are common to all businesses. The family component is unique to family business and it is this that differentiates it from its non-family business counterparts. This is illustrated in Figure 2.3.

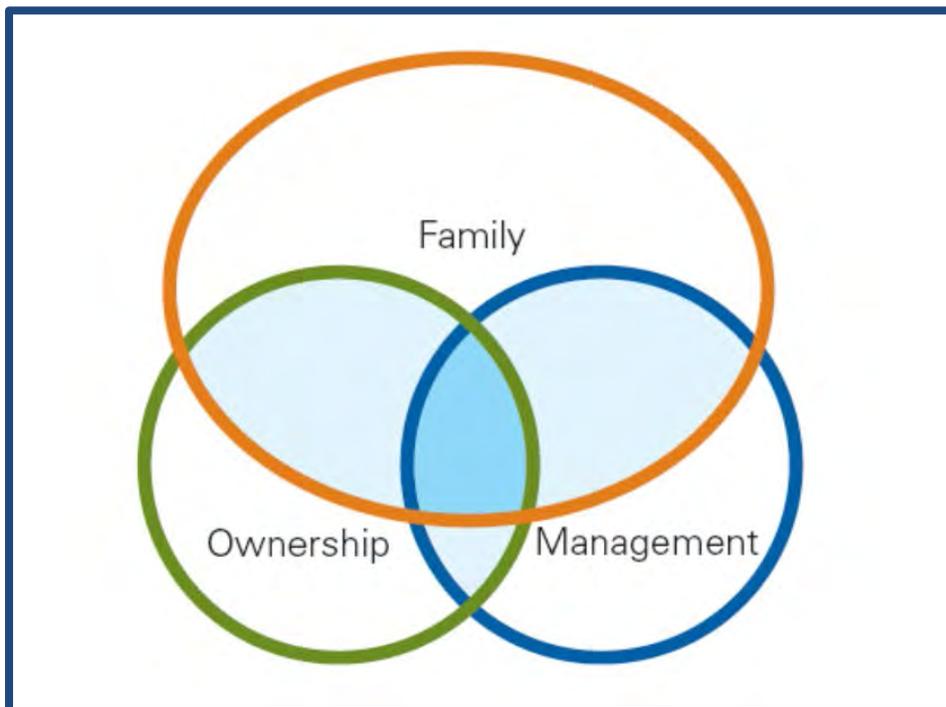


Figure 2.3 Variation of the Three Circle Model

(Adapted from Walsh, 2011)

In family businesses, the family component is the major component in the business and it is easy to see how the three components can provide challenges as well as offer useful opportunities and advantages over non-family owned businesses. The wider family component circle in Figure 2.4 illustrates the dominance and significant influence and greater impact the family component can have on the ownership and management of the business. The ability of the family business to outperform its non-family counterparts and ability to transfer to subsequent generations is dependent on their ability to manage the family component, (Walsh, 2011).

## 2.4 Succession in Family Businesses

Succession of a family business is the process of transferring the management and ownership of the business to the next generation of family members. This transition may include the transfer of the family assets as part of the process. The success of this process of succession is determined by the effective integration and management of the family component in the business.

According to the Family firm Institute, “While the majority of owners would like to see their business transferred to the next generation, it is estimated that 70% will not survive into the 2<sup>nd</sup> generation and 90% will not make it to the 3<sup>rd</sup> generation (FFI, cited in Walsh 2011). This alarming statement begs the question “what is wrong with the family businesses and the succession process?”

According to Sharma, Chrisman and Chua (2003), succession planning can be defined as the desire to keep the business in the family and the propensity of a trusted successor to take on the family firm’s succession planning activities. It may also be the result of more a push by the successor than the pull by the incumbent. Family firm succession may be seen as a process of evolution, while managed businesses are associated with professionalism due to the fact that managed businesses hire professional help while family firms self- educate or use the resource base approach through the evolutionary process (Carsrud, cited in Morris, 2010).

Succession as a widely researched topic in the field of family business has been dealt with in a rather comprehensive manner. It is generally agreed that until a business is transferred to at least one generation or there is an intention of being transferred to subsequent generations, it cannot be strictly termed a family business (Maheswari, Nandgopal & Kavitha, 2013). Klein (2000, cited in Maheswari, 2013), on the other hand posited that a founder led entity can still be regarded as a “specific case of a family business’.

When a founder transfers his firm to the next generation, he not only transfers the assets and liabilities but also transfers the value of his rich experience to the next generation, so the successors benefit tremendously from this. It has been observed however, that the second and third generations contribute proportionately less value to the process. It has also been observed that the experience factor relates to the number of family members that are involved

in the business; when more members are involved, the synergy flows into the business process, thereby enriching the business (Astrachan & Klein 2002, cited in Maheswari, et al: 2013). They added that the number of family members involved determines the experience the business derives from the family.

According to Walsh (2011), succession in family businesses comprises of the management succession process and the ownership succession process. These processes can be undertaken simultaneously or can be undertaken one at a time, although he recommends that the management succession process should be undertaken first so that the ownership succession plan supports and reflects the management succession. These processes are illustrated in Figure 2.4.

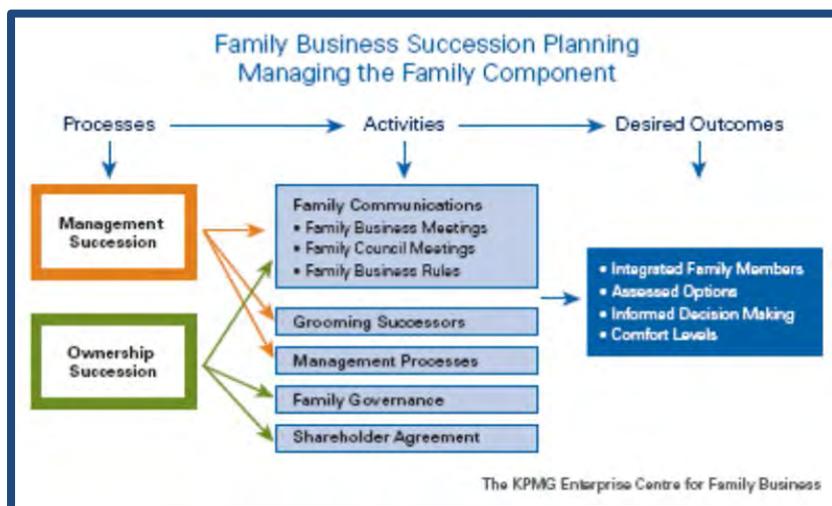


Figure 2.4 Family Succession Planning (Walsh 2011, KPMG Report)

The Succession processes is when transfer happens from one generation to the next is most critical as these processes include the dynamics that precede and lead up to the actual transitions as well as the aftermath of the involved parties. As noted in Figure 2.3, the succession activities integrate the family members into the management and ownership succession process. The activities are intended to make family members comfortable with the process and outcomes with the ultimate goal for family members to make informed decisions about the transition.

Walsh (2011) was of the opinion that the owners themselves couldn't be blamed for the failure of succession and that professional advisers to the family owned business are partly responsible for the dismal performance experienced by family businesses at succession. He

contended that too much attention was paid to technical aspect of succession i.e. tax minimisation, family trusts, wealth management, estate freezes etc. and too little attention is focussed on the non-technical aspect i.e. family communication, their expectations, competencies and family dynamics.

Delving further into succession planning or aspects of stewardship, Morris (2010) draws a further distinction between middleclass will makers or cash economy capitalists (those who want everything sold and profits shared after their deaths), and urban peasants who lived of their business till old age even after they handed it over. This had an impact on the survival of the family business as a family business (Mitchell, Agle, Chrisman & Spence, 2011).

According to Barker and Ishizu (2012), as family business businesses move from first to the second generation, certain managerial characteristics and practices remain the same while others change. Furthermore, only minor generational differences between various countries were found thus supporting commonality of family businesses in spite of the differing cultural economic and demographic variations. Suggestions have been made that by third generation most family firms are owned by a consortium of cousins, hence the poor chances of survival if poor strategic planning, succession planning, lack of stewardship from CEO and of course the strong play entrepreneurship

Walsh (2011) believed that some families can successfully manage their management and ownership succession plan while preserving family and business harmony. He believed that by applying the proven succession approach, hopefully we will be able to reverse the alarming succession statistics. The approach will differ between families depending on the dynamics and attributes of the family as well as the stage of evolution of the family business. The approach of family best practice can be summarised as follows:

- Establish family business meetings for the active family members and family council meetings for the broader family members as the primary communication channels to manage the all-important 'family component' during succession.
- Establishing family business rules could result in the most important piece of work achieved by the family business in effectively managing its 'family component' during succession.
- Use of a family business practitioner, preferable an outside family business adviser to start and facilitate family business meetings.

- Successor grooming plan. The successor(s) must have the appropriate management skills to effectively take over the management of the family business. Assessing their current skills level against the required skill levels and developing a training/grooming plan to bridge the gap is an essential part of the succession process.
- Compensation for family members- establishes a compensation philosophy/strategy for family members that are fair and representative of the value of the work performed (Walsh, 2011).

There are numerous examples of companies that have prospered over multiple generations, yet even prosperous family firms rarely survive beyond three generations (Chami, 2001). Existing research justifies this by suggesting that both forms of planning are often neglected. Chrisman, Chua and Steir (2006), and Cater and Schwab (2008) suggested that issues arose in the shift from one generation to the next that had negative impact on the firms engagement in strategic planning. Hence the effects of strategic planning and succession planning across different generational stages in privately held firms differs greatly and results in the family firms not succeeding to third generation.

Family enterprising, according Morris and Craig (2010) can be achieved by integrating stewardship theory and entrepreneurial orientation perspectives. Successful family business are those that are able to steward a family forward while simultaneously instilling entrepreneurial orientation in the different generations, rolling forward the core values and systems. When comparing stewardship theory to agency theory, agency uses rational economic self-interest by the role players while stewardship is based on self-actualisation (Corbetta & Salvata, 2004). Stewardship theory emphasises the collective wellbeing of the organisation emphasising social and economic wellbeing than the individual.

## **2.5 Benefits and Challenges of Family Businesses**

Family-owned businesses are playing an important role in the world economy. They operate in every country and may very well be the oldest form of a business organisation. It is only in the last decade, that the family business entity have been researched extensively and their unique benefits been identified and studied.

According to a survey conducted by Mass Mutual Financial Group, overall, family businesses are doing better than non-family owned businesses. They are healthier and growing both in

terms of size and revenue, hiring more and the owners are more optimistic about the future (Walsh, 2011). He questioned why family businesses were outperforming their non-family counterparts, and wondered if the unique characteristics of the family business i.e. the family component and the potential benefits derived from this component provided the firm with a competitive advantage.

Family businesses are influenced by both internal and external forces. They start off in the first generation and are successful; there is the single mindedness of the founder. When it goes into the second generation, there appears to be a stronger influence of internal and external forces. The founder had to deal almost exclusively with external forces. In the second generation, where succession planning is at play, the founder member has issues dealing with internal forces and external forces (Barker & Ishizu, 2012). They also observed that during early British industrial development, small businesses were the central to the economy, despite the fact that their lifespans were short lived; and this was attributed to mismanagement and misfortune.

Barker and Ishizu (2012) in reviewing the literature found that the short life span of family businesses was related to issues of scale. Medium and larger firms were less susceptible to economic downturns. Medium sized firms tended to be more successful than their smaller counterparts as the smaller firms were subject to under capitalisation and poor management. Insecurity was endemic amongst small business in the 19<sup>th</sup> century as they sustained by 'credit networks' which limited the size and nature of their markets. It was also observed that families were central to the organisations of small business through the 18<sup>th</sup> and 19<sup>th</sup> centuries (Barker & Ishizu, 2012).

There are numerous benefits that family businesses can provide to family members, non-family members and the business itself. However, far too often family businesses are plagued by intergenerational and sibling conflict, financial irresponsibility, incestuous hiring and legal battles among shareholders. According to Walsh (2011), the following benefits have been identified among family businesses that can give them a significant competitive advantage over their non-family counterparts:

- Greater sense of loyalty and they family members tend to be more committed and more passionate about what their business stands for

- The lasting legacy that families in business create brings a strong sense of pride and accomplishment. This is a strong motivator for subsequent generations to become stewards of the family business and to take it to new heights for the sake of and in the name of the family.
- Labour pool – Greater access to a labour pool that tends to be more committed and loyal to the family. They also appear to be more flexible ss. Family members also tend to be more flexible in taking on different job functions and filling in for others.
- Non-family or employees appreciate and enjoy the unique work environment created by a family in business. The workplace tends to be less formal, more hands on, and more personable. Many key employees are treated like extended family and develop a strong bond with the family and the family business.
- Family businesses tend to be less driven by short-term financial results and are prepared to sacrifice short-term gains for long term goals. This is often referred to as “patient capital.”
- Family business owners have the opportunity to teach and pass along their business and personal values to the next generation of family managers/owners. Family members take pride in upholding these family values and build them into their day-to-day work and personal activities. The work culture is often a reflection of these family values.
- Career opportunities – Family business owners pride themselves on being able to provide family members with career opportunities in the business. The family business can be a great training ground for family members who aspire to pursue business careers elsewhere or within the family business. Family members are also provided with the opportunity to become managers and owners of the family business.
- The opportunity to work with family members to pursue common business goals can be a very rewarding experience. Years of bonding among family members can create a strong sense of belonging and interdependency. Effectively managing these family relationships will go a long way in ensuring long-term family and business harmony.
- Financial rewards – Successful family businesses are able to provide financial rewards to both active and non-active family members. It is not uncommon for family businesses to reward family members more than they could obtain elsewhere. This is often viewed as one of the privileges of being family.

- Succession – As well as providing career opportunities, family businesses also favour passing the business along to the next generation of family members. The opportunity to be an owner of the family business or of any business for that matter can be both motivating and rewarding.
- Community and philanthropy – Most family businesses are active in their communities. The communities benefit from both the family members as volunteers/supporters and from the family business through financial support and employment opportunities. This commitment to the community tends to permeate the generations and provide family members with the opportunity and rewards that stem from this on-going community support.

One major factor for family business failing in its second generation is the death of the founder member and the second generation is not equipped to manage the business. Owing to issues of succession and family capitalism, that it was rare for a family business to survive into 2<sup>nd</sup> generation (Barker & Ishizu, 2012).

Family owners also rated the following difficulties in family businesses:

1. Resolving conflicts among family members who are in the business
2. Formulating a succession plan
3. Developing a strategic business plan
4. Developing a retirement and estate plan.

(Mass Mutual Financial Group, cited in Walsh 2011).

Walsh (2011) summarised the following challenges or disadvantages of the family business:

- Conflicting goals/values – Family members, especially between generations, can have different personal and business goals/values. These goals/values need to be clearly expressed and understood by all, to avoid unnecessary stress and potential conflict among family members.
- Conflicting personalities – Everyone is different. Different personalities can often lead to sibling rivalries and intergenerational conflicts. Left unattended or

unmanaged, they can destroy family and business harmony, and in some cases, destroy the business.

- Expectations – Family members have different expectations from the family and from the business. Expectations with respect to employment, management, ownership, compensation, work assignments, training, use of business assets, etc. will vary among family members. These expectations need to be addressed and managed in order for the family and the business to operate smoothly. Left unattended or unmanaged, they will negatively impact family and business harmony, and challenge the long-term survival of the business
- Work ethic – The work ethic tends to differ significantly as the family business moves through its generations. The newer generations tend to be less prepared to invest the kind of time their parents invested in the business. This can cause considerable stress and discord between the generations and can also unnecessarily delay the transition of both management and ownership.
- Employment of family members – Who gets to work in the family business? Who gets what jobs? Can spouses and in-laws work in the business? Will employment be based on what the families want (bloodline) or what the business needs (competencies)? How are these employment decisions made? If not effectively addressed, all of these issues can turn into liabilities for both the family and the business.
- Compensation – Compensation and the inappropriate use of compensation to achieve family or personal goals instead of business goals continues to be one of the most challenging issues facing family businesses. The expectations to be fair are often in conflict with the desire to treat family members equally. Emotions can run high when this topic is addressed.

## **2.6. Family Values and Familiness**

Core values in a family business are transmitted through narratives. Narratives are in actuality stories, which are able to build identity and shared meanings lead to successful performance in terms of revenues, reputation, shared identity and continuity of the family business history. Value transmission is critical in a family firm but not much research has been done in this field i.e. how it is actually transmitted over the generations to keep a family firm strong over the generations (Dawson & Hjorth, 2011).

Values are the core characteristics of identities and those identities have influence on the patterns of behaviour of individuals, families and business. Research on management and family business emphasises the functions of narratives in the creation and transmission of meanings and focus on how stories and storytelling create meanings and plotting events and actions from generation to generation (Hall, Daneke & Lenox, 2010). Feldman (1990) as cited in Paradas and Vilada's (2010) maintains that a narrative can be defined as "...any explanation of past events that can be found to be shared". O'Connor (2002, cited in Parada & Vilad'as, 2010) claimed that narratives may influence present and future behaviour as they represent actors as epic and dramatic heroes; and that stories create organizational and social identities.

Chua, Chrisman and Chang (2004) have shown that most new ventures are created as families in business. Drawing from social capital theory, Morris and Craig (2010) argued that the family can be a source of support, resources and goodwill for family business founders which in turn lead them to view venture creation as less overwhelming. This demonstrates the impact of familiness on entrepreneurial orientation and future success. They also acknowledge that a lack of trust or commitment among family members may exacerbate the stress of founding a venture. Negative emotions associated with emptiness and having to outwork others are argued to reflect family conditions where there is more conflict, personal demands or lack of support. The founder's positive view of an absence of rules that constrain their discretion is believed to be attributed to a higher stock of social capital that enables the founder to be invigorated by the freedom of entrepreneurship (Chua, 2010).

Family capital is defined as the bridging of financial, human and social capital (Stafford et al, 2009 cited in Gudmunson and Danes, 2013). Families continuing ownership experienced greater family functional continuity which was associated with less business-related tension over time. Families discontinuing ownership exhibited less functional continuity with a family and business disengagement pattern. Regarding bridging of family capital resources, differences were found in human, social and financial capital that were associated with family functional strength and business-related tension for each ownership group. Both groups were found to make family a priority over the firm.

Gudmunson and Danes (2013) stated that when families are functionally strong, they have resilience stock that buffers family and business against stresses arising from internal or external disruptions or changes. One of the most critical processes in the performance and

long term survival of family business is the passage in succession (Steier, Chua and Chrisman 2009). Warren Buffet stated that success is based on merit, not on inheritance. How to control the family business is transferred to the leaders in the next generation impacts the performance and viability of family firms across generations (Lussier and Sonfield, 2012). When families are cohesive and close, it impacts on the success of the business, but when there is no cohesiveness or togetherness, or a lack of familiness, the future of the family business will be threatened.

## **2.7 The Role of Entrepreneurial Orientation (EO)**

Entrepreneurial orientation (EO) can be defined as the dimensions were competitiveness; aggressiveness and autonomy were added to the usual entrepreneurial activities (Lumpkin & Dess, 1996). They further supported their thinking by adding concepts such as Autonomy, Innovativeness, Risk taking, Pro-activeness and Competitive aggressiveness.

The concept of family enterprising integrates stewardship and entrepreneurial orientation. Entrepreneurial activities are individual initiatives but they are reliant on family resources (Chrisman, Chua & Steir, 2003). Once the founder stage has passed, the business then evolves into a generational business. The actions of the entrepreneur can become tempered by the desire to leave a legacy. According to Morris and Craig (2010), should the family business survive from the founder generation to the second and subsequent generations, then at some stage in this process, entrepreneurial activities will be undertaken with a stewardship perspective in a five entrepreneurial orientation dimension with decisions being shaped by the need to ensure a sustainable business legacy for future generations.

The risk takers are the first generation and entrepreneurial orientation decreases across the generations, and stewarding becomes a greater burden with trans-generation progression (Martin & Lumpkin, 2003 as cited in Casillas, Moreno and Barbero, 2010 ). When entrepreneurship is connected with social change, it is assumed the platform of entrepreneurship becomes disclosed as part of society (Steyaert & Hjorth, 2006).

There is a relationship between entrepreneurial orientation and the growth of family firms in two areas. These can be classified into environmental dynamism with an external influence and generational involvement with an internal influence. Family firms are created as a consequence of entrepreneurial behaviour of one or more founders who discover and exploit

an opportunity; but in order for them to grow and to survive they need to maintain and increase their original entrepreneurial orientation through generations (Kellermans et al, 2008). According to Nordqvist (2008 as cited in Casillas, 2010), prior research has offered a dual relationship between family businesses and EO. On the one hand specific traits of family firms prompt them to develop entrepreneurial behaviour. For example, a strong family business culture may affect the ability to create and maintain the EO; on the other hand, factors that could prevent entrepreneurial behaviour are greater resistance to change and a conservative, risk – adverse orientation. He stated that such duality causes family firms to be considered an interesting context indicating a relationship between EO and performance.

The concept of EO was derived from Millers work where entrepreneurial firms are defined as “those that are geared towards innovation in the product market field by carrying out risky initiatives and which are the first to develop innovations in a proactive way in an attempt to defeat their competitors”(Miller, 1983 as cited in Miller 2011). Subsequently, Lumpkin and Dess (1996) contributed to the definition of EO; its dimensions and its relationship with the performance of the business. They stated that EO dimensions although related are really independent, and it is this hypothesis of independence that a business can show high levels of EO in some dimensions, but not in all (Casillas, Mareno & Barbero, 2010).

From a resource- based perspective of the firm, family run businesses possess unique resources and capability configurations that influence the EO of the firm (Dyer, 2006). This set of resources and capabilities, intrinsic in family firms has been named “familiness” of the firm (Chrisman et al, 2003) or family orientation (Lumpkin, Martin & Vaughn, 2008).

Nordqvist (2008, cited in Casillas et al, 2010) argued that that family firms deal with three dualities between different poles i.e.

- Historical paths versus new paths
- Independence versus dependence
- Informality versus formality

These dualities explain two streams of literature related to family businesses and entrepreneurship. The first one argues that family firms are innovative, proactive and entrepreneurial, whereas the second one suggests that family firms are conservative, traditional and risk adverse. Finally some researchers have suggested that EO is higher at

founder stage of the family firm and decreases when later generations are involved (Kellermans et al, 2008).

Recent models propose family businesses are characterised by family orientation i.e. interdependence, security, stability, tradition and loyalty and these characteristics may actually create tensions and pull away from entrepreneurship (Martin et al, 2006). Entrepreneurial orientation involves risk taking, autonomy, pro-activeness and innovativeness. Hence, according to this paper the entrepreneuring family is an oxymoron but nevertheless can operate side by side.

The success of family business is reliant on interfacing entrepreneurship with traditional family business values. It is posited that parent-child relationships lead to subsequent leader-member exchange (LMX) differentiation in family firms (Eddleston & Kidwell, 2010). This differentiation shapes a child's behaviour towards the business. The parent child relationship is the root cause of workplace deviance as parents show preferential treatment toward some family members and have difficulty punishing children due to spill over effects on family relationships and continue to act generously even when they display dysfunctional behaviour. (Chrisman et al, 2004, cited in Eddleston et al, 2010).

Altruism is proposed to further increase the effects of LMX differentiation on workplace behaviour by fostering feelings of entitlement or rebellion among out-group children and strengthening in-group children's commitment to the business. Family businesses are unique in that their leaders create a legacy for their children where the next generation will eventually gain control of the company and inherit the family wealth (Miller, Steier & Le Breton, 2003, cited in Eddleston et al, 2010). In turn, family business owners face the challenge of bringing children into the business as employees, defining their roles and eventually preparing them for succession, yet it is often difficult to integrate the children (Eddleston et al, 2010). The stewardship theory suggests that children contribute to the family business through pro-organisational behaviours, while agency theory paints a different picture of children's involvement. Family businesses are often criticised for employing children that are less than capable, committed or ethical than the leaders expect (Eddleston et al, 2010).

Accordingly many family businesses suffer performance problems because the leaders' children exhibit deviant behaviours, exploiting the business for personal gain. Workplace

deviance is voluntary behaviour that violates significant organisational norms and in so doing, threatens the well-being of the business and its members (Robinson & Bennett, 1997 as cited in Eddleston et al, 2010). Scholars are in agreement that family involvement in the business can produce distinctive organisational behaviours that distinguish family firms from other forms of business. The distinction between ownership and operational involvement is important as family ownership empowers but does not determine the operational involvement of family members and it is through the family's involvement in operating decisions that their aspirations and values become manifest in distinctive family business behaviours and outcomes (Chua et al, 2003, cited in Fiegner, 2010).

## **2.8 Governance in Family Businesses**

In trying to define the word 'governance', Tombs (2002) stated that the definition "...is wide and encompasses the acts of governing or managing, yet it misses the core of governance i.e. the information to make decisions and to retrospectively test how good those decisions were". Governance has its roots in company law. Originally businesses were controlled by people who owned them. As corporations grew in size and complexity, those who owned and those who controlled became the disparate groups (Naidoo, 2009). Managing this separation of ownership from those who control has often been highlighted as the key challenge for corporate governance.

Stewardship theory explains situations where the leadership within organizations serve the organizational good and its mission rather than pursuing self-serving opportunistic ends (Davis, Schoorman & Donaldson, 1997, cited in Davis, Allen, Hayes, 2010). Stewardship theory explains governance in family business context because of family business owner's personal satisfaction, motivation and reputation are tied to the family enterprise (Davis, Allen & Hayes, 2010).

Stewardship theory applies to family business because the leadership of the family business, whether family or non-family can act independently of the family that owns organizational wealth. A good steward in the family business is a decision-maker who is a caretaker of a family's assets who desire to pass a healthier and stronger business to future generations. Current and future family members and non-family employees benefit when the family members in charge of the family business are motivated by the success of the collective organization rather than enriching themselves at the expense of the business and its

stakeholders (Davis, Allen & Hayes, 2010). They added that stewardship theory has as its central premise that business leaders can altruistically be motivated to enhance the business rather than themselves. Organisations with good stewards and a stewardship orientation do not have agency costs. Agency theory assumes that the organisation and its stakeholders where it is theorised that executive self- opportunism is a cost to the company. Research has shown that stewardship behaviour is an important component of the competitive advantage of family businesses (Davis, Allen & Hayes, 2010).

Trust is a governance mechanism and theoretical construct of particular relevance to family businesses, where they have their advantages and disadvantages. Trust is also linked to theoretical frameworks such as stewardship theory, agency theory, social capital theory and transaction cost economics. Trust refers to an individual's willingness to be vulnerable to another party and the expectation that an exchange partner will not behave opportunistically even when such behaviour cannot be detected (Davis, Allen & Hayes, 2010).

There is definite interplay between trust and governance in families in business (Bradach & Eccles, 1989, cited in Eddleston, Chrisman, Steier, Chua, 2010). Strong family bonds are characterised as being based on trust and families in business are usually depicted as relying on mutual trust in their governance. Sundaramurthy (2008) explained that the reasons for the existence of families in are not purely based on economic considerations but making trust of central importance. Long term family relationships are also believed to breed trust which reduces the amount of monitoring and incentives required to solve agency theory. There is, however, a dark side to trust in family relationships where trust can lead blind faith, amoral 'familism' and complacency (Eddleston et al, 2010).

For many families in business, the role of trust as a governance can change over time. The interplay between the family and business can produce different types, levels and outcomes of trust across different decision situations and different stages of family and firm development (Eddleston et al, 2010). Family businesses are subject to normal company law and legislation; hence the board of directors play a critical role. Unlike agency business, the board of directors have blood ties are harnessed by stewardship. According to Colbetta & Salvato (2004), from the beginning of 2000, interest in the board of directors has increased owing to its potential for contributing to the performance and continuity of the family business. They stated that the board is seen as having two primary functions: exercise control and provision of advice.

The boards control task is grounded in the agency theory which engages opportunistic behaviour i.e. economic self- interest, non- economic interest, and parental tendency to act upon altruistic motives and different nuclear family units pursuing their own interests. Scholars are in agreement that family involvement in the business can produce distinctive organisational behaviours that distinguish family firms from other forms of business (Chua et al, 2003, cited in Fiegner, 2010). The distinction between ownership and operational involvement is important as family ownership empowers, but does not determine the operational involvement of family members and it is through the family's involvement in operating decisions that their aspirations and values become manifest in distinctive family business behaviours and outcomes (Chrisman et al, 2005, cited in Fiegner, 2010).

CEOs of small firms are positioned at the nexus of decisions that affect the well- being of both the family and business (Davis & Haveston, 1998, cited in Fiegner, 2010). They have the discretion to involve family members in the operations, management and the governance of the business yet the owners of small firms have the power to veto the CEO which can either impede or advance the business. CEO's allow family members to be operationally involved in their businesses for economic reasons as they provide a ready supply of trustworthy employees and their shared experiences over time enable them to develop an intimate knowledge of each other which can form the basis for greater trust among managers and employees, and stronger loyalty and commitment to the business, better communication , decision making and coordination of activities and greater social capital with respect to intra and inter – organisational relationships. All these factors give economic value to the business (Fiegner, 2010).

## **2.9 Gender Roles and Maternal Influence**

There is a paucity of literature on patriarchy and the mother's role in influencing the organisational and performance aspects of a family business.

When Richard Branson was asked who his biggest inspiration was and who had the most profound influence on his business life, he stated that like most other people, it was his mother. The following narrative is available at: <http://www.entrepreneur.com/article/225527>

(accessed online 23 October 2013) and although the article was taken from a magazine and is thus not pure academic material, there is some very relevant information that is pertinent to this study.

*“My mother, Eve Branson, has always been known for her incredible energy. As a girl she loved sports and dancing, and she was very outgoing. During WWII she worked for the Navy, and afterward became a stewardess, back when the job involved making sure that all the passengers were wearing oxygen masks on particularly high-altitude flights. After she met my father, Edward Branson, a barrister, they settled in a small village in the English countryside. They were both generous with their time, energy and love, providing me with opportunities to succeed, along with a lot of freedom. I hope that the Virgin brand reflects the values they taught me. Of all the lessons they imparted when I was growing up, these five from my mother really stand out.*

### *1. No Regrets*

*I'm often flabbergasted by the amount of time some people waste dwelling on their past failures, rather than directing that energy into new projects. My mother always taught me never to look back in regret, but too immediately move on to the next thing.*

*Our family budget was fairly tight when I was growing up, and I was always fascinated by her money-making projects, which were often craft-based, like building and selling wooden tissue boxes and wastepaper bins. If an item didn't sell, she tried something else.*

*Her activities inspired some of my first ideas, like breeding budgerigars and growing and selling Christmas trees. Both of those businesses failed: Since I went to a boarding school, I couldn't take care of the birds, and rabbits ate the tree seedlings. But Mum had showed me that a setback is just another of life's lessons, so I quickly moved on to other projects, following her example.*

### *2. Learn to Survive-- Fast*

*There is a rather well-known story about Mum stopping the car on the way home from a shopping trip and telling me to find my own way home -- about 3 miles through the*

*countryside, and I was somewhere around 5 years old. She was punishing me for causing mischief in the back seat, but she was also teaching me a larger lesson about overcoming my disabling shyness and learning to ask others for directions.*

*I got horribly lost, but eventually a neighbouring farmer helped me to reach home. The experience made me learn to find the grit to overcome what may seem like overwhelming obstacles. This has been a key principle in my business life. In a company's first year, your goal should be simply to survive, and this will likely take everything you've got. No matter how tired or afraid you are, you have to figure out how to keep going.*

### *3. Put Others First*

*There was always a focus on teamwork in our home -- working in the garden, helping to prepare meals, cleaning up. I have two younger sisters, Lindi and Vanessa, and Mum always kept the three of us working hard. It certainly instilled a very healthy work ethic in me, as many of my staff would point out! If we tried to escape chores, she would explain how selfish that was by describing the effect on everyone else in our family. We were a team, and we had to be confident that we could rely on each other. This has always informed my business philosophy: People are the most important part of any company.*

### *4. Keep Your Feet on the Ground*

*When you start to become relatively well known, it can be easy to get carried away with your successes. (It can be especially hard to keep your head out of the clouds if you own a few airlines and have a taste for flying hot air balloons.) But Mum has always kept my feet firmly on the ground -- metaphorically at least -- partly because she knows me so well, and so she does not believe all the press. She has rarely praised me in public; I was surprised but pleased when she admitted in a CNBC interview last year that she was proud of me, particularly of my charitable work. But she has always given me quiet, constant encouragement. Everyone in my family shows each other a lot of love, which is far more important than anything else.*

## *5. Every Day is a Fresh Chance to Achieve Something New*

*Mum has always seen every day as a fresh chance to achieve something new, fun and exciting. Even today, she is incredibly active, working very hard on all manner of projects -- right now she is working on a memoir, and she recently published a children's book. We still have to fit our schedules around her plans. Mum is always looking ahead, focused on trying to improve things and bring about positive change. Following her example, I am always focused firmly on the future too."*

(<http://www.entrepreneur.com/article> : accessed online 23 October 2013)

### **2.10 Summary**

This chapter reviewed the relevant literature on families in business. Although families in business have been researched much, there is little information on patriarchal influence, familiness and the role of the mother in the succession and success of family businesses. It is hoped that the information gleaned from this study will add to the body of knowledge on family businesses, in particular the influence of the concept of familiness and the mother.

## CHAPTER 3

### Research Methodology

#### 3.1 Introduction

The preceding chapter provided justification that the scope of research in family businesses is wide and a need for further research to be conducted to unravel the complexities associated with families in business. Any good research depends on careful planning and a systematic way of collecting, collating and analysing information. Despite significant advances in family business research, there is a need to embrace a wide scope of methodologies as the field is multifaceted with complex social constructs. This chapter focuses on the research methods employed in this study as well as the logic behind why the method of narrative analysis has been chosen.

#### 3.2. Research Methodology

Business research is the process of a systematic effort to investigate a specific problem occurring in a work setting which may require a solution (Sekaran & Bougie, 2010). The process requires a series of steps that are designed to produce a goal. Hence business research may be defined as “an organised, systematic, data-based, critical, objective and scientific inquiry or investigation into a specific business problem” (Sekaran & Bougie, 2010). Research has also been described as ‘a serious mental adventure driven by intellectual curiosity’. It requires an open mind in which questions are raised and in which ‘cause and effect’ are analysed (Warrier, 2011).

The study falls under the auspices of the basic research for the following reasons:

- Generate information to comprehend why certain problems occur in trans- generation in family business.
- Incorporate the STEP questionnaire and adapt and shorten the questionnaire format.
- Contribute to the body of knowledge that may assist family businesses continue with successful trans-generational activity beyond third generation

#### 3.3 Qualitative Research Methodology

Scientific knowledge relies on proof of truth and falsity (Parada & Vilad’as, 2010). They also acknowledged how scientific knowledge is also storied and how folk tales and fiction use facts and play with formal logic and made a strong case for the use of narrative analysis in family business research. There are various types of research methodologies available.

Viewing it from a quantitative vs. qualitative perspective, quantitative research is based on the measurement of quantity or amount (Kothari 2008). In quantitative research, the data is gathered through structured questions in a questionnaire which can be measured and analysed. The data is more efficient and able to test hypotheses, but may miss contextual detail (Neill 2007). The findings are conclusive and usually descriptive in nature. Qualitative research, on the other hand, is based on phenomena related to quality or kind. Qualitative data is generated from broad answers to questions in interviews, responses to open ended questions, through observation and available information gained from various sources (Sekaran & Bougie 2010).

Research may also be classified as descriptive versus analytical, in which descriptive research is undertaken in order to ascertain, describe and understand the characteristics of the variables as they exist at present. The researcher can only report on what has happened or happening (Kothari 2008). In analytical research however, the researcher has to gather and analyse the information and make an evaluation of the information gained.

### **3.3.1 Narrative Analysis**

A narrative analysis was used as a research method which can be referred to as a qualitative analytical approach. Parada & Vilad'as (2010) argued for wider use of methodologies for research into family businesses. They posited the need for an alternative approach i.e. narrative analysis, as research in family businesses are multifaceted with complex social constructs that are performed by different actors in multiple contexts.

Narrative analysis brings the reader closer to the phenomena being studied, and in which one can understand human behaviour and the complex relational quality of social interactions (Parada & Vilad'as, 2010). They stated that the use of narrative analysis makes the following contributions in business research:

- Firstly, it shows how narrative analysis can offer novel insights into the relational construction of family businesses. By looking at the 'drama' of family businesses, one can further understand the dynamics of their processes.
- Secondly it brings in an analytical component to study the 'How' questions.
- Thirdly, from a methodological perspective, it exemplifies how research can shift focus from individuals and results to relations and processes.

Thus a researcher using this approach will read or listen to the many small and often unconnected stories and analyse the material using a narrative method. The strength of this type of research lies in the fact that the reader of the stories may have different interpretations of the story being told. The researchers then present their own interpretations of the stories which may provide novel insights into family business research.

Smith (2000) stated that a narrative analysis permits a holistic approach to a discourse that preserves context and particularity. Relating to the aim of this study, which is to examine the problems that hinder successful trans- generation, by each respondents view, the best approach was by way of narrative. In this study as is designed by the STEP protocol, a tape recorder was used, so all emotions were recorded, and then transcribed into questionnaire format which is a guide designed by STEP to create and achieve the 'story'. The ability to talk is the differentiation between people and the natural world, hence qualitative research and narrative analysis in particular is the application for data presentation in a qualitative study.

In this study, the data is presented in the form of words. The data was obtained by recorded interviews following twenty open ended questions adapted from the STEP questionnaire interview guide. The data was then transcribed into the questionnaire format. The interviewees were family members/ owners and employees. Background to the businesses was obtained from the internet, social networking, and company records. In accordance with STEP protocol requirements, the number of case studies was restricted to three family businesses. The data is presented annexed in actual question and answer format. Qualitative data analysis is not a linear analysis process. The data is discussed as a comparison between the three family businesses in terms of strengths and weaknesses that allows the successful trans- generational continuity.

The Successful Trans-generational Entrepreneurship Practices (STEP) founded in 2005 by Babson College is a global applied research initiative that explores the entrepreneurial process within business families and generates solutions that have immediate application for family leaders. This qualitative study will be modelled on the STEP protocol in which the sample will consist of three families in business in KwaZulu-Natal who will be interviewed. The interviews will conducted and directed to get an 'in-depth story' of each business with

regards to their history and performance, with the aim of finding solutions for long term success and sustainability

### **3.4 Selection of Case Studies and Description**

The selection of subjects for research will depend on the field of study and type of research being conducted. Non-probability sampling was a feasible option for the purpose of this study. Non-probability sampling is also known as deliberate, purposive and judgment sampling, in which items for the sample is selected deliberately by the researcher (Kothari 2008). Although non probability sampling is the least reliable of all sampling designs, and cannot be generalised to an entire population, sometimes, it is the only means to obtain data in certain types of study (Sekaran & Bougie, 2010). Convenience sampling is a form of unrestricted element selection as a method of data collection from members of the population who are conveniently available to provide it (Cooper & Schindler 2006). It is the least reliable of all sampling designs in terms of generalizability (Sekaran & Bougie 2010).

Informed Consent was sought from all subjects participating in the study.

### **3.5 Population/ Sample**

The design for this research study could thus be referred to as purposive or convenience sampling in which the subjects were chosen who views are thought to be relevant and worth obtaining for the purposes of this study. The criteria for selection of the case studies were based on the following:

- Evidence of more than two generations in the family operations
- Access to information
- Buy-in from recipients into the study
- Compliance
- Trans-generational Entrepreneurship and Value Creation was evident in the cases to meet aspects of growth and continuity.

The following case studies were chosen for this study:

- Case Study One:     The Pillay Family
- Case Study Two:    The Dass Group
- Case Study Three:   The Liades Family

### **3.6 Data Collection**

There are various methods of collecting data for research. Some of the methods include the observation method, interview method, through questionnaires and schedules (Kothari, 2008). The method employed in this research study was through personal interviews in which a structured line of questioning by the researcher was used. Personal Interviews have the advantage of obtaining more information and offers greater flexibility. However there is a possibility of bias, it is time consuming and some respondents may not be accessible or completely honest.

The line of questioning for the interviews followed a logical flow from general to more specific questions which are detailed below. Predominately open ended questions were asked and this allows respondents to answer them in a way they choose. The questionnaire was drawn, based on the STEP questionnaire guide and comprised of the following 20 questions which tapped the background to the family business, entrepreneurial orientation, family resource pools, leadership,

The data was recorded and then transcribed in which a story was created in terms of the STEP protocol. There were 20 open ended questions in total as listed above. The interview guide as indicated by the STEP protocol is intended to cover a wide range of stakeholders in the family business or group. However, not all questions were as posed to all interviewees. The ‘story’ was created in terms of STEP protocol and the questions posed to the relevant interviewees to extract in- depth answers. Each interview was recorded and then transcribed into the questionnaire for record purposes. A case study was then written on each ‘Story’

### **3.7 Summary**

This chapter briefly described the research methodology employed in this study. This narrative analysis provided a fresh approach to studying family business from a different perspective. The advantage of this approach lies in the fact that the researcher can analyse the information obtained from the story and provide new insights and her perspective of how she read the story. The next chapter provides an analysis of the three case studies.

## CHAPTER 4

### Case Study Presentation

#### 4.1 Introduction

In this chapter each of the cases are presented as narrated by the interviewees. The Researcher used the 20 open ended questions as promulgated by The STEP program to create a story and engaged each participant to narrate their history to present day prompted by the questionnaire guide and then reported. The three participating family businesses are the Pillay's, the Dass's and the Liades'. Each family is represented diagrammatically. The questions were categorised under the following: History, Current Status, Family Influence, Entrepreneurial Outcomes and Performances, The Role of Mothers and Wives on the succeeding generations.

#### 4.2 Case Study One: The Pillay Family

##### 4.2.1. History

The Pillays advise that they are the only medical practice specialising in paediatrics in the country (this statement has not been verified but has been accepted for the purposes of this paper) with the father and son practicing in the same paediatric profession; they used income from their practice to invest in the property market. Hence they qualify as an entrepreneurial family business and not merely a professional practice. A further mitigating factor is that Dr Pillay hails from a family business and an entrepreneurial background. He was the first in his extended family to break with tradition to study medicine and to specialise as a paediatrician. Subsequently, there have been several in the succeeding generation who have followed suit.

Dr Pillay Senior is a philanthropist at age 83, and it was family responsibility being thrust on his shoulders as a young adult, that turned him into a combination of businessman and doctor. His grandfather comes from Pondicherry in India and actually arrived in South Africa from Mauritius as passengers and not part of the Indentures. Dr Pillays ancestry on both his maternal and paternal sides was steeped in entrepreneurship. His ancestors did not merely create successful businesses in the motherland of India but were actual immigrants, twice migrants actually. They went to Mauritius and from Mauritius to South Africa. Dr Pillay's maternal grandfather started business in Mafeking. He still has his grandfather's cheques

from Standard Bank. Two sons died prematurely. His Granny lived in Johannesburg. His grandfather was a craftsman and a tailor by profession; when the sons died he closed his shop in Mafeking and returned to Johannesburg as he had no second generation and plied his craft in Johannesburg.

### **Dr Ronnie Pillay's Narrative As Reported:**

Dr Pillay was the first person in the family to break with family tradition and study medicine. Even in the course of his practice, his enterprising spirit came to the fore. Not only did he move his family from Pretoria to Durban owing to the socio – political climate that frustrated him to no end when he could not admit his patients to hospitals despite Afrikaner colleagues trying to front; he was so passionate about his work that it affected his health. Prior to the move to Durban, Dr Pillay was awarded the Ernest Oppenheimer Memorial Scholarship and moved his family to London for a year so that he could study child health. This was the beginning of his entry to Paediatrics.

Dr Pillay's father passed away while he was still a medical student. His father was a teacher but returned to the family business. Upon his father's passing in 1955, the financial responsibility fell on Dr Pillay's shoulders. He had two older sisters and two younger brothers as well as his mother. His eldest sister was widowed with two children. The financial responsibility ensured that he looked after his investment in the family business while he was a student and even after he qualified. Dr Pillay considers family togetherness and education paramount in life.

He still kept his investment and shares in the family business until it folded due to lack of generational continuity. Dr Pillay qualified during the apartheid era. Dr Pillay lived and worked in a place called Asiatic Bazaar in Pretoria and the black township of Sjobokstad was where he also drew his patients. He contemplated whether Patrice Motsepe, might have been one of his patients as a child as the South African multi-millionaire was a child of Sjobokstad. During apartheid days, the doctors were controlled by a fee structure.

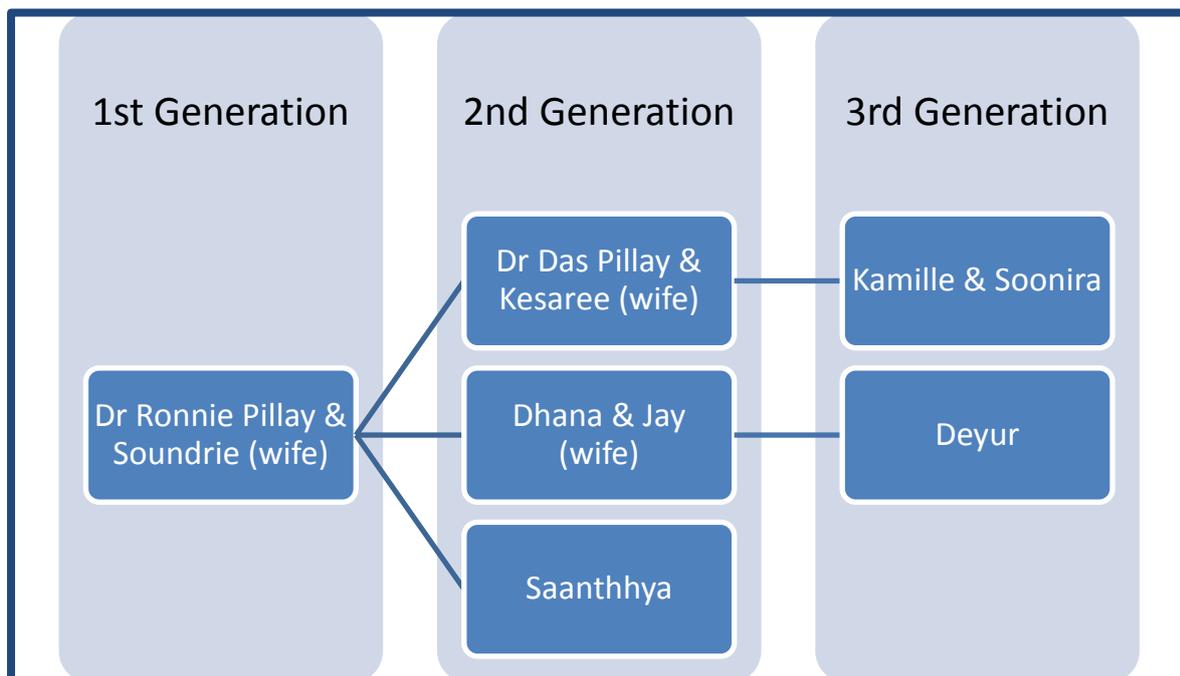
Dr Pillay married Soundrie in 1960. They have three children. Dr Pillay lived and worked from home. He illegally extended his home and added a surgery until group areas created Laudium, home was Asiatic Bazaar. Dr Pillay is a Tamil scholar, this involved him in community affairs. In 1962, he returned from London after passing his examinations but

without sitting for the membership examinations owing to the fact that his partnership with Dr Padayachee was under strain. In 1976, Dr Pillay commenced his paediatric training at Baragwanath Hospital and passed his specialist examination on first attempt. Then his frustrations began with apartheid South Africa where he could not admit his patients. His sons Das and Dhana were in Dublin. He had had enough and wanted to leave the country.

He came in 1980 and taught at medical school as well from 1980 to 1994. Now 33 years later the family is professional/ entrepreneurial success in Durban with major property investments and a possible three generational entrepreneurial professional practice in Durban.

Dr Pillay says he guided his children and his extended family. Family is very important, when he sent his niece and nephew to Dublin to study, he sent their mother with them, because keeping a family together is so important. Figure 4.1 Illustrates the Pillay Family tree.

Figure 4.1 Pillay Family Tree



**Kamil Pillay’s (Grandson) Narrative As Reported:**

His grandfather comes from a business background and he broke with family tradition when he chose to study medicine and then specialize in paediatrics. He thinks coming from a

business family influence him to put his professional and business background together to build a successful professional/property portfolio with the two being interdependent. His grandfather studied at Wits, but had to work to support his studies. Kamil's grandfather and mother and aunt played a major role in influencing me in my career choice. He bought into the whole program as he has seen the way their family operates and the cohesive bonds and how happy everyone is. His grandfather and father are the only father and son practice in the country where two family members specialise in the same field, opened practices that complement each other and work together. They are an Indian family so, very together with influences from all the members of the family.

His grandfather was one of the first Indian Paediatric specialists in the country, so he became well known for that. " Like I said, I am only setting out to start my career, but the influences were my grandfather, my mother and my aunt and the fact that I come from a family where benchmarks were set". Kamil says yes, the family is entrepreneurial because they took their professional skills and business backgrounds and built an impressive property portfolio to retire on. They have a great sense of familiness because they are a close family and their family comes first. Kamil stated at the beginning that his father and grandfather will have far more information than him, they have a good relationship with the staff, and the staff are excited that he is planning to join the family business he grew up doing surgery rounds and helping his Dad with the computers and other office stuff.

#### **Kesaree Pillay's (Daughter-in-law) Narrative as Reported:**

Kesaree comes from a family business background and knows how important it is to look after what one has. Her father started a bus body building company with his brothers, but Kesaree's brothers and cousins did not know how to run the business and the big property portfolio they had and as her father and his brothers passed, they lost everything. That is why she supported her father-in-law from the time her son was born, when she realised that he wanted Kamil to be a doctor and follow in his footsteps. More than that, she could see that Kamil had the aptitude because a mother, she wants her child to be happy. Das didn't want him to be a doctor because of the awful hours, he says you can't live a normal life, but she believes that Kamil must do what makes him happy. Kamil's aunt also supported her father wanting him going to medical school and his role model is his grandfather. She only joined the office two years ago, before that She concentrated on being a mother and a wife, She does know that they are one of the busiest practices and they try to be ahead of everyone as

innovators, but Das and Uncle Ronnie will present all the medical details. She says they are an Indian family, and live according to Indian family values. They are very close to her parents in law and as one can see Das followed in his father's footsteps and they became the first father and son specialist practice in the country. It's an old practice as Uncle Ronnie started it many years ago. Yes, she sees a lot in common between her family and her in-laws as a business family, and yes, they constantly create and innovate. She just manages the office with the staff; Das does all of this all the medical and entrepreneurial aspects of practice and business. Das likes to lead; he is extremely innovative, and likes being the first with everything

### **Das Pillay's Narrative as Reported:**

Das attended the Trinity College in Dublin because he was told that he would never get in and there were no South Africans there. He worked extremely hard and got the Arthur Jacob Memorial Award. Instead of the normal fees of 5600 pounds, my father paid only 500 pounds. His father gave him the money, he bought a car, for himself, bought another which he then sold, used that money to buy antiques and another car and took holidays.

Das lost everything in the 1990's but learnt his lessons. Paid the bank off, and started again. He started the paediatric neural development clinic 10 years ago. This is set income and he set the benchmark for paediatric neural development. Das took two years off, employed a locum and got involved in a property development in Ballito, KwaZulu-Natal.

He sits on the board of several pharmaceutical companies and one of them is a tenant in his building in Musgrave. As he built his portfolio, he did the same for his brother and sister. They do everything together.

He runs a profitable practice (Taxation standards), one of the largest in the country. He like setting the bench marks as he did with setting up the paediatric neural development department at Entabeni 10years ago. When he set up his own practice separately from his father but in the same building and doubled their patient numbers that was a key environmental force to develop our business/practice. The size of our practice has allowed us to invest in property and grow and develop as entrepreneurs.

Das says they are Indians, with a great sense of familiness. His father broke with his family tradition to become a doctor and Indian child specialists were very few. Indians came to him. Das places the enterprise at mature, and our management involvement is intense and advanced which involves his father, wife and him in management. He says that he is a control freak, and prefers to do everything his way. He sets the benchmarks and he likes being the leader in the industry. As one can see from his early teens, he was into business from the start.

He takes risks but manages them, he claims he paid his school fees in the 1990's and don't forget his lessons when he lost his investments. The family bonds and their communication allow them to take the business group through the generations. They enjoy being together, they are friends and support each other. To them, it is an advantage where we set benchmarks and have time to develop our property portfolio.

#### **4.1.2 Current Status**

Dr Pillay goes to the office three times a week. Das manages the practice. He handles all the family investments. Kamil has left for Dubai to start his medical career. They are financial stable and well on their way to third generation success. Das has a thriving paediatric neural development practice in 6 month blocks creating a set income. Kesaree manages the practice. They have dinner together at least once a week as a family. They are still the only father/ son paediatric practice in the country.

#### **4.1.3. Family Influence**

Dr Pillay tells a story about when his son, Das was 6 years old. He went to an building society, known as the NBS, (Das Started School at age 4+). He heard about the savings books that were being sold for R1.00. He asked if bought 6 could he get them at R0.80 cents each. He managed to get 6 people to buy at one rand each, paid for his and according to him made a 'killing'.

Dr Pillay guided and never overpowered his family. He also maintained each of his children took two years to decide on a career and he gave them his space. Hinduism and culture play a very important role in the lives of the Pillay family. He sees his social responsibility as educating the family children who need it and don't have the funds to pay. This

responsibility is what kept the entrepreneurial spirit alive to keep the second income stream flowing. The Pillay family is very strong on communication. The family folklore is known to all in the family.

#### **4.1.4 Entrepreneurial Outcomes and Performances**

Dr Pillay senior set the scene for entrepreneurship when he encouraged Das to be an independent free spirited thinker as a child. The boys were sent on Saturdays with the close family friends who were Muslim entrepreneurs and had a family business enterprise. Das completed matric at 16 and took a gap year. He spent 6 months in India and 6 months in Ireland. While Das was in school, their neighbours, who are Muslim and had a family business and were family to them, he was encouraged to work for them on the weekends earning my own money and learning to be a businessman as his father did in his early days. At 13 – 14 years of age, he sold pantyhose on the pavement and at 14 -16 years of age he sold shirts in the men's department. Das saved R500.00. He asked the owner to assist him and he invested in Chelsea boots which was the craze and he made R2000 which in those days was a 'whopping profit'.

Das didn't want Kamil to be a doctor because he wouldn't have a life, he told him to be a dentist. When he was in India, he watched a stranger look after me with such care, that it taught him such humanity. He decided on medicine and vascular surgery in particular, but the surgery department was terrible here and mortality rates high. His father was a successful paediatrician so decided to follow in his footsteps. When Das went into his fathers practice, his patients wanted to see his father and not him. As a result, he told Kesaree that he couldn't live in his father's shadow and opened his own practice 7 floors above. His father was upset and didn't visit him for 6months but was very supportive when he needed his advice. From that day, he did all his weekend work and night work and they doubled their patient pool instead of sharing. Unlike his father who had a lot of family commitments with nieces and nephews, he had more than sufficient to live on, so he could indulge his passion in property which he learnt from their close Muslim family friends who introduced him to the world of entrepreneurship. Das joined a property consortium and invested as he returned from Ireland with a sizeable amount of money by being clever with what he did and being a doctor here allowed me benefits which his used to my benefit.

## 4.2 Case Study 2: The Dass Group

### 4.2.1 History

South Coast Bus Service (Pty) Ltd (SCBS) is a public bus passenger transport operator in the Durban Metropolitan area. The company is privately owned and was started in 1939 by Mr Dass senior 74 years ago as a one-man business with a second hand bus to serve the community of Lamontville, KZN. SCBS has been in continuous operation for more than 70 years, during which time its areas of operation have been expanded considerably. Mr Pickey Dass joined the company in 1963 and took over as MD some years before his father's death in 1983. Despite the phenomenal growth achieved, the family business has never lost its close association with the communities where it operates.

The Dass family tree is depicted in Figure 4.2.

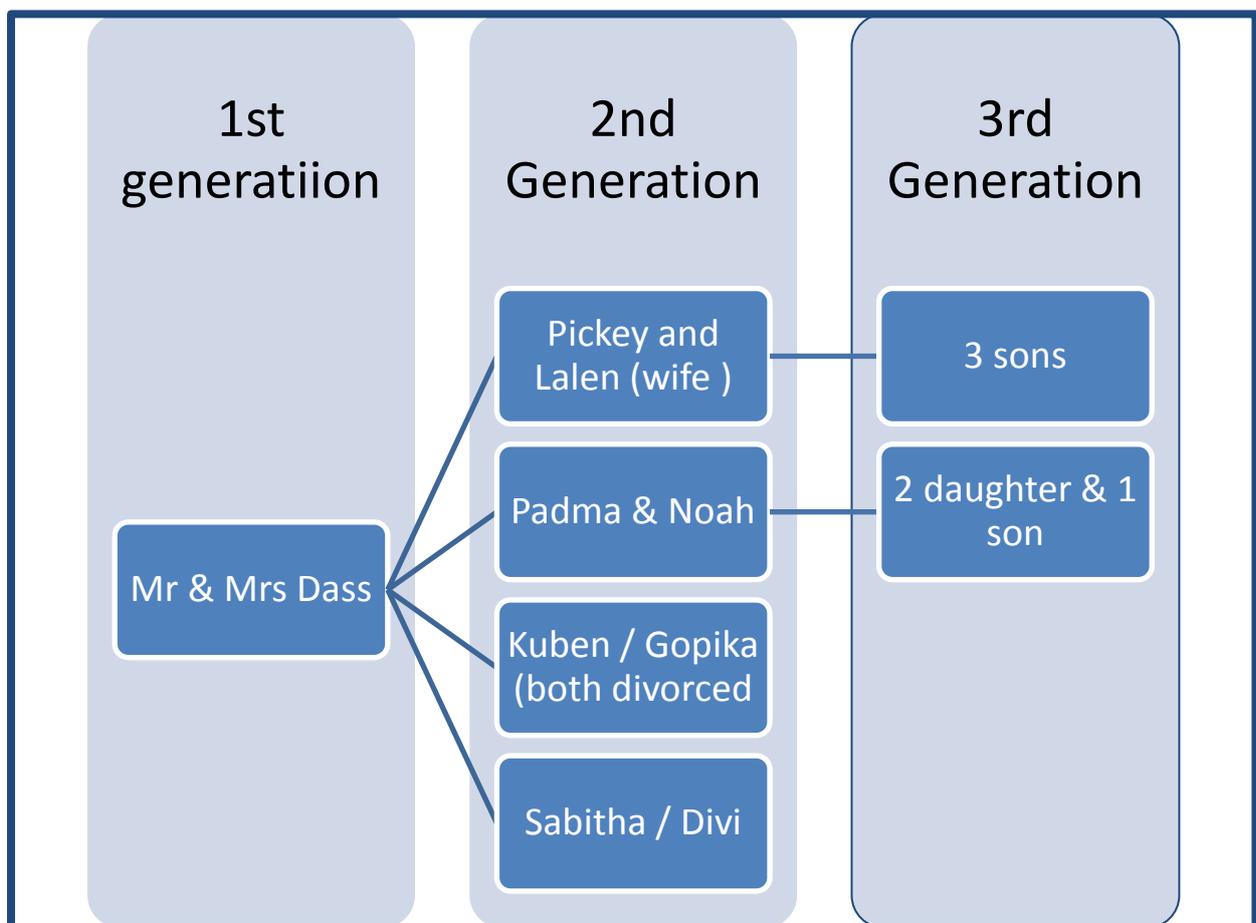


Figure 4.2 Dass Family Tree

SCBS is the main business entity in the family owned business known as the S Dass Group. The group includes Intertown Passenger Services (Pty) Ltd, Pandu Paper Products (Pty) Ltd using the brand name Carousel, a company manufacturing specialised paper products and the Group includes a substantial property portfolio.

South Coast Bus Service owns a fleet of 60 buses serving 15 routes. It focuses on the transport linkages between disadvantaged communities of Umbumbulu, Folweni, Fakazi, Isipingo, Lamontville, Merebank and commercial and industrial areas of the Durban Metropolitan area. The fleet travels approximately 3 million kilometres per annum.

#### **4.2.2 Current Status**

The Dass Group has made a successful handover to its second generation and stands currently poised with a potential third generation. However, the third generation has chosen different paths in their individual capacities. Sudhkar, the eldest son has chosen academia and lecturing philosophy at the Vedanta Academy, Yasteel the second son joined the business but decided he preferred sports science and Vyasa the youngest is at the Vedanta academy studying a business degree part time and trying to find a happy medium between the world of business and Vedanta philosophy.

Currently it leaves the Dass group with succession planning in the hands of the MD to place management in director positions with the hope that Vyasa will take the MD position while continuing his philosophic path. The company nevertheless continues all its profitable activities and its social responsibilities with the S Dass School and other long term commitments.

#### **Yasteel Dass's Narrative As Reported:**

He knew his grandfather started the business many years ago with one bus and then he bought a few more. He finished matric in 2001. The subjects were Maths, Physics, Art, Business Economics, Zulu, Afrikaans and English. Yasteel went to India and decided to stay on at the Vedanta Academy to study their philosophy. He returned in 2006 to attend his brother's wedding and spent a year working in the family businesses mainly in the property department. He returned to India and completed a Bachelor of Arts degree at the Madhuraj Kamraj University in 2009.

He then returned and spent time working in the administration, Pandu Paper, the Properties and the Hotel. In 2012, he decided it wasn't for him and enrolled at UKZN to study for a Sports Science degree. His interest in philosophy and Vedanta in particular started from an early age because of his mother's interest. He says he grew up with it. The influential people in my life are his Big Dad (paternal uncle) and Swamiji (Head of the Vedanta Academy in India)

He does not know whether he would return to the businesses but his plans are to be a personal trainer or a biokinethist and maybe one day own his own gym or mind, body and soul centre. He grew up learning more about Vedanta than the history of the family business. His brothers are also quite happy and seem set to remain at the Vedanta Academy. He sees himself as introverted but he also likes being an initiator but manages his risks. He is vegetarian, dislike soapies, adapt easily to situations and when he puts his mind to something, he always makes it work.

In Yasteel's opinion, only his father (MD-Pickey) and his brother, Vyasa have a sense of entrepreneurship in the whole family, but it is Sabitha (paternal aunt) and Big Dad is the networkers in the family. They have a sense of familiness (cohesive family bonds) that he rates at 9 out 10 for strength; their communication is less, somewhere at 7. He further specified that Big Dad and his golfing set create wonderful networking for the businesses and recently he noticed Sudhakar and Vyasa were creating a lot of networks with the big league businesses in India.

### **Terry Murugan's Narrative As Reported:**

South Coast Bus Services started some 70 years ago by Mr Dass Senior. He had a passion for the business and started with one bus and built it to a fleet. In 1981, he bought Intertown Bus Services in Port Elizabeth. His father worked for Intertown, Mr Dass spoke to his mother and their family and asked if they preferred to live Isipingo or move, which resulted in his father starting work for SCBS. In 1986, Pickey approached him when he finished matric to start working and study part-time. He enjoyed being the only male among 5 females.

According to Terry, Mr Dass Senior or 'The old man' as he was affectionately known, was passionate about the business and they (the family and the management) don't do him justice. The very fact that none of Pickey's boys were interested was very sad. All hopes were pinned

on Vyasa but he comes in sporadically at top management level, makes sweeping changes without knowing what happens at grass roots and leaves. In fact Lalen and Pickey are guilty of this too, because the passion that the 'old people' (founder members) had is lacking.

Terry remembers Aunty Dass (Mrs Dass senior founder members wife) telling him how she used to push the pram along the railway line to Lamontville to take uncle his ( founder member) lunch, and when the busses returned she would help Mr Dass fill the busses with diesel. Terry has never seen any of the daughters in law take an interest like that, yet they drive the fancy cars without thinking once about what went into getting the business started and keep it going.

Terry has diplomas from the University of Johannesburg and several Technikons pertaining to Transport and Transport Management. But his main education came 'hands on' from the company. He serves as Director on several transport boards and sits on various executive committees. Yet in his own company he is just a manager. In old days, Terry says with some pathos that the name Dass was very well known in the transport industry and it had a face, and it was Dass, however, now not so, it's just a company and the faces that represent it are those of them that sit on the various committees, Pickey prefers to stay in the background.

They used to be the leaders and the bench markers in the industry. All the bus transport operators looked to them for leadership. Now they have been overtaken. The competition has newer buses, they cycle them faster, and a newer fleet is more efficient. The Taxi industry is a major drawback. It is not regulated and controlled like the bus industry. Of course, consumers will look for the cheapest fare but on the other hand they don't wait to fill up before they leave. Busses are regulated and follow scheduled times. He remembers with Intertown which was a service for white passengers, if a bus arrived 5minutes early or late they were flooded with calls of complaint. Also the clip card system enables the person who wants the regular timely service to benefit. This is for the teachers, scholars etc. who need a timeous service.

Obviously, Dass senior saw a need in the apartheid times for a need for independent public transport.

The Dass Group are at a difficult stage, as there is no succession planning. He introduced me to Sudesh their accountant, he is there for 3 months and his biggest fear is what is going to happen because there is no succession planning. As he said, all hopes were pinned on Vyasa, he comes in sporadically, makes unilateral decisions and then they get shot down for not implementing. "What is not realised is that top down management does not work anymore and if you want to take the company anywhere, you have to give part of shareholding to staff." They were the innovators and forerunners, not anymore; one has to spend money to do that, now they are happy with what they have. The management, according to Terry, definitely push for what they want, they are given latitude. They do try; this is a highly competitive industry. They hang on to the ideals started by Mr Dass senior, but they don't do him justice, the family used to be leaders but not anymore, nobody is interested. They have an inheritance and that's it. When Mr Dass was alive, it was community spirit, now they just do a golf day and gold cup and a learning centre but no involvement. Growing up in the apartheid era, interacting with the community we provide a service, learning from Mr Dass and trying to continue the ethos and vision that Mr Dass senior built. Mr Dass senior is definitely an entrepreneur look at what he started 70 years ago. The family used to be leaders but not anymore, nobody is interested. The networks are not utilised at all, yet so many substantial business men grew out of this business.

Terry states that so many well-known business leaders/ entrepreneurs such as Chris Naidoo of All Parts, Anand Singh of Video Vision, Pickey invested in his first movie, Clive Peters who runs a successful transport business in New Zealand, Deena Pillay to name a few of the businessmen were assisted and aided from this business and by this family.

#### **Lalen Dass's Narrative as Reported:**

The Business group was started by her father-in-law with one bus. He saw everything that he did as a service, a service to the community. He was a wonderful man who never had a harsh word to say to her in all the years she knew him. Lalen come from a family of educators. Philosophy is very important in her life. She has three sons, each one is different and I encourage them to be who they are in life. Her father-in-law's forefathers were farmers. He loved gardening. He was well respected in the community. He was a farmer before he started business. Pickey went to technical college and seemed to be the only one interested in the business, and his father seemed to have chosen him as the successor.

When her father in law was ill with cancer, he started talks with the S Dass School; Pickey continued the project after his death. Even with the Andhra Maha Sabha, they moved from Merebank to Isipingo. Her mother- in-law travelled widely with her father- in-law. They entertained a great deal especially all the cultural entertainers.

Her father in law bought and sold land, but Pickey took it to another level. The Dass group is very big and she was involved in the hotel with the student accommodation. Each of the boys is different, she has one academic, (Sudhakar) one sports (Yasteel) and Vyasa seems to have both, philosophy and business. It was her mother in law who actually introduced her to Vedanta when she asked her (Lalen) to take her to a lecture when Swamiji was quite unknown. All that he said appealed to me and not to her (Mrs Dass senior) children.

Lalen has a Master's degree in education. She spent many years in India studying philosophy at the Vedanta Academy. Pickey was the only one in the business and is responsible to carry on the business. Everyone was passive but supportive.

She was in the business from 2000 to 2004 at the hotel. She took care of the children's education, and the social needs. Her dad was a founder of the Ramakrishna centre. Lalen did voluntary teaching at DHS. She gives talks and holds retreats. She is very involved in Rotary. She majored in Science of Religion. She obtained an Honours degree in Philosophy. In Lalen's opinion "Businesses don't last till 3<sup>rd</sup> generation because there are 7 billion people in the world and no two people are the same. They come with a past life that impact on their present choices. I am very proud of my boys, because they are seeking their happiness through job satisfaction."

She does not force Pickey to be anything other than who he is as well. The bus company is the main business but she leaves everything to Pickey to run and she focuses on her philosophy and helping people live a better life. Her father in law started everything and Pickey took it to another level.

Her father- in- law was culturally orientated and used his business to promote the culture and give bursaries to study the Telegu language in India. Selfless service is where the Sudhakar is now, they follow our example of service through Rotary; he was with Child Welfare. They

have chosen their paths. Being exposed to Vedanta philosophy and her childhood has made her what she is today.

Lalen says that should Vyasa need to step in, he would do so. He is studying a business science degree and studying philosophy at the academy so he will find a new innovative way of doing things. Taking new initiatives and being the first to implement new strategies is Pickey's area. He likes what he does. We saw it with Conlog house. He enjoys when he does things first. She does not focus on money, she focuses on philosophy, and she believes it can help people.

Pickey is constantly trying new ways to do things, while her father in law started the first bus company in the area. Pickey started Pandu Paper and expanded the property division. Her children are encouraged to do what makes them happy. And if it's following the path of Vedanta, that is what they must do. She started following the Vedanta Philosophy in its very early stages, so yes she likes to take new initiatives before anyone else. They use the network facilities of the Dass Group, Vyasa raised R250 000 by using Pickey's business Networks, which benefitted the Vedanta Academy.

Vyasa is trying to bring the philosophy of Vedanta and the management of the business together. In the same way when one of the YPO's from Malawi came to the academy, Vyasa set a very chain of command for a new customer for Pandu Paper

Their belief in the Vedanta Philosophy was being an improved happy way of life. Pickey's networks are used to develop Vedanta networks and vice versa. As she drives home the point "My mother- in-law introduced me to Vedanta when she asked me to take her to a lecture. It appealed to me and not to any of her children. Now my children are following this path and combining it with their own choices and it doesn't bother me that they are not going into the business. Each person comes with inherited karma, so their lives are pre-planned. We use Vedanta teachings to network and exploit opportunities to make people happy but I don't look at jobs as being important or jobs as being the cure to problems. Knowledge is the cure to problems".

### **Pickey Dass's Narrative As Reported:**

Pickey started in 1963. He started as a pump attendant. He started bottom up. His father chose him as the successor. His sons won't come in at that level. He believes that the reason businesses are failing in the third generation is because the third generation wants to only come in at the top.

Drawing from Lalen's pursuit of personal happiness, but for Pickey personal happiness was doing what his father wanted him to do, Kuben was the eldest. Kuben was the brightest but his father chose him.

According to Pickey, when he was apprenticed to his father, he would often defy him and choose to do things his way. His father would let him burn his fingers and then correct his mistakes. The idea was that he must make decisions and learn.

His father believed that the boys carried his name so the boys got more. He did give the boys more than the girls. He did give us his history. My father was a farmer, and sold newspapers but when he married my mother, he felt he had to more. His brother convinced him to buy a truck that he converted to a bus. He ran the bus from Merebank to Umami charging two pence. In those days the local government didn't maintain the roads, his father carried a spade, and a bag of stones to fill pot holes. Pickey proudly says he was Bus driver, conductor and road maintenance as well. He maintained the roads to save his bus.

Pickey learnt from his father, and expanded the business. But today he finds that as the competition grew, SCBS has lost market share. Being the entrepreneur, Pickey started Pandu Paper Products. He says that with all that is going on in the transport industry, he doesn't see SCBS, going on and his concept of franchising the 'Just Party' shops will replace SCBS.

Pickey is obviously innovative, a strategic thinker, job creator, an obvious mould in his father's forms as an entrepreneur and service motivated through Rotary and still carrying the duties his father started. He did admit that he would have never disobeyed his father and left the business to pursue his desires and his father never would have tolerated that kind of behaviour either. My father even planted trees to provide shelter for his passengers as the apartheid government would not provide bus shelters for people of colour.

### **4.2.3 Family Influence**

The Dass family comprises of three sisters, Padma, Sabitha and Gopika and two brothers, Kuben and Pickey. The youngest brother Divi passed away some 10 years ago. His passing is felt by all the siblings. They are a very strong Hindu family who to this day still adhere to the strict principles that they were raised with by their parents.

On entering the Dass group offices, the most striking feature, is the beautiful portraits of the late parents, Mr and Mrs Dass. One knows immediately, who is still the boss. There is an Hindu proverb “math, pith, guru, diva” translated means “mother first, then father, then your teacher and then god”; in terms of one’s value respect applications. The second generation of the Dass family certainly lives by this principal to this day. Pickey did state ‘my father is my God’. Pickey is neither the eldest nor the eldest son but his father spotted the entrepreneur in him and applied the stewardship theory and groomed him. Attempts to interview Kuben were unsuccessful. He was always busy with golf and social commitments. Kuben is a director but each time he always alluded to Pickey as Pickey did the work for all of them.

The direct Dass descendants have a very close bond and are in constant contact regardless of where in the world they live. It is of great concern to all of them that the business that their father started seems set to disappear because Pickey’s sons have chosen a different path.

### **4.2.4 Entrepreneurial Outcomes and performances**

Trying to remain ahead of the industry is difficult. It is further compounded with the boys choosing paths away from the business. However, the innovation of franchising and the property investment tied in with student accommodation took entrepreneurship and innovation within the Dass Group to new heights. Definitely to a different dimension started by the founder member.

### 4.3 Case Study 3: The Liades Family

The Liades family case study was conducted by Mr A R Bozas. The interviews and observations were conducted over the period of 2012 - 2013 but the association spans many years.

Figure 4.3 depicts the Liades family tree.

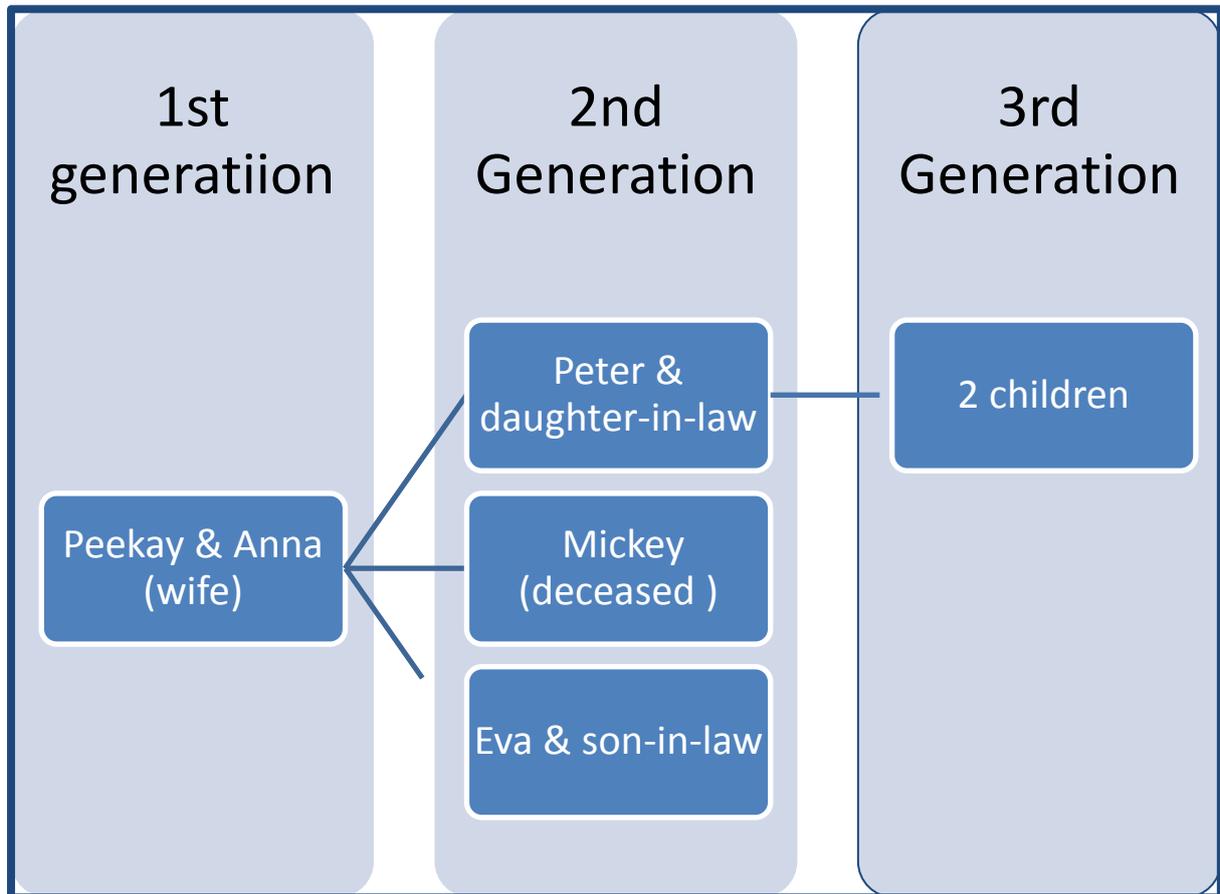


Figure 4.3 Liades Family Tree

#### 4.3.1. History

Peekay Liades came to South Africa as an immigrant in 1964 aged 17. He came from a poor Greek family living in rural Greece who was originally refugees from Turkey. Friends of friends suggested he travel to South Africa to work in a family member's business. Young Peekay had, had no formal schooling beyond standard three and he lacked the finesse of his peers who were from families that were better off.

Peekay arrived in South Africa, unable to speak any languages other than Greek and Turkish. His new employer and mentor in Johannesburg "Uncle Peter" realised that in spite of a lack

of formal education young Peekay was bright enough to control stocks. It was not long before Peekay moved up the chain and managed the grocery store.

#### **4.3.2. Current Status**

Peekay and Anna are in their 70's and ill. Their children all have their successful businesses. Anna and Peekay do not have a succession plan. The businesses have been successful beyond wildest dreams. The dilemma currently is, do they involve their management to continue the businesses or do they sell as they cannot manage the businesses any longer.

#### **4.3.3. Family Influence**

Peekay met Anna and married her in 1969. His father in law bought Peekay and Anna a small, corner café in the rural Zululand town of Empangeni as a wedding gift. The young couple supported by Anna's father managed to vastly improve the café and its turnover. Peekay being an entrepreneur and Anna being good support in terms of management and in particular, in administrative matters.

#### **4.3.4. Entrepreneurial Outcomes and Performances**

Peekay, being entrepreneurial established a second business for his wife, a jewellery store. Peekay had worked as an understudy to a jeweller friend of "uncle Peter's" whilst in Johannesburg and he learnt how to grade gemstones.

Under the guidance of their landlord; a well-known and astute accountant ironically nicknamed Fatty in spite of his slim stature; Peekay and Anna managed to open and purchase two more businesses. Fatty and his wife Winnie took to Peekay and Anna and over the years helped them immensely in the quest to build their businesses. Their young sons and daughter spent considerable time in the businesses learning the ropes.

Ever entrepreneurial; Peekay realised that the sleepy town of Newcastle was in for a boom with the announcement of a new iron smelter being built there in the early 1970's. He sped off to Newcastle secured premises and then returned to Empangeni. He soon found buyers for his businesses and moved to Newcastle where he succeeded beyond his wildest dreams. It was not long before Peekay and his loyal wife Anna, were living a plush life with only the best of things. Just rewards for hard work. Business five gave birth to several other

businesses and property investments. By this time the young children were maturing and were performing adult tasks in the stores admirably, all the time learning from their mother, father and others.

Twenty years on and Peekay and Anna sold up in Newcastle and relocated to Ballito where they established a new supermarket that proved to be very successful. In due course they sold the business and moved back to Empangeni to establish a new Spar store. That venture proved to be a success which they sold to Anna's brother in law as Peekay and Anna had decided to relocate to Durban to take over a run-down Spar on South Beach. At this point with the boys at boarding school, young Eva assisted Peekay & Anna in the shop admirably. Peekay ensured that his wife and children only had the best and even whilst at school he bought luxury sports cars for his lads. Peekay remarking that "when I open the front door of my shop, I trust NO ONE, other than Anna until I lock up and return home".

It didn't take Peekay long to revitalise an ailing store in Durban. He used his management skills and extensive list of contacts to buy bargain goods and to promote the store. He employed good managers for his delicatessen and bakery and as a result managed to substantially increase turnover and profits.

Receiving an attractive offer for the Spar, they sold and opened a used furniture store, again excelling. Though the sons were working in the business Peekay did not relinquish control. Sadly the youngest son, Mickey was killed in an accident. Peekay established branches in Pietermaritzburg and Empangeni, both of which being very profitable.

Eva and her husband stepped in with a view to improve controls and to introduce computer systems. This was a short lived situation and Eva and her husband, a medical doctor, left to earn their own living as dad would not allow them freedom to take decisions. After working with his father in the furniture store young Peter, chose to move off and open his own form. This was as he believed, like Eva did that "dad would never relinquish control", he also took the view that dad being illiterate would never get the business running on a computer based system.

#### **4.3.4 Eva Liades' Narrative as Reported:**

Eva recalls working in her father's shops in Ballito and Empangeni and learning from the counter staff and the merchandisers but especially from her mother who had a very good understanding of what businesses needed to be.

She says that she was fortunate enough to be better educated than parents, she continued with her studies after matriculating but always spent time after college in the shops, watching, observing and learning. She would find that untrained staff would not rotate new stock such as milk with the result that they would lose money by having old milk and other dairy products going off. Untrained and unsupervised employees would not realise the importance of proper, attractive displays of fruit and vegetables and the need to sift out fresh produce that was starting to rot.

Eva spent many years assisting in the businesses however she had to bow out and go on her own as her father's old, tried and tested ways of doing things would never change and he would not entertain new ideas easily. In fact he liked the ideas it's just that he never wanted to relinquish control. Brother Peter left the family business and went on his own for the same reasons, though he had not learned the trade and did not comprehend the need for sound controls and because of that he failed. I have gone on my own but with her parents financial support, she invested in property and is a success by her definition.

#### **4.3.5 Current Status**

Peekay has over the years had suffered two serious heart attacks and in 2011, suffered a debilitating stroke. In spite of there being no hope for a sound recovery, he amazed specialists and loved ones and within eight months was back at work full time, even though he was in his 70's.

Peekay sold the Piermaritzburg shop to a friend, still had two large businesses to run and despite having good managers in place, none of whom realised that he is illiterate! Here in his 70's he was working long hours, negotiating deals with suppliers and with Anna being in ill health and no longer able to work, the business empire needed trustworthy, capable, skilled people to run it. Alas the younger generation were not there. When Peekay and Anna started out they effectively ran the business that her father had paid for and grew from that. Now 60

years later with the businesses poised to grow, there are no members of the younger generation willing to take over.

#### **4.3.6 Family Influence**

The Business value rests in goodwill and turnover and margins. Having noted that, without Peekay's vast contacts and experience it is highly unlikely that anyone could step in and make a success of the respective businesses and in all probability they would collapse without him.

#### **4.3.7. Entrepreneurial Outcomes and Performance**

Peekay, ever the entrepreneur was unable to do enough to keep his son and daughter in the business and worse, faced with that reality he failed to find a way to bring in young blood with a view to them and the staff/managers buying him out albeit on friendly terms. A case of hanging on for too long. Sadly this will impact on some 50 employees who are at risk of losing their jobs. Where to now for the businesses? Will the entire hard work end up in business closure or will Peekay or someone find a way to take it further?

### **4.4 Analysis of Case Studies**

Table 4.1 summarises the respondents' views on few key issues in this study. These included personal challenges, entrepreneurial orientation, power control issues, succession planning, role of family, and influence of the mother on successful trans-generational succession. For each of these issues, their responses were categorised as 'agree' or 'disagree'.

**Figure 4.1** Summary or Responses

	Personal Challengers of Owners		Entrepreneurial Orientation		Power Control issues of founder Member		Succession Planning		Role Of Family		Influence of the mother	
	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree	Agree	Disagree
<b>Case Study one</b>												
<b>Kamil</b>	X		x			x	x		x		x	
<b>Kesaree</b>	X		x			x	x		x		x	
<b>Das</b>	X		x			x	x		x		x	
<b>Uncle Ronnie</b>	X		x			x	x		x		x	
<b>Case Study Two</b>												
<b>Yasteel</b>	X		x			x		x	x		x	
<b>Terry</b>	X		x			x		x	x		x	
<b>Lalen</b>	X		x			x	x		x			x
<b>Pickey</b>	X		x			x		x	x		x	
<b>Case Study Three</b>												
<b>Anna</b>	X		x		x			x	x		x	
<b>Eva</b>	X		x		x			x	x		x	
<b>Peekay</b>	X		x		x			x	x			x

**Table 3.1** Summary of Responses

The above table summarises the views of the interviewees concerning the founding of the business and the issues affecting successful trans-generation:

Total Interviewees= 11

	Agree	Disagree
The personal challenges of founder is the reason that the businesses existence	11	nil
Entrepreneurial orientation	11	nil
Power control issues of founder member	3	8
Succession planning	5	6
Role of Family	11	nil
Influence of the mother	9	2

#### **4.5 Summary**

This chapter presented the story from each case study. The narrative has tremendous value in that the reader will make their own interpretations of the story. In this way, the researcher will offer her own interpretation of the story and this will be discussed in the ensuing chapter. This will be then either admit or refute the literature review findings in chapter two. The above summary will be discussed and compared in detail between the case study responses in chapter 5

## CHAPTER 5

### Discussion

#### 5.1 Introduction

The sustainability of family businesses into the third generation and beyond is dependent on various factors as was evident in the analysis of the three case studies. The constants in this paper were: the three families were founded on entrepreneurial skills brought about by personal challenges faced by the founder member a particular time in his early adult years. The variables are: The power control issues, the levels of succession planning, the degree of familiness, and the role of the mother on the succeeding generation. The independent and dependant variables did not emerge with clarity in chapter, as the following the STEP protocol, the cases were presented as narratives.

In the literature review, power control, poor succession planning, a lack of familiness were the papers that seemed to be thoroughly researched in the world of academia, but what is abundantly clear in these three cases and Richard Branson appeared to say the same thing, it is the role of the mother, that moulds the next generation and its beliefs in or out of the business.

The Liades family business did not trans-generate to second generation, the Pillay's went to second and the third generation has just started on his career to continuity, the Dass family are currently trying to find methods to ensure that they have a third generation for business continuity.

#### 5.2 Personal Challenges of Owners

The risk takers are the first generation and entrepreneurial orientation decreases across the generations and stewarding becomes a greater burden with trans-generation progression (Martin & Lumpkin, 2003as cited in Zellweger & Seiger, 2012). This was definitely indicative of Mr. Dass senior and Dr. Pillay senior, Peekay Liades displayed this more than the others when he migrated due to his poverty stricken circumstances. He chose to be an 'orphan' to improve his prospects. Mr. Dass Senior was a farmer and a paper delivery man, but he wanted to give his wife a better life. Dr. Pillay senior, had to shoulder the responsibility of his father i.e. financial responsibility of three generations (that of his mother, his widowed sister and her two children and his two younger sisters). This is in accordance with the literature findings that the first generations are the risk takers and start the business

out of personal challenges faced at the time. The entrepreneurial skills are not inherited by all off-spring, Pickey Dass (hereinafter referred to as Pickey) and Das Pillay (hereinafter referred to as Das) displayed the risk taking ability too. Pickey for example, when he saw the business potential of SCBS dwindling due to the socio-political climate, and established Pandu Paper Products with its franchise outlets called Just Party. As he explained, the idea was for each franchise to take the place of a bus. Das displayed this with his property developments and investments, but displayed his entrepreneurial skills from age 6 according to his father.

The population size was too small to state that personal challenges are the cause of entrepreneurs starting businesses, however it does appear that in each of the three instances, it was the case and is consistent with the findings in the Literature Review (Lussier & Sonfield, 2012, Litz, 2008, Morris & Craig, 2010.)

### **5.3 Entrepreneurial Orientation**

Entrepreneurial orientation involves risk taking, autonomy, pro-activeness, innovativeness. (Lumpkin & Des, 1996) Hence the entrepreneurial family is an oxymoron but nevertheless can operate side by side. Dr Pillay senior came from business background where the seed of entrepreneurship appears to have been planted, his grandfather comes from Pondicherry in India and actually arrived in South Africa from Mauritius as passengers and not part of the indentures. Dr Pillay's ancestry on both his maternal and paternal sides was steeped in entrepreneurship. He broke away from traditional business, he applied his knowledge and skills in a medical practice. Even in the course of his practice, his enterprising spirit came to the fore. According to Lumpkin and Des (1996) entrepreneurial orientation includes all the usual and the unusual activities, this holds true for all four men in the three case studies interviewed viz. Dr Pillay, Peekay Liades (hereinafter referred to as Peekay or Peekay Liades, inextricably), Das, Pickey and I must include the late Mr Dass.

Das, liked being innovative, likes leading; he showed an entrepreneurial spirit early in life. This was manifested in the following narrative "Dr Pillay tells a story about his son, Das when he was 6 years old. He went to an NBS, (Das started school at age 4+). He heard about the savings books that were being sold for R1.00. He asked if he could get it at R0.80. He got 6 people to buy at one rand, paid for his and according to him made a killing."

Dass through his actions showed how he was able to be innovative and explore the boundaries in medical practice. Instead of being in practice with his father, he greatly expanded their business which is demonstrated in the following narrative “My father was a successful paediatrician so decided to follow in his footsteps. When Das went to his fathers practice, his patients wanted to see his father. So he told Kesaree Pillay ( hereinafter referred to as Kesaree) that he couldn’t live in his father’s shadow and opened his own practice 7 floors above. His father was upset and didn’t visit him for 6months but was very supportive when he needed his advice. From that day, he did all his weekend work and night work and they doubled their patient pool instead of sharing.

Das was able to pick himself up from economic downturns. He was a risk taker and with his innovativeness, he was able to successfully regain financial strength. He says “I lost everything in the 1990’s but learnt his lessons. Paid the bank off, and started again. He started the paediatric neural development clinic 10years ago. This is set income and he set the benchmark for paediatric neural development. Das took two years off, employed a locum and got involved in a property development in Ballito. Das shows a strong sense of resilience and is able to pick himself up after some hardship, refocus, reinvent and pursue success.

The Dass Group has made a successful handover to its second generation and stands currently poised with a potential third generation. However, the third generation has chosen different paths in their individual capacities. Sudhkar Dass, the eldest son has chosen academia and lecturing philosophy at the Vedanta Academy, Yasteel the second son joined the business but decided he preferred sports science and Vyasa Dass the youngest is at the Vedanta academy studying a business degree part time and trying to find a happy medium between the world of business and Vedanta philosophy.

Terry Murugan (hereinafter referred to as Terry) believes that the reason businesses will not be around in the next 10 years because of the third generation, they want to only come in at the top, don’t understand the grassroots, so how will they ever understand the business and think they can understand it sufficiently to run it. A business is not like a professional practice where you acquire a skill and practice it according to Terry. Drawing from Lalen Dass’s (hereinafter referred to as Lalen) pursuit of personal happiness, as she says, she does not see the link between the need for the businesses Trans generationally sustainability and spiritual growth according to Terry, who is passionate about the businesses. She believes

each person has a karmic path and they follow it. Worrying about how her electricity gets paid is not the focus, but making sure her sons help people who can access the Vedanta academy from the rest of world is important according to her. She says this is her service. As for Pickey personal happiness was doing what his father wanted him to do, Kuben was the eldest. Kuben was the brightest but his father chose him.

According to Pickey, when he was apprenticed to his father, he would often defy him and choose to do things his way. His father would let him burn his fingers and then correct his mistakes. The idea was that he must make decisions and learn. Peekay Liades demonstrated his entrepreneurial orientation when he left Syria as a 17 year old illiterate, and came alone to South Africa to start life as a migrant. He took risks, was not afraid to learn and was innovative. He was the epitome of spirit. Each person's entrepreneurial orientation or the way they perceive their entrepreneurial orientation, is what affects the family business. The Pillay family all support Das and Dr Pillay in every endeavour, whether they perceive themselves as entrepreneurs or not. The Dass family pull in different directions; Terry and Pickey support each other. Yasteel and Lalen support each other. Pickey supports Yasteels decisions as a father, but as a second generation family business would have preferred to have had his son in the business.

Entrepreneurial Orientation appears to be linked to risk taking and is triggered by personal challenges as is motivated by the various academic papers in the Literature Review. It takes a particular type of personality to start a business and a particular type of personality to successfully trans-generate the business as it is apparent in the study.

#### **5.4 Levels of Succession Planning**

The Liades family showed very low levels of succession planning. If applying the F-pec scale, probably on the low ranges. They assumed giving the children the best education and spoiling them materially in their teenage years would buy their loyalty. Not allowing them into decision making in the business, pushed them out, using their education and naturally entrepreneurial instincts, they could build their own family businesses.

Dr Pillay had a well laid plan. Being philanthropic and a wonderful parent, he did not have to engage in power struggles. The daughter-in-law fitted in perfectly. This was high level planning, that nobody could fault and he stewarded perfectly and everyone was happy.

The Dass family had the planning going well from first generation to second but lost the plot from second to third. There appears to be very little meeting of the minds in parenting matters between Pickey and Lalen. Lalen moulded the boys in her image and now Pickey is trying to meet his succession planning around what would suit the boys, Vedanta, and the Dass Group. This is causing concern for likes of Terry Murugan as they know the 74 year history and have grave concern for their jobs and that of the 300 staff that are employed by the Dass family business.

With reference to figure 2.3 in chapter two, Walsh (2011) posits various suggestions concerning succession planning. Despite the governance applications, should the beneficiaries and the management not have a meeting of the minds, the company will not successfully trans- generate. Mr Dass senior implanted the stewardship theory perfectly when he handpicked Pickey and groomed him from the age of 18. Pickey, however did not have the same support from his wife as his mother gave his father. Mrs Dass Built the business with Mr Dass, her emotions were involved, she grew with the business, and however, the same cannot be observed from Lalen's involvement. Her passion remained with all that she grew up with. She married into the family but did not absorb the Dass family culture like the way Kesaree did. Kesaree became totally acculturated. The Liades family however, had other issues that effected their succession planning. Peekay was illiterate and as a result needed to control everything. This led to problems with the next generation which left him totally without succession.

### **5.5 Power Control issues**

There were definitely no issues of power struggles, Mr Dass according to Pickey, even allowed Pickey to be defiant and make his mistakes despite the fact that he gave him the success plans to implement. When things turned out wrong, he guided Pickey through the right methodology. Mr Dass senior also instilled in Pickey a passion for the business. As a child, Pickey respected his father and after he was identified as the successor, he would not dare defy his father's wishes. He sought his happiness by making his father happy. Unlike his sons, who do not have the same passion for the business as Pickey.

The Liades Family have failed to Trans-generate owing to Peekay not having the foresight not to re-strategise his power control. Eva left to start her own business, admittedly, her parents funded her.

The Pillays display no power control issues what so ever but Das freely admits to being a control freak.

There is an abundance of academic literature that attributes the most common cause of family business failure to power control issues of the founder member and cite the main reason as not handing the business over to the next generation on time.

### **5.6 The Role of Familiness in successful trans-generation**

Kamil Pillay (hereinafter referred to as Kamil), the third generation of Case study one, the Pillay family, was totally knowledgeable of the family's history. He appreciated his grandfather's service orientation and choice of profession and the reasons for his grandfather's family responsibility with extended family. He knew every detail of his father's childhood and teenage and early adult years. There is an obvious close bond between Kamil and his grandfather. Das Pillay, the second generation of Case study one knew all as much details of his father's history as Dr Pillay senior narrated. Appreciation and pride were held in high esteem for family history by the second and third generation. Kesaree, Pillay, the daughter in-law, knew the entire history of Pillay family.

Dr Pillay senior himself, still kept artefacts such as cheques from his grandfather's business. His investment in the business was not just a second stream income but a passionate investment that reaped passionate rewards that his extended family lived on and he used to educate all those that he was responsible for due to circumstance. A circumstance that he obviously bore with love and compassion. There was overwhelming indication that the Pillay family held familiness as a priority in their household. They had dinner at least once a week, to maintain the bond.

Although unhappy with Das decision to open a practice close to his dad, Dr Pillay Senior still felt a need to take care and look after his family. Dr Pillay senior maintained that the family must function as unit ...even though he sponsored his niece and nephew with an overseas education in medicine; he also found it necessary to support their mother abroad because

being together as a family is paramount. When children and grandchildren are told stories such as this over the years, it creates a sense of value system that gets transmitted from generation to generation

In Case Study Three, the Liades family didn't appear to have a strong sense of narrative culture. The very fact that the second generation had no appreciation for the hardships and rigours that the first generation had been through to prove the current day success, means nothing to them. Peekay Liades left his motherland so one may conclude that he may not be big on narratives. Further, his being illiterate was a major issue to him. He only communicated freely with his wife Anna Liades ( hereinafter referred to as Anna) and only trusted her. The appreciation for family history was not passed from first to second generation and this impacted negatively on successful trans- generational continuity.

Case Study Two, the Dass Family, other than Yasteel Dass (hereinafter referred to as Yasteel), the third generation, Lalen and Pickey Dass and Terry Murugan, the South Coast Bus Services (SCBS) Manager had a detailed knowledge of how the company started; in fact every detail of the seventy four year history. The Dass Group has a very successful second generation, but is floundering with no apparent third generation. Yasteel has a vague knowledge of how his grandfather started the business but has a vast knowledge of philosophy. His narratives obviously influenced from his maternal side. Lalen said she comes from line of educators and interest in Philosophy. Yasteel Did state that he grew up with Vedanta Philosophy and he did try the business but it wasn't for him. Comparing Terry's passion for the SCBS and Yasteels lack thereof, Terry is passionate as the narrative history is steeped in his knowledge. Yasteel is passionate about the narratives he was exposed too.

The value transmission in the Dass family was not about material wealth or economic empowerment, it was about philanthropy and adopting an alternative philosophy of life, ...that of the Vedanta academy. The philanthropic nature and values system actually was passed on from Mr Dass, who started a school; this was carried through by his son. His wife has also committed to serving others through her active involvement in Rotary. So it has to be said that altruism and philanthropy can adversely affect the succession and the drive to succeed from one generation to the next

On entering the Dass group offices, the most striking feature, is the beautiful portraits of the late parents, Mr and Mrs Dass. One knows immediately, who is still the boss. There is an Hindu proverb “matha, pitha, guru, deivam” translated means “mother first, then father, then your teacher and then god”; in terms of one’s value respect applications. The second generation of the Dass family certainly lives by this principal to this day. Pickey Dass did state ‘my father is my God’. Pickey is neither the eldest child nor the eldest son but his father spotted the entrepreneur in him and applied the steward ship theory and groomed him. Attempts to interview Kuben were unsuccessful. He was always busy with golf and social commitments. Kuben is a director but each time he always alluded to Pickey as Pickey did the work for all of them.

When comparing the three case studies to the Liljedahl group and is the representative of a standard case study of STEP that was used as the standard. One finds that every family member has been fully apprised of the history of the family and the family business. So does the management who are non-family members involved.

The Liades family do not display the concept of familiness. Entitlement appears to have played a strong role in this family. The second generation benefited from the best education. They had a strong sense of family when the children were young. The children were taught the business as teenagers in expectation by the parents that it would be their inheritance. However, power struggles between the two generations and obvious communication issues owing to differences in education levels and lack of trust between father and children and the mother being torn between the two has left the business with a lack of direction. The education provided by the parent’s hard work from the businesses gave the children an independence and arrogance that was anticipated.

On the other hand with the Pillay’s and the Dass’s, the sense of familiness is so strong that the businesses continued successfully into the second generations without missing a beat. However, the Dass family seemed to have veered off into the world of philosophy, where two of the sons and their wives have actually chosen to reside at the Vedanta Academy and develop the academy rather than the Dass group. Lalen herself chooses to spend Christmas with her married children as the academy does not acknowledge holidays and not with the Dass Family or with Yasteel and Pickey in Durban. The Pillay family would never contemplate spending time apart. Currently, with Kamil being in Dubai studying medicine,

they are seriously discussing vacationing in all together over the festive period. The familiness in the Dass family is held together by Pickey's sister Sabitha who has played mother since their mother passed.

The Dass's and the Pillay's ensure that they eat together at least once a week. The Pillay's ensure it's the whole family, with the Dass's, its Pickey and Sabitha. Terry Murugan, the manager of SCBS has demonstrated a sense of familiness. This he claims comes from being exposed to the family business while in school as his father worked for the business and he has a great respect for Mr and Mrs Dass senior. He has a passion for the business where at times exceeds that demonstrated by Pickey and certainly not shown by Lalen or Yasteel. Terry has shown an interest in the staff and talked about the staff benefits, where Lalen has indicated that she is not interested in the aspect of job creation or business sustainability. She wants to keep people happy through Vedanta Philosophy. All three case studies have indicated a service ethic through familiness.

Part of the risk taking and being successful entrepreneurs raises a sense of philanthropy as the business and the entrepreneur matures successfully. Dr Pillay has demonstrated this with educating various members of the extended family as well his cultural involvement in the community as a Tamil scholar. Dr Pillay is very fond of presiding over naming ceremonies and engagements and leading prayer ceremonies. Pickey Dass on the other hand contributes a great deal financially and in time to the S Dass School for the physically and Mentally Handicapped which he named after his late father. Peekay Liades did not demonstrate a great social responsibility but has a good relationship with his staff. Das has no need to execute a sense of social responsibility right now as his father's actions are representative of the entire family.

### **5.7 The Role of Mothers and Wives on the Succeeding Generations**

It is posited that parent-child relationships lead to subsequent leader-member exchange (LMX) differentiation in family firms (Eddleston & Kidwell, 2010) This would explain the relationships between the generations in all three of the case studies. In the Dass family, the third generation saw their mother, Lalen, as the leader and identified with her leadership which actually exposed Pickey as probably a very "hands off" father focusing on the business only and expecting Lalen to have bought into the Dass family ethos.

Unlike Lalen Dass, Kesaree from the Pillay family embraced the Pillay family ideals. Like Lalen, her knowledge of the family history is vast, but coming from the same business background, the ideology was embraced with the same passion as her husband and her father-in-law. Kesaree raised Kamil, but rather different to Yasteel, he learnt that it was important to continue with tradition and yet the same as Yasteel, one must be happy doing what you are doing. Somehow the role model images were taught differently by the mothers, which impacted on entrepreneurial orientation on the third generation.

Kesaree exerted her maternal influence when she says “I come from a family business background and know how important it is to look after what you have. My father started a bus body building company with his brothers, but my brothers and cousins did not know how to run the business and the big property portfolio we had and as my father and his brothers passed, we lost everything. That is why I supported my father-in-law from the time my son was born, when I realised that he wanted Kamil to be a doctor and follow in his footsteps”

In the Dass group, the maternal influence was equally strong. Although not towards business and pursuing material wealth, the mothers influence does manifest in the paths that he children have taken.

Yasteel Dass presented very concisely the influence of his mother when he said “In 2012, I decided it wasn’t for me and enrolled at UKZN to study for a Sports Science degree. My interest in philosophy and Vedanta in particular started from an early age because of my mother’s interest. I grew up with it”. Vadjnal and Zupan (2009) discuss the role of women in family business in Slovenia. Slovenia, very similar to South Africa is an emerging economy in transition, with women in particular floundering in exactly what their particular roles are in this emerging world of changes.

Lalen has a master’s degree in education, an Academic path but she did not need to work. She came from a family of educators. Philosophy is very important in my life. I have three sons, each one is different and I encourage them to be who they are. The children chose to following the path of their mother, although not strictly academic with all of them, but chose a different path

It was actually Mrs Dass senior whose belief system pervaded through subsequent generations. As Lalen explained “It was my mother in law who actually introduced me to Vedanta when she asked me to take her to a lecture when Swamiji was quite unknown. All that he said appealed to me and not to her children.” Again when the paternal and business influence is not strong enough, the maternal influence dominates.

Not every child shares the same drive and people are born very differently. Richard Branson says very clearly, he is what his mother raised.

I am very proud of my boys, because they are seeking their happiness through job satisfaction.

I don't force Pickey to be anything other than who he is as well. The bus company is the main business but we leave everything to Pickey to run and I focus on my philosophy and helping people live a better life. My father in law started everything and Pickey took it to another level. Lalen Dass says “Should Vyasa needs to step in, he will. He is studying a business science degree and studying philosophy at the academy so he will find a new innovative way of doing things. Taking new initiatives and being the first to implement new strategies is Pickey's area. He likes what he does. We saw it with Conlog house. He enjoys when he does things first. I don't focus on money, I focus on philosophy, and I believe it can help people.”

Das Pillay like Pickey Dass seemed to have had their fathers play a more significant and dominant role. Their mothers were the nurturers, but their fathers seemed to be the more influential in the developmental years. During the course of the interviews both men only made reference to their fathers. They were obviously raised in their father's images. One can argue a nature nurture issue, but entrepreneurial orientation may be argued is a combination of both. As one can argue, using Pickey's sons as the example.

In the cases of Anna Liades, Kesaree Pillay and Lalen Dass, all three have been excellent mothers and have raised wonderful stable adults. Owing to different values, social and education differences, one finds very different adults with different belief systems and ideals that have impacted on the family businesses success into the third trans-generation.

Kesaree has managed to achieve in terms of what STEP calls successful trans-generation. Pickey Dass has stated quite succinctly that the third generation has lost that respect

and family focus. They want to benefit but won't work. He would never dream of defying his father and sought his happiness through his father's wants. The same cannot be said of the Liades family.

The Millennials are raised by the mothers. The psychological thinking on child rearing in the 20<sup>th</sup> and 21<sup>st</sup> centuries has focused on the mothers as the basic care givers. While in Pickey's generation it was the fathers influence that played a dominant role. One generally finds, that with family businesses, they follow a male line of inheritance, hence, the mothers who marry in, if they are not part of the founding partnership, or do not come from the same business background, do not share the same passion for the business, and successful trans-generation is affected.

Kamil Pillay shows some promise of being a successful entrepreneur. Through the years he has listened to the stories of his grandfather and father. He has enjoyed a somewhat privileged lifestyle. My grandfather was one of the first Indian Paediatric specialists in the country, so he became well known for that. Like "I said, I am only setting out to start my career, but the influences were my grandfather, my mother and my aunt and the fact that I come from a family where benchmarks were set." This would suggest a strong motivator for Kamil to pursue in his grandfather and father's footsteps. Yasteel Dass, unlike Kamil followed his mother into the world of philosophy and health. Yasteel maintained he grew hearing about Vedanta philosophy, so he naturally gravitated in that direction. He also says he does not believe that they have any entrepreneurial skills, maybe with the exception of his younger brother Vyasa, who may have a little; they have all been influenced by the world view of philosophy.

In all three cases, it is apparent that the mothers in every generation, influenced the succeeding generation. However, the observation is that the higher the level of education, the higher the level of independence of thought. Kesaree comes from a business background but does not have the same tertiary level of education as Lalen and Eva. Eva comes from a wealthy background and has an education. Lalen comes from a middle class family, she was a teacher when she married Pickey. Kesaree comes from a wealthy family but did not complete her tertiary education. Anna was a typical wealthy Greek woman when she married Peekay with a practical knowledge of running the shops (her fathers).

The role of the mother influence in shaping the future and entrepreneurial orientation was strongly evidenced in Richard Branson's candid interview about his mother. He stated "...mum is always looking ahead, focused on trying to improve things and bring about positive change. Following her example, I am always focused firmly on the future too".

It is most obvious that there are various factors at play when power of the mother's role on influencing the next generation comes into play. However, it is not an area that has been studied in academics, yet has been consistently referred to as a major consequential factor that affects successful trans-generation.

## **5.8 Summary**

The differences in generational relationships between the case studies are apparent. The challenges faced by the founder members differed internally so their entrepreneurial challenges moulded them differently. This in turn appeared to have affected core values such as familiness. However, the greatest influence on the trans-generational success seems to be the choice of spouse and mother of the succeeding generation who is solely or jointly responsibly for raising the succeeding generation.

## **CHAPTER 6**

### **Conclusion**

This research set out to investigate the sustainability of families in business into the third generation and beyond by analysing three case studies as a consequence of hypothesising that successful trans-generation of family businesses into third generation and beyond is not hindered so much by the single factor of power control of the founder member, but more by the influence of the mother when raising her children and influencing their choices of careers, and the fathers influence in this period and the subsequent generation's belief in their entitlement. Although the findings of this study cannot be generalised to the entire population of family businesses, this narrative provides the researchers interpretation based on her findings of the three cases studied. The conclusions of this study can be summarised as follows:

#### **6.1 Personal Challenges of Owners**

The founder members or the first generation start the businesses owing to personal challenges experienced at the time or various reasons prevailing at the time such as inherited personal family responsibility, financial and socio-political difficulties that may have required a second income stream that brought entrepreneurial skills to the fore. The second generations did not experience the financial hardships that the first generation experienced. Hence it can be concluded that personal challenges brings to the fore innovation, an element of risk taking, a yearning to succeed and it forces the entrepreneurial genes to the fore so that family businesses are born.

## **6.2 Levels of Succession Planning**

Naturally, all that the first generations of the each of the three family businesses had built through sheer hard work and innovation, they wanted to see it succeed to the next generation and beyond. Each founder member had an expectation. Two of the cases applied the theory of stewardship but the third owing to the poor levels of education of the founder member/illiteracy, succession planning was poor. This business was going to hand over on death in all probability. With regard to succession planning, it may be dependent on the education levels of the founder member. The subsequent generations also appear to follow the example set by the founder member in terms of planning and expectation.

## **6.3 Power Control Issues**

Regardless of the level of planning for succession, there are always power control issues. Oft at times it will involve the founder member, but as was found in the one family, power issues came from the children too, with mother caught in the middle, the same can be said of the second case family when the daughters in-law started to arrive, rather than following a patriarchal system which is the typical Indian way, it became matriarchal and affected succession planning due to the philosophy of pursuing personal happiness rather than a commitment to the family business. Based on the information gained from these case studies, it would suggest that power struggles do affect succession of trans- generation of family business.

## **6.4. The Role of Familiness in Successful Trans- Generation**

Familiness is greater when the power play is less in a family. Case One, The Pillay family displayed a strong sense of familiness which impacts positively on successful trans-generation. Case Two, the Dass family have a strong sense of family but less familiness, hence lack of efficiency in trans-generational activity in the third generation. Case Three, the

Liades family had a family when the children were young but as the family grew, and the death of a child, this seemed to have decreased. From the case studies observed, it may be concluded that the role of familiness does influence successful trans- generation succession.

### **6.5 The Role of Mothers and Wives on the Succeeding Generation**

The mothers usually raise the next generation, while the fathers assist to varying degrees. Trans-generation succession in these three case studies is to a large extent reliant on the mothers influence as an important factor as was evident in this research narrative. Although a number of factors are at play in trans-generational succession, the mothers influence appeared to feature most dominantly in the three cases studied as it is her who nurtures the next generation in their most formative years. This may indicate that mothers are responsible for raising the next generation and for instilling a sense of entitlement or teaching the children that working in the business is a duty and that can make you happy too, influencing the succession process. It may therefore be concluded that the mothers influence must not be dismissed, and that it plays a vital role in the succession process of a family business.

### **6.6 Recommendations for Families in Business**

- Founder members must implement succession planning from inception of the business, the Pillay's were successful owing to the familiness that flowed through the generations, the Dass's kept the familiness through to the second generation but didn't manage it into the third. It is in this generation where the aspect of the role of the mother is dominant. The founder members are no longer influential. Outside influences are at play. Those that marry in come in with other cultural influences. Divergent values and cross cultural purposes affect the family business succession plan as was the founders vision. Hence when it is important to have spouses with common goals. The Pillays and the Liades achieved this. The second generation of the Dass did not.
- The family should find ways to maintain family bonds and open communication, the Pillays did achieve this and Kesaree who married into the family absorbed and adopted the culture of the Pillays in true Patriarchal Hindu tradition, this did not occur with Lalen in the Dass family, she kept her traditions and culture of her philosophical upbringing as a Naidoo and her boys went in the direction of the Vedanta Academy with no concern of the succession planning which is not Lalens important bloodline.

Further Lalens education may have played a role in a her independent thinking. With the Liades and Greek culture, Anna was a traditional wife but a business woman as well. Duty called her to her husband's side. Had communication been open between husband and wife and parents and children with the Liades and the Dass's as it was with the Pillays, the succession planning of the business would be on a different level.

- Ensure that both parents embrace the ethos of the culture of the family business, the Pillays of all the generations embraced the culture of the family, with the Dass's, the daughter in-law did not and this impacted negatively on the business. The Liades family had power control issues despite the communication between the parents being excellent. Power control stemmed from the lack of confidence over the illiteracy of the founder member.
- The succeeding generation should learn from childhood that lives are dependent on jobs and sustainability of businesses, create that jobs and should be taught from the cradle to appreciate the people that work for them. Kamil was taken to the surgery from a very young age, so were the Liades children. This did not happen with the Dass children and this impacted negatively on succession planning.
- Cherish the founders vision and expand on it with each generation, by bringing theory and practice and 'gut feel'.
- Incumbent owners of family businesses should encourage telling their story to their children. These narratives provide a strong form of learning which helps mould future generations thought processes.

## **6.7 Recommendations for Further Research**

- The narrative analysis approach and recording of the interview allowed flowing emotive narration. However the addition of a written questionnaire would provide for the responses to be analysed more objectively, hence further research should ideally incorporate a combined methodology.
- From an academic perspective, the role of the mother on trans- generation succession appears to have been a neglected area of research. Further research on the role of the mother on succession is recommended.
- Further research of this nature should be undertaken with a larger sample size.
- A quantitative research study should be undertaken in which the role of the mother, power struggles, familiness and power struggles could be tested more objectively which will provide for better reliability and validity of the findings.
- A further aspect is the role of legislation governing age and power control issues where founder members refuse to hand over timeously before decline sets in. Corporates and government organisations, there is a retirement age, in family businesses, there is no such concept. This study also recommends further studies in that aspect.

## **6.8 Summary**

This research study was based on a narrative analysis of three case studies. The stories were offered as interpretations of the narratives as they were told by the various subjects. Although the findings of this study cannot strictly be applied or generalised to the population of family businesses at large, it does offer a new perspective and insight into possible factors that may affect successful trans-generation of family businesses. It is hoped that this would provide further motivation to explore these findings with a more rigorous methodology to validate these findings.

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## Appendix I

### Data Collection

Interview One: Third Generation- Kamil Pillay-21 year old first year medical student

1. Describe the historical development of your business or business group with a focus on the family members' role and involvement. My grandfather comes from a business background and he broke with family tradition when he chose to study medicine and then specialize in paediatrics. I think coming from a business family influence him to put his professional and business background together to build a successful professional/property portfolio with the two being interdependent.

My grandfather studied at Wits, but had to work to support his studies. My grandfather and mother and aunt played a major role in influencing me in my career choice. I bought into the whole program as I have seen the way our family operates and the cohesive bonds and how happy everyone is.

2. Describe your main industry in terms of competition and how this relates to the development and strategy of the business or business group?

My grandfather and father are the only father and son practice in the country where two family members specialise in the same field, opened practices that complement each other and work together.

3. Describe how key environmental forces influence the development of the business or business group

My father will answer this question

4. Describe how key regional, national or people group cultural forces that have influenced the development of the business or business group

We are an Indian family so, very together with influences from all the members of the family. My grandfather was one of the first Indian Paediatric specialists in the country, so he became well known for that.

5. Describe how your family "life stage" has influenced the ownership and/or management involvement and development of the business or business group?

n/a

6. Describe the major strategic and/or entrepreneurial events and initiatives during your history that have made you what you are today

Like I said, I am only setting out to start my career, but the influences were my grandfather, my mother and my aunt and the fact that I come from a family where benchmarks were set.

7. Would you describe the owner-family as entrepreneurial?

Yes, because they took their professional skills and business backgrounds and built an impressive property portfolio to retire on

8. Would you describe the business unit and practices you are involved in as entrepreneurial?

Yes, the practice is diverse which my dad will explain and the invests made in property

9. Describe your family business or group's capabilities to take new actions/initiatives (i.e. to introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)

My dad has started a lot of new things in the practice, but he will tell you about it

10. Do you generally take new initiatives/strategic actions ahead of your competitors proactively or do you prefer to "wait and see" and or adopt "the new" later (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

n/a

11. Do you generally take new initiatives/strategic actions and invest where the outcome is highly uncertain or do you prefer to invest where less resource is at stake and you know fairly well, the result.

n/a

12. To what extent would you describe the organization as innovative and generating new ideas, experimentation and creative processes that may or may not result in new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

Dad says ours is always the first to start new ideas and practices

13. To what extent are individuals and teams in your firm given freedom to be creative, to push for new ideas and to change current ways of doing things in order to come up with new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

n/a

14. Do you generally take new initiative/strategic actions that directly and intensively challenge the existing positions held by your competitors (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

n/a

15. How is it possible to maintain an entrepreneurial spirit as the business or business group passes through generations within the owner-family?

Because we are a close family and our family comes first

16. Describe how your family leadership (ownership and management) plays a role in creating an advantage or constraint for your family business or group.

n/a

17. What distinct resources or capabilities do you associate with your family leadership for generating new entrepreneurial opportunities?

n/a

18. Describe how external networks and personal connections play a role in the development of your business and or for generating entrepreneurial opportunities.

n/a

19. What role does the family's history, reputation and goodwill play in creating and using the networks and connections for development or generating entrepreneurial opportunity?

My family set the benchmarks in a lot of aspects and are very well known, but my father and grandfather will explain this further.

20. Describe how particular family members (historically and today) play a role in initiating, maintaining and or exploiting opportunities in the networks.

As I said to you in the beginning, my father and grandfather will give you far more information than I can, they have a good relationship with the staff, and they are excited that I am planning to join the family business, I grew up doing surgery rounds and helping Dad with the computers and other office stuff.

Interview Two: Kesaree Pillay- Spouse of Second Generation and mother of third generation

1. Describe the historical development of your business or business group with a focus on the family members' role and involvement.

I come from a family business background and know how important it is to look after what you have. My father started a bus body building company with his brothers, but my brothers and cousins did not know how to run the business and the big property portfolio we had and as my father and his brothers passed, we lost everything. That is why I supported my father-

in-law from the time my son was born, when I realised that he wanted Kamil to be a doctor and follow in his footsteps. More than that, I could see that Kamil had the aptitude because a mother, I want my child to be happy. Das didn't want him to be a doctor because of the awful hours, he says you can't live a normal life, but I believe that Kamil must do what makes him happy. Kamil aunt also supported her father wanting him going to med school and his role model is his grandfather.

2. Describe your main industry in terms of competition and how this relates to the development and strategy of the business or business group?

I only joined the office two years ago, before that I concentrated on being a mother and a wife, I do know that we are one of the busiest practices and we try to be ahead of everyone as innovators, but Das and Uncle Ronnie will give you all the medical details.

3. Describe how key environmental forces influence the development of the business or business group

n/a

4. Describe how key regional, national or people group cultural forces that have influenced the development of the business or business group

We are an Indian family, and live according to Indian family values. We are very close to my parents in laws and as you can see Das followed in his father's footsteps and they became the first father and son specialist practice in the country.

5. Describe how your family "life stage" has influenced the ownership and/or management involvement and development of the business or business group?

It's an old practice as Uncle Ronnie started it many years ago, but you will get more details from him

6. Describe the major strategic and/or entrepreneurial events and initiatives during your history that have made you what you are today

Das will give you these details

7. Would you describe the owner-family as entrepreneurial? Why or why not?

Yes, I see a lot in common between my family and my in-laws as a business family,

8. Would you describe the business unit and practices you are involved in as entrepreneurial? Why or why not?

Yes, they constantly create and innovate

9. Describe your family business or group's capabilities to take new actions/initiatives (i.e. to introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures).

I just manage the office with the staff, Das does all of this,

10. Do you generally take new initiatives/strategic actions ahead of your competitors proactively or do you prefer to “wait and see” and or adopt “the new” later (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

Definitely, Das likes to lead

11. Do you generally take new initiatives/strategic actions and invest where the outcome is highly uncertain, or do you prefer to invest where less resource is at stake and you know fairly well the result (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

n/a

12. To what extent would you describe the organization as innovative and generating new ideas, experimentation and creative processes that may or may not result in new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

Extremely innovative, Das likes being the first with everything

13. To what extent are individuals and teams in your firm given freedom to be creative, to push for new ideas and to change current ways of doing things in order to come up with new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

n/a

14. Do you generally take new initiative/strategic actions that directly and intensively challenge the existing positions held by your competitors (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

n/a

15. How is it possible to maintain an entrepreneurial spirit as the business or business group passes through generations within the owner-family?

This is a question for Das and Uncle Ronnie

16. Describe how your family leadership (ownership and management) plays a role in creating an advantage or constraint for your family business or group.

n/a

17. What distinct resources or capabilities do you associate with your family leadership for generating new entrepreneurial opportunities?

n/a

18. Describe how external networks and personal connections play a role in the development of your business and or for generating entrepreneurial opportunities.

n/a

19. What role does the family's history, reputation and goodwill play in creating and using the networks and connections for development or generating entrepreneurial opportunity?

n/a

20. Describe how particular family members (historically and today) play a role in initiating, maintaining and or exploiting opportunities in the networks.

n/a

Interview Three: Second Generation: Das Pillay- 52 – Paediatrician, property investor and developer

1. Describe the historical development of your business or business group with a focus on the family members' role and involvement.

I completed matric at 16 and took a gap year. 6months in India and 6months in Ireland. While in school, our neighbours, who are Muslim and a family business and family to us, I used to work for them on the weekends selling pantyhose and earning my own money and learning to be a businessman. 13 – 14 I sold pantyhose on the pavement, 14 -16 I sold shirts in the men's department. I saved R500.00. I asked the owner to assist me and I invested in Chelsea boots which was the craze and I made R2000 which a whopping profit. I didn't want Kamil to be a doctor because you don't have a life, I told him to be a dentist. When I was in India, I watched a stranger look after me with such care, that it taught me such humanity. I was going into vascular surgery, but the surgery department was terrible here and mortality rates high.

My father was a successful paediatrician so decided to follow in his footsteps. When I went to his practice, his patients wanted to see him. I told Kesaree that I couldn't live in my father's shadow and opened my own practice 7 floors above. My father was upset and didn't visit me for 6months but was very supportive when I needed his advice. From that day, I did

all his weekend work and night work and we doubled our patient pool instead of sharing. Unlike my father who had a lot of family commitments with nieces and nephews, I had more than sufficient to live on, so I could indulge my passion in property which I learnt from our close Muslim family friends who introduced me to the world of entrepreneurship. I joined a property consortium and invested as I returned from Ireland with a sizeable amount of money by being clever with what I did and being a doctor here allowed me benefits which I used to my benefit.

I attended the Trinity College of in Dublin because I was told I would never get in and there were no South Africans there. I worked extremely hard and got the Arthur Jacob Memorial Award. Instead of the normal fees of 5600 pounds, my father paid only 500 pounds. My father gave me the money, I bought a car, for myself, bought another which I then sold, used that money to buy antiques and another car and took holidays.

I lost everything in the 1990's but learnt my lessons. Paid the bank off, and started again. I started the paediatric neural development clinic 10years ago. This is set income and I set the benchmark.

I took two years off, employed a locum and got involved in a development in Ballito.

I sit on the board of several pharmaceutical companies and one of them tenants my building in Musgrave. As I built my portfolio, I did the same for my brother and sister. We do everything together.

2. Describe your main industry in terms of competition and how this relates to the development and strategy of the business or business group?

I run a whopping practice, one of the largest in the country. I like setting the bench marks as I did with setting up the paediatric neural development department at Entabeni 10years ago.

3. Describe how key environmental forces influence the development of the business or business group

When I set up my own practice separately from my father but in the same building and doubled our patient numbers that was a key environmental force to develop our business/practice. The size of our practice has allowed us to invest in property and grow and develop as entrepreneurs.

4. Describe how key regional, national or people group cultural forces that have influenced the development of the business or business group

We are Indian, with a great sense of familiness. My father broke with his family tradition to become a doctor and Indian child specialists were very few. Indians came to him.

5. Describe how your family “life stage” has influenced the ownership and/or management involvement and development of the business or business group?

I place it at mature, and our management involvement is intense and advanced. It’s my father, my wife and I. I am a control freak, I do prefer everything my way. I set the benchmarks and I like being the leader in the industry. As you can see from my early teens, I was into business from the start.

6. Describe the major strategic and/or entrepreneurial events and initiatives during your history that have made you what you are today

Growing up with close family friends who were in business who took me under their wing, taking a gap year and spending the time in India and Ireland, having a father who broke tradition, having extended family who come from a business heritage, strong solid family support.

7. Would you describe the owner-family as entrepreneurial? Why or why not?

Yes, our development and success individually speak for itself

8. Would you describe the business unit and practices you are involved in as entrepreneurial? Why or why not?

Yes, by being leaders in the market

9. Describe your family business or group’s capabilities to take new actions/initiatives (i.e. to introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures).

Excellent, as I set the up the paediatric neural development centre, and advise pharmaceutical boards, and run one of the biggest practices in the country is indicative of our capabilities

10. Do you generally take new initiatives/strategic actions ahead of your competitors proactively or do you prefer to “wait and see” and or adopt “the new” later (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

Yes, I want to be first

11. Do you generally take new initiatives/strategic actions and invest where the outcome is highly uncertain, or do you prefer to invest where less resource is at stake and you know fairly well the result (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

I take risks but I manage them, I did pay my school fees in the 1990's and don't forget my lessons when I lost my investments.

12. To what extent would you describe the organization as innovative and generating new ideas, experimentation and creative processes that may or may not result in new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

Extremely innovative and we try to be leaders

13. To what extent are individuals and teams in your firm given freedom to be creative, to push for new ideas and to change current ways of doing things in order to come up with new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

I don't give freedom, I am a control freak

14. Do you generally take new initiative/strategic actions that directly and intensively challenge the existing positions held by your competitors (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

Yes

15. How is it possible to maintain an entrepreneurial spirit as the business or business group passes through generations within the owner-family?

Our family bonds and our communication allow us to take the business group through the generations. We enjoy being together, we are friends and support each other.

16. Describe how your family leadership (ownership and management) plays a role in creating an advantage or constraint for your family business or group.

To us, it's an advantage, we set benchmarks and have time to develop our property portfolio

17. What distinct resources or capabilities do you associate with your family leadership for generating new entrepreneurial opportunities?

We are a professionals and entrepreneurs at the same time and our strong sense of family builds us

18. Describe how external networks and personal connections play a role in the development of your business and or for generating entrepreneurial opportunities.

We are well known and networked socially and politically. But we do things on our own strength.

19. What role does the family's history, reputation and goodwill play in creating and using the networks and connections for development or generating entrepreneurial opportunity?

A very important role. Our family history is one of entrepreneurship

20. Describe how particular family members (historically and today) play a role in initiating, maintaining and or exploiting opportunities in the networks.

My father's history speaks for itself

Interview Four: Specialist, property investor – Ronnie Pillay

1. Describe the historical development of your business or business group with a focus on the family members' role and involvement.

I am 83, my philosophy is simple; "we spend our lives chasing shadows...one only needs a set amount of place to sleep, so a big bedroom or a small bedroom is just a matter of vanity". I come from a business family, my grandfather comes from Pondicherry in India and actually arrived in South Africa from Mauritius as passengers and not part of the Indentures. My ancestry on both maternal and paternal sides are steeped in entrepreneurship. My ancestors did not merely create successful businesses in the motherland of India but were actual immigrants, twice migrants actually. They went to Mauritius and from Mauritius to South Africa. My maternal grandfather started business in Mafeking. I still have my grandfather's cheques from Standard Bank. Two sons died prematurely. Granny lived in Johannesburg. My grandfather was a craftsman and a tailor by profession; when the sons died, he closed shop in Mafeking and returned to Johannesburg as he had no second generation and plied his craft in Johannesburg.

2. Describe your main industry in terms of competition and how this relates to the development and strategy of the business or business group?

We are the only father son practice in the country, and I am one of the first Indian Paediatricians in the country

3. Describe how key environmental forces influence the development of the business or business group

I was the first person in the family to break with family tradition and study medicine. I moved my family from Pretoria to Durban owing to the socio – political climate that frustrated me to no end when I could not admit my patients to hospitals despite Afrikaner colleagues trying to front; I was so passionate about my work that it affected my health. Prior to the move to Durban, I was awarded the Ernest Oppenheimer Memorial Scholarship and moved his family to London for a year so that he could study child health. This was the beginning of my entry to Paediatrics.

4. Describe how key regional, national or people group cultural forces that have influenced the development of the business or business group

I am an Indian and apartheid influenced my moves

5. Describe how your family “life stage” has influenced the ownership and/or management involvement and development of the business or business group?

My father passed away while I was still a medical student. My father was a teacher but returned to the family business. Upon father’s passing in 1955, the financial responsibility of fell on my shoulders. I had two older sisters and two younger sisters as well as my mother. My eldest sister was widowed with two children. The financial responsibility ensured that I looked after my investment in the family business while I was a student and even after I qualified. I considers family togetherness and education paramount in life.

6. Describe the major strategic and/or entrepreneurial events and initiatives during your history that have made you what you are today

Going to London to study, breaking with family tradition, shouldering responsibility, and moving to Durban and partnerships with family

7. Would you describe the owner-family as entrepreneurial?

Yes, we innovate, look at Das with the Entabeni setup

8. Would you describe the business unit and practices you are involved in as entrepreneurial?

Yes it's all one

9. Describe your family business or group's capabilities to take new actions/initiatives (i.e. to introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures).

I broke with Tradition. He still kept his investment and shares in the family business until it folded due to lack generational continuity. I qualified during apartheid era. I was the 3<sup>rd</sup> or 4<sup>th</sup> Pretorian, to qualify; Dr Chatty, Drs Ebrahim Ismail and Dr Kishavajee (female) . I lived and worked in a place called Asiatic Bazaar in Pretoria and the black township of Sjambokstad was where I also drew the patients. (He contemplated whether Patrice Motsepe, might have been one of his patients as a child as the South African multi-millionaire was a child of Sjamboksstad.) During apartheid days, the doctors were controlled by a fee structure.

10. Do you generally take new initiatives/strategic actions ahead of your competitors proactively or do you prefer to "wait and see" and or adopt "the new" later (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

It depends on the opportunity

11. Do you generally take new initiatives/strategic actions and invest where the outcome is highly uncertain, or do you prefer to invest where less resource is at stake and you know fairly well the result (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

Again it depends on the opportunity

12. To what extent would you describe the organization as innovative and generating new ideas, experimentation and creative processes that may or may not result in new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

Extremely

13. To what extent are individuals and teams in your firm given freedom to be creative, to push for new ideas and to change current ways of doing things in order to come up with new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

The children were given the choices and I guided

14. Do you generally take new initiative/strategic actions that directly and intensively challenge the existing positions held by your competitors (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

Das does that, I did that when I moved to Durban

15. How is it possible to maintain an entrepreneurial spirit as the business or business group passes through generations within the owner-family?

By giving everyone their own space and freedom of thought

16. Describe how your family leadership (ownership and management) plays a role in creating an advantage or constraint for your family business or group.

Advantage as we progressed

I married Soundrie in 1960. They have three children. We lived and worked from home. I illegally extended my home and added a surgery until group arrears created Laudium, home was Asiatic Bazaar. I am Tamil scholar, this involved him community affairs. In 1962, I returned from London after passing his examinations but without sitting for the membership examinations owing to the fact that his partnership with Dr Padayachee was under strain. In 1976, I commenced his paediatric training at Baragwanath Hospital and passed my specialist examination on first attempt. Then frustrations began with apartheid South Africa where he could not admit his patients. sons Das and Dhana were in Dublin. I had enough and wanted to leave the country.

17. What distinct resources or capabilities do you associate with your family leadership for generating new entrepreneurial opportunities?

Our familiness

18. Describe how external networks and personal connections play a role in the development of your business and or for generating entrepreneurial opportunities.

We are well known

19. What role does the family's history, reputation and goodwill play in creating and using the networks and connections for development or generating entrepreneurial opportunity?

A big impacting role

20. Describe how particular family members (historically and today) play a role in initiating, maintaining and or exploiting opportunities in the networks.

My family is well known and I am a Tamil scholar so I do a lot of community work

## Case Study Two – Dass Group

Interview One: Yasteel Dass, age 29- 2<sup>nd</sup> son, 3<sup>rd</sup> Generation

1. Describe the historical development of your business or business group with a focus on the family members' role and involvement.

I know my grandfather started the business many years ago with one bus and then he bought a few more. I finished matric in 2001. My subjects were Maths, Physics, Art, Business Economics, Zulu, Afrikaans and English. I went to India and decided to stay on at the Vedanta Academy to study their philosophy. I returned in 2006 for my brother's wedding and spent a year working in the family businesses mainly in the property department. I returned to India and completed my Bachelor of Arts degree at the Madurai Kamraj University in 2009.

This time I returned and spent time working in the administration, Pandu Paper, The Properties and the Hotel. In 2012, I decided it wasn't for me and enrolled at UKZN to study for a Sports Science degree.

My interest in philosophy and Vedanta in particular started from an early age because of my mother's interest. I grew up with it. The influential people in my life are my Big Dad and Swamiji.

I don't know whether I would return to the businesses but my plans are to be a personal trainer or a biokinethist and maybe one day own my own gym or my own mind, body and soul centre. I grew up learning more about Vedanta than the history of the family business. My brothers are also quite happy and seem set to remain at the Vedanta Academy. I see myself as introverted but I also like being an initiator but manage my risks. I am vegetarian, dislike soapies, adapt easily to situations and when I put my mind to something, I will always make it work.

2. Describe your main industry in terms of competition and how this relates to the development and strategy of the business or business group?

n/a

3. Describe how key environmental forces influence the development of the business or business group

n/a

4. Describe how key regional, national or people group cultural forces that have influenced the development of the business or business group

I was influenced by mother as I was growing up with her philosophy and my Big Dad (Kuben), but he isn't exactly active in the business.

5. Describe how your family "life stage" has influenced the ownership and/or management involvement and development of the business or business group?

n/a

6. Describe the major strategic and/or entrepreneurial events and initiatives during your history that have made you what you are

My exposure to Vedanta philosophy grabbed me. My visit to India, I didn't plan to stay there, but I did.

7. Would you describe the owner-family as entrepreneurial? Why or why not?

No, not the whole family, only dad (MD) and Vyasa (youngest brother) is a bit, the rest of us are not

8. Would you describe the business unit and practices you are involved in as entrepreneurial? Why or why not?

Yes, by its very success

9. Describe your family business or group's capabilities to take new actions/initiatives (i.e. to introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures).

n/a

10. Do you generally take new initiatives/strategic actions ahead of your competitors proactively or do you prefer to "wait and see" and or adopt "the new" later (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

n/a

11. Do you generally take new initiatives/strategic actions and invest where the outcome is highly uncertain, or do you prefer to invest where less resource is at stake and you know fairly well the result (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

It depends on the investment

12. To what extent would you describe the organization as innovative and generating new ideas, experimentation and creative processes that may or may not result in new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

n/a

13. To what extent are individuals and teams in your firm given freedom to be creative, to push for new ideas and to change current ways of doing things in order to come up with new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

n/a

14. Do you generally take new initiative/strategic actions that directly and intensively challenge the existing positions held by your competitors (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

n/a

15. How is it possible to maintain an entrepreneurial spirit as the business or business group passes through generations within the owner-family?

n/a

16. Describe how your family leadership (ownership and management) plays a role in creating an advantage or constraint for your family business or group.

n/a

17. What distinct resources or capabilities do you associate with your family leadership for generating new entrepreneurial opportunities?

They know how to get a good deal, weigh the pros and cons, and just get information on things

18. Describe how external networks and personal connections play a role in the development of your business and or for generating entrepreneurial opportunities.

We have a sense of familiness that I would rate at 9 out 10 for strength, our communication is less, somewhere at 7.

19. What role does the family's history, reputation and goodwill play in creating and using the networks and connections for development or generating entrepreneurial opportunity?

The name is quite up there, very well-known and that gets us places.

20. Describe how particular family members (historically and today) play a role in initiating, maintaining and or exploiting opportunities in the networks.

Big Dad and his golfing set, and recently I noticed Sudhakar and Vyasa are creating a lot of networks with the big league in India. Sa as well has a knack of networking.

## Interview Two: Terry Murugan- age 44- Manager SCBS

1. Describe the historical development of your business or business group with a focus on the family members' role and involvement.

South Coats Bus Services started was started some 70 years ago by Mr Dass Senior. He had a passion for the business and started with one bus and built it to a fleet. In 1981, he bought Intertown Bus Services in Port Elizabeth. My father worked for Intertown, he spoke to my mother and our family and asked if we preferred to live here or move, so my father started working for SCBS. In 1986, Pickey approached me when I finished matric to start working and study part-time. I enjoyed it, I was the only male among 5 females.

The old man was passionate about the business and we don't do him justice and the very fact that none of Pickeys boys are interested is very sad. All hopes were pinned on Vyasa but he comes in sporadically at top management level, makes sweeping changes without knowing what happens at grass roots and leaves. In fact lalen and Pickey are guilty of this too, because the passion that the old people had is lacking.

I remember Aunty Dass telling me how she used to push the pram along the railway line to lamontville to take uncle his lunch, and when the busses returned she would help him fill the busses with diesel. I have never seen any of the daughters in law take an interest like that, yet they drive the fancy cars without thinking once about what went into getting the business started and keeping it going.

I have diplomas from Johannesburg University and several Technikons pertaining to transport. But my main education came hands on from the company. I serve as Director on several transport boards and sit on various executive committees. Yet in my own company, I am just a manager. In old days, the name Dass was very well known in the transport industry and it had a face, now not so it's the company and the faces that represent it are those of us that sit on the various committees, Pickey prefers to stay in the background.

2. Describe your main industry in terms of competition and how this relates to the development and strategy of the business or business group?

We used to be the leaders and the bench markers in the industry but no longer. All the bus transport operators looked to us for leadership. Now they have overtaken us. They have newer buses, they cycle them faster, and a newer fleet is more efficient

3. Describe how key environmental forces influence the development of the business or business group

The Taxi industry is a major drawback. It's not regulated and controlled like the bus industry. Of-course, consumers will look for the cheapest fare but on the other hand we don't wait to fill up before we leave. We stick to scheduled times. I remember with Intertown which was a service for white passengers, if a bus arrived 5minutes early or late we flooded with calls of complaint. Also the clip card system enables the person who wants the regular timely service to benefit. This is for the teachers, scholars etc. who need a timeous service.

4. Describe how key regional, national or people group cultural forces that have influenced the development of the business or business group

Obviously, Dass senior saw a need in the apartheid times for a need for independent public transport.

5. Describe how your family "life stage" has influenced the ownership and/or management involvement and development of the business or business group?

We are at a difficult stage, as there is no succession planning. I introduced you to Sudesh our accountant, he is here for 3months and his biggest fear is what is going to happen because there is no succession planning. As I said, all hopes were pinned on Vyasa, he comes in sporadically, makes unilateral decisions and then we get shot down for not implementing. What is not realised is that top down management does not work anymore and if you want to take the company anywhere, you have to give part of shareholding to staff.

6. Describe the major strategic and/or entrepreneurial events and initiatives during your history that have made you what you are today

Growing up in the apartheid era, interacting with the community we provide a service to, learning from Mrs Dass and trying to continue the ethos that Mr Dass senior built.

7. Would you describe the owner-family as entrepreneurial?

Mr Dass senior definitely, look at what he started 70 years ago

8. Would you describe the business unit and practices you are involved in as entrepreneurial?

To a certain extent yes, but we stopped being the leaders in the industry

9. Describe your family business or group's capabilities to take new actions/initiatives (i.e. to introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures).

We used to be the first but now it takes us 20 years to update our fleet. Breakdowns leave your passengers waiting. When you put in a proposal one of the things is your schedules. When your buses are standing on the side of the road, your schedules are out. We carry people who rely on us, safe clean buses has to be the name of the game.

10. Do you generally take new initiatives/strategic actions ahead of your competitors proactively or do you prefer to "wait and see" and or adopt "the new" later (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

We used to do that, now we watch our competitors beat us, update their fleets and do everything faster and better than us, yet the one thing they will never have is that we will always be the first established company.

11. Do you generally take new initiatives/strategic actions and invest where the outcome is highly uncertain, or do you prefer to invest where less resource is at stake and you know fairly well the result (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

I am just a manager, I can suggest investments

12. To what extent would you describe the organization as innovative and generating new ideas, experimentation and creative processes that may or may not result in new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

We were the innovators and forerunners, not anymore, you have to spend money to do that, now we are happy with what we have

13. To what extent are individuals and teams in your firm given freedom to be creative, to push for new ideas and to change current ways of doing things in order to come up with new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

We definitely push for what we want, we are given latitude

14. Do you generally take new initiative/strategic actions that directly and intensively challenge the existing positions held by your competitors (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

We try to, as you know this is a highly competitive industry

15. How is it possible to maintain an entrepreneurial spirit as the business or business group passes through generations within the owner-family?

We hang on to the ideals started by Mr Dass senior, but we don't do him justice,

16. Describe how your family leadership (ownership and management) plays a role in creating an advantage or constraint for your family business or group.

The family used to be leaders but not anymore, nobody is interested. You have an inheritance and that's it.

17. What distinct resources or capabilities do you associate with your family leadership for generating new entrepreneurial opportunities?

When Mr Dass was alive, it was community spirit, now we just do a golf day and gold cup and a learning centre but no involvement

18. Describe how external networks and personal connections play a role in the development of your business and or for generating entrepreneurial opportunities.

It's not utilised at all, yet so many substantial business men grew out of this business

19. What role does the family's history, reputation and goodwill play in creating and using the networks and connections for development or generating entrepreneurial opportunity?

As I said, so many well-known businessmen were assisted and aided from this business and by this family

20. Describe how particular family members (historically and today) play a role in initiating, maintaining and or exploiting opportunities in the networks.

It went with Mr Dass Senior

### Interview Three Lalen Dass- Wife of MD mother of Third generation

1. Describe the historical development of your business or business group with a focus on the family members' role and involvement.

The Business group was started by my father- in-law with one bus. He saw everything that he did as a service, a service to the community. He was a wonderful man who never had a harsh word to say to me in all the years I knew him. I come from a family of educators. Philosophy is very important in my life. I have three sons, each one is different and I encourage them to be who they are. His forefathers were farmers. He loved gardening. He was well respected in the community. He was a farmer before he started business. Pickey went to technical college and seemed to be the only one interested in the business, and his father seemed to have chosen him as the successor.

When my father in law was ill with cancer, he studied talks with the S Dass School, Pickey continued the project after his death. Even with the Andrah Maha Sabha. They moved from Merebank to Isipingo. My mother in-law travelled widely with my father in-law. They entertained a great deal especially all the cultural entertainers.

My father in law bought and sold land, but Pickey took it to another level.

The Dass group is very big and I was involved in the hotel with the student accommodation. Each of the boys is different, I have one academic, one sports and Vyasa seems to have both, philosophy and business. It was my mother in law who actually introduced me to Vedanta when she asked me to take her to a lecture when Swamiji was quite unknown. All that he said appealed to me and not to her children.

I have a master's in education. I spent many years in India studying philosophy at the Vedanta Academy.

Pickey was the only one in the business and is responsible to carry on the business. Everyone was passive but supportive.

I was in the business from 2000 to 2004 at the hotel. I took care of the children's education, and the social needs. My dad was a founder of the Ramakrishna centre. I did voluntary teaching at DHS. I give talks and retreats. I am very involved in Rotary. I majored in Science of Religion. Honours in Philosophy. Businesses don't last till 3<sup>rd</sup> generation because there are 7 billion people in the world and no two people are the same. They come with a past life that impacts on their present choices. I am very proud of my boys, because they are seeking their happiness through job satisfaction.

I don't force Pickey to be anything other than who he is as well.

2. Describe your main industry in terms of competition and how this relates to the development and strategy of the business or business group?

The bus company is the main business but we leave everything to Pickey to run and I focus on my philosophy and helping people live a better life.

3. Describe how key environmental forces influence the development of the business or business group

My father in law started everything and Pickey took it to another level

4. Describe how key regional, national or people group cultural forces that have influenced the development of the business or business group

My father in law was culturally orientated and used his business to promote the culture and give bursaries to study the telegu language in India.

5. Describe how your family "life stage" has influenced the ownership and/or management involvement and development of the business or business group?

Selfless service is where the Sudhakar is now, they follow our example of service through Rotary, and he was with child welfare. They have chosen their paths.

6. Describe the major strategic and/or entrepreneurial events and initiatives during your history that have made you what you are today

Being exposed to Vedanta philosophy and my childhood has made me what I am today.

7. Would you describe the owner-family as entrepreneurial?

Yes

8. Would you describe the business unit and practices you are involved in as entrepreneurial?

Yes

9. Describe your family business or group's capabilities to take new actions/initiatives (i.e. to introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures).

Should Vyasa need to step in, he will. He is studying a business science degree and studying philosophy at the academy so he will find a new innovative way of doing things.

10. Do you generally take new initiatives/strategic actions ahead of your competitors proactively or do you prefer to "wait and see" and or adopt "the new" later (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

That's Pickeys area. He likes what he does. We saw it with Conlog house. He enjoys when he does things first.

11. Do you generally take new initiatives/strategic actions and invest where the outcome is highly uncertain, or do you prefer to invest where less resource is at stake and you know fairly well the result (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

I don't focus on money, I focus on philosophy, and I believe it can help people.

12. To what extent would you describe the organization as innovative and generating new ideas, experimentation and creative processes that may or may not result in new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

Pickey is constantly trying new ways to do things. My father in law started the first bus company in the area. Pickey started Pandu Paper and expanded the property division.

13. To what extent are individuals and teams in your firm given freedom to be creative, to push for new ideas and to change current ways of doing things in order to come up with new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

My children are encouraged to do what makes them happy. And if it's following the path of Vedanta, that is what they must do

14. Do you generally take new initiative/strategic actions that directly and intensively challenge the existing positions held by your competitors (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

I started following the Vedanta Philosophy in its very early stages, so yes I like to take new initiatives before anyone else.

15. How is it possible to maintain an entrepreneurial spirit as the business or business group passes through generations within the owner-family?

We use the network facilities, Like Vyasa raised R250 000 by using Pickeys business Networks.

16. Describe how your family leadership (ownership and management) plays a role in creating an advantage or constraint for your family business or group.

Vyasa is trying to bring the philosophy of Vedanta and the management of the business together. In the same way when one of the YPO's from Malawi came to the academy, Vyasa set a very chain of command for a new customer for Pandu Paper

17. What distinct resources or capabilities do you associate with your family leadership for generating new entrepreneurial opportunities?

Their belief in the Vedanta Philosophy was being an improved happy way of life

18. Describe how external networks and personal connections play a role in the development of your business and or for generating entrepreneurial opportunities.

Pickeys networks are used to develop Vedanta networks and vice versa

19. What role does the family's history, reputation and goodwill play in creating and using the networks and connections for development or generating entrepreneurial opportunity?

My mother in-law introduced me to Vedanta when she asked me to take her to a lecture. It appealed to me and not to any of her children. Now my children are following this path and combining it with their own choices and it doesn't bother me that they are not going into the business. Each person comes with inherited karma, so their lives are pre-planned.

20. Describe how particular family members (historically and today) play a role in initiating, maintaining and or exploiting opportunities in the networks.

We try to do that by using Vedanta teachings

#### Interview Four

1. Describe the historical development of your business or business group with a focus on the family members' role and involvement.

My father was a farmer but he felt my mother deserved more when he married her. He also used to deliver papers. He Started SCBS to give my mother financial stability.

My family comprises of three sisters, Padma, Sabitha and Gopika and two brothers, Kuben and Pickey. The youngest brother Divi passed away some 10 years ago. His passing is felt by all the siblings. They are a very strong Hindu family who to this day still adhere to the strict principles that they were raised with by their parents.

(On entering the Dass group offices, the most striking feature, is the beautiful portraits of the late parents, Mr and Mrs Dass.) 'my father is my God'. I am neither the eldest nor the eldest son but my father spotted the entrepreneur in me and groomed me. (Attempts to interview Kuben were unsuccessful. He was always busy with golf and social commitments. Kuben is a director but each time he always alluded to Pickey as Pickey did the work for all of them.)

My family have a very close bond and are in constant contact regardless of where in the world they live. I am concerned and so is the rest of my family, to all of them that the business that our father started seems set to disappear because my sons have chosen a different path

2. Describe your main industry in terms of competition and how this relates to the development and strategy of the business or business group?

I was apprenticed to my father, I would often defy him and choose to do things my way. My father would let me burn my fingers and then correct my mistakes. The idea was that he must make decisions and learn.

My father believed that the boys carried his name so the boys got more. He did give the boys more than the girls. He did give us his history. My father was a farmer, and sold newspapers but when he married my mother, he felt he had to more. His brother convinced him to buy a truck that he converted to a bus. He ran the bus from Merebank to Umlazi charging two pence. In those days the local government didn't maintain the roads, my father carried a spade, and a bag of stones to fill pot holes. My father was Bus driver, conductor and road maintenance as well. He maintained the roads to save his bus.

3. Describe how key environmental forces influence the development of the business or business group

The apartheid era and my father wanting to give us a better life influenced all his decisions.

4. Describe how key regional, national or people group cultural forces that have influenced the development of the business or business group

My father was a service orientated man and again the injustices of the apartheid policy are what got my father moving.

5. Describe how your family "life stage" has influenced the ownership and/or management involvement and development of the business or business group?

I learnt from my father, and expanded the business. But today I find that as the competition grows, SCBS has lost market share. I started Panda Paper Products. I feel that with all that is going on in the transport industry, I don't see SCBS, going on and his concept of franchising the 'Just Party' shops will replace SCBS.

6. Describe the major strategic and/or entrepreneurial events and initiatives during your history that have made you what you are today

I started Pandu Paper 20 years ago and Conlog House was a major coup for me.

7. Would you describe the owner-family as entrepreneurial? Why or why not?

Yes, look at my father's achievements

8. Would you describe the business unit and practices you are involved in as entrepreneurial? Why or why not?

Yes, my father started it and we achieved a lot. We also set a lot of entrepreneurs on the road to success in their own business ( I had to remind philanthropic Pickey about this achievement)

9. Describe your family business or group's capabilities to take new actions/initiatives (i.e. to introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures).

We are slow to react as we are not expanding

10. Do you generally take new initiatives/strategic actions ahead of your competitors proactively or do you prefer to "wait and see" and or adopt "the new" later (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

We used to not anymore

11. Do you generally take new initiatives/strategic actions and invest where the outcome is highly uncertain, or do you prefer to invest where less resource is at stake and you know fairly well the result (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

Not anymore

12. To what extent would you describe the organization as innovative and generating new ideas, experimentation and creative processes that may or may not result in new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

Pandu Paper was our last innovation

13. To what extent are individuals and teams in your firm given freedom to be creative, to push for new ideas and to change current ways of doing things in order to come up with new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

I give my team freedom, Terry is a good example

14. Do you generally take new initiative/strategic actions that directly and intensively challenge the existing positions held by your competitors (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

We used to with the bus business but not anymore, we keep abreast

15. How is it possible to maintain an entrepreneurial spirit as the business or business group passes through generations within the owner-family?

As you know we brought an element of philosophy, I am trying to marry the two. I won't be around when that happens, I am hopping for the best

16. Describe how your family leadership (ownership and management) plays a role in creating an advantage or constraint for your family business or group.

We used to be the leaders, now we created leaders and I am happy with that

17. What distinct resources or capabilities do you associate with your family leadership for generating new entrepreneurial opportunities?

Like I said we created entrepreneurs or we helped them develop, Asogan Naidoo, Chris Naidoo, Anand Singh

18. Describe how external networks and personal connections play a role in the development of your business and or for generating entrepreneurial opportunities.

I don't bother with networks as I am not looking to expand

19. What role does the family's history, reputation and goodwill play in creating and using the networks and connections for development or generating entrepreneurial opportunity?

It still plays a major role

20. Describe how particular family members (historically and today) play a role in initiating, maintaining and or exploiting opportunities in the networks.

My parents especially my father is still a force to reckon with, and all my family members are very proud of our name

## Interview Five

1. Describe the historical development of your business or business group with a focus on the family members' role and involvement.
2. Describe your main industry in terms of competition and how this relates to the development and strategy of the business or business group?
3. Describe how key environmental forces influence the development of the business or business group
4. Describe how key regional, national or people group cultural forces that have influenced the development of the business or business group
5. Describe how your family "life stage" has influenced the ownership and/or management involvement and development of the business or business group?
6. Describe the major strategic and/or entrepreneurial events and initiatives during your history that have made you what you are today – think in terms of 20, 15, 10, and 5 year blocks.
7. Would you describe the owner-family as entrepreneurial? Why or why not?
8. Would you describe the business unit and practices you are involved in as entrepreneurial? Why or why not?
9. Describe your family business or group's capabilities to take new actions/initiatives (i.e. to introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures).
10. Do you generally take new initiatives/strategic actions ahead of your competitors proactively or do you prefer to "wait and see" and or adopt "the new" later (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?
11. Do you generally take new initiatives/strategic actions and invest where the outcome is highly uncertain, or do you prefer to invest where less resource is at stake and you know fairly well the result (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

12. To what extent would you describe the organization as innovative and generating new ideas, experimentation and creative processes that may or may not result in new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?
13. To what extent are individuals and teams in your firm given freedom to be creative, to push for new ideas and to change current ways of doing things in order to come up with new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?
14. Do you generally take new initiative/strategic actions that directly and intensively challenge the existing positions held by your competitors (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?
15. How is it possible to maintain an entrepreneurial spirit as the business or business group passes through generations within the owner-family?
16. Describe how your family leadership (ownership and management) plays a role in creating an advantage or constraint for your family business or group.
17. What distinct resources or capabilities do you associate with your family leadership for generating new entrepreneurial opportunities?
18. Describe how external networks and personal connections play a role in the development of your business and or for generating entrepreneurial opportunities.
19. What role does the family's history, reputation and goodwill play in creating and using the networks and connections for development or generating entrepreneurial opportunity?
20. Describe how particular family members (historically and today) play a role in initiating, maintaining and or exploiting opportunities in the networks.

## Case Study Three- The Lades Family

First Generation- Immigrant

X ( no trans generation)

No Second Generation- South African

X ( no trans generation)

No Third Generation owing to decisions of Second Generation

The following interview was facilitated by Mr A R Bozas

Interview One

1. Describe the historical development of your business or business group with a focus on the family members' role and involvement.

I came to South Africa as an immigrant in 1964 when I was 17 years old. I came from a poor Greek family living in rural Greece who were originally refugees from Turkey. Friends of friends suggested I travel to South Africa to work in a family member's business. I was very young and had no formal schooling beyond standard three and I lacked the finesse of his peers who were from families that were better off.

I arrived in South Africa, unable to speak any languages other than Greek and Turkish. My new employer and mentor in Johannesburg "Uncle Peter" realised that in spite of a lack of formal education, I was bright enough to control stocks. It was not long before I moved up the chain and managed the grocery store.

I met Anna and married her in 1969. My father in law bought me and Anna a small, corner café in the rural Zululand town of Empangeni as a wedding gift. We were supported by Anna's father and we managed to vastly improve the café and its turnover. I was being very entrepreneurial and Anna being good in support in terms of management and particularly administrative matters. This was the start of our first business. We have Three children, two boys and a girl and I always gave them the best.

2. Describe your main industry in terms of competition and how this relates to the development and strategy of the business or business group?

I had numerous businesses during my life time. Once the café was running well, I established a second business for my wife, a jewellery store. I had worked as an understudy to a jeweller

friend of mine “uncle Peter’s” whilst in Johannesburg and I learnt how to grade gemstones, so I knew the business would be a success.

3. Describe how key environmental forces influence the development of the business or business group

The boom in Newcastle interested me and I sold up in Empangeni and opened stores in Newcastle. I am illiterate but hid it from everyone except my immediate family and being illiterate made me develop a good memory and adjust my trading planning accordingly. I am a natural entrepreneur but my children and I did not see “eye to eye”, they wanted me to modernise and computerise. I did not move with the times because I could not read and write so they left the business. In business I do not trust anyone and in the stores once the shop was open I would and still do only trust Anna.

4. Describe how key regional, national or people group cultural forces that have influenced the development of the business or business group

Under the guidance of our landlord in our first business; a well-known and astute accountant ironically nick-named Fatty in spite of his slim stature; Anna and I managed to open and purchase two more businesses. Fatty and his wife Winnie took to us and over the years helped us immensely in the quest to build our businesses. Our young sons and daughter started spending considerable time in the businesses, learning the ropes and became exposed to the way business works.

5. Describe how your family “life stage” has influenced the ownership and/or management involvement and development of the business or business group?

Twenty years on we sold up in Newcastle and relocated to Ballito where we established a new supermarket that proved to be very successful. In due course we sold the supermarket and moved back to Empangeni to establish a new Spar store. That venture proved to be a success which we sold to Anna’s brother in law as we had decided to relocate to Durban to take over a “run down” Spar on South Beach. At this point with the boys at boarding school, young Eva assisted us in the shop. I ensured that my wife and children had the best and even whilst at school, I bought a luxury sports cars for my lads.

6. Describe the major strategic and/or entrepreneurial events and initiatives during your history that have made you what you are today

Peekay remarking that “when I open the front door of my shop, I trust NO-ONE, other than Anna until I lock up and return home”. Ever entrepreneurial, I realised that the sleepy town of Newcastle was in for a boon with the announcement of a new iron smelter being built there in the early 1970’s. I sped off to Newcastle secured premises and then returned to Empangeni. I soon found buyers for the businesses and moved to Newcastle where I succeeded beyond my wildest dreams. It was not long before we were living a plush life with only the best of things.

Just rewards for hard work. Business five gave birth to several other businesses and property investments. By this time the young children were maturing and were performing adult tasks in the stores admirably, all the time learning from their mother, father and others. My biggest lesson in life has been to always ensure that when I procure goods for my businesses that I buy at the best possible price and on extremely favourable terms.

7. Would you describe the owner-family as entrepreneurial? Why or why not?

Yes, I am illiterate, yet look at the businesses that I took over and improved and the many start-up businesses that I turned into a success.

8. Would you describe the business unit and practices you are involved in as entrepreneurial? Why or why not?

I am very entrepreneurial and always have been. We were also innovative as far as promotions go. My failing is that I did not relinquish control to my children, I always wanted to be the core person in the businesses. This is why the children eventually left the family firm. I do not do all the modern things and did not plan for take over and the children did not stay.

9. Describe your family business or group's capabilities to take new actions/initiatives (i.e. to introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures).

It didn't take me long to revitalise an ailing store in Durban. I used my management skills and extensive list of contacts to buy bargain goods and to promote the store. I employed good managers for the delicatessen and bakery and as a result managed to substantially increase turnover and profits. Receiving an attractive offer for the Spar, we sold and opened a used furniture store, where we again excelled. Though the sons were working in the business I still did not relinquish control. Sadly my youngest son, Mickey was killed in an accident. I established branches in Pietermaritzburg and Empangeni, both of which being very profitable. Eva and her husband stepped in with a view to improve controls and to introduce computer systems. This was a short lived situation and Eva and her husband, a medical doctor, left to earn their own living as I would not allow them freedom to take decisions. After working with me in the furniture store young Peter, also chose to move off and open his own firm. This was as he believed, like Eva did that "dad would never relinquish control", he also took the view that dad being illiterate would never get the business running on a computer based system.

10. Do you generally take new initiatives/strategic actions ahead of your competitors proactively or do you prefer to "wait and see" and or adopt "the new" later (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

Not really, I follow my gut and when I see a bargain opportunity to buy in huge quantities of stock, I negotiate great prices and payment deals as I am then able to be cheaper than my competitors and attract customers. Later on I am able to increase prices and still be cheaper than my competitors who have had to replenish their stocks at new, higher prices.

11. Do you generally take new initiatives/strategic actions and invest where the outcome is highly uncertain, or do you prefer to invest where less resource is at stake and you know fairly well the result (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

Yes, again I follow my gut and invest in good stocks when I can and also property. I am able to assess the situation and see potential where others see risk. So far I have been a success throughout my 50 plus years in business.

12. To what extent would you describe the organization as innovative and generating new ideas, experimentation and creative processes that may or may not result in new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

We follow our basic business plan and seek opportunity all the time.

13. To what extent are individuals and teams in your firm given freedom to be creative, to push for new ideas and to change current ways of doing things in order to come up with new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

I lead and I control but I allow my managers some freedom to decide.

14. Do you generally take new initiative/strategic actions that directly and intensively challenge the existing positions held by your competitors (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

It depends on when and if I am able to source good stock from suppliers and auctions, I use that to beat my competitors. I know the market and I know how to negotiate with suppliers and promote to customers. I don't need clever people to tell me about LSM groups and categories and market size, I can see if a spot is good for business or not, by spending a short while there and observing.

15. How is it possible to maintain an entrepreneurial spirit as the business or business group passes through generations within the owner-family?

I have maintained my spirit but my children have moved on and building their own lives. They did learn about managing and being entrepreneurial from us.

16. Describe how your family leadership (ownership and management) plays a role in creating an advantage or constraint for your family business or group.

My leadership is a constraint, my children have left and we have no one to take over, yet they joined the business from a young age. This may be a problem when I decide to retire as I might not have willing buyers.

17. What distinct resources or capabilities do you associate with your family leadership for generating new entrepreneurial opportunities?

I suppose that I have not created new opportunities

18. Describe how external networks and personal connections play a role in the development of your business and or for generating entrepreneurial opportunities.

Networks over the years. I know a vast number of people in many fields and I 'work' my networks so that I and my contacts are able to benefit.

19. What role does the family's history, reputation and goodwill play in creating and using the networks and connections for development or generating entrepreneurial opportunity?

A great deal. I built a good reputation when I came to South Africa.

20. Describe how particular family members (historically and today) play a role in initiating, maintaining and or exploiting opportunities in the networks.

It's all the people that I have mentioned in the interview, only the staff I worry about because when we are not here and the business closes, then what happens to them.

## Interview Two – Anna Liades

1. Describe the historical development of your business or business group with a focus on the family members' role and involvement.

Peekay and I married in 1969 and my father gave us the business as a wedding present to start us of in business and give us our financial stability. We are both Greek, and my father is very traditional. Peekay and I were very successful with the business and of course my father supported us every step of the way.

Peekay came to South Africa alone when he was 17 years old, so he didn't have any family here. I am a typical Greek wife and support my husband as a traditional wife. Peekay does not read and write, so my role to him is even greater and none of our staff know this.

2. Describe your main industry in terms of competition and how this relates to the development and strategy of the business or business group?

Our competition is the other businesses in the same area selling the same things we do, but we have never been scared of competition as we trade hard on price, promotion and service. Often we have opened businesses right over the road from big competitors and we have survived.

3. Describe how key environmental forces influence the development of the business or business group

I follow whatever Peekay chooses to do. He makes all the business decisions though I do give him my opinion and assessment of things.

4. Describe how key regional, national or people group cultural forces that have influenced the development of the business or business group

As Peekay told you, it's the people he met when he came to this country, that influenced his development and in turn the business development and his decisions

5. Describe how your family "life stage" has influenced the ownership and/or management involvement and development of the business or business group?

My children are grown up and married and don't agree with us and the way we do things and have chosen their own paths and now we do not have anyone to take over the business especially now that we are old and have health issues to contend with.

6. Describe the major strategic and/or entrepreneurial events and initiatives during your history that have made you what you are today

The Newcastle boom, for one but Peekay always wanted to try different things and make successes. That's why we had many different businesses.

7. Would you describe the owner-family as entrepreneurial? Why or why not?

Yes, Peekay is definitely an entrepreneur

8. Would you describe the business unit and practices you are involved in as entrepreneurial? Why or why not?

Yes entrepreneurial but not very formally set up due to our entrepreneurial flair. Our children think we do not move with the times and that we do not trust managers etc. enough to allow them to run the shops and hang on to power

9. Describe your family business or group's capabilities to take new actions/initiatives (i.e. to introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures).

Peekay will do that though a new business but as a group it is impossible

10. Do you generally take new initiatives/strategic actions ahead of your competitors proactively or do you prefer to "wait and see" and or adopt "the new" later (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

Peekay follows his gut and I support him as we do confer and we are both good at assessing and running businesses. That though was in the past, I am too old to run shops again!

11. Do you generally take new initiatives/strategic actions and invest where the outcome is highly uncertain, or do you prefer to invest where less resource is at stake and you know fairly well the result (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

Yes, Peekay does and I am a supportive partner, we have ventured where proverbial angels have feared to tread and succeeded

12. To what extent would you describe the organisation as innovative and generating new ideas, experimentation and creative processes that may or may not result in new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

Difficult to answer, Peekay makes all the decisions and they have always been the right ones. He has always asked for my input. We have always been entrepreneurial and then to an extent we have been innovative, mainly in terms of promotion and marketing.

13. To what extent are individuals and teams in your firm given freedom to be creative, to push for new ideas and to change current ways of doing things in order to come up with new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

Peekay controls everything and trusts no one, so delegation has always been minimal.

14. Do you generally take new initiative/strategic actions that directly and intensively challenge the existing positions held by your competitors (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

I don't know, Peekay chose a business and made it work regardless of competitors, we have never been scared of competition.

15. How is it possible to maintain an entrepreneurial spirit as the business or business group passes through generations within the owner-family?

Now it is hard and sad, as we have no one to pass the business to

16. Describe how your family leadership (ownership and management) plays a role in creating an advantage or constraint for your family business or group.

Constraint, Peekay controlled things tightly - always

17. What distinct resources or capabilities do you associate with your family leadership for generating new entrepreneurial opportunities?

We did instil an entrepreneurial flair in our children.

18. Describe how external networks and personal connections play a role in the development of your business and or for generating entrepreneurial opportunities.

It was Peekay who developed all the contacts, as you can see from the history

19. What role does the family's history, reputation and goodwill play in creating and using the networks and connections for development or generating entrepreneurial opportunity?

A lot, as it is your name that takes you each time when you start a new business

20. Describe how particular family members (historically and today) play a role in initiating, maintaining and or exploiting opportunities in the networks.

Peekay has mentioned Uncle Peter, Fatty and Winnie, my father, without all of them we never would have built all that we have. Our strong marriage too and the role I play to Peekay.

### Interview Three – Eva Liades

1. Describe the historical development of your business or business group with a focus on the family members' role and involvement.

My Dad started the business that was given to them as a wedding present by mom's parents. My mom played a pivotal role in the business and my father trusted nobody but her. My father came to South Africa as migrant from his native country of Cyprus, as a teenager. He was a real entrepreneur and was hell bent on success. He tried anything and everything and we moved a lot. Their first business was a corner store down the north coast and that is what started the success.

2. Describe your main industry in terms of competition and how this relates to the development and strategy of the business or business group?

I am talking about my parents success and not mine. I broke away because of my father and his power control issues, they had grocery stores, general dealers, jewellery stores, furniture stores.

3. Describe how key environmental forces influence the development of the business or business group.

We moved to New Castle when the iron smelter plant was announced. Environmental forces always influenced my father's decisions.

4. Describe how key regional, national or people group cultural forces that have influenced the development of the business or business group

We are Greek, that has moulded us as a family and a business.

5. Describe how your family "life stage" has influenced the ownership and/or management involvement and development of the business or business group?

I spent a lot of time in the various business learning from my mother who had a good grasp of the business. My brother Peter did not spend the time I did. However time was not spend training staff, but my father was very stubborn, and very set in his ways and had major power control issues.

6. Describe the major strategic and/or entrepreneurial events and initiatives during your history that have made you what you are today

Yes, I learned a lot from my parents businesses, I learned directly from mother and learned what not to be from my father's power control issues

7. Would you describe the owner-family as entrepreneurial?

Yes

8. Would you describe the business unit and practices you are involved in as entrepreneurial?

Yes

9. Describe your family business or group's capabilities to take new actions/initiatives (i.e. to introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures).

My father did not strategise, he just did it and it would be a success.

10. Do you generally take new initiatives/strategic actions ahead of your competitors proactively or do you prefer to "wait and see" and or adopt "the new" later (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

No, my father follows his instinct

11. Do you generally take new initiatives/strategic actions and invest where the outcome is highly uncertain, or do you prefer to invest where less resource is at stake and you know fairly well the result (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

Again my father does what he feels is right and it works for him

12. To what extent would you describe the organisation as innovative and generating new ideas, experimentation and creative processes that may or may not result in new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

The business have been a mix of traditional and new innovations

13. To what extent are individuals and teams in your firm given freedom to be creative, to push for new ideas and to change current ways of doing things in order to come up with new initiatives/strategic actions (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

My father is a controller

14. Do you generally take new initiative/strategic actions that directly and intensively challenge the existing positions held by your competitors (e.g. introduce new product, new service, new processes, renewal actions, or opening new markets and launch new ventures)?

My father succeeding in the face of strong opposition, so he had to have had good strategies

15. How is it possible to maintain an entrepreneurial spirit as the business or business group passes through generations within the owner-family?

Very difficult when you are not given freedom of thought which is why I broke away

16. Describe how your family leadership (ownership and management) plays a role in creating an advantage or constraint for your family business or group.

Power issues created constraints

17. What distinct resources or capabilities do you associate with your family leadership for generating new entrepreneurial opportunities?

I broke away on my own, that is an opportunity for me.

18. Describe how external networks and personal connections play a role in the development of your business and or for generating entrepreneurial opportunities.

I don't know, my parents funded me.

19. What role does the family's history, reputation and goodwill play in creating and using the networks and connections for development or generating entrepreneurial opportunity?

Can't answer that, but I will tell you that it had to be goodwill that helped my father when he arrived based on his history

20. Describe how particular family members (historically and today) play a role in initiating, maintaining and or exploiting opportunities in the networks.

My mother is responsible for that.

**Appendix II**  
**Ethical Clearance**

See Ethical Clearance Attached hereto:

## Appendix III

### Schedule of Interviewees

<b>Name</b>	<b>Position Held</b>	<b>Formal Governance</b>	<b>Date of Interview</b>	<b>Duration</b>
Kamil Pillay	Student	n/a	23-Aug-13	40minutes
Kesaree Pillay	Manager	n/a	23-Aug-13	30minutes
Das Pillay	Paediatrician	board member	23-Aug-13	50minutes
Ronnie Pllay	Paediatrician			
Peekay Liades	Director	Board member	During 2012-2013	Adapted
Anna Liades	Director	Board member	During 2012-2013	Adapted
Eva Liades	n/a		During 2012-2013	Adapted
Pickey Dass	MD	board member		
Kuben Dass	Director	board member	not available	n/a
Lalen Dass	n/a	n/a		
Yasteel Dass	Student	n/a		40minutes
Terry Murugan	Manager	n/a		60minutes