Exploring Sustainability Practices of Multi-Generation Family Firms in the United Arab Emirates

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ABSTRACT

Family businesses are the bedrock of every country economy, especially in the United Arab Emirates as they account for greater than 90% of the country's private sector. However, family firms are known for their low survival rate in developed countries. The purpose of this research is to raise awareness among United Arab Emirates' family businesses and discover to what extent are sustainable practices implemented, by referring to the sustainable practices stated in the current literature. The essence indicated the extent of sustainability practices present in those family firms, which concluded that large-sized family businesses are more prepared than medium-sized family businesses. Large-sized family businesses are almost forty percent more prepared than the medium-sized family businesses regarding business continuity. Such results hightlight the critical situation of medium-sized family business longevity. Therefore, corrective actions for their business survival is presented. The study also shined a light on the large family firms on how to prepare for their business continuity with the future generations. This study highlighted the current situation of sustainability preparation for the UAE large and medium-sized family firms and provided guidance on their survival and continuity.

ABBREVIATION

CG	Corporate governance
EO	Entrepreneurship orientation
FBV	Family business values
FC	Family capital
FFA	Family firm advisors
GCC	Gulf cooperation council
GDP	Gross domestic product
KPI	Key personal indicator
KPMG	Klynveld Peat Marwick Goerdeler
L	Leadership
SB	Stewardship behavior
SP	Succession planning
STP	Strategic planning
UAE	United Arab Emirates

DEDICATION

I dedicate this dissertation to my mother, my father, and my family for supporting me and encouraging me throughout the DBA journey. Also, special thanks to my friends, my employees, and my respondents for the prayers and wishes.

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First, I would like to thank Allah, for blessing me to start and finish this journey successfully.

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Finally, all the appreciation to the family members who accepted to be part of this study and I wish them all the success in their family business for the generations to come.

Yours truly,

Mohammed Oudah

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Chapter One

Introduction

1. Introduction

Chapter one introduces the research outline by highlighting the stage of the following chapters. It presents the general research introduction, the statement problem, the purpose and significance of the study, research aim and questions, justification of the study, thesis outline, definitions, delimitations of scope, and the chapter conclusion.

Chapter two follows a systematic review of past literature using Tranfield, Denver, and Smart (2003) methodology to be able to find those proven sustainability practices. The review found nine major sustainability practices that are presented clearly in the literature review chapter.

Therefore, the research is conducted using qualitative methodology with a phenomenological approach by interviewing a sample of ten of each medium- and large-sized family firms in the United Arab Emirates. The nine primary sustainability practices found in the literature are used as themes of the study and were used to create the interview questionnaire. Data samples were chosen based on specific criteria mentioned in the methodology chapter. A pilot study was first conducted to ensure research validity and confirm that the methodology is in line with the research purpose. The pilot study also helped the researcher learn how to conduct an interview. The pilot study outcomes are present in chapter three, data collection completed by conducting open-ended semi-structured in-depth interviews with the data sample. The instrument used to record the data is a digital tape recorder. The data has then been transcribed manually by the researcher, coding each respondent's identity to ensure confidentiality.

The researcher completes data analysis by following the phenomenological data analysis method. The data analysis computed the essence of each theme for the large and medium-sized family business. The conclusion section gives recommendations for family firms, compares the results to the literature, and introduces recommendations for future research.

1.1 General

Family businesses serve as the backbone of civilizations and economies, providing the highest share of employment (Bird, Welsch, Astrachan, & Pistrui, 2002). According to Chua, Chrisman, and Chang (2004), 77 percent of all new ventures and more than 80 percent of existing firms are family businesses, thus highlighting this study's importance because family business survival is crucial to every country's economy. Family businesses constitute greater than 80% of all businesses in the world of free economies (Poza, 2010). Family enterprises contribute between 70-90 percent of the global GDP, creating more than half of the total employment in the developed countries (El Agamy & Schreiber, 2014), and comprise at least two-thirds of businesses worldwide (Davis, 2014). Thus, the importance of family businesses to the global economy is vital.

1.2 Problem Statement

Family businesses have low survival rates (Making, 2009) due to the various encounter challenges, such as increased market competition and business life cycle maturity, limited capital to satisfy business and family needs, weak leadership in succeeding generations, resistance to change and a lack of entrepreneurship, disputes among family successors, and desperate family needs and goals (Ward J., 1997). Recently, scholars have started noticing the complexity of issues faced by these family enterprises (Sharma, Chrisman, & Gersick, 2012), noting that only 30 percent of family-owned businesses transition to the second generation, only 10-15 percent transfer to the third generation, and only 3-5 percent survive to the fourth generation (Aronoff, 1999; Beckhard & Dyer, 1983; Poza, Hanlon & Kishida, 2004; Tio & Kleiner, 2005; Baron, 2016). Given these low survival rates, it is surprising how little research exists on the subject of family business survival (Stamm & Lubinski, 2011).

Even though family businesses in the United Arab Emirates (UAE) sustain by the rapid economic growth of the country, as well as the facilities provided by the government to encourage the development of family-owned businesses, a rather small number of family businesses succeed at surviving from generation to generation. In this respect, the UAE is not different from the remainder of the world (Dubai Chamber, 2012).

Therefore, family business owners and leaders need to be prepared to use the best strategies and practices to survive the generational transition and sustain their businesses in the market economy.

1.3 Purpose and Significance of the Study

The purpose of this study is to raise awareness in the UAE among those overseeing the future of their family businesses and to direct their successors along the right path by drawing lessons from the literature on the best practices for family business survival. Hence, enlighten them with the factors that should be adapted to prepare for their succession and long-term sustainability.

Apart from its significance to family business owners, this study contributes to the family business literature by indicating the current situation of the UAE family business sustainability preparation. It also provides detailed recommendation practices that can apply to any family business and can be used for optimum partitionists, scholars, and academic researchers.

A new model is also derived from the thesis that can be used by academics for future research by adapting different methodologies, such as quantitative and analytical hierarchy process.

This research is also of high significance to legal analysts and policymakers as it provides ground practice on the knowledge of generational leading and transfer inhabited by UAE multi-generational family businesses.

1.4 Research Question

The central research question based on the purpose of the study is:

To what extent are sustainability practices evident in family-owned businesses in the United Arab Emirates?

Sub Questions:

- What are the factors that aid in sustainability of family businesses based on current literature?
- How are the sustainability practices existent in medium- and large-sized family businesses in the UAE?
- What is the comparison interim of sustainability preparation between medium- and large-family businesses in the UAE?
- How are the evident sustainability practices related to the current literature?
- What are the recommendations to policymakers and family business owners/members in the UAE?

1.4.1 Research Aim

This research aims to investigate and evaluate the extent and nature of sustainability practices in a sample of medium- and large-sized family businesses in the UAE.

1.4.2 Research Objectives

- Identify the factors that aid in family business sustainability based on current literature.
- Investigate the existence of sustainability practices in medium- and large-sized family businesses in the UAE.
- Produce observations on the UAE medium- and large-sized family businesses sustainability practices.
- Relate produced observations to current literature and establish recommendations to policymakers and family business owners/members in the UAE.

1.5 Justification of the study

The classification of enterprises in the UAE are micro-, small-, medium-, and large-sized, depending on the number of employees working for them. If the number of employees working for a given enterprise is less than 5, the latter is considered to be a micro-sized enterprise; if this number ranges from 5 to 19, the enterprise is considered to be small, and if this number ranges from 20 to 49, the enterprise is medium-sized, while enterprises employing 50 employees or more are considered to be large (Statistics Center Abu Dhabi, 2013).

Table 1: UAE Enterprise Categorization

Enterprise Category	Number of Employees
Micro	Less than 5
Small	5-19
Medium	20-49
Large	Equal to or greater than 50

*Source: (Statistics Centre Abu Dhabi, 2013)

The sequential stages of family business development noted by Gersick, Davis, Hampton, and Lansberg (1997) are as follows:

Table 2: The Sequential stages of family business development

Phase	Older Generation	Younger generation	Approximate Business Age	Generation Leading
Young family business	> 40 years old	If present < 18 years old	<15 years	First Generation
Independence of the younger generation entering the family business	33 to 55 years old	13 to 29 years old	< 30 years	First Generation
Working together	50 to 65 years	20 to 45 years	< 45 years	First and Second Generation leading
Passing the baton	Older than 60 years old		>45 years	Second Generation leading

*Source: (Gersick, Davis, Hampton, & Lansberg et al., 1997)

Table two explains in detail the stages from when a family businesss started and was young until it is passed to the second genertion and it is the generation leading the businesss. It clarifies the approximate generatin age, business age, and the current leading generation in every stage.

As the UAE celebrated its 47th national day on December 2, 2018 (UAE National Day, 2018), if we assume that the UAE significant medium- and large-family businesses started around 40-plus years ago by referring to the approximate business age column in table two, it identifies that the UAE is currently in the first and second-generation leading stage. Also, according to a GCC family business survery published by KPMG in 2017, the current generation leading is 42% for first generation and 48% for the second or third generation (KPMG, 2017).

Despite if it is first generation transfering to second or second transfering to third, as long as the business is transitioning it requires immediate attention and puts it in a critical stage that requires sustainability practices to be applied to protect the present family businesses and the UAE country's economy. According to a recent article, an estimate of one trillion dollars in assets are going to transition to the UAE's next generation of family businesses (Augustine, 2015). Therefore, the coming generation needs guidance on how to protect, develop, and sustain this wealth for the business longevity and generations ahead.

The study investigates only medium- and large-sized family businesses for the following main justifications:

- They contribute the most to the country economy.
- They have the highest rate of employment.
- These are established companies that have a structure, and the analysis of sustainability practices is performable.

1.6 Research Outline

- Chapter one defines and outlines the research.
- Chapter two investigate and describes the literature.
- Chapter three explains the research methodology.
- Chapter four analyzes the collected data.
- Chapter five justifies and discusses the results.
- Chapter six gives future recommendations and concludes the research.

1.7 Definitions

- Family business definition: governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family of a small number of families in a manner that is potentially sustainable across generations of the family or families (Chua, Chrisman, & Sharma, 1999).
- Business Sustainability: meeting current needs without compromising the next generation's ability to meet its needs (World Commission on Enviroment and Development, 1987).
- Incumbent: is the founder of the business or the current family member holding the highest managerial position that needs to pass on the baton to the coming successor who will lead the business (De Massie, Chua, & Chrisman, 2008).

- Successor: indicates the family member who takes control of the business from the incumbent family business leader (De Massie, Chua, and Chrisman, 2008).
- Succession Planning: a structured approach to planning ahead for leadership positions in the organization; it can improve a potential leader's skills through experience and the assignment of appropriate tasks to individuals who will one day lead the family business (Sharma, Chua, & Chrisman, 2000).
- Strategic Planning: is the process of developing a business strategy for creating internal and external operations to establish profitable growth (Ward, 1988).
- Corporate Governance is the system by which companies are directed and controlled (Cadbury, 1999).
- Leadership means guiding others to understand and accept what needs to finish and how to do it; it is the process of helping individuals gather their knowledge to accomplish a unified objective (Yukl, 2010).
- Family Business Values are defined as clear and desirable goals for both family and business life, given that there are often conflicts of interest between business and family goals, family business values should be well known and serve as a common ground between the business and the family to benefit both goals (Koiranen, 2002).

- Family Capital**:** according to Danes, Stafford, Haynes, & Amarapurkar (2009), family capital represents the total resources of the owning family members that are three components: human, social, and financial capital.
- Entrepreneurship Orientation is defined as identifying and making full use of opportunities (Hitt, Hoskisson, Johnson, & Moesel, 1996).
- Stewardship Behavior is defined as acting with an open heart for the benefit and success of the firm instead of one’s own benefit (Davis, Schoorman, & Donaldson, 1997).
- Family Firm Advisors: according to Craig and Moores (2010), a family firm requires advisors to solve issues, such as developing the family’s personal, financial, succession, and strategic plans; aligning family goals with business objectives; and conflict resolution.
- The article of association is a “document that presents the regulations for a company's operations, defining the company's purpose. It is also laying out how tasks will be accomplished within the structure, including appointment directors' process and how financial records will be managed” (Lawyers, 2016).
- Trade License is a license issued by the ministry of economy to a company involved in any sort of commercial trade activity, and

companies involved in trades of goods, commodities, and services (Shuraa, 2018).

- Sharia Law: "When a believer dies it becomes incumbent on the family members to ensure that the wealth and property left behind are distributed according to Shariah Law prescribed in the Qur'an and Authentic Sunnah" (Sameer, 2018).
- Family Office: also known as family council or family protocol. A "family office is an entity (or multiple entities) established by a wealthy family to manage its wealth, however the term 'family office' means different things to different families based on their business, financial, investment, charitable, and personal circumstances and objectives" (Smith, 2017).
- Key Personal Indicator (KPI) "is a measurable value that demonstrates how effectively a company is achieving key business objectives. Organizations use KPIs at multiple levels to evaluate their success at reaching targets. High-level KPIs may focus on the overall performance of the enterprise, while low-level KPIs may focus on processes or employees in departments such as sales, marketing or a call center" (Klipfolio, 2018).

1.8 Delimitations of scope

The scope of this study is limited to the multi-generation family businesses and their generation leaders. The family businesses studied should be listed in the UAE chamber of commerce in different cities, which identifies that the business is a legal and a reliable source.

The study will not be generalized to all the family businesses, but only those listed in the UAE that fit that same criteria of the business studied regarding age, size, generation, timeline, and so on.

Based on that, the limitations of the study are as follows:

- The interviews were limited to family businesses that are well established and are at least fifteen years of age, as indicated in table two, the sequential stages of family business development.
- The interviews are limited to family members only, meaning the respondent is either the incumbent, the successor, or family member of the next generation. The exception is given only to an internal family business advisor, as he has full information regarding the family and the business, therefore, is eligible to represent the family member in the interview.

- The respondents are all somehow involved in the business, either by managing it daily, being on the board, or leading from the family office.
- This research is also limited to the permission granted by the family businesses to conduct a study of the factors that influenced its success through multiple generations.

The findings this research aims to collect has never been published before; also, it has never been documented in any of the business history archives and books, which makes the findings limited to the knowledge and experience told by the family business leaders in the interview. Interviews are the only source of data collection, this data once analyzed will present to what extent are large- and medium-sized family business prepared for sustainability.

1.9 Conclusion

This chapter introduced the thesis and outlined the following chapters. It concluded by explaining the delimitation of scope. The following chapter discusses the literature on family business and the nine major survival factors.

Chapter Two

Literature

2.0 Introduction

The second chapter investigates the literature behind the thesis topic. It starts with a systematic review of past literature, explaining the results, such as but not limited family business global importance, family business complexity, family business definition, family business vs. nonfamily business, theoretical background, detailed explanation of the nine primary family business sustainability practices, discussion, and the chapter conclusion.

2.1 Systematic literature review

The researcher adopted the systematic review methodology introduced by Tranfield et al. (2003), reviewing the literature on the family businesses' survival through generations. A systematic review uses an explicit algorithm, as opposed to a heuristic, to perform a search and critical appraisal of the literature. Systematic reviews improve the quality of the review process and outcome by employing a transparent and reproducible procedure (Tranfield et al., 2003). The review process consists of three parts: data collection, data analysis, and synthesis.

According to Tranfield et al. (2003), the review steps are as follows:

1. Planning the review
2. Conducting the review
3. Reporting and dissemination

The first step, planning the review, involves identifying the need for a review, as presented in chapter one. We defined the objectives of the research and identified the data sources. Our objective was intentionally broad and somewhat standard for such types of comprehensive reviews: to assess the range of definitional, conceptual, operational, and theoretical similarities and differences found in this research domain. Therefore, the research started based on the pre-understanding and knowledge of the author in his extensive research on family business continuity. The researcher was able to select the correct search keywords in the right databases that are known to have an excellent history and the highest number of peer-reviewed published papers in the field of family business research.

The second step is conducting the review by considering peer-reviewed literature, journals, and book chapters to collect information and data about the determinants of family business sustainability. It involved classifying the relevant research by searching databases such as SAGEpub, EBSCOhost, ProQuest, and Emerald. The search was undertaken using the keywords: "Family business continuity," "Family business longevity," "Family business sustainability," "Family business overview," "Family business theory," "'Family business survival" "Family business success factors," "Family business succession," "Family business governance," "Entrepreneurship in family business." "Family business best practices," "Family business next generation," "Family business future strategy," "Family business success keys," and "Family business definition. "From this research, by looking over the topics and the abstracts, an initial sample collected was 362 papers.

To be able to narrow the selection, the papers were organized into three groups, based on screening the contents of the papers. The first group was called "family business literature"; this group contained all the papers written about the family business history, overview, insights, current and future studies, and also contained papers that are about the family business definition, verity, and complexity.

The second group was called "family business theories," which contained all the papers that developed, established, and reproduced theories since the beginning of the family business research. The third group was called "family business success factors," which highlighted papers that mentioned any factors that aid in the continuity of the family business across generations. From this grouping selection, discarding irrelevant studies narrowed the papers selected to 293 studies.

Group three, "family business success factors," is the most important group for this study. Therefore, I had to read each paper in that group carefully, to be able to divide it into subgroups of the best practices that have been frequently and repeatedly stated, studied, and proven to have the highest support to family business sustainability in multiple and different authors studies. The subgroups organized each factor separately. First subgroup was "succession," second was "strategy," third was "governance," fourth was "leadership," fifth was "family business values,” sixth “family capital,” seventh “entrepreneurship,” eighth “stewardship,” and ninth “family firm advisors.” This sub-grouping enabled us to establish the most relevant papers related to this research. Therefore, a total of 160 papers satisfied our inclusion criteria.

The third step that is presented in the following sections is the reporting and dissemination that explain the outcomes of the review and recommendations. In this section, explanation of the outcomes from the study, based on the groups mentioned in the second step, it started with the literature of family business, family business definition, theories, and then proving each factor separately to come up with the practices that best help aid family business survival.

Quality of the review was ensured through triangulation of data sources and large enough research to ensure the saturation of the data. The internal validity was ensured through careful alignment of the research objective, methodology, analysis, and reporting of the findings. External validity was ensured by combining academic and practitioner papers for data sources.

The systematic review results are indicated in the following sections, clarifying from which group they are established.

2.2 Group One: Family business literature

This group is about the family business history, overview and insights. The following highlights were governed:

2.2.1 Background to the research

In the Gulf Cooperation Council (GCC), family businesses account for 80 percent of non-oil and gas GDP and more than 90 percent of the private sector, generating more than 70 percent of the employment in the region (Carr, 2012; Sabi, 2015; Pierce, 2016). Like their GCC counterparts, 90% of the UAE private sector are family-owned businesses (Swan, 2013; Farouk, 2017). These statistics show the substantial importance of family business survival to the GCC economy.

Scholarly researchers and practitioners have proven that family businesses that follow the best practices stated in literature last longer (Ward, 1997). Long-term growth entrenches by applying those success factors that help to balance between the family and the business (Gomez, 2005).

Past researchers have published on a variety of family business related topics, including conflict, governance, innovation, gender, ethnicity, business performance, succession, the influence of family, family capital, leadership, management, and extant theory (Dyer & Sanchez, 1998; Salvato & Aldrich, 2012; Sharma, Chrisman, & Chua, 1997; Sharma, Chrisman, & Gersick., 2012; Xi, Kraus, Filser, & Kellermans, 2015). Those articles show that some of the topics addressed are related to family business survival and sustainability. Prior researchers stressed that family firms need to operate for their long-term survival, success, and growth (Korsching & Allen, 2004; Olson et al., 2003), and have discussed the success factors for the long-term sustainability of a family business, Nevertheless, few studies have combined all the major success survival factors in one research study. Researchers usually discuss each success factor separately (Salvato & Aldrich, 2012; Stafford, Bhargava, Danes, Haynes, & Brewton, 2010). However, a significant gap in all the previous research is that authors have not prioritized the importance of each success factor by laying down all the known factors in literature and investigating each toward current medium- and large-sized family businesses, particularly in the context of the UAE.

2..2.2 Family business global importance

Family businesses comprise at least two-thirds of businesses worldwide. Various international studies show very similar patterns and statistics on how family business' impact on national economies. In the United States (US), families run more than one-third of the top 500 companies (Carr, 2012). Family businesses in the US generate approximately 60 percent of the country's employment and create 78 percent of all new jobs, accounting for a 50 percent share of the US gross domestic product (Carr, 2012). In 2010, the United Kingdom (UK) reported 3 million family businesses, accounting for two-thirds of the country's private sector (Cable, 2011). Family firms in the UK are the largest source of employment, providing 40 percent of private sector jobs and generating 23.8 percent of total gross domestic product (Cable, 2011). In Europe, family firms make up more than 60 percent of all companies and provide more than 40 percent of the employment (Bernard, 2013a). In China, a 2010 survey reported that 85.4 percent of private companies are family owned (Xi, 2011). In India, family businesses account for approximately two-thirds of the country's gross domestic product and provide 79 percent of private-sector employment (Bernard, 2013b). In the GCC, family businesses account for 80 percent of the non-oil gross domestic product and more than 90 percent of the private sector, generating more than 70 percent of the employment in the region (Carr, 2012; Sabi, 2015). Family firm businesses in the UAE account for higher percentages from the Gulf region, noting greater than 90% for the private sector (Swan, 2013; Farouk, 2017). These statistics show the substantial importance of family business survival both to the world economy and to continued market sustainability in every region, especially the UAE.

2.2.3 Family business complexity

Authors such as Lambrecht and Lievens (2008) believe that to avoid complications, the family should agree to simplified ownership, governance, and management structures by trimming the family tree at the appropriate time to achieve family harmony and longevity of business performance. However, this task is complicated because it requires liquidity, which will affect the business's growth (Ward, 1997). Family complexity is defined "by the number of family members and the type of relationship between them, the number of family generations alive at a certain point in time, and so on" (Gameno Sandig, Labadie, Saris, & Mayordomo, 2006, p. 147). The degree of complexity is determined by how many family members/generations are involved in the business. It is the beginning of how things become complicated, and disagreements/disputes occur for leadership authorization and decisions on the business's strategic future. However, in this study, we argue that using the success factors at the right time will establish trust and loyalty among family members regardless of which generations are present. Such transition happens through guidelines and paths that are handed down from the previous generation to the next, about how to treat the business, what is each successor's role toward the business, and what their share is if they do not wish to be involved in the business.

2..2.4 Family business definition

As noted in Wortman's (1994) citation of 20 different definitions of family firms, scholars have not settled on a single definition of a family business. In 2000, Littunen and Hyrsky stated that there is no universally accepted definition of family firms because of the differences among family businesses regarding their history, culture, and specific characteristics, which are embedded in the family members who run them (Neubauer, 2003). Colli and Rose (2008) explain that the difficulty of defining a family firm is its underlying diversity. Xi, Kraus, Filser, and Kellermans (2015) highlight that one of the significant cluster topics studied by past family-business researchers is the definition of the family business, which remains a significant topic of interest for future research in this field. Daily and Dollinger (1992) describe family firms as those that are managed and owned by a family.

Davis, Pitts, and Cornier (2000) define a family business as a single family controlling the ownership and leading the business. In 2001, however, Davis categorized the definitions of family businesses into two groups: (1) structural definitions that highlight the firm's ownership or management structure; and (2) process definitions that identify the extent of family influence on the business (Davis, 2001). Subsequently, Astrachan, Klein, and Smyrnios (2002) established a scale for measuring family influence in a family business based on the power, experience, and culture of the family members involved in the business.

In this study, we acknowledge the definitions outlined in the literature; nevertheless, the best definition for this study is that of Chua, Chrisman, and Sharma (1999, p. 25), who clearly define the family business as “governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family of a small number of families in a manner that is potentially sustainable across generations of the family or families.”

This definition best fits our study for three reasons. First, a family business does not always have to be managed by the family; the family can overlook it from afar. Second, a family business may be owned by more than one family in the case of two partner founders, who have passed the business to successive generations; although two different families are involved, it is still a family business. Third, a family business expects to continue its legacy for a sustainable future, which is the main purpose of this thesis.

2..2.5 Family business vs. non-family business

Family firms differ from nonfamily firms in their strategic and organizational dimensions, in addition to family involvement in the business’s ownership, vision, and governance (Chua, Chrisman, & Sharma, 1999; Duh, 2010). Similarly, they have different goals, rules, relationships, succession, and evaluation (Dyer, 1992). Customers prefer family businesses to nonfamily businesses because they believe that family firms are more concerned with business continuity than with quick profit; therefore, they provide customers with quality, service, and satisfaction (Adams, True, & Winsor, 2002). Key customers are more confident about working with family managers who bear the same name as the firm (Brokaw, 1992). Family businesses are considered more socially responsible than nonfamily businesses (Neubauer & Lank, 1998).

Anderson and Reeb (2003) provide the first strong empirical evidence that family businesses perform better than nonfamily businesses, using a sample of 403 Standard & Poor's (S&P) 500 companies, given the ownership and management alignment that facilitates rapid decision making and shows significant variations in the dimensions of organizational performance (Pounder, 2015). According to Gersick, Davis, Hampton, & Lansberg (1997), there are three types of family businesses: owner/founder business, sibling partnerships, and cousin consortiums. Explanation of the theories related to these three types of family businesses is in the next section.

2.3 Group two: Family business theories

This group is about the theories published regarding family business. However, only theories related to the research were chosen, as follows:

2..3.1 Theories

The three-cycle model, presented in Figure 1, clarifies the three interdependent and overlapping dimensions that comprise the family business system (Tagiuri & Davis, 1982). The overlapping system identifies seven interest groups within the family business, each with its own perspective, goals, and dynamics. This theory sheds some light on the complexity of a family business and indicates that the long-term success of the family business system depends on the functional and mutual support of each of the seven groups (Tagiuri & Davis, 1982). Therefore, using this model, we can determine each member's motivation toward the family business by identifying his or her positioning within the seven groups at any given time (Gersick, Davis, Hampton, & Lansberg, 1997).

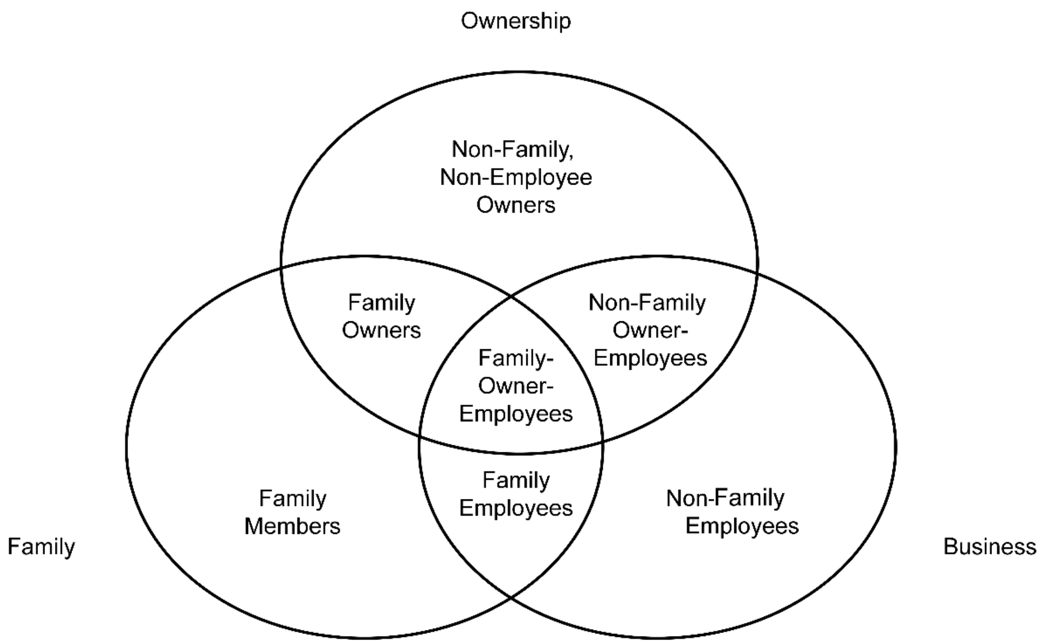

Figure 1. Three-circle model.

*Source: (Tagiuri & Davis, 1982)

* Approval granted by John Davis by email presented in Appendix A.

Nonetheless, the three-cycle model does not explain how each of the dimensions evolves with time. The primary challenge to family business is the failure to transfer the family business from one generation to the next. Therefore, Gersick, Davis, Hampton, & Lansberg, (1997) have developed a more illustrative three-dimensional development model, presented in Figure 2, that categorizes the growth of family businesses along three axes, representing the changes that occur over time within three overlapping dimensions: ownership, family, and business.

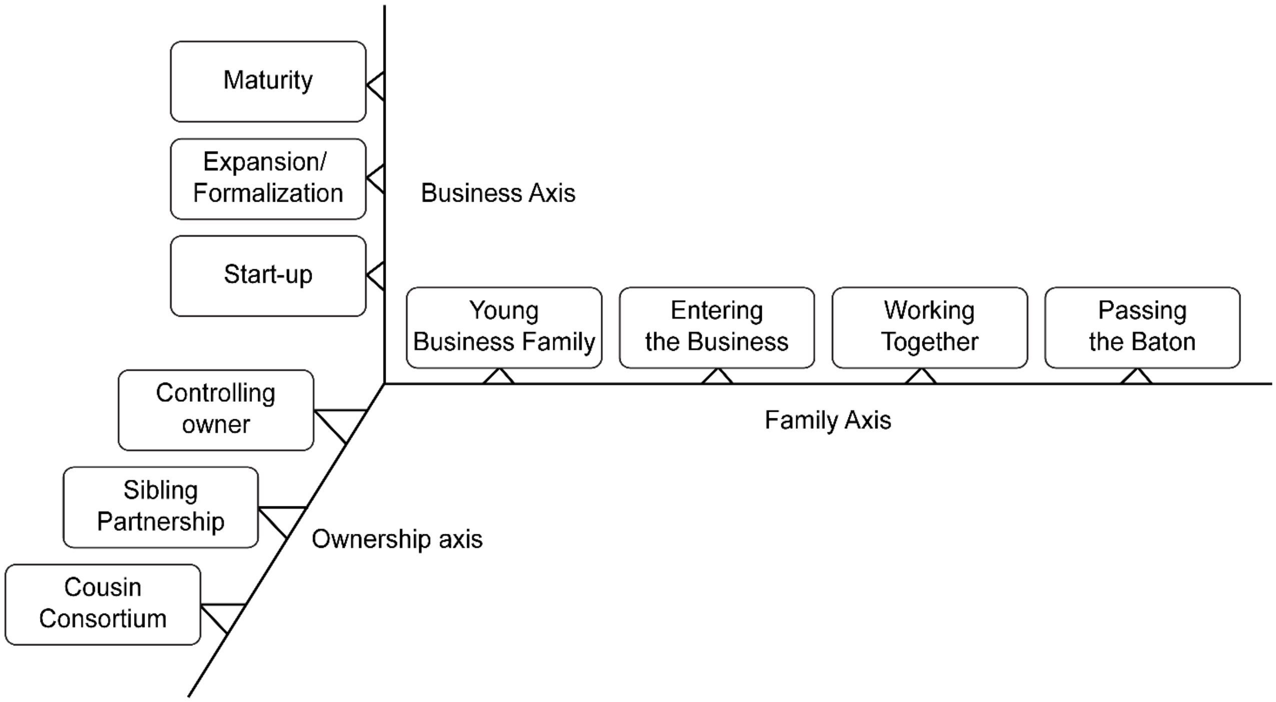

Figure 2. Three-dimensional developmental model.

*Source: (Gersick, Davis, Hampton, & Lansberg, 1997)

* Approval granted by John Davis by email presented in Appendix B.

As the family business develops over time, each of the dimensions in the model traverses' different stages of growth, each stage of growth in the dimensions represents a challenge that needs to be overcome by the family business for its survival and development. The three-dimensional development module emphasizes that with each generation, family businesses confront different challenges to their survival and growth (Gersick, Davis, Hampton, & Lansberg, 1997). Accordingly, family businesses must overcome a set of challenges at each stage of the three-dimensional model if they are to survive. Because the challenges raised at each stage are unique and different, the effectiveness of the best practices and success factors depends on the timing of their implementation.

Stafford, Duncan, Dane, and Winter (1999) propose the sustainable family business model, seen in Figure 3, which explains that for a firm to achieve family business sustainability, it should include both the functionality of the family and the functions of business success. The model shows the link between family and business achievements that enables the achievement of family business sustainability. Both the family and the business need to allocate available sources and constraints, transforming them via resources and interpersonal transactions. Those transactions are a product of the change in times of environmental and/or structural changes to transform these transaction changes into achievements. Also, as shown in the model in the overlap between family and the business, disruptions occur in regular family/business transactions.

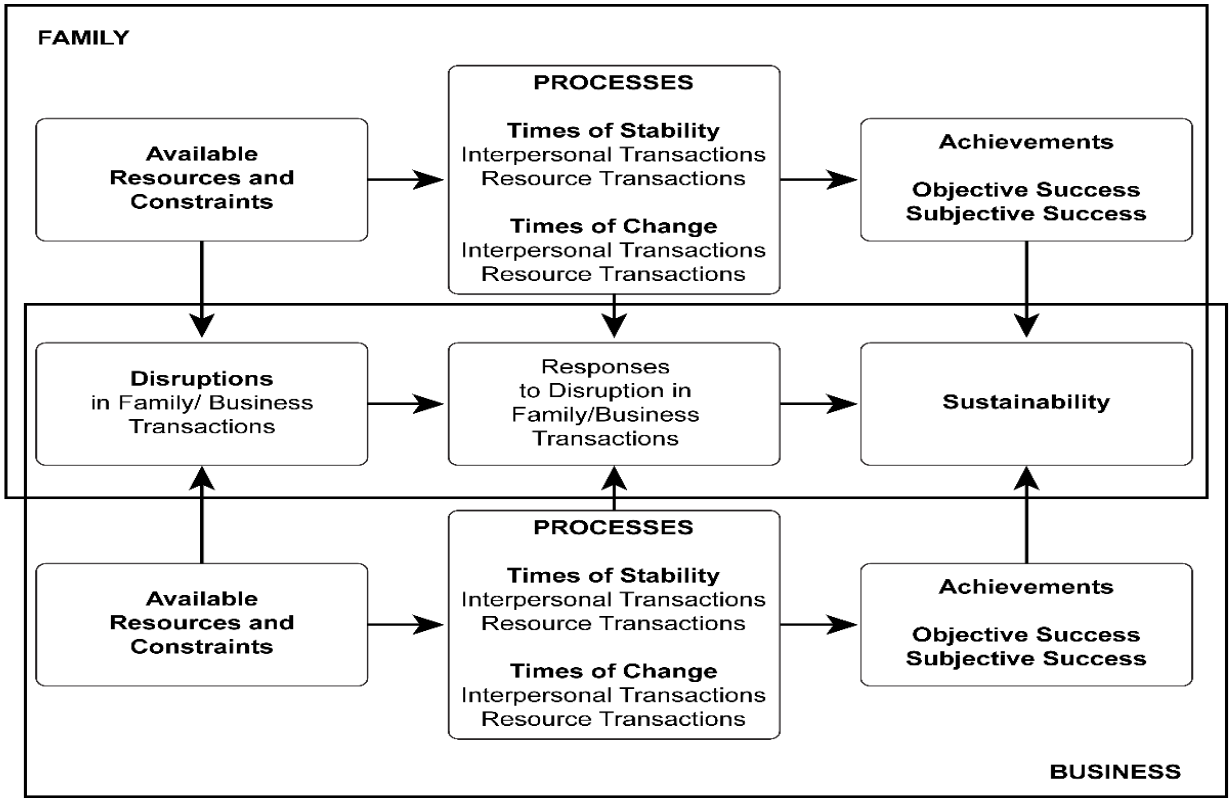

Figure 3: Sustainable family business model.

*Source: (Stafford, Duncan, Dane, & Winter, 1999)

* Approval granted by copyright.com presented in Appendix C.

According to Lambrecht (2005), a multigenerational transition in a family business is best to occur by following his established model of what is called the six stairs model for family business transfer, shown in Figure 4.

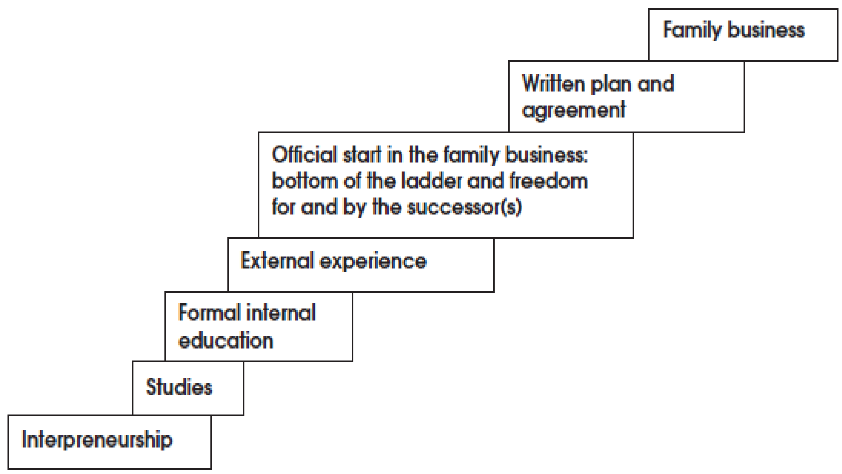

Figure 4: Six steppingstones to the transfer of the family business

*Source: (Lambrecht, 2005)

Figure 4 explains the steps that a family business owner must accomplish successfully to transfer the business to the successor. It starts with entrepreneurship, which is transferring the business knowledge, character, and values. Then studies, which is the second steppingstone, to ensure the successor gets the right education diploma for the family business. The third steppingstone, formal internal education, is to mentor the successor internally in the business from a family member or a non-family member. Fourth is the external experience to allow for the successor to have external exposure in order to brighten his knowledge about the market in which he is is. The fifth stepping stone is to put the successor in the bottom of the chain in the business and allow him to work his way up to the top, this will motivate him to work harder and reach his goals at the same time learnt the business well. The sixth steppingstone is writing the plan and agreement for the transfer, so everything is clear regarding ownership and management between the family and the business. Once this is done, the family business is ready to be transferred to the successor who passed through the six steppingstones.

In the same vein, Neubauer (2003) argues that a family business functions as two social systems: the owner family and the business, each of which has a very different internal logic. Although the family and the business are different but interdependent systems (Sharma, 2004), they overlap, such as when the managers are family members (Tagiuri & Davis, 1982). However, the interaction between the family and the business can fail if proper practices are not applied (Davis & Stern, 1981). Finding common ground between family and business requires hard work, time, and energy (Leaptrott & McDonald, 2010). According to KPMG (2015), it has established a model that distinguished the business transfer as management succession and family transfer as ownership succession under the required processes presented in figure 5, as follows:

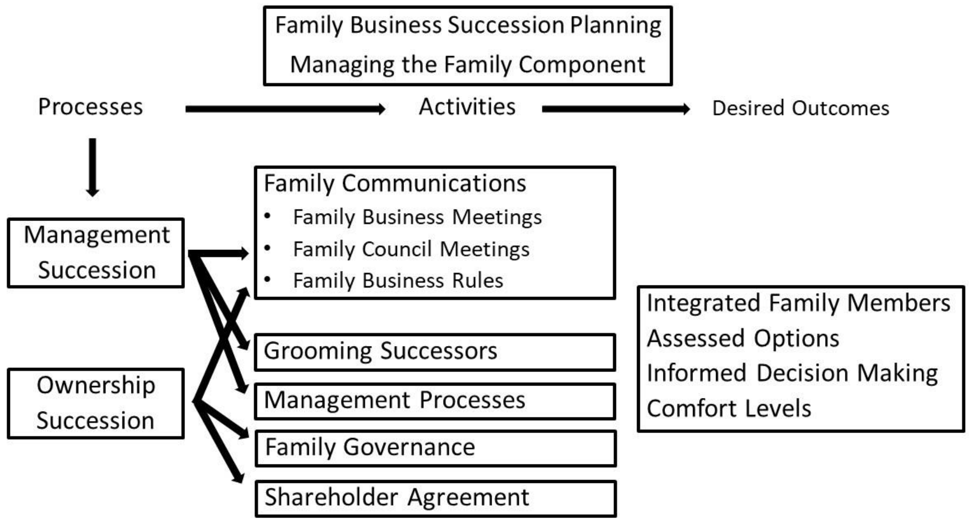

Figure 5: Family business succession planning - managing the family component

*source: (KPMG, 2015)

Figure 5 illustrates the components of managing a successful family business transition. It first starts with the processes that need to be discussed, then goes to the activities that explain how the processes are going to be acknowledged, and finally the desired outcomes that are what the family business is trying to accomplish by following this model in its succession planning.

Nevertheless, there are vast theories in regard to family business succession and sustainability; however, within the context of this research, those five figures have been found to be the most useful to the research problem and significance.

2.4 Group three: Family business success factors

This group is about the primary family business practices that were frequently and repeatedly stated, studied, and proven to have the highest support to family business sustainability, which are:

2.4.1 Succession Planning

Succession is one of the most significant challenges experienced by family businesses (Blumentritt, Mathews, & Marchisio, 2012; De Massis, Chua, * Chrisman, 2008). Succession is the transfer of business leadership and ownership from one generation to the next (Ibrahim, Soufani, & Lam, 2001). Succession can lead to business failure if proper planning is not in place (File & Prince, 1996; Sharma, Chrisman, & Chua, 2003a). The sudden death of the family business leader will likely cause a dispute among the heirs and potential successors about power, authority, and rights, which will create thorny estate issues (Christensen, 1953). Therefore, several studies highlight the importance of succession planning to ensure the success of the succession and family business continuity (e.g., Christensen, 1953; Trow, 1961; Ward, 1987).

Succession planning is a structured approach to planning for leadership positions in the organization; it can improve a potential leader's skills through experience and the assignment of appropriate tasks to individuals who will one day lead the family business (Sharma, Chua, & Chrisman, 2000). For the next generation preparation, the succession plan must be initiated by the business's founder and continuously updated even after a successful business transition (Sharma et al., 2003b).

According to Sharma et al. (2000), when a family business decides to begin the process of succession planning, it should consider five major steps: selecting the successor, training the successor, communicating the succession plan, developing the post-succession business strategy and defining the future role of the incumbent. However, according to Sharma, Chua, & Chrisman. (2003b), the succession steps can only be successful in the presence of intentions to pursue succession, including the following: family commitment to the firm, incumbent desire to keep the firm in the family, and the ability of a trusted successor to assume control. The incumbent is the family business leader who volunteers to pass his or her position to a potential successor who can assume managerial control (De Massis, Chua, & Chrisman, 2008).

Succession planning requires a great deal of support from the incumbent family business leader (Rubenson & Gupta, 1996). Training the successor is also very important; after the founder hands over the business to the next generation, the successor must be able to manage and lead the business even in the presence of complexity caused by an increase in the number of family owners (Jaffe & Lane, 2004). According to Neubauer (2003), if succession does not occur or is postponed for too long, there can be critical consequences for the family business, leading to closure. Therefore, succession planning must be decided at an early stage, both to keep the business on the right path without conflicts among family members and to prepare the interested members with the necessary education and experience to sustain the business's legacy.

2.4.2 Strategic Planning

Previous studies have noted the serious contribution of strategic planning to the success and long-term survival of family businesses (Astrachan & Kolenko, 1994; Blumentritt, 2006; Carlock & Ward, 2001; Ward. 1988). Jaffe (2005), an experienced family business advisor, has argued that the long-term future of the family firm depends on two things: (1) the family's intentions and desires for the firm, and (2) appropriate strategic planning for the firm's future. Strategic planning both establishes the business's scope and long-term goal and adopts resources and competencies in changing environments to achieve the required scope and goal (Johnson, Scholes, & Wittington, 2005). Similarly, according to Ward (1988), strategic planning is the process of developing a business strategy for creating internal and external operations to establish profitable growth.

Strategic planning for both the business and the family helps extend the business's lifespan; it is different from strategic planning for non-family organizations because it considers family issues and goals (Ward, 1988). Ward (1988) also explained how planning in family business occurs. First, the family commits to both business continuity and to the sacrifice of short-term returns to invest in the business's long-term sustainability. Second, the family assesses the business's health, which reveals the financial investments of the business's money. Third, the family identifies business alternatives, such as entering a new business, hiring experienced managers to increase sales, and enhancing service quality. Fourth, the family selects a business strategy. Fifth, the family develops a strategic plan.

Some authors note that family businesses need a strategic plan to survive from the current generation to the next (Buchloz, Crane, & Nager, 1999). Researchers have also proven that strategic planning is a powerful tool for developing the next generation of family business leaders (Mazzola, Marchisio, & Astrachan, 2008). Despite these benefits, strategic planning has been understudied in the family business research (Blumentritt, 2006; Sharma, Chrisman, & Chua, 1997), and some authors consider strategic planning practices in family business research to be sparse (Lema & Duréndez, 2007; Upton, Teal, & Felan, 2001). Nevertheless, we argue that a well-established strategic plan is a critical factor in the success and survival of developed family firms.

2.4.3 Corporate Governance

For a multigenerational family firm to succeed and survive, it must have excellent management and governance (Aronoff, 2004). Family firms depend on stable governance for the longevity of both the family and the firm (Pieper, 2003). According to interviews with members of 59 family businesses by Rosenblatt, De Milk, Anderson, and Johnson (1985), conflicts that arise in the family and business environment include the following: difficulty in separating family matters from business matters and vice versa, difficulty in making decisions, legacy, and leadership. The solution to these issues is family business governance, which considers the thoughts of both the family and the business to embrace decision making, planning, and problem-solving structures for both the firm and the family system (Carlock & Ward, 2001). By definition, "Corporate governance is the system by which companies are directed and controlled" (Cadbury, 1999, p.12). However, according to Ward (2003), family business governance differs from nonfamily business governance for the following reasons: (1) the family has a long-term relationship with the business,; (2) the family has its own cultural views and norms that are implemented in the business and perpetuated by the successive generation, and (3) the stakeholders and board members are genetically related to each other. These three aspects affect the governance structure of a family firm. According to Lansberg (1999), to secure their long-term interests, both the firm and the family need structured governance. Structured governance helps a family business make appropriate strategic decisions that influence the business's survival and long-term performance (Mustakallio, Autio, & Zahra, 2002).

Well-structured family business governance will allow family members to discuss and be informed of the business's vision, mission, and values; its developments, accomplishments, challenges, and strategic directions; rules and decisions regarding dividends, employment, and benefits; the formal communication channels to share ideas and discuss issues; and the business's structure, processes, and policies (Sarbah & Xio, 2015). Corporate governance is the best tool for directing the business, maintaining discipline, and achieving business goals (Davis, 2001). Family businesses with strong governance will be able to survive both challenges and economic shocks (Sarbah & Xio, 2015). Therefore, well-structured governance is a critical factor for sustaining a family business through the generations.

2.4.4 **Leadership**

Since the 1970s, researchers and practitioners have been interested in the role of family members as leaders in family businesses (Astrachan, Klien, & Smyrnios, 2002). Researchers acknowledge competent leadership as a leading factor in a business's survival and success (Fiedler, 1996; Gersick, Davis, Hampton, & Lansberg, 1997; Van der Westhuizen & Garnett, 2014). Leadership by definition means guiding others to understand and accept what are the requirements and how to do it; it is the process of helping individuals gather their knowledge to accomplish a unified objective (Yukl, 2010). In a family business, achieving competent family leadership through the generations is one of the most relevant challenges to business continuity (Le Breton-Miller, Miller, & Steier, 2004). It is difficult to achieve competent family leadership without a willing successor or leadership skills that affect the business's continuity (Lansberg, 1988).

This is not entirely the successor's fault: the founder or incumbent leader plays a vital role in teaching and training his or her successor so that he or she has the knowledge and skills required to lead and continue the business in the next generation (Cater & Justis, 2010; Dyck, Mauws, Starke, & Mischke, 2002). Scholars note a successful leadership transfer must occur when a leader retires to ensure the survival of a family firm across generations (Hartel, Bozer, & Levin, 2009). According to McCann (2005), family business leaders must solve three fundamental problems: (1) arranging generational transitions, (2) the establishing all types of family business planning, and (3) managing the overlap between the firm and the family. Gersick, Davis, Hampton, & Lansberg (1997) believe that a good leader will be able to lead both the business and the family to success.

A successful family business leader should motivate all family members and employees to have the same vision toward the business and make them understand the set of values on which the company was built by transforming their interests to a collective interest for the benefit of the firm (Vallejo, 2009). This type of leadership is called transformational leadership; according to a study by Vallejo (2009), a survey of 126 family firms showed a significant correlation between transformational leadership and firm longevity. Cater and Justis (2010) presented an in-depth case study of four multigenerational family businesses that showed shared leadership to be an essential factor in a firm's long-term orientation. Shared leadership is defined as siblings or cousins leading the firm as a team to achieve growth and continuity (Lansberg, 1999). Therefore, competent leadership plays a noteworthy role in determining the future of the family business.

2.4.5 Family Business Values

Family business values contribute to the longevity of the family business by configuring a shared vision and creating a means of work (Aronoff & Ward, 2000; Tapies & Moya, 2012). The definition of family business values is clear and desirable goals for both family and business life, given that there are often conflicts of interest between business and family goals. Family business values should be well known and serve as a common ground between the business and the family to benefit both goals (Koiranen, 2002). In a family business, issues in human-resources decision making arise when family norms and business norms contradict one another (Lansberg, 1983). According to Astrachan, Klien, and Smyrnios (2002), a firm holds the title of a family business only when the business and the family share values and assumptions. Family business values are elements in sustaining the family firm; when both generations work together, values are successfully transferred to and embedded in the next generation (Erdem & Baser, 2010).

Researchers have proven that the founder plays the biggest role in creating and transferring family business values to the next generation (Kelly, Athanassiou, & Crittenden, 2000; Sharma, 2004). Sharma and Nordqvist (2008) argue that the sustainability of family firms is the result of a fit between family business values and structured corporate governance. According to Tàpies and Moya (2012), family business values that aid the longevity of the business are three groups: (1) values related to family cohesion, such as loyalty, honesty, and respect; (2) values related to a firm’s sustainability, such as excellence, profitability, and hard work; and (3) values that help transmit core values, such as social responsibility, accountability, and transparency. According to Steier (2001), trust is the essential family value because it is a leading element for firm survival and success; it is the dominant source of a firm’s competitive advantage. It has also been noted that one of the major factors influencing family business succession is the relationship among the family and business members that can be very positive if they have worked within the known family business values (Morris, William, & Nel, 1996).

Parada and Viladás (2010) interviewed 17 family members to analyze the method of value transmission across generations in a family business, concluding that narratives (stories) are a powerful tool that helps family members stay together and have the same business meaning, thus helping the business survive difficult times. Ward (2008) notes that family businesses are value-driven companies; Miller and Le Breton-Miller (2005) identify value-driven employees as a fundamental condition for the continuity of the family business. Based on these findings, we conclude that family business values are an essential factor that contributes to the longevity of family firms.

2.4.6 Family Capital

Successful family capital contributes to a family business's achievements and long-term sustainability (Danes, Lee, Stafford, & Heck, 2008; Danes, Stafford, Haynes, & Amarapurkar, 2009; Stafford, Bhargava, Danes, Haynes, & Brewton, 2010). Family capital is the collective source of the data and resources that influence and control the business; it is proven to increase family members' productivity (Portes, 1998). Hoffman, Hoelscher, and Sorenson (2006) state that family capital can improve family business performance and lead to a sustainable competitive advantage compared to non-family businesses in the market economy. According to Danes, Stafford, Haynes, & Amarapurkar, (2009), family capital represents the total resources of the owning family members in three components: human, social, and financial capital. Sirmon and Hitt (2003) describe the survivability of the family business as a combination of family human capital, social capital, and financial capital.

Family human capital is the knowledge, ability, energy, and experience of family members regarding the business (Danes, Lee, Stafford, & Heck, 2008). Family members who are assigned tasks appropriate to their knowledge and experience provide a potential resource advantage because they work for the growth and continuity of the business, not short-term returns (Sorenson & Bierman, 2009). Limits to human capital are essential for assigning family members to positions that suit their capabilities, not positions that are from their family ties alone (Stavrou, 1999). Family social capital comprises goodwill among individuals in the family and their social interactions with community members for the benefit of the family and the firm, thus facilitating action (Danes, Lee, Stafford, & Heck, 2009).

Social capital is helpful for providing information to markets, technology, and complementary resources (Hitt, Ireland, Camp, & Sexton, 2001). According to Salvato and Melin (2008), family social capital characterizes long-term value creation and strategic adaptation across generations in family firms. Family financial capital consists of the liquid and physical assets owned by the family, the business, and each member individually (Danes, Lee, Stafford, & Heck, 2009). According to Bates (1985), financial capital alone is insufficient for the family firm's survival and must be matched with human or social capital to ensure sustainability. Although a lack of financial capital can be a massive problem for a family firm, it is essential to manage both the business capital and to implement the strategies that best use business liquidity (Visscher, Anroff, & Ward, 1995). Sorenson and Bierman (2009) note that when family members maintain good social capital, they will expand the firm's human and financial capital. Therefore, together the three components of family capital are critical for the family firm's sustainability across generations.

2.4.7 Entrepreneurship Orientation

Entrepreneurship is a link to family business because it serves as the means for the business's long-term survival, growth, sustainability, and renewal (Brockhaus, 1994; Goel & Jones, 2016). The definition of entrepreneurship is identifying and making full use of opportunities (Hitt, Hoskisson, Johnson, & Moesel, 1996). Thus, entrepreneurship is a potential benefit for the sustainability of family businesses across generations (Eddleston & Kellermanns, 2007). According to Shane and Venkataraman (2000), entrepreneurship is the change in the external environment through processes such as opportunity exploration and exploitation, leading to sustainable business propositions. Entrepreneurship exploration activities include risk-taking, experimentation, searching, flexibility, prototyping, and discovery (March, 1991). Entrepreneurship exploitation activities include fostering organizational skills, capabilities, and existing knowledge, and improving their efficiency and quality (Benner & Tushman, 2002; Lavie, Stettner, & Tushman, 2010), a balance between exploitation activities and exploration activates to achieve long-term survival; thus, exploitation alone is not enough given that we live in a continuously changing external environment (Lavie, Stettner, & Tushma., 2010; March, 1991). As observed by Miller and Le Breton-Miller (2006), both activities have a high level of significance for the survival and growth of family firms. Zellweger, Nason, and Nordqvist (2012) believe that family business should consider the importance of trans-generational entrepreneurship to achieve longevity in firm activity and establish value creation across generations.

The definition of the term trans-generational entrepreneurship is “the processes through which a family uses and develops entrepreneurial mind-sets and family influenced resources and capabilities to create new streams of entrepreneurial, financial, and social value across generations (Habbershon, Nordqvist, & Zellweger, 2010, p. 1). Carney (2005) observes that in a family business, family members are usually concerned about wealth loss; therefore, they discourage growth strategies and entrepreneurship. However, according to Ward (1987), for family businesses to survive through the generations with continuous success, they must develop and modernize their current operations and enter new markets to ensure continuous business. Therefore, entrepreneurship orientation is a considerable success factor in sustaining the family business in an environment of never-ending change.

2.4.8 Stewardship Behaviour

Stewardship behavior is acting with an open heart for the benefit and success of the firm instead of one’s own benefit (Davis, Schoorman, & Donaldson, 1997). In the context of a family firm, a steward is a decision maker who is a warden of a family’s assets and who intends to transfer a healthier and better business to future generations (Davis, Allen, & Hayes, 2010). Stewards are motivated by knowing that the success of the family business results in their own growth and prosperity within the firm (Miller & Le Breton-Miller, 2006). According to Corbetta and Salvato (2004), stewards support a family firm's future generations by aligning their motivations and interests with the business objectives. When family business members have different opinions about when or how to do things, stewardship returns them to their core values and helps them determine their decisions and actions (Gersick, Davis, Hampton, & Lansberg, 1997). Therefore, according to stewardship theory, stewards undertake comprehensive decision-making in the organization's best interest (Davis, Schoorman, & Donaldson, 1997). They also consider the firm's long-term orientation as an essential component; therefore, their presence is critical for business longevity (Davis, Schoorman, & Donaldson, 1997).

Creating a stewardship environment in the family business can align the firm's interest with that of the family to minimize problems, overcome barriers, and achieve a common goal (Eddleston & Kellermanns, 2007). According to Bizri (2016), a founder should consider familiar stewardship in order to choose the correct successor for the business from the second generation, a successor who shares a known and common commitment to the family interest as a main objective in running the firm.

Miller, Le Breton-Miller, and Scholnick (2008) find that stewardship outcomes seek long-term sustainability and continuity. Therefore, a family business leader or employee, whether he or she is a member of the family, should demonstrate stewardship behavior for the growth and continuity of the business for future generations.

2.4.9 **Family Firm Advisors**

Family firm advising first emerged as a profession in the 1980s (Astrachan & McMillan, 2006). According to Craig and Moores (2010), a family firm requires advisors to solve issues such as developing the family's personal, financial, succession, and strategic plans; aligning family goals with business objectives; and conflict resolution. As observed by Strike (2012), there are three types of family advisors: formal advisors, informal advisors, and family firm board advisors. Strike explains each type of advisor as follows: formal advisors hold either an external or internal position in the business and provide multiple professional support and advice services. Examples of formal advisors include accountants, lawyers, bankers, estate planners, and family therapists. Informal advisors are not contractually engaged with the business and family and can be either external or internal. Examples of informal advisors include trust catalysts and mentors. Finally, family firm board advisors include family or nonfamily board members who influence decision making and act as an advisory board for the firm's strategy, performance, succession, and conflicts. Such advisors have the skills and expertise to contribute to the family business's long-term success (Reay, Pearson, and Dyer, 2013).

Previous research has demonstrated that family firm advisors are substantial resources for family businesses (Astrachan & McMillan, 2006; Kaye & Hamilton, 2004; LaChapelle & Barnes, 1998; Strike, 2012). Additionally, family business advisors differ from non-family business advisors in their approach toward working with family, business, and ownership by considering overlaps, content, and complex emotions and using multidisciplinary strategies to solve personal and business conflicts (Bork, Jaffe, Lane, Dashew, & Heilser, 1996; Hilburt-Davis & Dyer, 2003). Barbera and Hasso (2013) investigate the benefits of external accountants for small- and medium-sized family businesses, finding that such advisors benefited the firm's growth and survival. Noting that if some family members want to exit and liquidate their shares, the business's precise value and contractual exit terms should be known and agreed upon through professional external family advisors, such as auditors, lawyers, bank professionals, and notaries public (Lambrecht & Lievens, 2008).

Poza, Hanlon, and Kishida, (2004) study of 79 family firms' need for advice in family relationships and conclude that having an advisory board decreased conflicts, enhanced family unity, and maintained cooperative work. A study by Reddrop and Mapunda (2015) involves 140 survey respondents and 51 semi-structured interviews with family business owners, managers, and advisors and find that external advice was largely used to solve challenges faced by family businesses. Therefore, solving challenges leads to less conflict and ensures business stability.

Table 3: Summary of previous research factors authors and references

	Main Factors	Main Factor Authors and Reference's
1	Succession Planning	Christensen, 1953; Trow, 1961; Ward, 1987; Delmas and Gergaud, 2014; Writer, 2017
2	Strategic Planning	Astrachan and Kolenko, 1994; Blumentritt, 2006; Carlock and Ward, 2001; Ward, 1988; Price Waterhouse Coopers (PWC), 2016
3	Corporate Governance	Lansberg, 1999; Mustakallio, Autio, and Zahra, 2002; Pieper, 2003; Aronoff, 2004
4	Leadership	Fiedler, 1996; Gersick, Davis, Hampton, and Lansberg, 1997; Hartel, Bozer, and Levin, 2009; Van der Westhuizen and Garnett, 2014
5	Family Business Values	Aronoff and Ward, 2000; Erdem and Baser, 2010; Tapies and Moya, 2012
6	Family Capital	Danes, Lee, Stafford, and Heck, 2008; Danes, Stafford, Haynes, and Amarapurkar, 2009; Stafford, Duncan, Dane, and Winter, 2010
7	Entrepreneurship Orientation	Brockhaus, 1994; Goel and Jones, 2016; Eddleston and Kellermanns, 2007; Zellweger, Nason, and Nordqvist 2012; Habbershon, Nordqvist, and Zellweger, 2010
8	Stewardship Behaviour	Davis, Schoorman, and Donaldson, 1997; Miller and Le Breton-Miller, 2006; Corbetta and Salvato 2004; Davis, Schoorman, and Donaldson, 1997
9	Family Firm Advisors	LaChapelle and Barnes, 1998; Kaye and Hamilton, 2004; Astrachan and McMillan, 2006; Strike, 2012

Table 3 indicates in detail the discovered success factors and their author's/references from literature. The type of research conducted by the authors to develop such factors relevant to family business transition and sustainability is a mixture of both qualitative and quantitative research articles. They have been conducted on a group of family businesses either by a survey or by face-to-face interviews with family business owners.

2.5 Discussion

In this review, we established nine major factors that contribute to family business survival across generations, as presented in table 3. Family businesses are the bedrock of economic growth in both industrialized and developing countries (Zahra & Sharma, 2004), they facilitate a significant role in the national economic development and sustainability worldwide (Schulze & Gedajlovic, 2010) facilitating wealth creation and economic stability (Astrachan, 2003). Therefore, to ensure a country's stability, family businesses should implement the factors mentioned in this study. This research is limited to family businesses planning for the longevity of the firm and are looking for ways transfer the business to the next generation.

2.6 Conclusion

This chapter reviewed the literature and established the need for this research. It found nine major family business sustainability practices that are going to be used as the highlights of the open ended semi-structured questions when interviewing the family members. Moreover, use them as the themes and core of this study. The next chapter introduces the methodology adopted in this research.

Chapter Three

Methodology

3.0 Introduction

This chapter explains in detail the methodology used in this research. It starts with stating the research purpose, questions, and aims as to why qualitative methodology was adopted. After that is the presentation of the research methodology diagram, which includes the data collection method, identifying the interview questions, data collection sample, data analysis, and finally research validity.

3.1 Why qualitative methodology?

This research adopted a qualitative methodology based on ten interviews with the medium- and large-sized family business members. The qualitative definition that best fits this research is the Creswell (2013, p. 44) definition:

> "Qualitative research begins with assumptions and the use of interpretive/theoretical frameworks that inform the study of research problems addressing the meaning individuals or groups ascribe to a social or human problem. To study this problem, qualitative researchers use an emerging qualitative approach to inquiry, the collection of data in a natural setting sensitive to the people and place under study, and data analysis that is both inductive and deductive and establish patterns or themes. The final written report or presentation includes the voices of participants, the reflexivity of the researcher, a complex description and interpretation of the problem, and its contribution to the literature or a call for change."

Qualitative methodology adapts the following reasons:

- The need of study of a group to identify variables that cannot be easily measured.

- To study and understand the details of the issue, which can only happen by talking directly with the people.
- To understand the context or setting in which family members address the sustainability issue.

The nature of the study is both explanatory and descriptive. It is exploratory because the study design is to gain an understanding of the sustainability practices adopted in UAE family business (Hyman, 1996), whereas it's descriptive because it builds on previous literature and research of sustainability practices adopted in other developed countries (Gay & Diehl, 1992). Therefore, qualitative researchers work to collect data in the field by having face-to-face interaction with participants who experience a common issue or a problem (Creswell, 2013). In this research, the shared issue is family business survival in the UAE, which requires the methodology to explore what cannot be measured and to hear the silent voices of the family business founders and successors towards their approach to sustaining their family business through generations.

Denzin and Lincoln (2011, p. 3) wrote a handbook of research on the topic of qualitative methodology, and they defined the best qualitative research:

> "Qualitative research it is a situated activity that allocates the observer in the world. It consists of a set of interpretive, material practices that make the world visible. These practices transform the world. They turn the world into a series of representations, including field notes, interviews, conversations, photographs, recording, and

> memos to the self. At this level, qualitative research involves an interpretive, naturalistic approach to the world. Meaning qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena regarding the meanings people bring to them."

This definition explains in detail the methodology considered in this research, that family businesses have been studied in their natural state, which gave them the chance to explain their future thoughts of their businesses without any constraints or limitations. Qualitative research allows the flexibility in nature toward addressing the problem with the respondents by directly talking to them and watching them behave and respond within their context (Creswell, 2013).

This definition explains in detail the methodology considered in this research, that the study of family businesses in their natural state give them the chance to explain their future thoughts of their businesses without any constraints or limitations. Qualitative research allows the flexibility in nature toward addressing the problem with the respondents by directly talking to them and watching them behave and respond within their context (Creswell, 2013).

However, according to Chenail (2009), a researcher must always make a note of the differences in methodologies to give the reader a better understanding of why qualitative methodology is the choice of this research. Therefore, table four presents the difference between qualitative and quantitative research:

Table 4: Qualitative vs. Quantitative Research

Criteria	Qualitative Research	Quantitative Research
Purpose	To understand and interpret social interactions	To test hypotheses and examine cause and effect
Nature of reality	Multiple realities and subjective	Single reality and objective
Research paradigm	Interpretivism	Positivism
Methodology	Exploratory or bottom-up, such as grounder theory and ethnography research	Confirmatory or top-down such as descriptive, correlational, quasi-experimental, and experimental research
Role of researcher	The closeness of the relationship with researched subjects	Detachment between researchers and researched subjects
Data collection type	Words, images, and objects	Hard and numerical
Data collection instrument	Interviews, focus group discussion, participant observation, field notes	Questionnaire, tests, inventories, check list
Final report	Narrative report with contextual description and quotations from researched subjects	Statistical report with a statistical significance of findings
Results	The validity of the findings	Reliability and generalizability of findings

*Source: Denzin and Lincoln (2011)

Table four clearly shows that quantitative does not fit the criteria required for this research as it limits the researcher to investigate and study the context and environment of the respondent in the family business. The key in this research is to be able to get as close as possible to the respondent to learn from his experience and behavior in the research phenomena and decrease the power relationship that is usually common to exist between the researcher and respondent (Creswell, 2013).

The qualitative methodology provides the following:

- Allows a detailed richness and in-depth understanding of the problem under review, taking into consideration respondent behavior and environment (Tharenou, Donohue, & Cooper, 2007)
- It is the highest effective method where the data is interpretive and does not depend on any hard or numerical information (Denzin & Lincoln, 2003).

The decision of the researcher to conduct qualitative or quantitative methodology depends principally on the research objective. As noted by Amoroso and Ragin (2010), quantitative methodology focuses on a small number of variables across many respondents; however, qualitative methodology focuses on a large number of variables across few respondents. In this study, we have nine variables that were concluded from previous research and interpreted across ten large- and medium-sized family businesses in the UAE.

In this research, a qualitative research methodology is used to achieve best the answer to the research problem and research questions. Leedy (1997) believed that using this type of method helps understand respondents' perspectives and views of societal truth. In our case, the perspectives and views of the respondents were involved in the sustainability and success of family businesses through generations. Qualitative method is also defended by the following assumptions that are useful for this research (Tesch 1992):

1. The qualitative method helps to understand a person or a situation from understanding the circumstances that happened in the entire picture in which they were; this is called a holistic approach.

2. The researcher is the primary collector of data and analysis; this will help the researcher understand every respondent and know where to focus.

3. Using the induction approach to look into details and hence understand the larger picture.

4. The researcher will be able to collect and observe the data and the behavior of the respondent in a natural state without any limitation to the outcome variables.

Therefore qualitative methodology is the best suitable methodology for this research to obtain valid and reliable results. As stated by Shams and Bjornberg (2006), qualitative methods are more reliable to be used for family businesses. The following sections present and explain the stages adopted for this research design.

3.2 Research design diagram

The research methodology is a way to solve the research problem and to do so this diagram is presented to indicate and explain the stages of the methodology taken in this research. Noting the methodology flow from the start of the study, which is identifying the problem to the last stage which is research validity. The research stages are presented from one to four, as shown in the research design diagram figure 6:

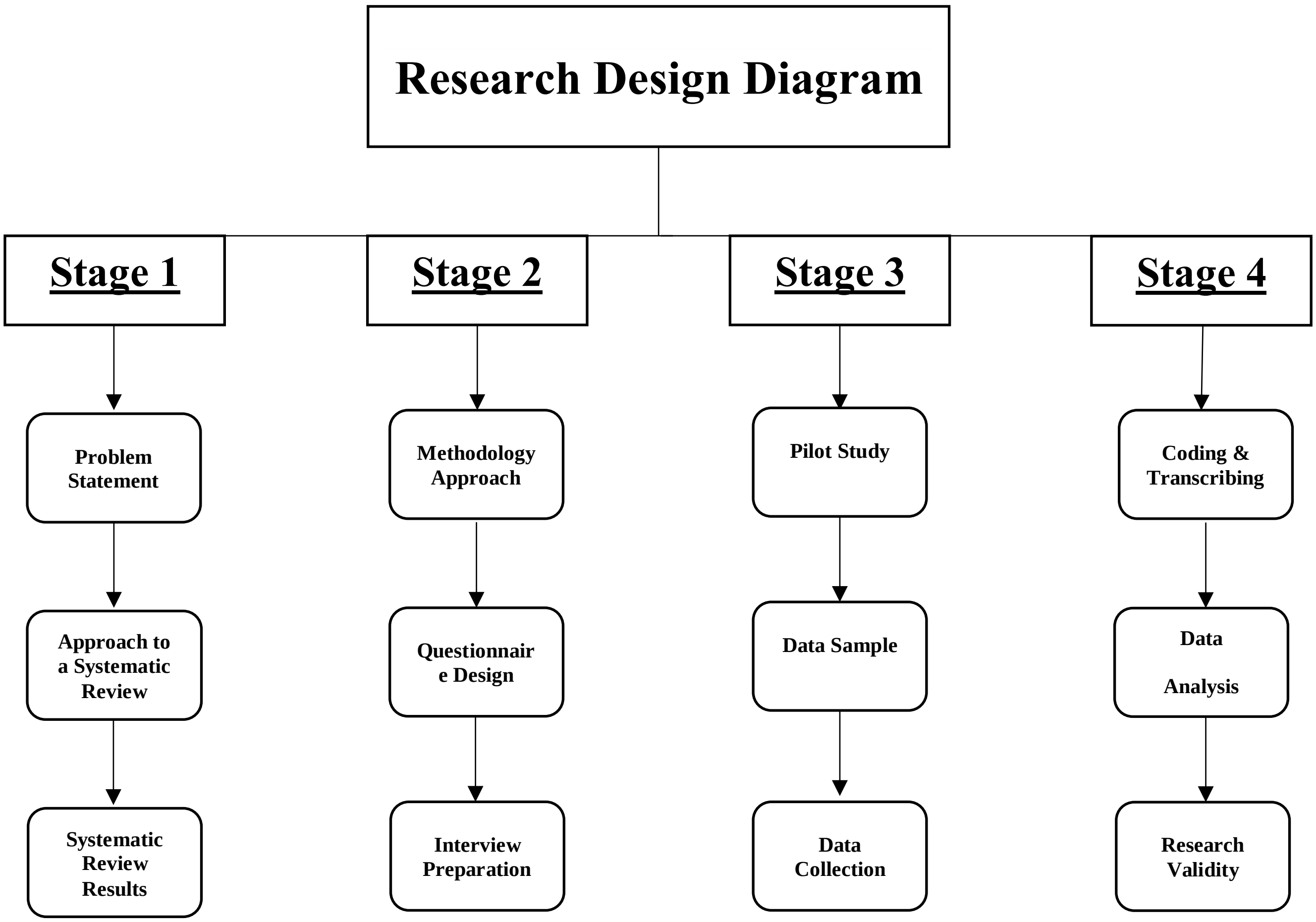

Figure 6: Research design diagram

*Source: author of this thesis.

3.3 Stage One

The first stage is explained and clarified in detail in chapter one and chapter two

3.4 Stage Two

3.4.1 Justification for Phenomenological research approach

Phenomenological research was the qualitative approach recommended because it intends to describe how his respondents experienced the situation in which they found themselves in their business organizations. The research is based upon the notion of studying the perceptions, perspectives, understandings, and feelings of the respondents who have actually experienced the situation or phenomenon of interest. It needs to be noted that phenomenology differs from most other research methods because its goal is to describe a lived experience rather than to explain or quantify it in any way. The approach is concerned only with the study of the experience from the perspective of the participant therefore no methodology includes any hypotheses or preconceived ideas about the data collected.

This study will use a phenomenological research approach because this approach focuses on what all participants' have in common and how experienced or will experience this phenomenon. To be able to design the best suitable interview questionnaire, a researcher must understand and know the qualitative methodology approach that will be used to analyze the data and state the results. Therefore, according to the research purpose and respondents, the best approach found to best suit this study is the henomenological approach using semi-structured interviews and open-ended questions.

The phenomenological approach is used to explore a phenomenon with a specific group of individuals who all have experienced the same phenomenon (Creswell, 2013). Therefore, in this study, the phenomenon they have in common is the continuity of their family business. They all have experienced their second generation joining and are looking for passing the baton to them as well as planning for their family firm sustainability to the generations ahead.

The preferable method to collect data for the phenomenological approach consists of in-depth and multiple interviews with the individuals who share a common experience (Creswell, 2013). According to Polkinghorne (1989), the recommended number of interviews is between 5 to 25 individuals who have all experienced the same phenomenon.

In this study, semi-structured interviews were performed, meaning the interviewer asks all the respondents similar questions to reach the right research objective. It is different from a structured interview where the respondents answer the identical questions (Bernard & Ryan, 2010). Semi-structured interviews worked best for this research because design of the interview questions is based on the nine practices concluded from the systematic review of previous research and literature.

3.4.2 Questionnaire Design

In the same vein, all the questions asked are open-ended questions that allow the respondent to speak freely and without limitations toward what he or she thinks of the subject (Bernard & Ryan, 2010). According to Moustakas (1994), the respondents are asked two broad questions: first "what have you experienced regarding the phenomenon?" Second; "what contexts or situations have typically influenced or affected your experiences on the phenomenon?" These tell the researcher all that the respondent know about this area of expertise and this is what this research is looking for to learn from each industry family business and how it is planning for the future of the business and family.

As the W questions are valuable, the how questions are also of importance as they allow the respondents to tell stories and narratives which gives the researcher more data and explains the relationship among things.

The knowledge of those scholars leads to the questions that were generated to be semi-structured with open-ended questions of "how" and "what." The interview questionnaire is outlined first with an introduction of the problem, then follow two main demographic questions regarding the current leading generation and type of industry following the nine sustainability factors that act as the key themes of this research. Each factor starts with its definition to make sure the respondent understands the topic discussed and each factor has a set of questions of how and what to allow the respondent to speak freely, and the researcher reaches the objective required for each factor. It is not necessarily for the interviewer to ask every question if the right objective is received. A copy of the questionnaire is in Appendix D.

3.4.2.1 Reliability and Validity

As explained, the questionnaire was adopted from the themes of the study, which are broad highlights of each phenomena, that has been proven consistently by the scholars and authors presented in chapter two. This ensures that the questionnaire theme design came from reliable sources. The nine major success factors that are the highlight of each question have been proved reliable in all the past family business literature. Thus, if these themes are asked to any family business, they will result in the same concept of data, as they are facts proven to aid family business sustainability. On the other hand, validity is considered because the questionnaire has been designed to hear from the respondent freely under each theme so not all the questions were asked. If the respondent understood the theme practice and can respond to its presence in their family business there is no need to ask each question in detail, noting that the questionnaire is open-ended semi-structured. That's why the how and what questions were adopted under each theme to discuss the theme general existence in the firm. Nevertheless, to ensure questionnaire validity, a pilot study was conducted that resulted in some changes but assured of the questions; validity as all the responses represent the factor to which they were intended.

3.4.3 Interview preparation

The interview preparation starts when the researcher acknowledges the international review board (IRB) guidelines of Abu Dhabi University and obtains its approval on the interview questionnaire (Appendix E). After that, an ethical clearance certificate is issued by Abu Dhabi University, to whom it may concern, allowing the researcher to conduct research in the name of the university (Appendix F). Note that to satisfy the IRB guidelines, a confidentiality agreement (Appendix G) is signed by the interviewer to provide the confidentiality knowledge to the respondent before scheduling the interview.

In the confidentiality agreement, the main two clauses that the researcher must make clear for the respondent before interviewing are: first, that the interview is completely confidential, the identity of the interviewer or any personal information is not to be disclosed in the research. The use of coding to categorize the environment and respondent workplace is under basic coding (Bernard & Ryan, 2010). For example, for large family businesses, the code starts with L followed by a numerical number, such as L01, which stands for the first large family business interviewed. Also, the same goes with medium-size family business, the code M followed by a number. Such coding protects the respondents and assures all their responses are confidential. The second important part that should be mentioned to the respondent before the interview is that the interview is audio recorded. This is for the interviewer to be able to concentrate and listen to the respondent better, save the time of taking notes, and assure to observe the actual respondent responses and discussions. The researcher assures to discard the audio recorder after five years of obtaining the Doctorate certificate.

Therefore, the researcher prepared an access letter requesting permission to conduct research (Appendix H). This letter is sent to the interviewer to acknowledge his or her acceptance, by noting the study problem, purpose, and objectives. Nevertheless, it also has attachments, such as a copy of the ethical clearance certificate and a copy of the confidentiality agreement. Lastly, it has the university and the researcher contact details to allow the respondent to contact back for their acceptance to participate in the interview and their acknowledgment on the confidentiality agreement. The attachments act as a guide for the respondent to have a full picture of the study and decide whether it is in his/her interest to participate or not. It also explains thoroughly the study, which shows it is from a well-known recognized university and assures the correct ethical field practice is into consideration.

3.5 Stage three

3.5.1 Pilot Study

The importance of a pilot study in performing a qualitative phenomenological approach has been proved in literature to test the suitability of the methodological process regarding choosing the participant, data collection, and analysis (Kim, 2010).

By definition, a pilot study acts as a feasibility study "small-scale versions of the planned study, trial runs of planned methods, or miniature versions of the anticipated research this is to answer the methodological questions and to guide the development of the research plan" (Prescott & Karen, 1989).

The primary research is aimed to evaluate and explore the extent of sustainability practices evident in UAE family businesses. One of the large-sized family firms that formally agreed to participate in this research accepted to be part of the pilot study. The respondent interviewed is the founder of the family business.

A pilot study is conducted to assess and prepare the interview; it will improve the interviewer observation skills, techniques, capability, commitment, and readiness as a qualitative researcher (Beebe, 2007).

A pilot study also tests the degree of transparency from the respondent and how active are family firms to reveal their information regarding plans toward the business succession and strategy. According to Lancaster et al. (2004), there hasn't been a set of guidance on what makes up a pilot study. Nevertheless, as stated in by Kim (2010), it is to test the data collection and analysis; also, as per the researcher understanding and in-depth research of the pilot study practice, the following outcomes are expected to be verified:

a) Interview time.
b) Interview protocol
c) Review of doubtfulness in the interview questions.
d) Review of the clarity of the interview questions.
e) Review for any omission in the interview questions.
f) Review respondent comments and suggestions.
g) Data collection instrument (audio recorder).
h) Study the researcher skills and ability in conducting an interview.
i) The amount of data generated is it reasonable enough to understand this business sustainability practices.
j) Review of any possible issues.
k) Data analysis methodology
l) Researcher suggestions and feedback
m) The essence of the findings

Also, note that the questionnaire design in the pilot study is the same as the one adopted in the primary research, which is prepared and designed in the previous section.

3.5.1.1 Pilot study report

Interview summary

The family business interviewed for the pilot study is a large-sized family business that replied to the access letter requesting permission to conduct research (Appendix H) by email to the researcher. The email indicated the date, time, and place of the interview. The date, time, and place of the interview were October 28, 2017, 2:30 pm, at the family business headquarter, which is in Abu Dhabi city.

The researcher was there on time; he was greeted by the secretary, whom he has received from the response email. He was dressed in a very formal manner, with a professional bag and the official documents from the university to conduct the research. As he is waiting in the lobby, the family business chairman and founder come to the lobby with a smile, greeting the researcher to his office.

The researcher started the interview thanking the founder for his time and his acceptance to be part of this research. The interviewer replied most welcome, “let’s start.” The researcher took out the audio recorder and asked if he can record this interview to capture all the details with paying attention to his replies. The founder asked if it will be confidential? The interviewer replied, “yes, of course, also no identity will be mentioned in the thesis, the only thing that might be disclosed is the family business name, if that is ok with you.” He replied by saying: “I hope everything is kept confidential, I am doing this because the topic is interesting, and I would like to participate on such topic, especially with Abu Dhabi University, as we are one of the leading family businesses in Abu Dhabi.” The researcher replied, “yes, of course, everything will be confidential and not disclosed to anyone.” He replied, “thanks let’s begin now.”

The interviewer put the recorder on and started by briefing the respondent with an introduction to the main issue problem and what the researcher aims to investigate and evaluate.

The researcher then followed by asking the demographic questions, which are: who is the current generation leading? First or second. The respondent replied, “I am currently the chairman, and I have two sons working in the business. Both are leading managers, yes.” The researcher replied, “so first and second generation, that is good.”

The researcher asked the respondent, “can you tell me, in brief, regarding your family business industry?” The respondent replied, “We work in construction, development, and manufacturing, but I thought the questions would be regarding the sustainability practices and not what we do for a living.” Researcher “yes, sorry, this is just the first two questions.”

The researcher stated after that “the questions are from the sustainability practices proven in more-developed countries such as the United States of America and Britain.” Then he defined the first factor and asked the first and second question. The respondent was very understanding after the interviewer defined the factor and answered freely both in Arabic and English. The same continued for all the nine factors. The respondent lastly thanked the interviewer and asked him if there is anything else, he needs to add. The respondent replied, “thanks for reminding me of how important these factors are and wish you luck in your research.”

3.5.1.2 Pilot study outcomes

a) The interview time was 42 min. However, the interviewer found the respondent, by the end of the interview, is pushing to finish and may be to attend other matters or it took too much of his time. Therefore, it was taken into consideration that the interview time is between 30 to 45 min. When reaching to the respondent for the permission to participate the interview time mentioned is 30 min. However, if they had more time to elaborate more on their experience on each factor, the interview is open without time limitation.

b) In the interview protocol, one main thing is not to assume that the respondent has read the confidentiality agreement, so the researcher must mention the required information regarding the confidentiality after greeting and thanking the respondent for the acceptance to participate in this research.

c) The doubtfulness happened in the demographic questions as they are not the central part of the research, which made the respondent point that out, although they help to understand the respondent experience. Anyhow, the demographic questions will not be asked directly. The first one indicates who is leading the business; the researchers gets a clear answer after the respondent replies to the sustainability factor questions. Moreover, regarding the family business industry, the interviewer will do his research on the company before going to the interview; for example, check its website.

d) As the interview is semi-structured, open-ended questions, the respondent felt comfortable and understood the questions clearly because the interviewer defined each sustainability factor before addressing the questions.

e) There is not any omission to the interview questions; however, because the interview is semi-structured open-ended questions, not every question was asked. After explaining the sustainability factor and asking one or two questions, if the respondent understood and replied with valuable answers to meet the research factor objective, the researcher moves to the next sustainability factor.

f) The respondent replied by thanking the interviewer for reminding him on how important these factors are for the family business survival.

g) The data collection instrument that used is a digital recorder by Sony model ICD-UX533, which worked perfectly. The data is easily transferred as mp3 to the computer and saved for the transcript's analysis.

h) The researcher's skill and ability to conduct an interview. At first, he did not know what to expect; however, when the interview started, he was confident and very clear spoken. Also, he used epoche method, which is setting aside and bracketing any pre-judgments toward the research problem and not interfering at all in the respondent's reply, to be as open and receptive as possible when listening to the respondent's experience (Moustakas, 1994). The epoche method gave the respondent the confidence and willingness to talk more about his life experience toward every factor.

i) The amount of data generated is reasonable enough because it followed all nine factors previously proven in literature. Therefore, the respondent replying to all of them gives enough data to analyze.

j) The interview went smoothly with no issues.

k) The data analysis will be that the respondent must listen to the recorded interview and transcribe it. It is good that the interviewer is fluent in both Arabic and English so to transcript it from Arabic to English will not be an issue. The remainder of the methodology explanation is in the data analysis section.

l) The researcher is very happy from this pilot study as it was his first time to conduct such an interview using this phenomenological methodology, which helped him understand and experience what to say and how to lead the interview smoothly.

m) The essence of the findings showed that the participant is practicing most of the sustainability factors, however, but is not familiar with the theory titles behind each factor.

The pilot study was beneficial for the researcher as he learned how to act and behave in conducting an interview, as it also helped him understand what to ask, and how to ask the interviewee. It furnished his understanding on how to allow the respondent to reflect his experience in a natural feeling comfortably, which is very important to get the most information regarding the interview topic. It is true when

Kim (2010) said: "conducting a pilot study with clear aims and objectives would promote the rigor and trustworthiness of qualitative research." The pilot study outcomes gave an excellent advantage to the research. The pilot study also gave the research validity and assured that the questions and methodology are correct and in line with the research purpose. Therefore, with all confidence, the researcher went to approach the remainder of the data sample as explained in the following section.

3.5.2 Data Sample

Choosing the sample to interview to generate data is a very critical part for all types of methodologies. However, in quantitative methodology, probability sampling techniques can be used but such techniques rarely work in qualitative methodology (Marshall, 1996). Sampling definition is the procedure of choosing a certain number of individuals from a population so that by learning about the individuals and understanding their characteristics and properties, it makes it possible to generalize and produce outcomes on those individuals' characteristics and properties in the population (Sekaran, 2000). This definition is in line with this research as the study is looking to achieve a general knowledge of the sustainability practices adopted in large and medium-sized family businesses. Small family businesses were not considered in this research as they lack adequate human resources; hence the sustainability factors will not apply.

According to Marshal (1996), the qualitative methodology has three types of sampling:

1. Convenience sample: it relies on accessible subjects and presented samples; it is less costly than the others regarding time, money and effort. However, it generates inferior data.
2. Judgment sample: also known as a purposeful sample, it is the most common in qualitative research. In this sampling type, the researcher selects the most suitable criteria sample to answer the primary research question.
3. Theoretical sample: this sampling type depends on past research to interact with new samples and develop new theories.

Apprehending the three types of sampling the best suitable sample to fit this research is judgment sampling as the research outcome depends on a particular characterized sample, to be able to study their understanding and experience on family business sustainability.

As stated by Yin (1994), the researcher must explicitly specify the unit of analysis for the research. Therefore, in this study, the unit of analysis of this research consists of family member individuals who are involved in the managerial level of their family business.

Family businesses who participated in the research were selected intentionally, which generates absence of bias and prejudice. Noting that because reliable data of family firms is challenging to allocate (Wortman, 1994). The researcher has to put constraints intentionally on the group of respondents he wishes to study in order to achieve reliable data that can be dependent upon in the research. Therefore, the constraints on the respondents are as follows:

1. The family business must be registered in the UAE and holding a valid trade license.
2. The family business should have already passed through a transition or in the process of planning to start the transition.
3. The respondent must be a family member holding a managerial position in the firm or a member of the board of directors. In other words, the family member must be involved in the management or strategic direction of the firm.
4. The family business size should be medium or large as per Abu Dhabi statistics center (Statistics Center Abu Dhabi, 2013).
5. The respondent should be able to speak either English or Arabic.
6. The respondent should have the intention and willingness to continue his family business over the generations ahead.
7. The family should have full ownership of the business.
8. The respondent should be well experienced and knowledgeable enough to respond to the research questions.
9. The respondent must be willing to participate in the research.

Taking into consideration the mentioned respondent constraints, the researcher was able to invite family businesses to participate in the research through the following series of events:

1. The researcher used his family connections to invite suitable family businesses.
2. The researcher attended the Family Enterprise forum on the 12th of September 2017, in the Ritz Carlton Hotel, DIFC, Dubai. Kindly find attached invitation (Appendix I).
3. The researcher attended the 5th GCC Family Wealth Forum on the 9th of November 2017 in the Taj Dubai, Business Bay, Dubai (The 5th GCC Family Wealth Forum, 2017).
4. The researcher attended the 15th Abu Dhabi Business Group Forum on the 21st of November 2017, in Jumeirah venue at Etihad Towers, Abu Dhabi (15th Business Group Forum, 2017).

By using family connections, the researcher was able to connect with suitable family businesses either by personal invitation or by meeting them in attending the forums mentioned above. In these family business forums, the researcher was able to network and meet potential candidates that fit the criteria required for this research. Some candidates were in such a good mood they were willing to interview at the event; however, others shared their business cards, and they were contacted after the event officially by email to schedule an appointment for the interview.

Through family connections, the researcher was invited to such family forums and was able personally to be invited by some valuable family business owners in the country. The personal invitations were from five family businesses in total, and the family members who were willing to have the interview in the event were also five family businesses. These were the assured interviews. The researcher, after that, networked with around thirty family business owners in these events and sent them all the invitation by email and hard copy to their offices. The invitation included the permission letter to conduct research, the university clearance letter, the confidentiality agreement, and, finally, the interview questions. Out of these thirty family businesses, sixteen replied by accepting the permission to interview. However, due to the family businesses' busy schedules and lack of free time for such extra-curricular activities. A total of thirteen interviews were confirmed with a scheduled meeting after the event. All the interviews, apart from the five conducted at the events, were taken at the family businesses' head office.

Therefore, the total interviews performed are twenty-three, the researcher was looking closely before issuing the permission letter to have an equal number between large- and medium-sized family business for the comparison to be valid and reliable. The large-sized family business interviews were exactly ten, and the remaining thirteen were medium-sized family firms. From these thirteen, the ten most valuable were chosen to be part of this thesis, most valuable regarding age and the better exploratory answers for the researcher to have a stable ten large- and medium-sized family business owner's data. A brief on these businesses are present in the following tables:

Table 5: Summary of basic information of large-sized family firms

	L 01	L 02	L 03	L 04	L 05	L 06	L 07	L 08	L 09	L 10
Industry	Diversified such as: (Building Construction, Development, Manufacturing)	Wholesale Distributor of consumer goods and services	Diversified such as: (Water Treatment services, Marine, Firefighting Euipment etc)	Diversified such as: (Trading, Manufacturng and Installation Mechanical & Plumbing material)	Diversified such as: (Road and Building Construction and Multiple Constuction Material Factories, etc.)	Diversified Investment Holding Group	Diversified such as: (Automotive, Oil & Gas, Contracting, Commercial, Marine Engineering, etc.)	Electromechanical Contracing Group	Multidiversfied Construction Group (Building, Roads, Tourism, Military, etc)	Civil Building Contracting
Year established	1985	1956	1974	1975	1984	1989	1979	1975	1973	1986
Ownership	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Managing generation	First/Second	Second/Third	First/Second	First/Second	First/Second	First/Second	Second	First/Second	First/Second	First/Second
No. of Family members in the business	3	6	4	3	5	2	8	2	5	3
Interviewee	Father (Chairman)	Son (Managing Director)	Father (Chairman)	Son (Managing director)	Son (Chief Executive Officer)	Second (Managing Director)	Internal Family Business Advisor	Son (Vice Chairman, Chief Executive Officer)	Father (Managing Director)	Father (Chairman)
Strategic Decision	Board of Directors	Family council, board of directors	Board of Directors	Board of Directors	Board of Directors	Family Supervisory Board	Family Council, Board of Directors	Chairman and Vice Chairman/CEO	Board of Directos	Board of Directors

Table 6: Summary of basic information of medium-sized family firms

	M 01	M 02	M 03	M 04	M 05	M 06	M 07	M 08	M 09	M 10
Industry	Building Construction and Transporting Group	Multi-Diversified Building Material Trading Company	Aluminum Industries	Manufacturing and Trading of Steel Pipelines and Heavy Machinery	Drilling and Piling Construction	Law Firm	Building Construction Company	Contracting in Fire Fighting and Fire Alarm Materials and Equipment	Engineering Consultant Firm	Multi-Diversified Trading Firm
Year established	2000	1974	1975	2002	2000	1996	1983	1988	2003	1979
Ownership	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Managing generation	First/Second	First/Second	First	First	First	First	First	Second	First/second	First
No. of Family members in the business	4	4	2	1	1	1	1	2	4	1
Interviewee	Son (Managing Director)	Father (Chairman)	Father (Managing Director)	Father (Managing Director)	Father (Managing Director)	Father (Chairman)	Father General Manager	Son (Managing Director)	Father (Chairman)	Father (Managing Director)
Strategic Decision	Board of Directors	Board of Directors	Managing Director	Managing Director	Managing Director	(Chairman)	General Manager	Board of Directors	Board of Directors	Managing Director

3.5.3 Data Collection

Phenomenological data collection procedure depends on conducting semi-structured interviews with individuals who share a common issue to learn from their experiences and views. The interviews data collection instrument is a digital tape recorder for excellent transcript writing.

Therefore, the study data analysis is done using the phenomenological data analysis steps, which are as follows:

- From the data obtained from the literature, the researcher highlights significant factors.
- Then the researcher clusters these factors into themes that are the nine sustainability factors.
- From each factor, the researcher writes a description of what the participants experienced, called textual description.
- From these factors, the researcher also writes a description of the context or setting that influenced how the participants experienced the phenomenon, called structural description.
- From the textual and structural descriptions, the researchers then write a composite description that presents the "essence" of the phenomenon.
- Lastly, the researcher combines all the factors essence of the phenomenon to come up with results in an overall picture.

Therefore, the most suitable method of data collection for this study is semi-structured in-depth interviews with family members who are involved in the management or strategic direction of the firm. The interviews started from October 29th, 2017, and finished February 25, 2018, which was around four months in the field getting permission and conducting interviews with family businesses that are within the criteria of this research.

As stated by Solomon et al. (2011), researchers' role in family business succession study is:

> "Semi-structured interviews, participants were asked to tell the story of their business, thinking about pivotal chapters is its evolution. We utilized a life story interview protocol to explore owner who has their businesses, their families and succession. The values of these narratives are not in their factual accuracy per se; rather the stories are valuable because they place history and succession decision-making in the context of meaning. Narratives are critical to understanding the chapters of "letting go" because they reveal the owners authored contexts including their dreams of business creation, the challenges of business growth and evolution, and how they handle both, such that they ultimately can or cannot let go."

Therefore, the primary source of data for this study is the interviews conducted with ten large- and medium-sized family firms in the UAE. The research instrument was an audio recorder that recorded the whole interview. It helped to capture all the parts required and said in the interview. The researcher focused on the interview to establish a culture of trust and comfort, allowing respondents to share their thoughts and ideas freely without any constraints (Huberman & Miles, 2002).

3.6 Stage four

3.6.1 Coding and Transcribing

Coding and transcribing were completed manually by the researcher. Codes were given to the ten large- and medium-sized family businesses, starting by “L” or “M” and followed by a number from one to ten. Codes are given to keep the respondent identity confidential. Transcribing also had to be computed manually because the interviews were both in the Arabic and English language. As the researcher is fluent in both Arabic and English languages, the interview transcription was not an issue. The researcher had to translate the Arabic language spoked to English and write the transcript for each respondent interview individually.

Therefore, listening to the interview and transcribing it was time-consuming, as it takes six to eight hours to transcribe an hour of standard well-spoken interviews (Bernard & Ryan, 2010). However, for the Arabic interviews, it took from ten to twelve hours to translate and transcribe. Another fundamental aspect that helped the researcher transcribe the interview is that it is an already semi-structured questionnaire design with the key themes defined, and the respondents had to answer the questions based on the proven sustainability factors that are the key themes of the research. These themes codes are their initials as listed in the abbreviation list. Therefore the transcript of the interview was organized in regard to the key themes to be analyzed, listed factor 1 to factor 9 as shown in Appendix J for the large-sized family business and Appendix K for the medium-sized family business.

3.6.2 Data Analysis

Data analysis in qualitative research consists of organizing and preparing the data into transcripts for analysis, then coding and reducing them into themes, and after that analyzing the themes and finally presenting the data in tables, charts, or discussions (Creswell, 2013). This researcher manually analyzed the data using phenomenological data analysis.

According to Moustakas (1994), the phenomenological data analysis procedure is as follows:

1. The researcher finds significant statements either by the interviews or other data sources about how a specific group of individuals experienced a topic. In this study, the essential statements were from past literature regarding the individuals who experienced the topic in more mature and developed countries. The significant statements found in this study are the nine sustainability factor statements adopted from literature as noted in stage one of the methodology.
2. The researcher groups these significant statements as a unit of information, called themes.

In this study the nine sustainability factors are the themes of study. They were grouped to be the highlight of the transcript and given their initials as codes as present in the abbreviation list.

3. The researcher then writes a textual description of what the participants experienced within the phenomena.

   In this study, the researcher writes a textual description of what the respondents experienced within each sustainability factor, “each theme.”

4. The researcher then writes a structural description of how the participants experienced the phenomena.

   In this study, the researcher writes a structural description of how the respondents experienced each sustainability factor, “each theme.”

5. The researcher then writes the essence of the phenomena by combining the textual and structural descriptions.

   In this study, the researcher creates the essence of each theme, then combines all the essence of the nine themes into a presentable table for the large- and medium-sized family businesses experience.

However, to elaborate more, to be able to meet the study aim and research questions, the researcher will cluster the participant's common goal in each theme and produce a paragraph of the common textual/structural description of each theme, then combining all the descriptions of the nine themes to produce the results in tables and discussions. After that, compare the results of large- and medium-sized family businesses.

Compare them in terms of percentage of family businesses that adopt a certain theme. The percentages of each medium- or large-sized family business are derived from the number of family business in each size that are practicing the sustainability theme. For example, if four from the ten interviewed large-sized family businesses are following a well-known strategic plan, then the large-sized family business scored forty percent on this theme. And same applies to all.

3.6.3 Research Validity

The research validity started from the beginning of this research by identifying the primary data required to conduct this research. The identification of data required came from the research questions and research aims. The first research question is, "What are the factors that aid in family business sustainability based on current literature?" This question was answered clearly in chapter two. The findings were nine major sustainability factors that had been proven before in literature that they aid in the continuity of a family business. Therefore, we applied those factors in the questionnaire design to study their existence in the UAE context of family businesses, used these factors as the key themes of the study, and built upon them by way of subquestions of the questionnaire design. Using proven published themes ensures the validity of the computation with regard to the questionnaire design. After that, the researcher indicated specifically the criteria of the respondents who are going to be approached to participate in this study, which helped to remove bias and prejudice.

Moreover, to make sure all respondents within the same sample criteria have a reliable, valid comparison among all the large- and medium-sized family firms in the UAE, the data sample was chosen very carefully through family connections and their help to get invited to attend important family business forums in the UAE. These forums are the main events only well-known and reputed family business in the UAE get invited. The events allow them all to the unite in one place and to be open to network and meet other attendees. Such events made it simpler to approach such reputed family businesses and, what made things easier, is for the researcher to introduce himself from Abu Dhabi University and conducting doctoral research on family business survival. This approach caught any family business owner attention, and directly the researcher gained their interest and trust. Within what is said, the researcher believes this is enough evidence to assure of the validity of the data sample chosen.

Also, the method used in the interview design, which is a semi-structured open-ended interview, allows the participant to share all his thoughts and experience regarding each theme, without any limitation. The respondents' free speech allowed the researcher to grasp a detailed description of each participant's experience within a theme, providing the researcher with recorded factual evidence of each participant's in-depth experience within each theme and making the data collected valid and reliable.

Lastly, a pilot study was used to test the whole procedure for conducting an interview. A full interview with a well-reputed large sized family firm. In this interview, the following were tested and measured:

1) Researcher approach and invitation acceptance by the respondent.
2) How the researcher introduces and is presentable in the interview.
3) The interview questionnaire and its flow.
4) The interview timing.
5) The interview audio recorder.
6) The respondent appearance and reaction to questions.
7) The data analysis plan.
8) The researcher interview conclusion method and feedback.

As listed above, during the pilot study, the whole procedure in conducting an interview and getting factual data got experienced and enhanced, as explained in the pilot study section, to be able to have the best optimum outcome from the next interviewees. Moreover, that is what happened there for all the methodology used in this research; it is from trusted sources and the approach used is reliable as tested in the pilot study, which assures the validity of this research.

3.6.3.1 Ethical Considerations

Due to the code of conduct implemented in Abu Dhabi University by the IRB, ethics is of very high importance. The ethical consideration started when the IRB requested to approve the research questionnaire before conducting the field research. When the questionnaire got sent to the IRB, it responded with three comments to be amended:

1) To remove any identity or business name questions.
2) To remove any finance-related questions.
3) To sign a confidentiality agreement and send it to the respondent.

Of course, the IRB duty is to ensure that its students are researching most ethically. Therefore, all its comments were taken into consideration and submitted back to it. Once the IRB approved the researcher to conduct the field research as shown in Appendix E, the university provided the researcher with an ethical clearance certificate, as shown in Appendix F.

The clearance certificate was given to ensure the participant that this research study has used the highest measure of ethics in researching as it is a proof from the University of all the ethical considerations. No respondent got forced to participant in this research above their will. They had the will and interest to participate in this research.

Also, as mentioned in the confidentiality agreement, none of the data collected from this research will be shared with anyone and will be stored with the researcher for the analysis of this research only. Once the research is complete, all the data will be kept safe and destroyed after five years.

Lastly, the data transcribing and analysis has been done manually by the researcher, which ensures the accuracy of translating from Arabic to English and presenting the factual data, as stated precisely to the interviewees.

3.7 Conclusion

This chapter presented all the stages of the methodology adopted in this research. The methodology was explained in detail to give the reader the full understanding of how this research design is, from initiating the themes and questionnaire to the data analysis procedure. The data analysis exploration process and outcomes are in the chapter four.

Chapter Four

Data Analysis

4.0 Introduction

This study used qualitative methodology with phenomenological research approach because this approach focuses on what all participants have in common and how they experienced or will experience this phenomenon (Creswell, 2013). In this study, the phenomenon is the existence of sustainability factors in UAE family businesses.

Phenomenological data collection procedure is through opened ended semi-structured interviews with individuals who share a common issue as they narrate their experience and views on this issue. The interviews are all digitally recorded for excellent transcribing. Examples of large and medium-sized interview transcripts are present in Appendix J and Appendix K.

Respondents coding and brief of data sample information are present in table 5 and table 6 for the large- and medium-sized family business. This information gave a brief explanation regarding each family business interviewed, which helps the researcher understand the business when reading their responses to the significant factors that aid in the sustainability of family businesses.

Therefore, this chapter follows the phenomenological data analysis stages that are adopted by all these scholars (Creswell, 2013; Benner & Tushman, 2002;

Moustakas, 1994). It has two sections, starting with large-sized family business analysis and then medium-sized family business analysis.

4.1 Large-sized family business data analysis.

Stage 1: Highlight significant factors and cluster them into themes.

As noted in the previous chapters, from literature the significant factors that aid family business sustainability have been proved and documented, these significant factors were chosen as the themes of the research and used to semi-structure the open-ended questions.

Stage 2: Participants textual descriptions of the themes

Theme 1: **Settled Succession Planning**

Definition: Succession planning is a structured approach to planning ahead for leadership positions in the organization; it can improve a potential leader's skills through experience and the assignment of appropriate tasks to individuals who will one day lead the family business (Sharma, Chua, & Chrisman, 2000).

Succession planning is a concept that is widely understood by all the respondents. All the founders have practically done it, and it continued by the second generation. However, only forty percent have a solid succession plan in writing. Moreover, this led to five significant aspects to when planning a succession plan according to the respondents. First, the founder's ability to let go of the business to the successive generation; second, the successor's will and ability to contribute in the business;

third, the plan for the next generations; and, finally, how to write the official leadership structure and family members' percentage in the family business.

The founder's ability to let go of the business to the next generation is a tough task, as the founder created this business out of nothing and worked so hard all his life to build this empire. So how can he let it go? Respondent L04 second-generation MD indicated the solution as follows:

> L04 "Succession planning in the Middle East or in the Arab context it is very rare and does not exit this concept of handing over the responsibility, handing over the rails to the next generation is very difficult to accept at a physiological and mental level of the incumbent. If the second generation is well educated, they understand the importance of succession planning. They start talking to their parents their mother or their father the ones managing the business and try to explain to them listen this is important give me more responsibility give me a chance. If you have that mature understanding that one day people will go, and people will take over. You can talk about succession planning to your parents and listen let me do the mistakes while you are alive and correct me so u can lift me and teach me to continue. Rather than doing mistakes when u are not here, and no one will give me real advice this is my concept of succession planning."

If the founder did not initiate succession, it is the second-generation's responsibility to enlighten the founder of the consequences and advantages of succession. Help the founder to try to reach to an understanding that he or she must plan for the next leadership positions of the business. The following was noted by the founder/chairman respondent L 10:

> L10 "If it did not manage or lead properly and if this man the founder did not put down policy for leading the company with him or without him then his company will go down eventually."

The founder needs to understand that, for the family business to survive, he or she needs to plan for the second generation to take over and lead the business. It is the founder's responsibility to encourage the second generation since they are young and, therefore, give them the ambition for one day to work and lead the family business. This ambition has been described by founder/chairman L09 as follows:

> L09 "In my judgment if we were able to embed the love of work in the second generation since they were young and as they grow up we will not face any problems in the future because all of them will work from their blood, and they will all share with each other everything because they know the goal is one" Therefore it is our responsibility to leave a generation that will raise our head and sustain the family business and wealth."

The founder/chairman L09 indicated how important it is to embed in the second generation the love of working in the family business since it is young, so it will grow up looking forward to this dream. This happened and is proven by the second-generation/CEO L05 as he explained his experience as follows:

> L05 "handing over the company from generation to generation was something based in us since we were kids at home. Giving us the goals and the motive by telling us tomorrow you will hold accountant's manager, you will tomorrow hold public relation manager, etc. and this developed in our spirit the love of the company and the work, and we all grew up and continued having that as our goal."

The founder's incentive in creating the motive and goal in the second generation, since they are young, creates the will in them to work and love the family business, which takes us the to the second aspect discussed by the respondents in succession planning, and is the will for the successive generation to work in the family business. According to the respondents, the will is created slowly over the years by the founder initiating goals and dreams in the successive generation while they are growing up. It has been noted clearly by the founder/chairman L03 as follows:

> L 03 “The most important is for you to create the “will” in the second generation during their education and try your best to direct them in the right path in terms of their studies and what you need them to lead in the future. Because I know for a fact managing the business is a talent and not an education.”

The founder/chairman of L03 encourages not only to create the will in the successive generation but also to direct it on the right path of education required for the planned leadership position. The founder should be able to distinguish the leaders from the second generation and provide them with the knowledge and experience they need to acquire to become independent leaders of the family business. They need to be able to contribute to the benefit of the business or else their position is no use and will harm the business. Hiring an outside employee to do the job is better than hiring a family member who has no competency in work. It has also been discussed by a second-generation/MD L02 who has been leading the business for more than thirty years, who stated the following:

> L02 “Planning of family business, business is business family or other, meaning professional attitude there’s no mother, brother or mother. The question is are you qualified to be x,y,z in the business, what is your qualification to contribute the business with that capacity you can give to the business. Your contribution to the business is what matters the most professionally.”

The successor contribution to the business is a critical aspect of sustaining its position in the business or else it does not deserve it. These family businesses have transitioned to the second generation, and it was possible because it was born in the business, hearing it every day when young and growing up with goals to lead it. However, is that the case for the third generation? The respondents do not think so. The family will only get bigger and harder to control. The shareholders will be much more in the third generation than the second generation. Also, the third generation will not be of the same attitude and ambition of the second generation, who lived with the founder most of its life. Therefore, the best solution according to the respondents is to split management from ownership as indicated by the second generation/MD L06, who has been leading the family business for twenty years:

> L 06 “I think every family has its own strategy and own vision, and for us many years ago we decided to differentiate between family and ownership. So, we created professional management that run our family business, rather than us managing the business. The reason we did that was purely for succession reasons and purely because a lot of families their second generation don’t have hobby no, I don’t want to say hobby do not have the interest to run the family business. They developed their own hobbies and interests they want to be their own entrepreneurs.”

This gives us an understanding that it is best to leave the third generation to create its own interests and hobbies. However, if it was interested in working in the family business, it still can under certain conditions in the succession plan. However, for the benefit of the business hiring professional management that are not family members gives an advantage when the relation is with so many family business owners. Hiring professional management to a certain extent prevents causing a dispute among the next generation successors. It is best to plan for the third generation as noted by the second generation/CEO L08 who has been managing the business for fifteen years:

> L08 "I think the first and second generation worked very hard to build the company. However, the second generation predicts what is going to happen and get out of management before it is too late as in splitting management from ownership to not cause any problems towards the business from the family. The family members own the company they all have shares, some are on the board, but the daily management is left for professional management to handle. Family members will be allowed to work in the company only if the benefit the company if they do not then there is no need for them."

Respondents are that splitting management from ownership is the best solution for the third-generation hereafter for the sake to protect the business and the family and to ensure continuity and growth. However, the family members must still play a valuable role in directing the family business. They need to create a family office or council that manages wealth and investments of the family. Moreover, in this family council, the division of shares to the family members and their leadership roles are indicated whether they are managers, on the board, or just shareholders. Internal family business advisor L07 noted the following in regard:

> L07 "his excellency already from about three years ago we have a family protocol it has been studied reviewed and implemented. So, we have the family council which is the general assembly the owners, and he is the chairman of this

> general assembly and the family council. But who is running the business day to day is the board of directors!"

Which tells us that family business L07 has already created a family council for the better future of the business, whether the board of directors are family members, employees, or both, it depends on the criteria required and who is eligible for such roles. This leadership role can be defined and assigned officially in the family business or holding a company article of association. As noted by the founder/chairman L01:

> L01 "We cover such aspects under the memo of association of the holding company that covers all the group businesses. In this memo of association to include criteria to choose a board of directors for this company and how decisions are going to take place. And this is what will lead the business; it has to be initiated by the founder and be written and checked by a professional lawyer."

For the founder or incumbent to write the leadership structure and ownership of the shareholders in the article of association of the family business or holding to ensure it will go as stated for the next generation, such action will ensure the family business continuity as the policies, structure, and ownership is set and will continue even after the incumbent death.

Stage 3: Structural Description

The respondents have experienced succession planning practically during their life. From the founder perspective, he invested in the second generation by teaching them, since they were young, the love of the business and building in them the responsibility that they will carry when they grow older. It has not been written down and given to the second generation. They have learned their way up through shadowing the founder, who is their father or mother.

The second-generation experienced succession planning since they were young; at that time they did not understand why their father or mother is asking them to sit with elderly in the family sitting area or going with them to the office. However, as they grew older and got an education, they understood very well that all their life they have been learning to reach and hold their dream position. All the interviewed second generation in the large-sized family business have at least ten years' experience in running the family business. They are intelligent and understand their role very well. They work hard to keep the family together, and they are already thinking of how to plan for the next succession. Forty percent succeeded and planned for the generations to come. However, the remaining are still looking for answers on the best way to plan for the leadership of the business without causing any dispute among the successors.

Stage 4: The essence of the Phenomena

The family business respondents laid down three aspects that are important for succession; first, the founder ability to let go of the business to the successive generation. Second, the successor's will and ability to contribute to the business. Third, the plan for the next generations, to officially write the leadership structure and family members; percentage in the family business. Only four from the ten large family businesses have a well-written succession plan because they thought beyond the second generation. They created a family office that presents the family members shares in the family business. Moreover, they left managing day to day operations to professional management; however, the family members have the right to manage the business directly if they meet specific criteria mentioned in the succession plan. The other sixty percent did not plan beyond the second generation.

Theme 2: **Well-Established Strategic Plan**

Definition: According to Ward (1988), strategic planning is the process of developing a business strategy for creating internal and external operations to establish profitable growth.

Stage 2: Participants textual descriptions of the theme

Strategic planning is very different in the family business as it all depends on what type of business it is. It is not an easy task, it requires a visionary leader who can predict where the market is going and plan accordingly. Sixty percent of the respondents have a written strategic plan that they go by and amend through the years. The other forty percent are still struggling in the ability to write a proper strategic plan with the correct target and goal. The respondents indicated four types of aspects required in strategic planning for the family business. First, the leader should know his market and predict what is coming to set the right vision. Second, the plan and the business should be able to adapt to any market change in order to survive. Third, the family business leader should continuously develop themselves and their business in order to sustain in the market[and, lastly, the leader should make a short-term and a long-term strategy, taking into consideration all the conditions around him, such as political, economic, and social.

The family business leader should always look where the market is going and have a vision. It helps the business to be able to adapt to what is coming and sustain in the market. As noted by second-generation/MD L02, who has been leading the business for more than thirty years, stated the following:

> L 03: "You should always have a vision of the market and where it is taking you and plan accordingly. Another important aspect as long as we live in a competitive market a business leader should always aim to develop themselves and their business in order to last and succeed."

The family business leader needs to stay up to date with what is happening in the country in order to be able to plan the strategy properly for the family business. It requires setting a short-term strategy and a long-term strategy to be communicated with all the employees in order for the whole company to work under targets, aims, and objectives required to reach with a particular timeline. As it has been noted by second generation/MD L04, wo has been leading the business for 18 years, stated the following:

> L04: "strategic planning is something very difficult in family businesses it all depends on what type of family business do you have. We have a short-term strategy, a long-term strategy

> depending on the market condition such as political and economic position."

Another aspect is to get professional help for top advisors to help plan the strategy of the business under the family leader direction and goal, as stated by a knowledgeable internal family business advisor L07:

> L07: "We did a strategy and a framework in the past three years, and we started with one of our companies, we outsourced it with one of the big four, and we have already drafted and signed the strategy."

By the big four, he means the top four professional advisory accounting and management firms, which are Deloitte, Price Waterhouse Coopers (PWC), Ernst & Young (E&Y), and Klynveld Peat Marwick Goerdeler (KPMG) (Accountingverse, 2018). Using such professional firms that have vast experience in drafting strategy would principally help the family business leader.

Stage 3: Structural Descriptions

Founders and second generation who took into consideration strategic planning did not take this choice for no reason. They have learned from the past when an economic recession hit the market; they were not ready, which reflected significant losses for the family business. This loss could have been decreased or prevented if the business had a strategy toward acting to such economic crisis. Therefore, they have spent enough time with themselves and their advisors to be able to make a strategy that the business can go by, aim toward, and implement. Moreover, at the same time be able to adapt to any environment that will come their way.

The founders and successors who still did not write a strategy plan claim that they do have a popular strategy known among the leaders. However, the UAE is a very rapidly developing country that changes yearly, so it is challenging to make a strategic plan for the business. Alternatively, else they must change it year by year, so they are comfortable just communicating short-term strategy with the business leaders. Although this might work for a short-term basis, for the long-term basis, the continuity of the business such plan is unhealthy and will damage the business. What if something happens to family leader running the family business, no one will know what the long-term plan of the business is, which is one of the reasons why the plan should be studied carefully, written, and communicated. For everyone in the business to know the goal, this family business is trying to reach in the short and distant future.

Stage 4: The essence of the Phenomena

The respondents indicated four types of aspects required in strategic planning for the family business. First, the leader should know his market and predict what is coming, to set the right vision. Second, the plan and the business should be able to adapt to any market change in order to survive. Third, the family business leaders should continuously develop themselves and their business in order to sustain in the market; and, lastly, the leader should establish a short-term and a long-term strategy, taking into consideration all the conditions around him, such as political, economic, and social. They all agree that the plan should be amended and reviewed yearly in order to make sure they are still working toward the right path. Noting that sixty percent of the respondents have a strategic plan written and communicated, the other forty percent still did not write one because they claim the UAE is a fast-moving market; however, they do not understand the benefit of strategic planning.

Theme 3: **Structured Governance**

Definition: "Corporate governance is the system by which companies are directed and controlled (Cadbury, 1999)"

Stage 2: Participants textual descriptions of the theme

Structured governance indicates that the family business has a professional organization structure and a well-written documented ownership structure. All the large-size family businesses interviewed have endured corporate governance in their business. They reckon that every family business should have an organization structure that sets the authority levels, the decision-making process, and the ownership structure of the family business. Regarding the ownership, the respondents gave a clear explanation to protect the family business from future disputes.

Family businesses that still have not separated management from ownership act in terms off a group or a holding company, so the structure starts with the chairman down to the managing director, then to the chief executive officer and hereafter the remaining managerial levels for the companies and departments. The authority level is set based on this structure; each manager is responsible for making decisions based on his level of authority. As stated by the second generation/CEO L08:

> L08: “Now, below me I have so many departments, and each department has a decision maker, I don’t like to interfere in their decisions. You make the decision and you will be responsible for it and I will see the results and analyze.”

Giving the freedom to the responsible managers to make their own decisions within their authority level for the advantage of the productivity of the business. However, they are responsible for their decisions and will be accounted for by their superiors. These family businesses also have a board of directors that involve family and non-family members that share any strategic decision required for the business. As noted by founder/chairman L09 and by the second-generation/CEO L05:

> L09: “We sit in the board meeting; all board members say their opinion, and we go with the majority vote. There's an old saying that “the only person who fails is who doesn’t share his thoughts and ask for others opinion.”

> L05: “The father hamdelah gives us trust, and this I tell you honestly we are asked about it in front of Allah before our father. Because this trust is not given to anyone, we have managers and we have a board. Decisions are taken together never alone by a single family member or single person. At

> least two of the board should be there in taking a group decision."

Therefore, to achieve the optimum decision for the business, it should be a shared decision that is communicated and well known to the board of the business.

A family business that already has split management from ownership and created a family office that directs the family business has a slightly different organizational structure. It is a bit more complicated than the standard group structure as it involves two organizational structures and two or more boards of directors; organizational leading structure for the family office that involves the leading family shareholders and external or internal advisors, if any, who also have another board that involves family shareholders. Adding to that also is another organization structure and a board of directors to operate the group or holding. As stated by second generation/MD L06:

> L06: "It all depends on the business itself, as a company we have two different businesses. We have the family business or family council which manages all the assets of the companies. And then we have the businesses them self. We create four board meeting a year, and out the four-board meeting a year we create subcommittees. the subcommittees are pretty much three committees an executive committee, an audit committee, and an enumeration committee."

In this organization, under its family office board of directors, are three committees that overlook the businesses and report to the family board of directors four times a year. Another family business that split management from ownership indicates the importance of respecting the peak of the pyramid for the business to sustain. As noted by second generation/MD L02:

> L02: “Decision making is like a pyramid. And it should stick to the pyramid in the level of authority whether he is your father or brother. The pyramid is very important thing to keep the whole business alive. By respecting the peak. If you have a president give him the power, … we have learned freedom to the family members you are all shareholders but go and do your own businesses. Go and start on your own. And have the shareholder you have for this company as an advantage in your pocket.”

The second generation/MD emphasis that the respect to the pyramid is of major importance whether he is family or not everyone in the business should respect the organization structure of the business. He also indicates regarding the successive family members ownership in the business; he made it very simple if the successive generations are not involved in the business, they can build their own career and have the shareholder as a plus to their yearly income. This makes total sense once the business has matured and is in the second generation, passing to the third generation. Therefore, the shareholders increased, so for the benefit of the business they should follow their career interest and use their shares in the family business for their own benefit.

Other family business founders wrote their own inheritance with the freedom to make their own successive generation ownership structure. As noted by second generation/MD L06:

> L06 “My father, who is the founder of this business, decided that he wants in his absence god give him all life. Every girl and every son are treated exactly the same, so there is no favor to anyone for religion or what not. So, with this vision that he had, he had to restructure the whole portfolio for it to not go thru sharia law which means everything that has been done locally needed to be restructured in different ways. Like offshores, structures, do resolutions, do letter of wishes, do trust funds do a letter of inheritance and so on and so forth.”

This second generation/MD indicated what can happen if the founder is not going by sharia law. However, if the founder is going by sharia law, how is the business inheritance going to take place? The business will follow the standard sharia law compliance for an inheritance to the family regarding organization of the shares. However, the founder and second generation realize that sharia law is not entirely fair because the family members who spend their lives in the business deserve more in shares than the ones that are outside the business. The solution to this problem has been discussed and implemented by the family businesses in this study as noted by Founder/Chairman L01, Founder/chairman L10, and Founder/chairman L09:

> L01: “This the sharia law has to govern however the founder has the right to give the family members that work with him in the company a percentage for their work in the business if they deserved it.”

> L10: “So where is the unfairness is the in is equal to the out in sharia law. However, than in has to be rewarded he is the leader he has to take more, definitely. He takes a bigger percentage in the shares of the business he is in and not in the other founder wealth.”

> L09: “Of ownership, it is left towards sharia law for the actual ownership of the company. However, the sons or daughters working in the company obviously get more rewarded than people who do not.”

In line to what is said, family members who work in the business deserve more from the ownership/shares of the business than family members who are not working in the business. That makes total sense because the ones leading the business have spent all their life working in the family business to provide for the family. They deserve to be treated differently than the other family members, this different treatment in ownership will give these family working successors an incentive to continue and develop the business with all their heart, causing less dispute with the other family members. In order legally to document this, it must be written in the article of association as discussed in the succession planning theme. Second generation/MD L04 explains more in this regard:

> L04: “Why if you leave it to sharia law, it will say segregate the business as per the law which is not in necessarily in the benefit of the business. So, this document is very clear, written legal document in a matter of business license that governs the ownership and management criteria of the business. This document supersedes the sharia law as it acts as part of the company legal documents. This will resolve any dispute from happening in the future and will not harm the business by separating its ownership and decision making.”

Therefore, the written legal document in the business license that covers the management and ownership criteria is what is called the article of association of the business. The percentage rights of the family members working in the business should be evident in this document as well as the management criteria of the business. Such action will make things clear for the family and will help not to have any future dispute in this regard.

Stage 3: Structural Descriptions

All the respondents interviewed founders and the second generation understand the importance of corporate governance to operate their family business. They understand that for the business to succeed and operate, they must delegate responsibilities; the only way they can operate smoothly and have substantial growth. They understand having structured governance ensures the long-term survival of the family business. However, each family business operates differently, but the pyramid hierarchy is very similar. The only difference among the family businesses interviewed are the ones that split management from ownership and created a family council or office that manages the family's wealth, and the ones that did not do that and still operate the business from the group or holding. The family business that operates from the family office has two organization structures and two boards. One organization structure is for the family council and the other is for the operating group, and the same goes with the boards of director: one board of directors acts from the family office and another board is executing the business.

From the respondents' experience, the board of the family office may select family shareholders, the family business leaders that are leading the family office, and internal or external advisors. They have also been through very tough circumstances that made them hire and select committees to look closely into their business and report back to the family office. These committees look after the work and the people who are running the day-to-day operation, these committees are an executive committee, audit committee, and enumeration committee.

The ownership structure has a well-known similarity in all the family businesses. The family members that work in the business deserve more ownership shares than the family members who are not working in the business. It is because the family members who dedicated their lives to the business and worked every day to enhance and sustain the family business, which is the backbone of the family wealth. Their role is of the highest importance to the family; hence they deserve more in order to feel the value of their work and continue doing it with all their heart.

Stage 4: The essence of the Phenomena

All the family businesses have a corporate structure, whether it is from a very high level, such as a family office/holding, or to a lower level of the group, companies, and subsidiaries. All family business stated that the family members who work in the business deserve more from the ownership shares or incentives than family members not working in the business. Family businesses govern the owner, leading managers shares, and leadership roles in the article of association of the family business. Other family businesses realized that the future of business owners should split from management. The successive family members are shareholders; however, they have the freedom to build their own career. If they want, they can work in the family business under certain circumstances covered in the succession plan. The family business leaders running the family office realized that in order to be able to manage all the assets, companies and subsidiaries they need to hire internal committees, such as, but not limited to executive committee, audit committee, and enumeration committee; these committees look closely into the company and board operation, finance, and employee's performance appraisal.

Theme 4: **Competent Leadership**

Definition: Leadership means guiding others to understand and accept what needs to be done and how to do it; it is the process of helping individuals gather their knowledge to accomplish a unified objective (Yukl, 2010).

Stage 2: Participants textual descriptions of the theme

All the respondents understood and implemented the concept of competent leadership. They understand the importance of preparing the next generation for leadership whether leadership from the family office or leadership of the business itself. The respondents came down to five aspects to when discussing this theme. The first aspect is for the incumbent to invest in the successive generation since they are young to build their leadership skills. Second is for the incumbent to give responsibilities for the successive generation when they are ready and allow them to make mistakes while the incumbent is still alive in order to correct them and direct them in the right path. Third is to allow the successive generation for external exposure to other businesses of the same or different activity to learn from their leadership skills and apply it in their own family business. Fourth is for the leader to be able to build a team on which the family business can depend to reach its vision. Lastly, for the leader to issue key performance indicators for all the employees, including the key personnel and family members working in the business.

The family business incumbent must invest in the successive generation to build his/her leadership skills since they are young to grow up understanding the meaning of being a competent leader. As noted by founder/Chairman L03:

> L03: “the leadership is a talent, that you need to invest in the family member since he is young. Leadership is knowledge, courage and humble. Those three are very important factors that play together in order to succeed as a leader.”

Leadership is a talent that means it is not only dependent on education. Therefore, the incumbent investment on the successive generation should not only be dependent on education. It should also be dependent on building the successive generation’s personality and experience. As noted by founder/Chairman L10:

> L10: “first education, second experience, third his personality is he a leader or not? He can be educated and with experience but does not have the personality of a leader.”

The personality plays a huge role in being a leader, and not all the successive generation is born with this talent. As noted by second generation/MD L04:

> L04: “leaders are not created, leaders are born. Either you are born a leader, or you are born a follower. This is a reality.”

It is the incumbent or founder responsibility to be able to realize who has the leader personality in the successive generation and help him/her build upon it. As noted by founder/chairman L09:

> L09: “this is mainly to do with the successive generation personality, and you can notice it since they are young, he either grows up to be scared or confident and can lead. And our duty is to push for their confidence and courage as much as we can.”

The founder understands that the successive generation is born with uts own personality; however, he argues that it is still the founder’s duty to push for its confidence and courage. It can be done by giving the successive generation the responsibility and allowing it to make mistakes as noted by family business advisor L07 and founder/Chairman L09:

> L07: “I will tell you one thing which his excellency is doing here one simple word, he allows them to make mistakes. Yes, he blames them sometimes but he always them no problem if you lose 100 million just learn from your mistakes. Show you are the right person for the position, proof yourself learn from your mistakes while he is still alive.”

> L09: “And I would give them the responsibility and allow them to do mistakes while I am still alive and not judge them

> for it but push them to correct it and move on the right path, they will never learn and be able to take right decisions if they don't do wrong ones."

Such founders understand the true meaning of building the next generation leader; they give their successors responsibilities and allow them to make mistakes without judging them and destroying their confidence, but enlighten them with what is right by correcting them and giving them the push for them to prove that they can handle their positions. These founders also understand that they should do that while they are still alive and can direct their successors in the right path to ensure they left behind competent successors that can lead to the continuity of the family business. The third aspect is to expose them to the outside market, so they can learn and view how other businesses are being managed and directed. The family business L07 founder put forth the incentive to include his successors as board members in other companies for them to sit and listen how such companies operate and lead from a board-level perspective for which he is looking to build in his successors. As noted by family business advisor L07:

> L07 "So being a board member and being involved in the market here and there makes you compare yourself with others. And that's how they learn and come to apply in their company … So learning from both sides inside and outside the company which made this second generation strong and competent leaders."

The fourth aspect, which is building the family business key personal team, the respondents argue that this aspect is one of the most challenging aspects of leadership, to choose a team that will lead this business to success and sustainability. The second generation/MD L04 states the three important layers that any business must have and should consider in building its dream team is the following:

> L 04: “Most difficult thing in the world in a family business is building a team which can thrive the vision of that business into a reality this is the most difficult. Because any business there’s different levels, you have that top people who are visionaries, you have the middle people who execute on that vision, and you have the bottom who must really work with their own hands to make that execution possible. If you build these layers in any family business, you will definitely succeed.”

The three layers are the top level, which are the visionaries, then the middle level that executes on the vision, and the low level that does the work with its own hands to make the execution possible. Although building that team is difficult, when a leader understands the importance of building these layers and how they work together to reach the vision of the family business, this leader will ensure this to happen. However, how can the leader ensure the performance of these family members and employees working in these three layers? According to second generation/MD L06, it is tough because seeing these people every day or continuously through the years makes building relationships with them, to know their family, and maybe their friends. Noting that as part of human nature they start slacking off or not being competent enough due to now, they are in a good relationship with their leader. The second generation/MD L06 came around it in a very professional manner:

> L06: "This is the hardest question ever, and I don't think anyone can get it right. The reason why I say that you start developing relationships with the people around us," "I realized one thing always have KPI's give people targets. Sit at the end of the year be professional and do performance appraisals."

Every leader should give the employees targets and inform them that they are under monitoring for their performance. Upon that performance review, the decision for the employee's increments, bonuses, and promotions are measured. Every end of the year or half a year, the leader should sit and get the performance appraisals on all the employees, using the key personal indicators. The leader will be able to tell them about their performance and where they should improve.

Stage 3: Structural Descriptions

The founders spoke of their own experience in building their successors to be competent leaders. They have invested in their successor's education, experience and in building their personality for them today to be the second generation that is leading the family business. The first three aspects are purely under the incumbent, who is in this study is still the founder. The founders understand their responsibility to build the second-generation leadership skills, allow them to make mistakes for them to learn, and get corrected and expose them to the outside market for them to gain outside experience.

All these large family businesses succeeded in building the leadership skills required for their second generation to lead the business. All the second generation interviewed have perfect knowledge and experience regarding leadership. They have all passed through situations that helped them build the skill behind being a leader. They also understand that there is always room for improvement. That is why they thrive to build the right employee teams in the right positions in the business.

They look close at the employees by doing performance appraisals to push them to work harder and meet their targets without any ineffectiveness. They understand that the family business should be led to meet its vision and sustain its name in the market.

Stage 4: The essence of the Phenomena

All the family businesses have encountered building competent leadership for the successive generations. They have concluded family business leadership to five aspects: first for the incumbent to invest in the next generation since he/she is young to build its education, personality, and experience. Second, the incumbent allows the second generation to make mistakes in leadership, noting the incumbent can support while he is still alive. Third is to allow the next generation to be involved with other business leaders in other businesses in order to learn and apply in their business. Fourth, the leader needs to be able to build the three teams required for any business, which are the high-level visionaries, the medium level team that executes on the vision, and low-level team that makes the vision possible by using their physical capabilities. Lastly, the leader should make performance appraisals for all the employees in the business family and non-family.

Theme 5: **Well-Known Family Business Values**

Definition: Family business values are defined as clear and desirable goals for both family and business life; given that there are often conflicts of interest between business and family goals, family business values should be well known and serve as a common ground between the business and the family to benefit both goals (Koiranen, 2002).

Stage 2: Participants' textual descriptions of the theme

All the founders have transferred to the second generation the family business values that built the family and the business. These values are the common ground between the family and the business. They help successors to take the correct decisions to benefit the family and the business, at the same time ensuring that the family unity stays strong from generation to generation. The respondents agree that the values are first taught from the family household by example and by hearing stories about work from their father or mother; this stage we call pre-mature learning. Then, when the successive generation matures and starts working in the business, they start learning the business values through life by examples. They will take day to day see the founder's tradition, culture, and beliefs at work. They will learn from it and apply it on their own. They will also spend more time with the founder and learn from his or her narrative storytelling. All the second generation understood and knew the family business values for their business; however, they are worried how will they transfer these values to the third generation.

The pre-mature learning starts from the parents at home when the successive generation is still young. It is the parent's responsibility to embed in them the family values by which they need their successive generation to abide when it is older. As noted by founder/Chairman LO1:

> L01: "The business is taught in such a manner your sitting at home having lunch with the kids, and you mention a story that happened to you at work and how you solved it. The child will lesson and learn. And it will stay in his ears. And today you will talk, and tomorrow you talk also. All day you have problems inside you that happened, and you want to share with someone. You will share it with your household, and that is how they will learn. This is all experience the kid will learn before even maturing."

Therefore, listening to the founder tell narratives and stories about how he or she behaved in certain situations, it subconsciously gets embedded in the next generation. Those are examples that the founder has encountered at work. However, pre-mature learning does not stop there it also depends heavily on the mother role in the house. Whether the mother is working or not, it is her responsibility to make sure the successive generation learns the family values it needs to stay united, humble, generous, and love one another. As noted by founder/Chairman L09:

> L09: "look we got used that the women or our wife play a very important role with our children, we are busy all day at work. However, the kids are most of the time with their mum. There's a saying that says, 'The mum is a school if you listened to here you created a humble and good next generation.' If the mum was aware, she would know how to raise the kids and raise with them all the related values for the family unity and their outside exposure."

Family unity is one of the most important values the successive generation should learn, even if it is by force. It should learn to share things and, most importantly, understand that if they are together, they are strong. Once they start separating the family, the business will start declining. As noted by second generation/MD L08:

> L08: "If you do not have a family, my dear, you will never call it a family business. Either you know what a family is and since your young, you share things with your family. Or you learn that everything is mine and only mine which is also taught by some parents and this creates selfishness. From since you were young you say this is only mine you get slapped this to share with your brothers and sisters. If you are spoiled and brought up to be that everything is yours, you will never be able to run a family business."

After that, when the next generation matures by finishing its qualification education and starts working in the family business, it starts learning the family business values slowly by copying the founder with his actions and decisions in certain situations at the work place. As noted by founder/Chairman L03:

> L03: "The second generation they copy me, we sit we have discussions, they have personal opinions that are different than mine I try to convince them, they try to convince me, etc., they see how I treat the employees, and unconditionally you find them copying me in my beliefs and values."

Copying by beliefs subconsciously is called learning by example, to watch and see what the founder is and how he treats all the people around him and then find the next generation behaving the same. However, another influential aspect in transferring the values to the successive generation is storytelling or narrative stories that the founder shares with his family successors and employees. As noted by family business advisor L07 when he is describing the family business founder action in transferring the values to the next generation:

> L07: "He is a really good storyteller; he is raising them also by example. For example, in al Thohor prayer we pray all together his excellency is the one who is the imam and his sons all join us. See Values is taught by example. Values cannot be taught that see son today the value is so and so no it cannot be taught like that. If he is not practicing no one will learn anything. By daily examples and narrative stories, I like always listening to his stories with Sheik Zayed and how he built this empire and how he did this project here and there."

Al Thohor prayer is the afternoon prayer for Muslims because the founder himself goes at the payer time to the mosque at the workplace and leads the prayer himself.

His successors follow him every day until this becomes a belief and a culture in the roots of their business. The family advisor emphasizes that if the founder himself is not practicing the family business values day by day, the successive generation will not learn anything. The values come from a daily practice that builds to be the culture of the business. Telling stories is also a considerable factor in transferring the values because when the founder talks about his or her experience, the talk is full of wisdom that is a lifetime of experiences and occasions. Therefore, it stays in the successive generation memory if it encounters such situations, remembering how the father or mother would have behaved in such a situation and act the same. It is also the founder's or incumbent's responsibility to monitor the successive generation behavior in the workplace and make sure it is following the values with which it grew up, and also to advise it and give it feedback to make sure the family business values are within the second-generation beliefs and actions in the workplace. As noted by second generation/MD L04:

> L04: "Values in a company I can describe it in a very simple way. These values are considered seeds, the father or mother that created this company have to plant these seeds in the children who are going to run this organization, and they have to keep monitoring them, managing them reminding them keeping in mind these values are in place with the successive generation actions in the business. What are values? Honesty, loyalty, integrity all these are values."

Lastly, all the family businesses succeeded in transitioning the values to the second generation because they have grown up with them in the same household.

Moreover, the ones who chose to work in the business have also witnessed life through experience with the founder to grasp all the family business values. However, the second generation is worried about how it can transfer the same values to the third generation, as noted by second generation/MD L06:

> L06: "So the challenges here his values is very easy to be transferred to his sons or daughters they lived with him they ate with him they grew up with him. So, the challenges is when this generation marries into other family members, and the other family members are from other cultures as the world became the multi-cultural world. Like for me I married someone from another culture from another background, so my husband is not from where I from so with that how do I make sure that my daughter has the same values as my father if she's going to be the third-generation family business. so how do I embed that in her and I haven't done that yet, and I don't know how I will do that, but it's something in me I think about it every day."

It is true the third generation is not born in the same household as the founders, it is born with a father or a mother who is entirely from a different culture. So, how is it going to learn the correct family business values that the founder planted in the family business? The only way is for the founder and the second generation to write down these values in detail, for it to make sure that all the next generation family members and business employees know the family values of this business because it is written and distributed in the business manual. However, this is not enough because the second generation might forget them or not understand them. Therefore it is the leading second-generation responsibility always to remember the written family business values and start telling narrative stories day by day since they are young and when they mature on each value to the third generation. It is also the second-generation responsibility to teach by example the third generation that is working and interested in leading the family business.

Stage 3: Structural Descriptions

The founders were able to transfer their family business values to the second generation. They had started when the second generation was young in the house, living with the parents in a stage called pre-mature learning. They were taught all the family values they needed to learn in the house from their parents, which include but not limited to family unity, beliefs, culture, traditions, so on and so forth.

Then the second generation that is interested in working in the business started its career by working with the founder by attending meetings and learning by example. The second generation learned the family business values through the situations or examples it saw the founder go by and how the founder took actions. It also learned it by listening to the founder saying narrative stories from their past that he/she has experienced and how he/she came out of it.

The second generation is concerned about transferring the family business values to the third generation as it is born in a different culture than was the second generation. It will be harder for it to adapt to the founder's family business values as it did not grow into it on a daily basis at home just like the second generation did. However, it is the second-generation's responsibility to make sure that it teaches the third generation the values since they are young because this age learns and absorbs anything for the values to grow and be its behavior when it is older.

Stage 4: The essence of the Phenomena

All family businesses succeeded to transfer the family business values to the second generation. They all agree that the values are taught first from the household in which they grew up during their childhood, then from the workplace by working closely with the founder, listening to the founder's narrative stories and learning by example. That is the way the second generation knows how to behave at work and in certain other situations. All the family businesses understood and practiced this factor in their business. However, some feel the challenge will occur in the third generation as the second generation is married to different cultures than its parents and raises the third generation in an entirely different atmosphere. However, it is the founder and second-generation responsibility to write down all the family business values in detail. The second generation must introduce these values to the third generation when it is young and make it abide by them when it is older whether it works in the family business or not.

Theme 6: **<u>Successful Family Capital</u>**

<u>Definition:</u> According to Danes, Stafford, Haynes, and Amarapurka. (2009), family capital represents the total resources of the owning family members and is divided into three components: human, social, and financial capital.

- Family human capital is the knowledge, ability, energy, and experience of family members regarding the business (Danes, Lee, Stafford, & Heck, 2008).

- Family social capital comprises goodwill among individuals in the family and their social interactions with community members for the benefit of the family and the firm, thus facilitating action (Danes, Stafford, Haynes, & Amarapurka, 2009).

Stage 2: Participants' textual descriptions of the theme

<u>Family human capital</u>

All respondents already explained the human capital in the previous themes, which are to invest in the kid education, experience, and personality. They have all achieved that.

Family social capital

All the respondents had a full understanding of family social capital and applied it to the second generation. The main reason behind the second generation knowing the founder social network is to ease work activities and be able to handle matters of running the family business. As noted by founder/Chairman L01:

> L01: "This requires from the founder of the business, make the second generation interfere in the details of work he is conducting with his social network. I cannot work with the bank at the same time my son has no clue; he has to interfere in detail in order to manage it in the future."

The founder is responsible for introducing the second generation to his social network to manage the business in the future. According to founder/Chairman L01, how can he deal with banks without letting his son know with which banks he is dealing and who is the relationship manager responsible? A similar example applies in many activities of running a family business. Therefore, it is critical to introduce the successive generation to the incumbent social network. However, it needs also to have the will to retain this relationship and build upon it. As noted by second generation/MD L04:

> L04: "capitalizing on social interactions or social network is like anything in the business, this is something to be handed over from the founder to the successive generation, and it's up to them to retain it or take it and loose."

The second generation that has the will to retain the founder social network will attend with it events, weddings, and accompany it in the Majlis. The Majlis is a place for the founder to meet and greet his guests. As noted by family business advisor L07 about the founder of the business activities in this regard:

> L07: “He is always keeping them together and takes them to events, marriage, etc he is taking at least one of his sons with him, and this is the way of transferring the social network. They have the Majlis where they meet and greet everyone, and this is where they change contacts and meet most their father social network. And as the saying is told men are raised in the Majalis.”

When the second generation is present with the founder and when he attends such social events or when he is greeting guests with him in the Majlis, it alone gives the opportunity for the second generation to get to know the father network, but also to be known by the father social network that it is the next generation leaders who will lead the family business. As noted by founder/Chairman L10:

> L10: “The generation I am dealing with also have next generation. So, your successive generation you should start taking him with you and making him attend events and what not slowly. So, he gets to know your network, and of course he will be accepted because he is your son. When they see you with him twice, three times and whatnot they know he is the future. They will know he is the future.”

The founder social network also has a successive generation; therefore, it is also essential for the second generation to put forth effort and become friends with the successive generation. Such an effort will ease communication because the second generation would network with a generation of its similar age. Therefore, it is more comfortable speaking and dealing with it than talking to the elderly who are the founder's age. As noted by second generation/MD L06 that summarized social capital to two things:

> L06: "So I think its two things there under social one is that the next generation has taken over and your family friends these second generation you grew up with them you feel more comfortable talking to them rather than speaking to uncle his dad or aunty and feel more reserved and number two is that they gave you the assurance! Once they have given you that in front of the public that this is the person is the person that takes the decisions things start flowing."

Once the founder introduces the next generation as the decision maker in front of the public, it starts having the courage to build its own social relationships. People and companies are going to start approaching it and it should be able to distinguish and plan future relations as noted by second generation/CEO L08:

> L08: "Well I know some clients which I have stayed in relation with them from my father, however I build my own. Most of my clients today are my friends on a personal level, we go have dinner etc even if I finish your project, even if you don't have any more business I don't care."

This second generation understands the true meaning of building social relations, it is not all for business reasons, it is also to build a good social community around the family. This social community will later send the generation invitations to its kids' birthdays, graduations, and weddings. Also, likewise, the family generation will have a social community to invite to its family events.

Stage 3: Structural Descriptions

All the family business founders have proudly introduced their second-generation leaders to the public. They did that through accompanying each other to events and ceremonies. Once the social network repeatedly saw the second generation with the founder and he or she proudly introduced the second generation as the current leaders and decision makers, the social circle of the second generation started to flow, people started approaching it and wanted to meet it to build relationships.

The second generation has retained its founder's social network and worked so hard to build its own, not only relationships for business but also personal. It worked so hard to build a social community that the family can live and grow up happily.

Stage 4: The essence of the Phenomena

Human capital is discussed in the previous themes with full compliance from all family businesses; the founders have worked so hard to ensure the next generation gets the best education, experience, and lifestyle. The founders succeeded in building the best human capital for the second generation. The founders have also given the incentive to introduce the second generation to their social network and proudly say that they are the next generation leaders, leading to building confidence in the next generation and giving them the will to attend and accompany its founder in any social event, to meet and retain its founder's social network, to know it and be known by it. By shadowing the founder, it also opens doors to meet the social network successors; if they already know each other that is good, if not they get to know each other. Making interaction with their founder's social network much more comfortable as the second generation will speak with the other successive generations. It has also been recommended for the second generation to build its own network, not only for business reasons, but also on a personal level, to build a social community that is going to surround the next generation family through its lifetime.

Theme 7: **Entrepreneurship Orientation**

Definition: Entrepreneurship is defined as identifying and making full use of opportunities (Hitt, Hoskisson, Johnson, & Moesel, 1996).

Stage 2: Participants textual descriptions of the theme

Entrepreneurship is a concept widely understood by all respondents. They understand that they need to entrepreneur inside and outside the business, inside regarding better procedures and policies to increase business efficiency and outside such as entering into new ventures and investing with banks, so on and so forth.

Entrepreneurship is the essential thing in life for a leader according to second generation/MD L06, as she noted:

> L06: "That's the most important thing about life in order to be excited as a managing director, or CEO is to look at other opportunities, if you look at things that you do every day you will never learn or develop. The fact is our family office is

> created to look at new ventures; we look at new ventures every single day."

They work everyday to look for new opportunities, and that is what s going to provide sustainability for the family business, different types of business portfolios that will carry each other. Therefore, family business owners should diversify to protect the main family business and stay up to date with the market, as noted by second generation/CEO L08:

> L08: "Yes I do diversify it's a must at the end any business can get sick, so if you don't have other sources of income you will be dead man. If you have other businesses that are healthy, you can always support this business. But again, as I said previously banks are not your partner, they are your first enemy if you don't know how to take care of them."

A smart family businessperson should always have different sources of income to sustain in the market in case any of the businesses got sick they can take care of it until it recovers. However, the family businessperson should split his or her portfolio based on the level of risk, as noted by founder/chairman L01 the following:

> L01: "Yes I do support. In my opinion any business should have a different level of risk, it is always well known in the business the more you take risks, the more you make profit or loss. Which means a smart business man should have different portfolios of high, medium and low-risk investments."

Diversifying is the key to building different levels of portfolios. Having different investments of different risk is a source of stabilizing the family business. An example of low-risk investments can be real-estate or asset management, medium risk investment can be retail or commercial businesses, and high risk can be construction and manufacturing. The family business leader should understand the importance of diversifying to build these portfolios for the family business to sustain steady growth over the years. It will protect the family business in case any of the business activities is performing badly and, hence, leading to loss, the other portfolios of the family business will support it until it leads to profit. The family business entrepreneur should never stop trying to enter into new ventures, according to founder/Chairman L03:

> L03: “The opportunities you get and how fast you can catch it, internal or external. Diversity is important when you get an opportunity and taking the right decision at the right time. Studying it and acting. Some people say they want to be on their own. Which is wrong. An important part there if you stay hesitant you will go nowhere. The Lebanese have an old saying which is ‘100 failures better than a hesitant second.’ But the hesitant will never succeed. You should always manage the risk of the investment and diversify as much as you can.”

The family entrepreneur should never be hesitant; it is better to fail than be hesitant in life and not able to take the right decisions. The family business leaders should be aware of their surroundings and catch any opportunity they can get, but at the same time make sure to study this opportunity properly before making the decision. According to second generation/CEO L05:

> L05: “That’s why before you do anything you should have a feasibility study, research, plan expertise that will work in the field, etc. always have the plan from the beginning.”

Therefore, before entering into new ventures, someone must study the project, issue a feasibility study, and plan on how the business will operate. After that, it will be apparent to proceed or not.

Nevertheless, the family business leader should also consider entrepreneur into the business by issuing better procedures or adding new activities and branches. As noted by second generation/MD L04:

> L 04: “In the past 15 years we have diversified within the business itself we added value to the business by bringing new products and opening related companies. Like the last company we opened was manufacturing specialty vehicles so diversifying in that business is a big part of developing the business. You cannot stay staggered.”

Therefore, continuous development in the business is vital to be able to stay competing in the market and hence sustain the business in the generations ahead. Speaking of the next generations ahead, they alone need to play a functional role in the development of their founder’s family business. They should continue to do so as the founders are old and most of them do not have the ambition to change or enter into new ventures now as they have already built their dream portfolio. However, they all support the second generation in their new ideas if they are feasible. As noted by founder/chairman L09:

> L09: "Look opening business not in your expertise in the current state of time, of course for every age he has his or her goals. This is the role of the second generation; they will have all my support of course. So, I do encourage entrepreneurship and open to the successive generation goals and achievements while they have my full support."

It is the successive generations' duty to keep their eyes open for new ideas and opportunities to steady growth their family business and sustain it in the market today.

Stage 3: Structural Descriptions

Founders and second generation have their full support toward entrepreneurship. They understood and implemented it inside and outside the business. The founders have already built their family business portfolio of high, medium and low-risk investments. They have done that surely to protect their business and allow it to generate different sources of income. It is a massive part in sustaining the family business in the market. The more the business is developing, the more it catches new business opportunities, the more it is sustainable in the market.

The second generation members understand the critical role of entrepreneurship as they are all entrepreneurs themselves. They have all developed their family business as much as they can, and are still developing; they do not stop. At the same time, they have gone through the process of studying, planning, and entering into new ventures. They all support trying and learning even if the new venture business fails, do not stop trying. Eventually, one or more of the tries will succeed and turn into a profitable business.

Stage 4: The essence of the Phenomena

All the family businesses support entrepreneurship, and the leaders are entrepreneurs themselves. The family business leaders understand that for the family business to be able to sustain and grow in the market, it should have a different type of portfolio, such as high-, medium-, and low-risk businesses and investments. The founders have already established that in their family business, but it does not stop there. The founder's empire is always pushing for entrepreneurship inside and outside the business; inside the business regarding adding new activities and developing the internal policies and procedures; Outside by giving the support for the successive generation to study, plan and then decide to enter into the feasible new ventures.

Theme 8: **Stewardship Behavior**

Definition: Stewardship is defined as acting with an open heart for the benefit and success of the firm instead of one's own benefit (Davis, Schoorman, & Donaldson, 1997).

Stage 2: Participants' textual descriptions of the theme

The founders taught the second generation the love of the work for the benefit of the family. They are all very knowledgeable of this behavior and has been working with this believe all their life. The founders gave the second generation leading the business enough incentives and shares for their full-time work in the business. For them to work with an open heart for the benefit of the family is noted by second generation/MD L06, when she explained her role in the family business:

> L06: "So my role here is to be a gatekeeper which is to protect their money and their wealth and also create money. Because I will be a horrible manager if I take this from you and in five years, and I give it back to you the same. You would tell me easily you could have put the money in a saving account or fixed deposit and got four percent on it. Why are you giving it back to me as is? So, my job is to give you your money back as it is and give you a little bit more as returns but not risk losing your money and also you do not want me to make it a 100% profit because if I am it means am taking a huge risk and no one wants that. … But I think because my father values that he imbedded in us being kind, being generous accepting one another will remain with us in his lifetime and after Inshallah. That's the most important thing a person does not have anyone but his family."

The successful MD L06 understands her role in the business and understands the values that her father has raised. Family comes in first before the business. They have to be always united in order for the business to succeed as noted by the family business advisor L07, who explains what the family business founder taught them:

> L07: "As he taught them all that family is the most important thing, with simple saying 'The family is the one making the

> money, the money does not make us.' So, this is it, being together as a family we are always able to regain what we have lost before, but if we lost our self, we will not gain any money."

The family is what brings the business together, and it is who works together to make money and growth to the business so it can support its family and live a comfortable life. The family working together and trusting each other is the key to success, as noted by second generation/CEO L05:

> L05: "Hamelah always our father taught us and told us, do not split, so crisis to our family business does not happen. That's why we take our decisions together, correct I can take decision alone, but I don't because there is respect between us there is thoughtfulness and trust that is built in us from our father."

The second generation has proper family values that are embedded in it when it is working every day. Members of the family trust one another and respect one another and work with an open heart for the benefit of the family and the business. However, how can that be assured from the employees as well, according to the second generation/MD L02:

> L02: "You must speak to the staff regularly and teach them indirectly, what I mean by that you go to the shop you see a paper on the ground and none of the staff picked it up. You go pick up the paper yourself. It is not picking up the paper. It is saying we are there to serve, I don't become small by picking up this paper, but I cleaned my shop, so my shop would have a good name."

To be able to achieve stewardship behavior from all the employees is very difficult; however, if the leader is close to them, asks about them, sees what they need, and make them learn by example: learning and looking up to the family business leader as their idol in the business. This respect will push them to work with an open heart in the family business.

Stage 3: Structural Descriptions

Founders have raised their second generation with the correct family values that are embedded in them in every step they take. The second generation is proud to say that it is working in the family business to benefit the family and the business. Those in the second generation respect and take each other's opinion in the business matters. They also execute shared leadership in managing the business and in making important decisions.

Founders and second generation understand the importance of the employees working for the benefit of the business; therefore, they always aim to make the employees happy and love what they are doing, and, at the same time, teach them by example as they witness from the family business leader actions. They found the most loyal employees are the ones who respect their leaders and look up to them.

Stage 4: The essence of the Phenomena

All the family businesses understand and acknowledge stewardship behavior in their daily life, the successors have learned it from the founders through the embedded family values and through shadowing the founder in his or her leadership skills and actions. They learned that family unity is most important if together they will succeed and if they ever split the family business will fail. They understand to respect and trust one another; they work as one team together by making shared decisions for the benefit of the business. They also understand the importance for the employees to work for the benefit of the business and therefore they work closely with the employees and make them love what they do and at the same time respect and look up to the family business leader. This respect and love of work will make the employees work with an open heart for the benefit of the family business.

Theme 9: **Use of Family Firm Advisors**

Definition: According to Craig and Moores (2010), a family firm requires advisors to solve issues such as developing the family's personal, financial, succession, and strategic plans; aligning family goals with business objectives; and conflict resolution.

Stage 2: Participants textual descriptions of the theme

All the family businesses encourage the use of family business advisors in different aspects of the family business. According to second generation/MD L02, today's world is very professional, which requires professional advisory, as he noted:

> L02: “Today world became very professional, of course you should always go for advice. Taking advice from the people is very very important because you never know you are right or wrong except after you listen to the people and advisors. Then it’s up to you to decide. But do not hesitate to take advice.”

Also, as noted by founder/Chairman L03, that someone cannot be his/her own dictator and will not be able to succeed in this life, as he noted the following:

> L03: “Yes I encourage, and you have to listen and then you will decide what u need to do. May be some advisors have thoughts or points sometimes it over passes you or you don’t think of it. That’s why you must listen. Because you can’t be a dictator. You will not succeed.”

Every family business should have two internal advisors, a legal advisor and a financial advisor, who work in the business, according to founder/Chairman L10:

> L10: “In my opinion always experienced and educated people are important in the board committee. You should have a legal advisor working with you he is your back up to fix all your legally. Also, you need someone expert in finance to be able to deal with the banks and get you what you need. To have the experience to tell you this can happen and this cant. These two must work with him in the business. And be in the committee these two are the most important.”

These are the principal two advisors required for any business. However, the use of external advisors for the same cause or other professional help, as noted by proud second generation/CEO L05:

> L05: “We use EY for our external auditors, I use only the top 4 in the world as it is such a sensitive matter.”

Noting the sensitivity of the matter, every family business should take this seriously and build a relationship with these consulting companies to stand with this generation now and with the next generations to come. Family business advisor L07 explained the importance:

> L07: "Of course such advisors are a must for the family and for the business, of course, there's accountants and auditors, even his Excellency has his own personal accountant that audits everything for him. He brings one of the big four to audit his personal account. And report back to him. The business protocol is done by family advisors also the businesses strategy is done by external advisors. Of course, we are using consultants and advisors this is very common. We never take any decision without a proper legal advice."

A smart well-developed family business will not take any strategic decision without a legal advice. It will work with multiple advisors in multiple fields to ensure that their business is correctly organized internally, externally and strategically.

Stage 3: Structural Descriptions

All the founders and second generation have used advisors before. They have internal and external advisors that help them in multiple aspects of the business — aspects such as but not limited to legal, finance, strategy, succession, so on and so forth.

However, through their experience, they have learned to know precisely what they need before asking for advisory help in order to bare the minimum cost required to do a specific advisory job and to achieve exactly what is required.

Stage 4: The essence of the Phenomena

All the family businesses support listening to family firm advisors and decide on their help based on the need of their service and based on their background/experience in the field required. The essential advisors the family business needs are for legal and financial advice. Nevertheless, dealing with them must be with patience and direction.

Table 7: Essence of each theme for large-sized family businesses

	Theme	Large sized Family Business - The essence of each theme
1	SP	The family business respondents laid down five aspects that are important for succession: first, the founder's ability to let go of the business to the successive generation. Second, the successor's will and ability to contribute to the business. Third, the plan for the next generations, and, lastly, how officially to write the leadership structure and family members' percentage in the family business. Only four of the ten large family businesses have a well-written succession plan, because they thought beyond the second generation. They created a family office that presents the family members' shares in the family business. Moreover, left managing day-to-day operations to professional management; however, the family members have the right to manage the business directly if they meet specific criteria mentioned in the succession plan. The other sixty percent did not plan beyond the second generation.
2	STP	The respondents indicated four types of aspects required in strategic planning for the family business. First, the leader should know his market and predict what is coming to set the right vision. Second, the plan and the business should be able to adapt to any market change in order to survive. Third, the family business leaders should continuously develop themselves and their business in order to sustain in the market; and, lastly, the leader should

		make a short-term and a long-term strategy taking into consideration all the conditions around him, such as political, economic, and social. They all agree that the plan should be amended and reviewed yearly in order to make sure they are still working toward the right path. Noting that sixty percent of the respondents have a strategic plan written and communicated, the other forty percent still did not write one because they claim the UAE is a fast-moving market; however, they do not understand the benefit of strategic planning.
3	**CG**	All the family businesses have a corporate structure, whether it is from a very high level such as a family office/holding or to a lower level of the group, companies, and subsidiaries All family business stated that the family members who work in the business deserve more from the ownership shares or incentives than family members not working in the business to protect the managing family members rights their ownership shares and leadership role should be listed in the article of association. Other family businesses realized that the future of business owners should split from management. The successive family members are shareholders; however, they have the freedom to build their own career. If they want, they can work in the family business under certain circumstances covered in the succession plan. The family business leaders running the family office realized that in order to be able to manage all the assets, companies, and subsidiaries, they need to hire internal committees such as, but not limited to, executive committee, audit committee, and enumeration committee. These committees look closely into the company and board operation, finance and employees' performance appraisal.
4	**L**	All the family businesses have encountered building competent leadership for the successive generations. They have concluded family business leadership to five aspects: first, for the incumbent to invest in the next generation, since it is young, to build its education, personality, and experience. Second, the incumbent allowing the second generation to make mistakes in leadership, noting the incumbent can support while he is still alive. Third, to allow the next generation to be involved with other business leaders in other businesses in order to learn and apply in their business. Fourth, the leader to be able to build the three teams required for any business the high-level visionaries, the medium-level team that executes on the vision, and low-level team that

		makes the vision possible by using its physical capabilities. Lastly, the leader should make performance appraisals for all the employees in the business, family and non-family.
5	**FBV**	All family businesses succeeded to transfer the family business values to the second generation. They all agree that the values are taught first from the household in which they grew up during their childhood, then from the workplace by working closely with the founder and listening to the founder's narrative stories and learning by example. That is the way the second generation knows how to behave at work and in certain situations. All the family businesses understood and practiced this factor in their business. However, some feel the challenge will occur in the third generation as the second generation is married to different cultures than their parents and raises the third generation in an entirely different atmosphere. However, it is the founder and second-generation responsibility to write down all the family business values in detail. The second generation must introduce these values to the third generation when it is young and make it abide by them when older, whether it works in the family business or not.
6	**FC**	Human capital is discussed in the previous themes. With full compliance from all family businesses, the founders have worked so hard to ensure the next generation gets the best education, experience, and lifestyle. The founders succeeded in building the best human capital for the second generation. The founders have also given the incentive to introduce the second generation to its social network and proudly say that they are the next generation leaders, leading to building confidence in the next generation and giving it the will to attend and accompany its founder in any social event. To meet and retain their founder's social network, to know them and be known by them. By shadowing the founder, it also opens doors to meet the social network successors; if they already know each other, that is good, if not they get to know each other. Making interaction with their founder social network much more comfortable as the second generation will speak with the other successive generation. It has also been recommended for the second generation to build its own network, not only for business reasons but also on a personal level, to build a social community that is going to surround the next generation family through its lifetime.

7	**EO**	All the family businesses support entrepreneurship, and the leaders are entrepreneurs themselves. The family business leaders understand that for the family business to be able to sustain and grow in the market, it should have a different type of portfolio, such as high-, medium-, and low-risk businesses and investments. The founders have already established that in their family business, but it does not stop there. The founder's empire is always pushing for entrepreneurship inside and outside the business. Inside the business regarding adding new activities and developing the internal policies and procedures. Outside by giving the support for the successive generation to study, plan, and then decide to enter into the feasible new ventures.
8	**SB**	All the family businesses understand and acknowledge stewardship behavior in their daily life, the successors have learned it from the founders through the embedded family values and through shadowing the founder in his or her leadership skills and actions. They learned that family unity is the most important if together they will succeed, and if they ever split, the family business will fail. They understand to respect and trust one another; they work as one team together by taking shared decisions for the benefit of the business. They also understand the importance for the employees to work for the benefit of the business and therefore they work closely with the employees and make them love what they do and at the same time respect and look up to the family business leader. This respect and love of work will make the employee work with an open heart for the benefit of the family business.
9	**FFA**	All the family businesses support listening to family firm advisors and decide on their help based on the need of their service and based on their background/experience in the field required. The essential advisors the family business needs are for legal and financial advice. Nevertheless, dealing with them must be with patience and direction.

4.2 Medium-sized family business data analysis.

Theme 1 **<u>Settled Succession Planning</u>**

Stage 2: Participants' textual descriptions of the theme

Medium-sized family businesses interviewed have no proper knowledge of the concept of succession planning. Most of them have still not encountered an official transition from first to the second generation. They are trying to, but each founder has his own beliefs regarding this matter. All the respondents are founders except two leading second generation managing directors. The first is second generation MD M01, who is leading the business as he is the one who started the business with his father in the year 2000; therefore, it is not a generation transition, but his father is the chairman, and he is the MD. However, his answer to this theme is as follows:

> M01: "I have four kids I would like my son to become an engineer because I run a contracting company so if he studied engineering, he will have a big chance to continue my business. So, I would like him to study and like my business now since he is young."

He is still trying to figure out what is best for his kids and how can he plan their future. The other second-generation MD M08 is the eldest son of his family who had no choice but to lead the family business after his father died in the year 2014. His answer to this theme was as follows:

> M08: “It is known here in the middle east that the son has to help his father after he finishes his university, it was not really a choice. Because it started in us since we were young, so we accepted it subconsciously. Also, the knowledge in university plays a big role for me as I liked to study engineering, so it is not very far from my field, so this also helped me like working for my father at that time. What my father did to us as a type of preparation is that he made us work two to three years outside the business before joining it. To get the experience from outside companies and learn the discipline of being an employee then come and apply it in our family business.”

There was not any written succession plan. However, the MD has been following his father’s direction for one day to lead the business. An important point here is that he has allowed him to work outside the business during the first three years after his bachelor’s degree to “learn the discipline of being an employee.” In his point of view, it is a good step because it teaches the second generation the discipline of time management and behavior at the workplace. That might be taken for granted if the freshly graduated son of the owner entered the business without workplace behavior background. It might be difficult to ensure his full discipline at the workplace.

Other respondents are founders who either failed to do proper succession planning for their second generation or tried, but, still, their successor had other interests. Some of the remaining founders do have the second generation working with them, but they are still not eligible to lead yet, and the family business has still not gone through a proper transition. The founders are looking for ways to ensure a smooth transition, but don't know how.

The founder/MD M03 that has established the family business in the 1975 and is worried about the future of his family business and how will he transition his business to the second generation said:

> M03: "I suffer really from this topic badly; it is me and my brother running this empire. But our kids are grown up and not involved. This is really a problem and we really don't know what the solution is. We asked some advisors what the way is and because our sons are not involved and don't have the capability to lead this empire we built."

Another founder/MD M10 planned his son's path in joining the business, but unfortunately, until this the date, he did not, and the father does not know when he will join him. His statement as follows:

> M10: "Yes, I would love my children to join me. I used to get my children to the office 15 years ago just to get into the business and feel the office work and the value of the money. But it did not really work for me frankly speaking we were starting a business construction chemical factory, and we pushed him to study process engineer, and when he came back, he got a much better opportunity as a consultant. Baba, I know this business ultimately, I will take over but why

> don't I work for an international firm and when I come to join ill have international experience and will be more added value to the company. Let me have a wider exposure. So, I can take your company when I am leading it to a higher level and make it expand. I have four and the last one is studying law."

However, his son went for the international experience and never came back; its been years. The founder himself told me I am fed up from work every day without having someone to whom to delegate the leadership. However, he cannot force his son to come back, and therefore succession planning is required. Education is not everything; it is the founder's responsibility to make the second generation love the family business and embed in them the responsibility of leading the business for the cause of their family and the business's future. The founder/MD M04 thinks succession means only education, and that is his statement:

> M04: "Very good point, however my opinion. If you would like to invest in your son, you must invest mostly in his education. And not give him everything he wants to know the price and meaning of money. In my opinion, you need to education is the success. The work is coming; however, his concentration should now be only on his education."

Education is one part; however, succession requires the founder to invest in the second-generation personality since they are young. As noted by the large family businesses when the successors are young, they have the potential to adapt to anything. However, this is not according to founder/Chairman M06, as he noted the following:

> M06: “However I recommend from the start when the children are born the founder the father has to look and see what’s their interest in life and what do they enjoy most. Is it toward engineering or toward medicine or toward practices or toward academia? Based on that he would branch out of his business a sector or a field that would fit the successive generation interest. So, then he practices his hobby at the same time he is still involved with the actually family business the mother which is the group at least in terms of management and overlooking.”

The successors should have the right to choose their career path; however, when they are young, they are not mature enough to take such decisions, the successors need guidance from their father or mother to what they can study that will interest them and benefit the family business in the future.

Stage 3: Structural Descriptions

Two second generation, one who started the business with his father, and the other took leadership of the business after his father died. The first one is still looking for a way to start succession planning for his kids, and the second one is too busy leading the business that he is not thinking of the plans for the third generation.

Some founders interviewed lacked the knowledge of succession planning, and the business is now of age required for transition; however, the second generation grew away from the business. Other founders are not in this stage yet, but they believe education is the only important factor in succession, and it is the only thing that matters with the current second generation. Some founders have their successors working with them, but they are still not fit to lead.

Stage 4: The essence of the Phenomena

None of the medium-sized family firms put a succession plan in place, and therefore some struggled in their successors joining the business, and some successors never joined. Moreover, who still has a chance believe that the children's education is more important than teaching them what work is about now or believe that the successive generation should find what interests them and help them open other businesses under the same family group or ownership.

Theme 2: **Well-Established Strategic Plan**

Stage 2: Participants textual descriptions of the themes

The family businesses are aware of strategic planning; however, only two from ten families applied it in their business. The remaining family business leaders are adjusting their strategy as they move forward with the business, as they described:

> M01: "I started this company with my father the chairman, and I am the middle son from my family, I started the business from zero, in the year 2000 it has a very small volume at that time. Turnover was 2 to 3 million; then I started taking bigger projects, from category 5 to category 4, 3 and so on. Now I have projects worth 1 billion AED. Of course, when I reached 100 million, I took my eldest brother from the public sector to work with me in the family business. When I reached 500 million, I took the brother that's younger than me in the family business. He used to

work in Cleveland. Now the youngest brother is studying engineering and Inshallah he will join us in two years."

> M02: "I buy cash and sell cash; no banks owe me anything, or I owe them anything, thank god. But I have accounts in every single bank to ease the deposit on the cheques getting received. My main bank in UNB. Then I organize the cashflow transferred to the main bank. Every year by year because of the market change etc."

> M04: "Regarding the problems in the area. You have to expand your income with different trades or businesses, in order to not put all, you have in one or two baskets, and if these fail you lose everything". "So basically, diversifying my business is a key and I always look in new opportunities to sell and buy different material with different clients."

> M06: "Every founder knows where his business is going, and where he should invest his money back in the business. Coming to my case, I run a law firm. And I keep expanding it because I continuously see a demand in the country for such activity because more problems are rising, and more lawsuits are getting filed."

Second generation/MD M08 thinks otherwise, planning for the business is an essential part for the business continuity, as he noted below:

> M08: "Definitely if you want to continue the business you should always have a plan, the market is always changing, and the risk factors change towards each activity. So definitely we sit and discuss what's our one-year plan what's our aim for five years etc., the way we look at our self we are in a transition stage, and this requires us to be a bit more flexible in the planning. You are trying the best fit four your business based on your vision."

Strategic planning is required to know where the business is going and what is the goal that you want to reach in the years ahead. As noted by founder/MD M10, the following:

> M10: “Every day we do a budget with an exponential growth rate and in line with the market. The expectation is not accurate sometimes you achieve it and pass it; sometimes you don’t”. “Yes, there’s planning there is forecast what is the expenses what’s the return as a company. Of course, there are all the meetings required to achieve such a factor.”

Stage 3: Structural Descriptions

Only one founder and one second generation understand the importance of planning for the business. They are the only ones from the respondents who implemented a strategic plan and are following it and amending it every year, according to the market.

All the other respondents’ strategy is on a daily basis. They are going with the flow of the business and adjusting it on the go. They see where they have reached and adjust accordingly.

Stage 4: The essence of the Phenomena

Only twenty percent of the family businesses implemented a strategic plan in their business by noting into account the yearly change according to the market.

However, the remainder of the family businesses either never thought of the plan or are trying to develop one.

Theme 3: **Structured Governance**

Stage 2: Participants textual descriptions of the theme

Governance is one of the key essentials to family business success and growth. It is the organization structure, decision-making hierarchy of the business. It is the procedures, policies executed to reach the family business vision and mission.

As noted by second generation/MD M08 about how he organized the family business governance after his father died, he stated the following:

> M08: "Well after father passed away, me and my brother sat together and divided the responsibility. Each one works in what he is responsible for and tries to develop it. And build the company hierarchy. Me and him have the same rights, the same shares, and everything. However, someone had to oversee the whole operation, which is me. And it was also communicated between the employees that I am responsible for what in the company and my brother is responsible for what."

Communicating the governance structure to the business employees is crucial for business performance efficiency. It allows all the employees to know to whom to report and what is the limit of their decisions in the business. As noted by founder/GM M07 and founder/MD M10 that the employee's decision making depends on the value of the decision, they have stated the following:

> M 07: "of course we have structure, and decisions are taken according to their value. There's a line of managers that have employees under them. They know the policies the procedures, it is written how he gets raises and its communicated and known."

> M10: "It depends on the size of liability; each department head has a size of liability decision he can take. If his limit allows him to take this decision, he will if not he has to consult. And this is how it's made normally."

On the other hand, some interviewed medium-sized family business founders believe that having everything under their control and being the only decision maker is their key success, as noted by founder/Chairman M06:

> M06: "It has been proven many times that companies with one decision maker are always more successful. One-man decision is the best option, and it is what continues the company, and it is what makes the company sustain in this market."

However, they do not understand that it limits the growth of the business and decrease the business performance because if the founder is not there, the work will be on hold until he comes back and makes the decision. Founder /MD M04 realizes that the business should not only be under his decision. However, until now he is still struggling to delegate responsibilities and trusting others to make decisions. He stated the following:

> M04: "This is my main problem honestly, decision making in my company. This is what I can't solve. I don't like any one opinion. Everything I take it myself. And this is my success because I take all the decisions. I have four managers working under me, and I swear to god I never listen to any of

> them". So, all my work was always and still in very high-risk decisions, and no one can take such decisions except me."

Like said, the business cannot be employee or leader dependent only. Because then the business cannot operate without this leader or employee as noted by founder/Chairman M09, when he describes his business governance and how his activity is offering services for long-term relation customers that need to deal with the business as a whole and not dependent on any individual working in the business. He stated the following:

> M09: "I have this from a long time, I gave authorities to all the decision makes and head managers in my company in order to not withstand everything with one person. I have had this strategy from a long time, as you know god rests every soul and my company is a services company. So, it's not for me it's for the customers, and if the customer did not find this service next year for any reason, then there's a problem. So, we have done something here all the heads are responsible for their own decisions, and recently two months ago we created a board of directors, this board includes the department heads, the family and external n internal advisory boards."

This founder understands that god rests every soul, which may lead to the absence of a valuable employee. Therefore, he worked hard to achieve governance in the business and making it independent of any employee or manager.

Stage 3: Structural Descriptions

The second generation and four founders believe of importance of governance in the business and have applied it by creating a hierarchy and dividing responsibilities.

The other four founders are still controlling all the decisions of the business under them, some are convinced it is the right way and some are trying to surpass it and build governance in the family business, but they do not know how.

Stage 4: The essence of the Phenomena

Sixty percent of the medium-sized family businesses have governance that is well known and communicated in the business. The other forty percent are still applying a one-person show business, as in the decisions are only made by them. Some believe it is the only right way for the business to succeed and others are trying to come out of it, but they do not know how. Ownership is not discussed in detail due to the family members themselves not sorting it out yet.

Theme 4: **<u>Competent Leadership</u>**

Stage 2: Participants textual descriptions of the theme

Leadership is a significant factor that the founder must teach the second generation for them to one day lead the family business. Founder/Chairman M09 is teaching his son and daughter leadership by first making them learn the discipline of being an employee as they are still young and joined the business recently; he states the following:

> M09: "However my son or daughter are normal employees during the work times of the company because I can't create sensitive problems between my kids and employees that have been loyal to me 14 or 15 years. Then my son comes, and he is treated better than them. That did not happen until end of duty hours he is an employee after that ok he is my son. And you believe that I am harder on him than the other employees because he will be the next leader, so he needs to be able to take this reasonability with all it stands for."

The founder is making his second generation learn by example he sets for them at the workplace. However, once they have already matured and are capable of handling responsibility, they are put in leadership positions and monitored for their actions, as noted by founder/Chairman M02:

> M 02: "I put them in the leadership position and made them grow in it. And allowed them to do mistakes and learn from it. Under your advice."

Monitoring the next generation leadership and allowing them to make mistakes so they can learn from them is an excellent method of transitioning the family business leadership. Founder/chairman M06 believes in a method of leadership that is not taught in school, but he learned by experience, which is:

> M06: “There is, of course, a method of leadership that is used by many businessmen this method is not taught in any school however it was proven from experience. It is the toughness and generosity, is to be very tough in your decisions at the same time very generous. This is the key. Because if you only deal strictly then you will fail and if you deal softly, they will slack off and take you for granted so how can you control it.”

Knowing how to control when to be soft and when to be tough is a challenging aspect of achieving as a leader. Only the experienced and knowledgeable leader can achieve that. Founder/GM M07 identifies the requirements for recruiting a good leader:

> M07: “the recruitment should be done properly based on his qualifications and experience and has the ability to work in a team.”

The leader should be chosen according to his qualifications, however, for this leader to perform at best in the workplace, as noted by founder/MD, M10 the following:

> M10: “Basically everyone will give good leadership if they are given good incentives such as but not limited to salary, bonuses, rewards, etc. give him the area to move with it and keeping him liable for his mistakes reward him for his achievement.”

Keep him liable for his mistakes and reward him for his achievement. This is a perfect strategy to follow by the family business leader toward the delegated leaders under him in the hierarchy.

Stage 3: Structural Descriptions

Four of the founders are working with their successors at the business and teaching them leadership skills by setting examples and giving them the responsibility by allowing them to make mistakes for them to learn and move forward.

The remaining respondents have the ability of leadership themselves, but they have still not gone through transferring the leadership to the second generation, due to the second generation being young or they still did not consider allowing them to take such responsibility at the workplace.

Stage 4: The essence of the Phenomena

Forty percent of the family businesses are under the process of teaching their successors the true meaning of leadership and how they can enhance their skills for one day to lead the business. The remaining sixty percent defines leadership from their behalf and actions. They have vast knowledge for themselves to lead, however, they still did not start transitioning the leadership to the next generation.

Theme 5: **Well Known Family Business Values**

Stage 2: Participants textual descriptions of the theme

Family business values are the culture and atmosphere of the family business; it reflects the business behavior in front of the public and inside the business, as noted by the second generation/MD M01:

> M01: "Trust and honesty, in the public sector your work is from 7:30 to 5, you came 8:30 so you're late, so similar to the government have to embed these in your employees same as there is discipline there's punishment. Regarding honesty its some projects fail, and some projects pass however my concentration is on the name and not on the profit and loss. This raises the value of people to trust you in the market."

This second generation/MD has built trust and honesty with his clients in the market, and this happened from ensuring the same values are applied in the business by the employees and family members. It has also been the practice of second generation/MD M08, as he noted the following:

> M08: "We have been raised to have our family as your circle of trust and never for any reason you let go. Loyalty is always there, and for sure sometime at work, we argue towards certain things. But number one never show it in front of the employees' number two solve it at once and move on. Never leave anything inside you towards your family."

A crucial point here is never to show the employees that there is any problem between the family members leading the business. They should argue in a closed room and reach an understanding without having any of the employees notice; this is to ensure that everyone in the business is working as one team,. as noted by the founder/GM M07:

> M07: “And this is the reason for success for most companies is teamwork no one can do everything on his own. This will show from the start of his work is he is trustworthy, loyal or not.”

Loyalty for the business is the key to success because they will all work for the benefit of the business, as noted by founder/Chairman M09:

> M09: “Loyalty in the team that you have, if he does a mistake and he confront it, you forgive him, etc. however if someone doesn’t fall and stand, fall and stand he doesn’t succeed.”

Therefore, as the family business leader should be tough with the employees to reach the targets, at the same time generous with their salary and bonuses in order to sustain their loyalty for the business, as noted by founder/Chairman M06:

> M06: “You need to be tough but for them to not hate you and work on you with loyalty you need to be generous in the salary in their bonuses etc.”

Stage 3: Structural Descriptions

The two second generation respondents understand the concept of family business values and are trying to apply it with their family members and employees.

Three founders also know of ensuring the loyalty and trust of their family members and employees for their business sustainability and success.

The remaining founders did not consider concentrating on the family business values for the succession and success of their business.

Stage 4: The essence of the Phenomena

Fifty percent of the family businesses understood the importance of family business values and practiced it. The remaining founders have not considered family business values as an essential path for their succession and success. However, none has it written or appropriately communicated.

Theme 6: **Successful Family Capital**

Stage 2: Participants textual descriptions of the theme

All the respondents practice human capital as they have all invested in their successor’s education and experience.

All the respondents have also practiced social capital due to the importance of it toward bringing business for the family business. As noted by founder/MD M04:

> M04: "This is the most important thing, without my networks I would have never been able to reach where I am, I do not make or attend any dinner or lunch or party without having my son with me greeting and meeting everyone I know."

He confirms that without his networks, he would have never made it to where he is now. Second generation/MD M01 also understands this concept where he is looking to build his family business reputation for its social appearance and business success, he noted the following:

> M01: "Now we live in a small city, and Abu Dhabi everyone knows each other. So, if you did terrible in a project everyone would know you're your reputation will become bad. However, if you finished on time and the client was happy, and his satisfaction is high. You create something called reputation, and this reputation builds up upon you and your family and your kids."

More developed family business founder/chairman M02 indicated that because of his reputation in the market, it is much easier for the second generation to socialize and build ots network because it will be accepted as it is the successor of this well honorable founder, as he stated below:

> M02: "They got an easier in, in life. Their family already have a reputation. When they go introduce themselves, they will know their father and hence open for them the door in

> many things. Now you learned about you're the reputation from the market."

Founder/Chairman M06 teaches his son the importance of socializing outside the business and building a social network outside the business. This social network will bring business without noticing, as he noted below:

> M06: "This is very important; you need to have a social circle outside your work that you can depend on and meet and discuss things continuously." "You have to teach your son that anyone who enters your house, or your office should always be greeted and respected whomever he is. To teach them that networking and building relationships with people outside of work is the key of bringing business to yourself without you noticing".

Therefore, as the founder of the family business, you have to let your successors meet and know your social circle for them to develop their personality and get close to the network circle of the founder. As noted by founder/MD M10:

> M10: "You try to bring him a social circle that he can develop his personality and meet other children his age and build his relationships and network. And not give him have the fear from the social life. A lot of times he will not like your friends, but without exposing him he will not know what he likes and what he doesn't. You try to introduce your family to the people you know. Whether they get along with them or not that up to them."

Having the family business responsibility is not any easy task. To succeed in it and build the business future, the leader should act to open opportunities for the business, and one of the ways to open this door is through networking, as noted by second generation/MD M08:

> M08: “You need to look at it this way, I am the person of the family that is leading the family business which makes your net worth a part of the family business success. The more people you know and interact with you open for yourself and your family opportunities. It is very important to make time for it. Definitely, I was involved in many networks invests, for breakfast events, seminars and it continued after, and it actually increased. It’s the business.”

Other than opening opportunities, the founder/chairman M09 believes networking also makes you learn new things and be up to date with the technology in the market, as he noted below:

> M09: “We thank the technology for making it easy to communicate us together to such events. Your attendance to such events is not only networking, but it’s also learning new things. Every event I attend I learn new things and this I teach it to my employees and my children. Networking is a must, also learn new things that will benefit you and your company. Also, usually in attending events it also makes it easier to reach high ranking people. Because they will also be there to network and easier to approach than meeting them in their office.”

Attending seminars and events are key essentials for the family members and business owners to network and learn what is up to date in this fast-developing market.

Stage 3: Structural Descriptions

All the respondents know the importance of social capital, they have all practiced it in their own way. One second generation has practiced it by building his family business reputation; the other second generation has attended many events to network and open opportunities for his family business.

Founders have practiced social capital by networking outside their social network, introducing their successors to their social network in events, and by attending seminars to learn the newest technology and information in the market.

Stage 4: The essence of the Phenomena

All the family businesses believe the importance of social capital. They summarized it to five aspects: One, build a business reputation. Two, the successors are welcome anywhere they go because of their founder roots. Three, to build a social network outside the business. Four, network to open new opportunities for the family business and hence the family. Five, attend events and seminars to network and stay up to date with the market technology and economy. For the human capital, they all invested in the best education and experience for their successors.

Theme 7: **<u>Entrepreneurship Orientation</u>**

Stage 2: Participants textual descriptions of the theme

Entrepreneurship works for inside and outside the business: Inside, such as development of better procedures to increase efficiency; and outside, such as entering into new ventures and investing.

Entrepreneurship should be embraced by every family business for them to sustain in the market, according to founder/MD M03:

> M03: "Yes we have other business and we accept entrepreneurship, we have real state, buildings lands and other types of investments for sure."

A smart family business man should expand in other industries in order not to put all his income from only one source, as noted by founder/MD M04:

> M04: "We are here expanding in different industries; we are mainly trading pipes and steel. Regarding the problems in the area. You have to expand your income with different trades or businesses, in order to not put all, you have in one or two baskets and if these fail you lose everything. I am now running three businesses together."

Like said, the smart family businessman should diversify his business into different baskets, but carefully and by making sure he has the time or is partnered up with someone who has the time, as noted by second generation/MD M08:

> M08: “Definitely diversification is always an advantage however to start anything you have to make sure you have the right setup and you have the time for it. You know if you’re not on top of things you will lose control. We entered into something recently, but we made sure to bring in a partner that is knowledgably and experienced to run the show. We do not interfere in his work just oversee the company from far.”

Being able to find a partner to run the new businesses you are expanding is a blessing, as he/she will bear all the daily headache and you will just look for results, as noted by founder/Chairman M10:

> M10: “Yes if you believe that there is an opportunity that is not within your domain and it has potential growth yes, I will do it yes. If you come to me today and tell me there’s a good area, if I have the time or financial. Yes, I might invest in it, either time or money.”

Investments can be either time, money, or sometimes both. But, for both ways action should be taken toward diversifying the sources of income coming into the business to make it sustainable. However, second generation/MD M01 thinks otherwise, as he noted below:

> M01: “No I am not with entrepreneurship for me is to focus in what you do and develop it is much better, to concentrate on it and make it succeed. Also give chance to the others to open companies that you do not compete in it.”

This second generation/MD does not recommend entrepreneurs as he thinks it is important to just concentrate in the business you are doing rather than trying to open something else. Founder/Chairman M06 thinks the same thing, as he noted:

> M06: "It is the biggest mistake in the world, is to work in a business that is not related to yours. You already have a business just concentrate in it and leave the rest for who knows it."

Entrepreneurship development is the key to sustaining any business and is widely understood by founder/Chairman M09, as he noted:

> M09: "This is very important; you have to diversify. You have to entrepreneur obviously within what your expertise is however you found other roots and branches that can benefit your business internally and externally. Also, I said what we use to hear before is old therefor you should always develop and diversify to be ahead of what you are doing and trying to achieve for your business."

To be ahead of what you are doing and try to achieve other opportunities for your business, this includes fresh minds who are aware of the new things in the market and where they can start. The second generation can play a vital role in establishing entrepreneurship for the family business. Founder/Chairman M05 noted:

> M05: "yes, I am teaching all my kids to be entrepreneurs but of course I sit with them and listen to their full analysis and study the idea. And see if it's for our benefit to go with it or not. And if it is I barre all the risks that comes with it."

Therefore, entrepreneurship is important. However, entering into new ventures is not a simple task and should be studied carefully from all angles. The study should include a feasibility study, operational study, and enough research on what you are going into. Then you can decide if it's a feasible business to enter or not.

Stage 3: Structural Descriptions

One second generation and one founder are against entrepreneurship. They have their full concentration on their family business and that is it. They are not willing to enter into new ventures.

All the remaining respondents are entrepreneurs themselves. They have entered into new ventures and diversified their business to have multiple sources of income.

Stage 4: The essence of the Phenomena

Eighty percent of the family business owners are entrepreneurs. They have diversified their business because they understand the advantage of having different sources of income. Each business will carry the other in the profits and in the loss to achieve a sustainable family business. Nevertheless, twenty percent of the family business owners are against entrepreneurship as they are more concerned for the business itself.

Theme 8: **Stewardship Behavior**

Stage 2: Participants' textual descriptions of the theme

Stewardship behavior is to have the family's leading members and employees working with all their heart for the benefit of the business, and this is not easy to achieve. However, second generation/MD M01 relates to achieving this theme by giving good bonuses and incentives for their hard work, as he noted below:

> M01: "The division of profit is very important in my field. Meaning if I have a project manager that is leading a project and finished it in 18 months instead of 20 months. Then he deserves at least six times his salary. By him presenting the correct closed budget of the project. As a bonus as an incentive. You must give all your hard-working staff incentives to continue and take bonuses at the end of the project. This continues yearly."

Founder/Chairman M09 is very proud that he achieved this theme in his business for a long time as he embedded this culture in all the employees from the beginning by making them feel they are working for their own business. As he stated:

> M09: "This is something I am very proud of, the employees that work for me. Most of them have been with me since I started 15 years ago. And the key in my success is letting the people in the company feel they are working for themselves and not for me. They are working for their company. And this is a huge factor of my success today. Last time I was in a meeting in Abu Dhabi, and they asked one of my employees are you comfortable, and he said, of course, I feel like I am home in this company. I work for myself I get paid really well etc. and this is why they are all very loyal to the company. I leave sometimes, and they are

> still there working, I tell them to leave, but they want to stay, as of love of what they do. Loyalty in the team that you have, if he does a mistake and he confronts it, you forgive him, etc. however if someone doesn't fall and stand, fall and stand, he doesn't succeed."

Founder/MD M05 indicates that this still did not apply in his business, due to his kids being young; however, the oldest is working with him, and he ensures his stewardship from the rewards for his achievement as he indicated:

> M05: "Well I have many children some are still in kg, so this topic still did not apply fully, only the eldest one working with me is doing his job because he gets from it what he achieves, however, the rest are still in school and young to understand such a thing. And I need to be fare with everyone. Each of daughters that are married are educated and working if they need any help, of course, I would help them. This the incentive I give them an opportunity to start things, and I have their back."

The reward for employee achievement plays a vital role in achieving stewardship from the employees. Founder/MD M03 indicates his generosity:

> M03: "I give them all they want until they are satisfied, my problem I spoil my employees too much. I give him more than he can imagine."

Being extra generous with the employees achieves the target for them to work for the benefit of the business. However, founder/MD M04 thinks otherwise, as he states:

> M04: "It's impossible to make the people under you work with loyalty and honesty to the company and to you, they will give you 80% and the other 20%, 10% wastage and 10% for his own advantage and you close your eyes. As much as you give them, they will still steal from you, and you have to close your eyes. There is a saying that says, 'a thief that profits me is better than an honest man that puts me in loss. I know a lot of employees here take commission; however, I still rather get the income through this person every month rather than let him be honest and cut the channel. I am telling you honestly."

Surprisingly, founder/Chairman M04 is very confident that stewardship cannot be achieved, and the employees will always steal from you as much as you give them.

Stage 3: Structural Descriptions

One second generation and three founders achieve stewardship by creating trust and loyalty, by being generous with incentives and bonuses for their achievements.

One founder thinks it is impossible to achieve stewardship and the remaining respondents have not considered it yet.

Stage 4: The essence of the Phenomena

Forty percent of the family business owners achieved stewardship behavior through incentives and bonuses. One percent thinks it is impossible to achieve and quoted, “A thief that profits me is better than an honest man that puts me in loss.” The remaining respondents have not considered this theme yet.

Theme 9: **Use of Family Firm Advisors**

Stage 2: Participants textual descriptions of the themes

Family firm advisors are essential to advise the family business on aspects with which they are not familiar, as noted by second generation/MD M08:

> M08: “However, in my opinion, anyone who have worked and seen different family businesses will definitely help you with his advice and will be a benefit for your company. I am sure I will learn a lot from them. Because you will learn how to deal with the family how to deal with the employees how to deal with the surrounding, deal in a way to help the business.”

This second generation/MD is explaining how they helped him in organizing the business after his father death; he trusted them because they have vastly more experience in dealing with such matters than anyone else as they have been through it a lot through their advisory work for family businesses.

Founder/Chairman M09 indicates the importance of having a lawyer and an auditor for every business to make sure they are working in a safe, professional manner; his statement is as follows:

> M09: "I said and always will say before you start any business you should have your lawyer and your auditor at least. You can't start and then wait for a problem to rise and start looking for a lawyer to help you and solve the issue for you."

It is better to have these two professions at the start of your business and build your relationship with them throughout the family business career. As they will grow with the business whether they are external or internal, they would know the business inside out and will help with anything the business needs regarding law and finance.

Founders who have never dealt with advisors before cannot capture the advantage of working with them until they try. As noted by founder/Chairman M02 and founder/MD M04:

> M 02: "yes I am with family firm advisors, but I have never dealt. I like to work on my own. Whatever I gain at work is ten times what I will gain from any bank."
>
> M 04: "This is what I did not work with until now and am not familiar with dealing with any advisors. I want to start however if we look from the banking site, I here alone without them make almost 30 percent profit from my turnover. If they invest it how much will they give me 3 4 5 6 percent I would make more with this money in buying and selling in my business. So, I still don't believe in it much. When the banks come to me, and they look at my financial

> statements they die to give me facilities and make me invest with them. However, I still believe I make more money without them."

These two founders believe that they make more money without using advisors; they are willing to try but are still not sure. Founder/GM M07 states:

> M07: "They have their personal reasons and work for their benefit. I would like to try them first and based on their work and what they can give me they I can judge their honestly and capability."

He believes that they work for their own benefit. However, the family business leader takes from them what he needs and pays them for that service. This topic is broad as advisors can be in any type or in any activity. Founder/MD M05 states:

> M05: "Still we did not use this, we would like to use this advising towards our wealth and our business in the future. I think this is a later stage we are now working on developing the businesses and expanding as much as we can. Then we can sit and see also listen from advisors on how to arrange the business."

This founder is aware of their advantage; however, he believes their use is for a later stage in their business. Founder/MD M10 is willing to listen and see what they have to offer, and if it benefits him and the business he does not mind, as he states:

> M10: "We do deal with them, and we do accept after all they know better. You can't live without them. For example, if

> they come to me with a better credit card than the one I have why not. Now it's not necessarily the right choice, but if we don't take risks we will not move forward or learn at the same time."

Founder/MD M10's statement is very wise, which is if we do not listen and take risks in life, we will never learn and move forward.

Stage 3: Structural Descriptions

All the respondents tried and experienced dealing with family firm advisors except four founders who have never dealt with them before. They are willing to listen, but are confident they make more money than getting advice from anyone.

Stage 4: The essence of the Phenomena

Forty percent of the family businesses have never experienced dealing with an advisor. They are willing to listen; however, they are confident they make more money without them. The remaining respondents have listened and practiced with family firm advisors before.

Table 8: Essence of each theme for medium-sized family business.

	Theme	Medium sized Family Business - The essence of the themes
1	SP	None of the medium family firms put a succession plan in place, and therefore some struggled in their successors joining the business, and some successors never joined. Moreover, there are others who still have a chance believe that the children education is more important than teaching them what work is about now or believe that the successive generation should find what interests

		them and help them open other businesses under the same family group or ownership.
2	STP	Only twenty percent of the family businesses implemented a strategic plan in their business by noting into account the yearly change according to the market. However, the remainder of the family businesses either never thought of the plan or are trying to develop one.
3	CG	Sixty percent of the medium-sized family businesses have governance that is well known and communicated in the business. The other forty percent are still applying a one-person show business, as in the decisions are only taken by them. Some believe it is the only right way for the business to succeed and others are trying to come out of it, but they do not know how. Ownership is not discussed in detail due to the family members themselves not sorting it out yet.
4	L	Forty percent of the family businesses are under the process of teaching their successors the true meaning of leadership and how they can enhance their skills for one day to lead the business. The remaining sixty percent defines leadership from their behalf and actions. They have vast knowledge for themselves to lead; however, they still did not start transitioning the leadership to the next generation.
5	FBV	Fifty percent of the family businesses understood the importance of family business values and practiced it. The remaining founders have not considered family business values as an essential path for their succession and success. However, none has it written or appropriately communicated.
6	FC	All the family businesses believe of the importance of social capital. They summarized it to five aspects: One, build a business reputation. Two, the successors are welcome anywhere they go because of their founder roots. Three, to build a social network outside the business. Four, network to open new opportunities for the family business and hence the family. Five, attend events and seminars to network and stay up to date with the market technology and economy. For the human capital, they all

		invested in the best education and experience for their successors.
7	EO	Eighty percent of the family business owners are entrepreneurs who have diversified their business because they understand the advantage of having different sources of income. Each business will carry the other in the profits and in the loss to achieve a sustainable family business. Nevertheless, twenty percent of the family business owners are against entrepreneurship as they are more concerned of the business itself.
8	SB	Forty percent of the family business owners achieved stewardship behavior through incentives and bonuses. One percent thinks it is impossible to achieve and quoted, “A thief that profits me is better than an honest man that puts me in loss.” The remaining respondents have not considered this theme yet.
9	FFA	Forty percent of the family businesses have never experienced dealing with an advisor. They are willing to listen; however, they are confident they make more money without them. The remaining respondents have listened and practiced with family firm advisors before.

4.3 Conclusion

This chapter computed the data analysis for large- and medium-sized family firms, by manually analyzing the transcripts. It measured the existence of each theme in their family business and presented the summary of all the themes existent in table 7 and 8. The following chapter will explain the results and discussion.

Chapter Five

Results and discussion

5.0 Introduction

In this chapter, the results of the data analysis of chapter four are presented and discussed. It starts first by presenting the results of large-sized family businesses, showing the existence of the sustainability practices in their organizations. Second, it presents the results of medium-sized family businesses, also showing the existence of the sustainability practices in their enterprises. Third, it compares and presents large- and medium-sized family business results and opens the door for the final chapter.

The existence of each sustainability practice in each size family business is presented as per the following example: if two out of the ten interviewed medium-sized family businesses have a succession plan in place and are following it, it means that for the succession planning theme, medium-sized family business scored 20%. And same applies to all.

5.1 Large-sized family business

5.1.1 Results

As per table 5 that is presented in chapter three, the methodology section, the table gave a brief description of the large-sized family business interviewed, it shows that the oldest family business company is sixty-two years old and the youngest is thirty-three years old. If we take the average of the ten businesses age, it will be around forty-seven and a half years old. This gives us an understanding from table 2 by Gersick, Davis, Hampton, and Lansberg. (1997), the sequential stages of family business development presented in chapter one have all gone through the transition to the second generation. Some are still first and second leading, but the majority only second leading. Moreover, now they are worried about the third-generation transition. Five of the interviews were with the second generation, all in their highest managerial position under a chairman; they spent all their life helping their father make the business reach where it is today. Therefore they are very knowledgeable, educated, that witnessed and implemented many factors that aid in organizing the business and making it more sustainable for the future. The other respondent is an internal family business advisor that worked with them in the transition and is now acting under the second generation that is leading the holding with positions of chairman, managing director, and chief executive officer. However, he also reports to the family office that has a board of directors, some of whom are family and some are not, noting the family business founder is the chairman. The remaining four respondents are founders themselves who witnessed the business since they started until it developed to be a mature business, and currently led by their second generation under their advisory. The respondents were very helpful and knowledgeable in their responses as they speak out of the experience that they had to go through in order to sustain their business. Therefore, their discussion toward each theme combined identify the extent of each sustainability factor in their business, as shown in Table 7.

After analyzing each large-sized family business theme nature in their business and computed it in table 7, it became possible to compute a graph that shows the extent of sustainability practices in the large-sized family businesses in the UAE as, presented in figure 7:

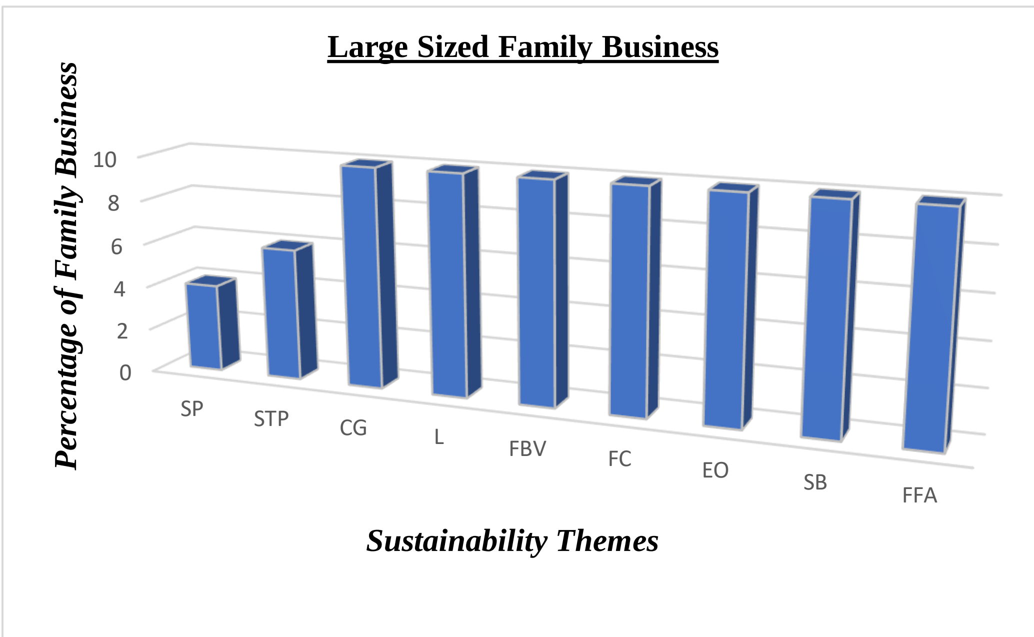

Figure 7: Extent of sustainability practices in large-sized family business

Legend

SP	Succession Planning

STP	Strategic Planning
CG	Corporate Governance
L	Leadership
FBV	Family Business Values
FC	Family Capital
EO	Entrepreneurship Orientation
SB	Stewardship Behavior
FFA	Family Firm Advisors

The graph shows that all the large sized-family businesses have taken into consideration implementing sustainability practices from a long time ago. They were all successful in transferring the business to the second generation, and therefore seven of the themes are implemented with the second generation. However, they are worried about how they are going to communicate such themes to the third generation. Each factor rate of percentage in large-sized family business and its impact is discussed in the following section.

5.1.2 Discussion in regard to figure 7

Only forty percent of the family business thought beyond the second generation and did a succession plan that involved setting the routes to how the business will be managed and led in the future. The succession plan is used to set the routes for the successive generation, and the family businesses that thought of the third generation created a family office to manage the family wealth and investments indicating in their succession plan how the businesses are managed in the future. As they all confirmed it would be managed by assigned professional management, leaving the successors only owners that represent the family office, or if they are interested in a leadership position, it is possible under specific criteria mentioned in the plan. Of course, every family business has a different family office and succession plan structure as it differs with the size of the family owners and the different type of business activities. However, they all lead to this conclusion. The outcome is supported by previous studies that indicate importance of succession planning to ensure the success of the transition and family business sustainability (e.g., Christensen, 1953; Trow, 1961; Ward, 1987).

The UAE is a very fast-moving market; therefore, family owners are scared to plan far ahead in their family business as they know it is difficult to follow. They all have a general goal; however, only sixty percent have an actual strategic plan. These are the ones that know their market and know where they want to reach in this market. The remaining forty percent are still trying to figure out where to invest the most in their current activities that would furnish in the future. Outcome is similar to Ward (1988), indicating the importance of strategic planning in developing business internal and external operations to establish profitable sustainability and growth.

Corporate governance existed in all large-sized family businesses, however, of course, they all have a different structure that is more suitable for their business whether it is for the family office, the board, or the actual company. Nevertheless, it was visible during the interviews that not all the second generation joined the family business, which raises the question of how the shares will be for the family members working in the business and the family members that do not work for the business. All the family businesses confirmed that a certain percentage of the business shares goes to the family members who are working and leading the business, other than their percentage ownership rights. To make this official, family business founders indicated this percentage in the family business Article of Association. Such indication removes the dispute that happens on ownership once the founder passes away. It also protects the working family members' rights of inheritance. Such a dispute happens among the siblings as it is not fair for the family members who spent their lives in the family business trying their best to sustain it and make it succeed to get equal rights as the ones who have never worked in the family business. Therefore, family members who work in the business deserve more of the shares than the ones who don't. To make it stable, it must be in the Article of Association of the business that is initiated by the founder. Although family members who are working in the business are responsible for their performance, one of the leading family businesses interviewed is doing that to the whole company and even to herself by assigning an enumeration committee. It is responsible for reporting the performance of each employee, including the family members. Noting that if the family member working in the business was not doing well, he or she goes under replacement in order not to jeopardize the whole business from one employee's or one family member's failure. The mature, developed family businesses that have passed 15 years in the second generation leading recommend splitting the management from ownership, which is in line with Lansberg (1999), for the family business to secure the long-term interests, both the firm and the family need structured governance to stick with and go by across generations.

Leadership in family businesses is a critical role, whether it is managing the day-to-day operations of the business or managing the wealth through the family office. Both need a family member who has the personality, knowledge, and experience to lead the family office, the board, and the companies. All the family business founders were able to choose the next family leader, the one who is going to lead the business in the second-generation phase. Most of the founders are the chairman of their family businesses or family office. However, the next chairman is either the managing director or the chief executive officer is as chosen by the founder due to the trust in his or her leadership. Noting that the second generation should do the same and early, it needs to look closely in the third generation to see who will lead the family business in the future. Even if management split from ownership, a leader from the family business still needs to put his life in managing the family wealth through the family office, chairing the board and strategically plan the business. As noted by Le Breton-Miller, Miller, and Steier (2004) achieving competent family leadership from generation to generation is one of the most difficult challenges to business sustainability.

All the second generation was able to live, adapt, and understand the family business values. It learned the values from the father, as that generation grew up in the same household and worked together as It got older. Those in that generation all confirm that the values were taught through life and embedded in them as their family culture and tradition. So, it was quickly transferred to them as everyone already knew it. Outcome is in line with Erdem and Baser (2010), when the family business is in the working together stage as per table two the values are transferred and embedded in the next generation easily. However, this changes when the talk is about the third generation as the second generation will all marry from different cultures, which means the third generation is growing up in a different atmosphere. Those descendants might get some similar values from their father or mother. However, the primary family business values from the founder will get lost. The only way for these values to go to the third generation is for the second to write them down and make sure to raise their kids with these values until they know them by practice.

Human capital is very common in this area of the world. The parents or founder will always invest as much as they can in their successors to educate them with the best knowledge and experience. They also understand the importance of the social network as they make their successors attend events and meetings with them to meet their social network. When the founder chooses the next leaders, he is proud to introduce to the public that these are my successors and they hold those leadership positions in the family business. The founder gives the successors a huge indirect motivation to work hard, grow, and sustain the family business. Once they see in front of the public that their father or mother is proud to say these are the next leaders, they know that they have done right and shall continue to make it succeed to the next generation. Most of the founders in this study never show their emotions to the second generation, as in they have never told their second generation they are proud and happy from them. Its only known, never heard or said. So, hearing them say it to the public plays a significant factor in the second-generation motive to lead the family business forever. Lastly, the founder networks are not going to last forever. The second generation needs to build its own network and include their successors in it early as it becomes part of the norms of the family. This will lead the third generation to grow knowing all their parents' social network without going through the hassle of meeting everyone later when at and work stage and, hence, they dislike it as they see it taking too much of their time. Large family business result of family capital is in line with the literature noting Sirmon and Hitt

(2003) when they link the survivability of the family business to the combination of family human capital, social capital, and financial capital.

Diversifying the family business portfolio is a key to success, as noted by all the large family businesses studied. The founder had already diversified into many different activities under operation by different companies all under one group. The founders understand they cannot have only one source of income or depend only on one business to generate money. Their reason for that is that they want to make sure they are still making money if one business is sick or unhealthy. Also, they create low-risk investments to carry the main business in case the market dropped, which is in line with Ward (1987), for family businesses to survive through the generations they should enter into new markets and develop their business operations according to the market. Every single family member indicated that in the interview. So, this is already there, and the second generation is managing it, so what's next? The second generation should come up with its ideas and enter into new ventures by taking into consideration all the studies required and calculate the risk precisely, taking into consideration the mother business. It is their time to open new sources of income to the family business without harming the family business.

Stewardship behavior is a lesson over time, the successive generation learns it since it is young with the family values and when older with leadership skills by shadowing the founder. It is critical for the incumbent to make sure that the leader's family members have stewardship behavior toward the business and the family, because what is going to make the business succeed is for a leader working for the business and not working on a personal level. Working on a personal level will not only destroy the business, but will also destroy the family, which is in line with the literature of Corbetta and Salvato (2004), that working family members should align their motivations and interests with the business objectives to establish success and continuity.

Family business owners and respondents confirmed the need for referring to advisors in the matters that need their involvement. The family business leader or owner is not an expert in everything in life. Therefore, the leader needs to hire advisors to help in the aspects far away from own expertise — aspects such as law and auditing. They all recommend the use of advisors. However, only use them when needed and make sure to deal with them with patience and direction in order to get to execute the work with the least cost. Chose them wisely, build relations and trust. Once the relationship is an accomplishment, it will help the leader a lot in the family business plan for sustainability. The second generation already learned that from the founder and continued the relation, next is for the third generation to learn. This finding is in line with the Poza, Hanlon, and Kishida. (2004) study of 79 family firms' that found the need for advice in family businesses and concluded that having an advisory helped enhance the family unity and maintained cooperative work among one another.

5.2 Medium-sized family business

5.2.1 Results

As per the sample data table 6 in chapter three, the methodology section, the table presented a brief description of the medium-sized family businesses interviewed. It showed that the oldest company is forty-five years old and the youngest is eighteen years old. If we take the average of the ten businesses age, it will be thirty-one and a half years old, which indicates, as per table two, the sequential stages of family development (Gersick, Davis, Hampton, & Lansberg., 1997), that most of the family businesses are in the first generation leading as the second have entered the business but are still too young to lead. Alternatively, it can also be in the first- and second-generation leading stage, which means they still did not transition fully to the second generation. Only one of the respondents experienced their father passing away and had to go through the transition alone, which was very difficult because there was not any succession planning done by the founder. Another interview was with a second-generation MD who started working with his father in the business just two years after his father opened. So, basically, they built the company together. All the remaining eight respondents are the founders themselves. All the respondents shared their views and experience in the matter of family and business sustainability practices. The essence of the phenomena of all the respondents combined under each theme is present in table 8; their responses indicate the extent of each sustainability factor present in their family business.

After analyzing each medium-sized family business theme nature in their business, it was computed in table 8. It became possible to compute a graph that shows the extent of sustainability practices in the medium-sized family firms in the UAE, as present in figure 8:

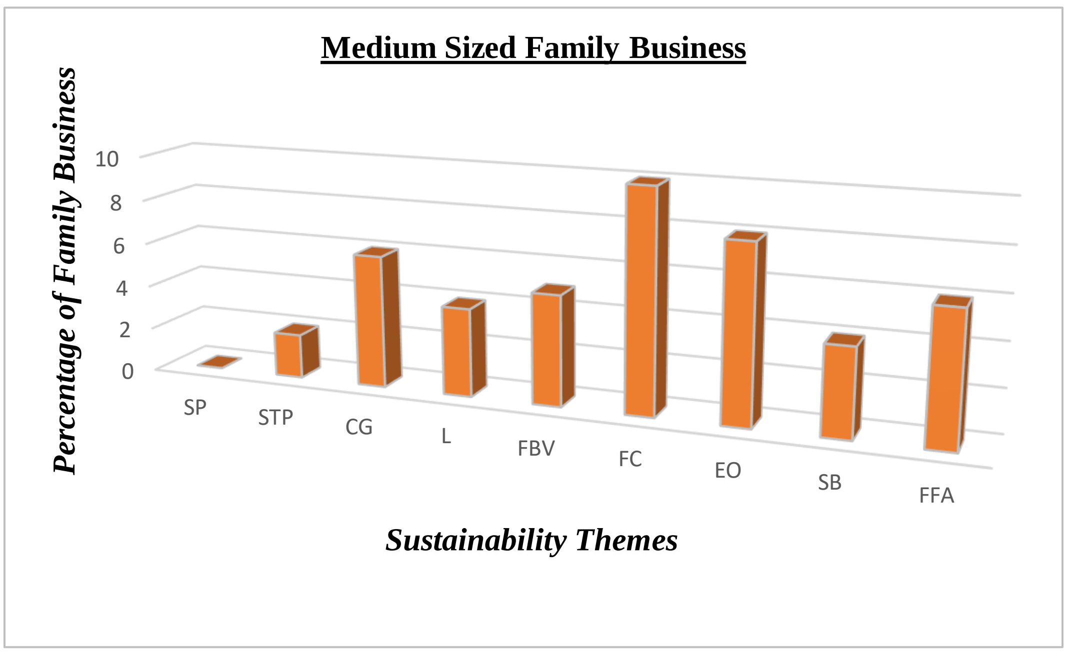

Figure 8: Extent of sustainability practices in Medium-sized family business

Legend

SP	Succession Planning

STP	Strategic Planning
CG	Corporate Governance
L	Leadership
FBV	Family Business Values
FC	Family Capital
EO	Entrepreneurship Orientation
SB	Stewardship Behavior
FFA	Family Firm Advisors

The graph shows that medium-sized family businesses are still in a very early stage of implementing the required sustainability practices. They still need to pass the baton to the second generation completely by taking into consideration the nine themes tested in this study. Each factor rate of percentage in medium-sized family business and its impact is discussed in the following section.

5.2.2 Discussion based on figure 8

None of the medium-sized family businesses interviewed has a solid succession plan. Therefore, their successors struggled in joining the business and struggled in the way of confusion in their career path as they did not grow on the right path for the leadership of the business. This issue is from the founders as they did not lay down the path for a selected successor to one day lead the business. Eight of the respondents who are the founders are still trying to find ways to teach and educate their successors to one day be able to take their place and lead the business. One respondent second generation had to step up and take his father's place early as his father passed away. It was very challenging for him as there were no routes for him to go by or govern with regarding the leadership and business ownership. Therefore, he had to create his own, agree with the family, and move on. He was able to do so as he is the eldest of his siblings and the one who worked with his father the most. So, making it happen was difficult but did not cause any disputes as it was only the second generation. Such ease in relations would be complicated if it were the third generation in the business as the number of successors increased massively. Therefore, serious actions to the business would have to take place.

Eighty percent of the medium-sized family businesses do not have a strategic plan. They have the excuse of the market changing condition. However, it is obvious they are working with a yearly aim, which is to make the most out of what is in front of them then, which is unhealthy for the business, the employees, and the family. Any employee or a family member working in the business should know what's the company target in the next few years in order to work together to achieve this target. However, unfortunately, only twenty percent of the medium-sized family businesses thought of that and implemented a strategic plan.

Governance is present in sixty percent of the medium-sized family businesses, as in they have an authority level structure, each is responsible for his department until the responsibility reaches the highest person in the pyramid. They do believe in the shared decision and are considering it. However, what was found surprising is forty percent of the family businesses still believe it is better to have the business under one decision maker, only which is the founder. Such belief causes lack of trust between the employees and family members working in the business. It also makes it very difficult for the founder to let go and hand over the business to the second generation, making it more difficult for the founders as they are not familiar with making team decisions.

Leadership is a skill more than it is a lesson. Forty percent of the family businesses are under the process of teaching their successor's leadership. They are under the process of teaching the leadership required to lead their business, but some things like building the successor personality are not taught, but driven by birth and experience. The founder needs to be able to distinguish among his successors who have the ability, confidence, and courage to lead the business and push them toward that since they are young. However, unfortunately, sixty percent of the founders still did not do that which harmed them as they do not have anyone from their successors on whom they can depend in the business, and they are worried for what is going to happen in the future.

In the medium-sized family businesses only, fifty percent of them understand the importance of family business values and how they are essential to keep their family in unity now and forever. The remaining fifty percent have still not considered it as a valid factor in sustaining the business across generations. However, the ones that did consider it still do not have it written down for it to be easily communicated to the generations ahead.

Social networks or social capital is the only factor that all the medium-sized family businesses cared about its importance and its implementation to their successors. They have all invested in trying to make their successors meet their network relations because they know that through these relations they get business for their family business. This explains why all the family businesses practiced this factor because they want their successors to continue with the same list of clients and networks that they have been in touch with while building the family business.

Diversifying the business to generate other sources of income to help aid the main business is a strategy understood and done by eighty percent of the medium-sized family businesses. Those are all entrepreneurs and are pushing their successors to be entrepreneurs. Some want their successors to create and lead their own businesses as a sister company to the main family business. However, it was surprising still to see twenty percent of the family businesses entirely against the idea of entering into new ventures. They believe in concentrating and succeeding in the main business, better than losing time and effort in establishing new ones. However, they have never thought what would happen to their income if the primary business market is low. It will lead to the family not having income until the market picks up again, which might take years and which will lead the family business to an uncomfortable financial state.

Stewardship behavior is practiced by forty percent of the medium-sized family businesses, and they achieve that by incentives and bonuses. Those forty percent are still in the process of teaching their successor's leadership skills, and this is a part of the leadership skill taught to work for the business benefit and not their own. One founder believes that stewardship is impossible to happen from an employee. However, he closes an eye as long as it gets income to the company, which is a terrible strategy as this can later grow into something the founder himself can’t control. The founder should make sure of this factor once he fully hands over the business to the next generation leader.

Sixty percent of the medium-sized family businesses know the benefits of dealing with family firm advisors as they have experienced and obtained help in many different areas they did not know. However, the remaining forty percent never dealt with advisors before. Those forty percent are willing to sit and listen to the advisors. However, they believe they make more money in the market than with any bank or advisor help. However, the case is not only about making money, it is also about but not limited to protecting the business, the wealth, and making sure it is going to last for the next generations.

5.3 Comparison results of large- vs. medium-sized family businesses

The percentages of each medium- or large-sized family business are derived for the number of family business in each size that are practicing the sustainability theme, as explained in the methodology section chapter three under the data analysis section.

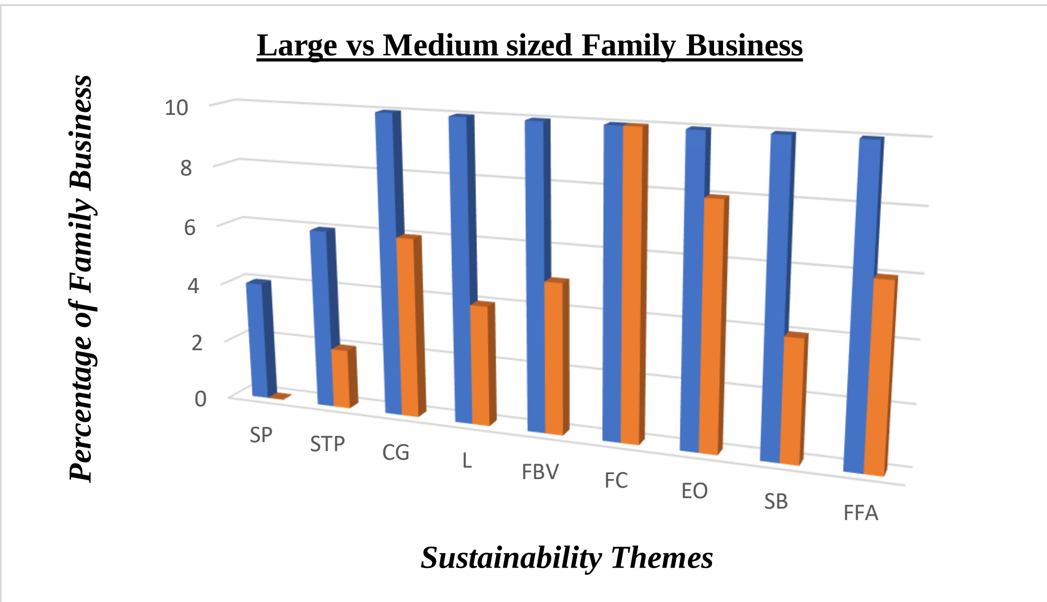

Figure 9: Comparison of Sustainability practices between the large- and medium-sized family businesses.

If we look at each factor individually, we compute the list below:

- Succession planning is forty percent more evident in large- than in medium-sized family businesses.
- Strategic planning is forty percent more evident in large- than in medium-sized family businesses.
- Corporate governance is forty percent more evident in large- than in medium-sized family business.
- Leadership is sixty percent more evident in large- than in medium-sized family business.
- Family business values are fifty percent more evident in large- than in medium-sized family business.
- Family capital is equally evident in large- than in medium-sized family business.
- Entrepreneurship orientation is twenty percent more evident in large- than in medium-sized family business.
- Stewardship behavior is sixty percent more evident in large- than in medium-sized family business.
- Family firm advisors are forty percent more evident in large- than in medium-sized family business.

As stated above, this is the difference in percentage per each sustainability factor between the large- and medium-sized family business interim of their sustainability preparation toward the continuity of their business. However, if we would like to look at the average percentage preparation difference between the large and the medium, we would take the total percentage of preparation regarding the factors of each and present it in figure 10:

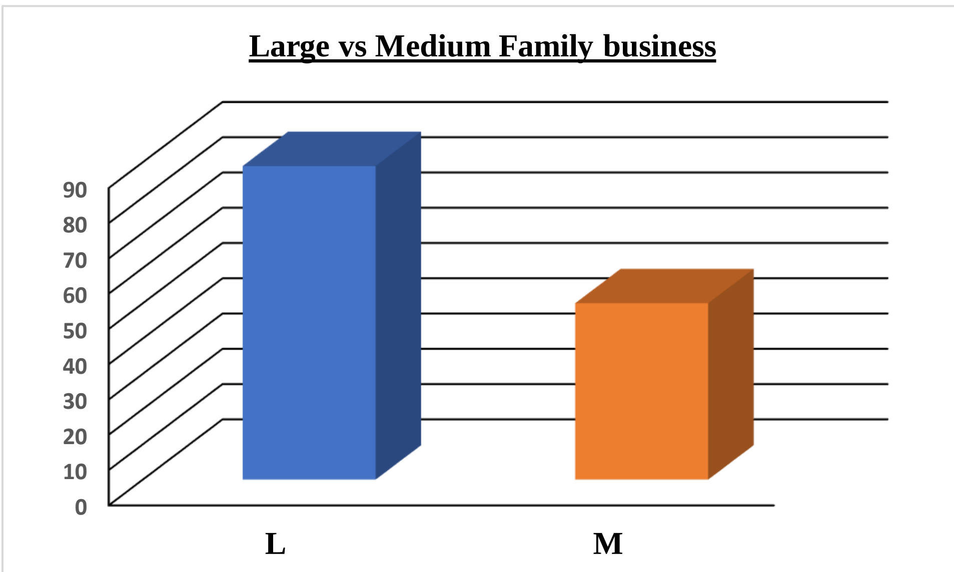

Figure 10: Comparison of the total sustainability preparation percentage of large- vs. medium-sized family businesses.

This figure sums up the average percentage of sustainability preparation for each size family business and presents them next to each other. The average percentage sustainability preparation for the large-sized family business is 88.9%, and the average percentage of the medium-sized family business is 49.4%. The computation of these percentages comes from adding all the percentage factors and then divide them by the total and then times the answer by one hundred to get the average percentage achieved by each sized family business.

For example, for large-sized family business, the equation is:

$$\text{Average percentage} = \frac{40+60+100+100+100+100+100+100+100}{900} \times 100 = 88.9\%$$

Noting that the medium-sized family business is in a very critical stage and action should be taken toward their family and business as soon as possible. This comparison is to raise awareness among those family owners and make them learn how to act from the mature, more experienced family businesses, such as the large-sized family business. The large has already handed the lead to the second generation successfully. Therefore, it is the medium-sized family business's time to learn how did the large do such a transition with no harm to the business or the family. All their practices are the themes of this study, and they were proven to be evident and used by almost 90% of all large family businesses tested in this study. They have also explained in detail in regard to what to do with certain aspects of each theme. Large family business owners are on the right track as they implemented all the sustainability practices and transitioned to the second generation. However, it is critical for them to start implementation and planning for the third generation.

5.4 Conclusion

In this chapter, we have discussed the evident sustainability practices in the large- and medium-sized family business, we have also presented the comparison interims of sustainability preparation between the large- and medium-sized family businesses in the UAE. Following the next chapter, we will conclude the study by answering the research question, sub questions, and make recommendations for future research.

Chapter Six

Conclusion & Recommendation for Future research

6.0 Introduction

Failure to plan for succession is a significant threat to any family business (Venter & Boshoff, 2005), threatening both wealth and employment creation in every country in the world (Van der Merwe, Venter, & Ellis, 2009). This research has been conducted to study the extent of sustainability practices for succession evidence in family-owned businesses in the United Arab Emirates. The reason behind studying the extent of sustainability practices evident in family-owned businesses in the UAE is to raise awareness to those overseeing the future of their family firms by directing their successors in the right path through studying the extent of sustainability preparation in their family firms based on the nine sustainability practices proven in literature. This issue has been raised based on the low transition survival rates proven in the literature by many scholars (Sharma, Chrisman, & Gersick, 2012). That states only thirty percent of family firms transition to the second generation, noting that only ten to fifteen transition to the third and only three to five transition to the fourth generation (Aronoff, 1999; Beckhard & Dyer, 1983; Poza, Hanlon & Kishida, 2004; Tio & Kleiner, 2005; Baron, 2016). Therefore, this research used qualitative methodology with a phenomenological approach to study and compare ten large- and medium-sized family businesses in the UAE. The different-size family business study has been done to be able to group the same size family businesses that shared a common experience toward the preparation for their family business continuity; also, to allow the family businesses that have still not gone through a full transition learn from the more mature family businesses that have gone through a full transition and how are they planning for the next.

6.1 Research question

The central research question based on the purpose of the study is:

- To what extent are sustainability practices evident in family-owned businesses in the United Arab Emirates?

Based on the results from chapter 5, sustainability practices are evident in both large- and medium-sized family businesses in the UAE. The extent of their existence and practice is 88.9% evident in large-sized family businesses and 49.4% evident in medium-sized family businesses.

The achieved percentage result cannot be generalized due to the small sample being used in this research. However, it delivered the required outcome of this research, which is to analyse the current sustainability preparation of medium- and large-sized family businesses in the UAE.

6.2 Research Sub questions

- What are the factors that aid in family business sustainability, based on current literature?

As this question refers to the factors that aid in family business sustainability based on the current literature, it has been computed in chapter two after performing an intensive systematic literature review of the family business literature that is related to the topic of this research. Nine very broad and general sustainability factors have been concluded, which are:

1. Succession planning
2. Strategic planning
3. Corporate governance
4. Leadership
5. Family business values
6. Family capital
7. Entrepreneurship orientation
8. Stewardship behavior
9. Family firm advisors

These factors have been used as the main themes of the research interview questionnaire that is open-ended, which means the researcher explained the themes to the respondents and listened to their explanation of its implementation/existence in their family business.

These factors are not exclusive; however, these have been found to be the most popular and are very broad, noting that each one can be divided into many subfactors. The study established subfactors and new emerging factors that are presented in the research recommendation question.

- How are the sustainability practices existent in medium- and large-sized family businesses in the United Arab Emirates?

The majority of the large-sized family businesses have planned for succession to the second generation and adapted the sustainability practices to ensure a successful transition. It is their duty now to plan for the third generation by transferring the sustainability practices from the second to the third generation and organizing the business structure to be sustainable with multiple shareholders.

The medium-sized family business has still not fully implemented the sustainability practices, which is clear from the respondents that they are struggling with the second-generation transition, which shows that the medium-sized family businesses in the UAE need direct awareness of how to plan for succession. For them to have a successful transition to the second generation.

- What is the comparison interim of sustainability preparation between medium- and large-family businesses in the United Arab Emirates?

The comparison in sustainability preparation between large- and medium-sized family businesses is that most of the large-sized family businesses have already gone through the first transition to the second generation successfully and are almost twice as prepared for sustainability than the medium-sized family businesses.

The medium sized family businesses majority have still not gone through a full second-generation transition. Their aim is more focused on short-term returns rather than long-term sustainability-,. which is harmful for the continuity of the business if a plan to prepare for the sustainability practices in the family business did not take place very soon.

- How are the evident sustainability practices related to the current literature?

The study highlights the importance to teach and transfer to the next generation leaders the skills, not only to be able to lead the business but also to sustain, teach, and transfer those skills to their successors. The findings support Collins' and Porras' statement that founders are the organizational leaders who significantly influence the firm's culture, values, and performance (Collins & Porras, 1994; Schein, 1983). The analysis highlighted that the family business owner who plans for succession recognize the need for the next generation to adopt sustainable practices (Delmas & Gergaud, 2014).

Family businesses at different development stages differ in their needs for advice. According to Bammens, Voordeckers, & Van Gils (2008), advice decreases from the founder stage, which is the first generation, to the sibling stage, which is the second generation, because the family's level of experience increases; however, advice increases from the sibling stage to the cousin stage, which is the third generation, because task conflict increases. According to table two, the sequential stages of family business development by Gersick, Davis, Hampton, and Lansberg et al. (1997), if the business age is greater than 45 years, the generation leading is the second generation. It is precisely the case for the large-sized family businesses interviewed. On average, the business age is approximately forty-eight years old, having the majority in the second generation leading, noting that they are on the right path. However more concenration is required on succession planning as it is evident only forty percent in the largesized family businesses. So, to ensure competency in the next generation leadership, the family business owners should use the succession planning process to ensure competent leadership over generations (Le Breton-Miller et al., 2004).

According to the three-dimensional development model figure two by Gersick, Davis, Hampton, and Lansberg (1997), in the family axis most have reached to passing the baton, in the business axis, most have also reached to maturity, but in the ownership axis, they have still not reached to the cousin consortium, which is the most crucial part of the family business survival. As explained by Gersick, Davis, Hampton, and Lansberg (1997), firms at the cousin consortium stage require a team of multidisciplinary advisors because of the complex family structure that is involved with the firm. Therefore, external advisors help establish the appropriate structure, processes, and policies to maintain business growth and the business continuity. Family business advisors strengthen stewardship behavior in the business (Miller, Le Breton-Miller, & Scholnick, 2008) and promote both a commitment to entrepreneurship strategies and the firm's longevity across generations (Miller, Le Breton-Miller & Scholnick, 2008; Miller & Le Breton-Miller, 2005).

The medium-sized family businesses are on average thirty-three years old, which, according to table two, is the sequential stages of family business development by Gersick, Davis, Hampton, and Lansberg (1997), they should be in the first and second generation leading; however, the majority is still in the first generation leading. Either the second generation is too young to lead or does not have the will to work in the business. If we compare them to figure two, the three dimensional developmental model by Gersick, Davis, Hampton, and Lansberg (1997), in the family axis they are in the entering business stage, in the business axis it is in the expansion phase, and the ownership axis it is still under the controlling owner stage. Family social capital provides the foundation for family members to start new ventures and be entrepreneurs (Chang, Memili, Chrisman, Kellermanns, & Chua, 2009). The medium-sized family businesses need to stop thinking of short-term returns and take severe measures for their business to survive to the next generations. Family personal values shape the goals and decisions used to set the strategic plan for the family business (Ward, 1988). They need to indicate the family goals for the business and set a strategic plan to be followed and reviewed yearly on accomplishing this plan to help them survive the expansion and the generation transition.

- What are the recommendations to policymakers and family business owners/members in the United Arab Emirates?

The findings highlighted the importance of the establishment of both family and business plans (Carlock & Ward, 2001). The researcher has analysed all the evident essence of phenomena present in the tables 7 and 8 to come up with recommendations that can apply to both sized family businesses to achieve a successful transition and have family business sustainability.

Therefore, here are some recommendations that are given and evident by the respondents of the family businesses in the UAE in order to plan for the next generation transition successfully without any disputes. These recommendations and emerging factors are the contribution of this research to the body of knowledge in terms of managerial, practical, and theoretical implications as follows:

<u>Managerial Implications</u>

- The leader should know the market and predict what is coming to set the right vision.
- The family business leaders should continuously develop themselves and their business in order to sustain in the market.
- To allow the next generation to be involved with other business leaders in other businesses in order to learn and apply in their business.
- The family business leaders must understand that for the family business to be able to sustain and grow in the market; it should have different types of

portfolios, such as high-, medium-, and low-risk businesses and investments.

- The Article of Association should be used to state the ownership shares of the family members along with the shares of the leading family members and their leadership roles; this document protects the managing family members rights
- Family members who are leading the business, whether in operations or leading the family office, deserve more in shares or incentives than the family members who do not contribute to the business

Practical Implications

- The leader should make short-term and long-term strategic plans, taking into consideration all the conditions around such as political, economic, and social.
- The incumbent needs to invest in the next generation since they are young to build their education, personality, and experience.
- The incumbent should assign the successive generation in leadership roles and allow them to make mistakes as long as they learn when the incumbent is still present to direct them.
- Split management from ownership, create a family office that manages the family wealth and investments. Leave the day-to-day operations to

professional management. However, if a family member wants to lead the day-to-day operations, it is possible under specific criteria mentioned in the succession plan.

- The leader should make performance appraisals for all the employees in the business family and non-family. It should be taken seriously and reviewed every three to six months.
- Always continue diversifying into new ventures as the fast world market development does not stop, so push the successors to catch new ventures and invest to maintain the family business in the market.
- The family business values must be written and communicated to all the family members and employees regularly for the founder values to remain in the business and the family remains together.
- Push to build relationships with trusted advisors to which the successors can relate once they need help in anything. The essential advisors any family business needs are for legal and financial advice.
- To invest in the social attractions, take the successors to events and present them proudly as the next leaders. Introduce them to the incumbent circle and make sure they are building their own social network early. Not only for business reasons, but also on a personal level, to build a social community that is going to surround the next generation family through their lifetime.

Theoretical Implications

- The incumbent needs to have the will to be able to let go of the business to the successive generation.
- The successor needs to have the will and ability to contribute to the business.
- The strategic plan and the business should be able to adapt to any market change in order to survive.
- Family unity is the most important thing, once together the business will succeed, if they ever split the family business will fail. They should understand to respect and trust one another; they work as one team together by taking shared decisions for the benefit of the business.

These are the evident sustainability practices in terms of managerial, practical, and theoretical that exist in some of the highest sustainability prepared family businesses in the UAE; they can be used to benefit family owners, family managers, family shareholders, policymakers, and academics.

6.3 Recommendations for future research

These factors are crucial for business continuity because they teach family business members how to plan for success across generations. As noted by Ward (1988), family businesses lack a conceptual framework to guide both the business and the family as they make plans to overcome the challenges that threaten family business longevity.

This study proposes a framework presented in figure 11, for both the family and business to take into consideration and implement its factors to achieve sustainability for their family business.

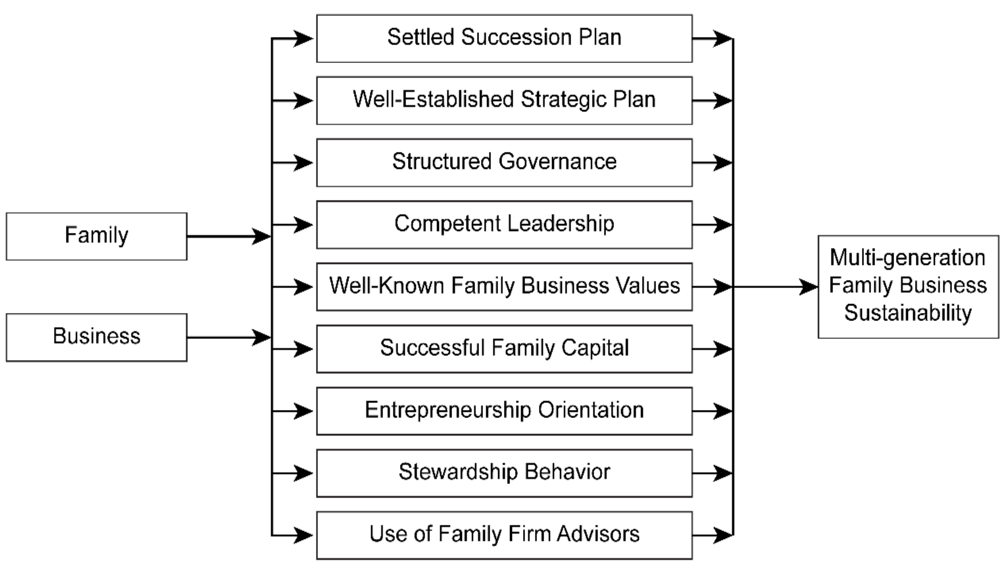

Figure 11: Determinants model of family business sustainability.

Future research can use figure 11 to study the existence of sustainability practices in any family business using the quantitative methodology and create hypotheses showing the importance of each practice to the goal. Also, future research can study the significance of each factor to the family businesses in any city or country. It can also use statistical methods to measure the factor of the highest importance to family firm's sustainability in any country. Furthermore, they can also create interview questions to test the existence and implementation of these factors in other countries.

Further study can investigate the ownership inheritance in terms of sharia law.

Further study will be required to elaborate in detail each factor and how it impacts the family business. These factors are not exclusive, other factors exist within each domain or completely new factors can emerge. This study acts like a predecessor to far more complex further research.

6.4 Limitations

This study is limited to family businesses in the UAE that had already gone through a transition or is planning to go through a transition for the primary criteria to be valid and reliable.

This study is limited to a small sample size due to the type of methodology. It is possible to argue that the validity of results cannot be generalized to all the medium-or large-sized family businesses. However, the recommendations can apply to all the family businesses in the UAE.

6.5 Conclusion

Authors such as Ward (1987) have researched and interviewed family business leaders; he emphasizes that each family business should have a plan for sustaining the business through generations in terms that will mediate the needs of the business and the needs of the family, thus setting both the family and the business onto the right path. This study's benefit is that it outlines the plans and practices that the family and the business should adopt for the family firm to survive and succeed across family life cycles.

Policymakers should realize the significance of family businesses and the vital issues facing them. They should introduce new rules and legal entities that protect those family businesses. Hence, protect their country economy.

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Appendix A

Gmail **mohd oudah <moudah20@gmail.com>**

Re: Contacting John Davis
5 messages

John A. Davis <jdavis@cambridge-institute.org> Sun, Oct 23, 2016 at 10:58 PM
To: Mohammed oudah <moudah20@gmail.com>
Cc: Dina Dvinov <ddvinov@cambridge-institute.org>

Dear Mohammed,

Thank you for your kind acknowledgement.

I give you permission, with attribution, to use the Three-Circle Model.

I wish you the very best on your work in this field.

Sincerely,

John Davis

———————

Dr. John A. Davis
Founder and Chairman | Cambridge Institute for Family Enterprise

Cambridge Family Enterprise Group
1 Main Street, 13th Floor, Cambridge, MA 02142 USA
main +1 617 871 2740
jdavis@cambridge-institute.org | CFEG.com | @ProfJohnDavis

We have moved as of August 1, 2016. Please note our new address.

On 10/23/16, 2:34 PM, "Mohammed oudah" <moudah20@gmail.com> wrote:

You have received a new contact form message.
Name : Mohammed oudah
Email : moudah20@gmail.com
Message : Dear Prof John Davis,

I am a doctoral student in Abu Dhabi University seeking to publish a paper on family business sustainability. I am contacting you to ask for your permission to use your three cycle model in my paper.
Thank you so much
I really admire your work, you really did create the family business research.
Hope to hear from you soon.

Best Wishes,
MO

mohd oudah <moudah20@gmail.com> Tue, Oct 25, 2016 at 11:42 AM
To: "John A. Davis" <jdavis@cambridge-institute.org>

Dear Prof. John Davis,

Appendix B

Thank you so much for your warm permission. I would also like to get your permission to use the three dimensional development model with attribution.
The one in generation to generation book.

Thank you so much for your fast response.

Its really a pleasure to have your approval, thank you.

Best Wishes,

Mohammed Oudah
[Quoted text hidden]

John A. Davis <jdavis@cambridge-institute.org> Tue, Oct 25, 2016 at 3:03 PM
To: mohd oudah <moudah20@gmail.com>

Of course. You have my permission to use the three-dimension developmental model also.

———

John A. Davis

Founder and Chairman | Cambridge Institute for Family Enterprise

Cambridge Family Enterprise Group

1 Main Street, 13th Floor, Cambridge, MA 02142 USA

main +1 617 871 1498

jdavis@cambridge-institute.org | CFEG.com | @ProfJohnDavis

We have moved as of August 1, 2016. Please note our new address.

From: mohd oudah <moudah20@gmail.com>
Date: Tuesday, October 25, 2016 at 3:42 AM
To: "John A. Davis" <jdavis@cambridge-institute.org>
Subject: Re: Contacting John Davis

[Quoted text hidden]

---

mohd oudah <moudah20@gmail.com> Tue, Oct 25, 2016 at 3:15 PM
To: Christopher Dixon <christopher.dixon@adu.ac.ae>

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Title or numeric reference of the portion(s)	Figure 1: Sustainable Family Business Model
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Appendix D

Sustainability of Multigeneration Family Business
Semi-Structured Interview Questions

Introduction

The UAE family businesses are currently transitioning to the second and third generation, which puts the family business on the risk of survival based on the current studies in the family business research. Which state that only 30 percent of family-owned businesses transition to the second generation; 10-15 percent will transfer to the third generation, and 3-5 percent will survive to the fourth generation. Therefor, research need to be done to protect our country economy and sustain those family businesses through there coming generations.

This research aims to investigate and evaluate the extent and nature of sustainability practices in family businesses in the United Arab Emirates.

Date:

Time:

Company Name: (Optional)

Current Generation Leading:

Company profile and history: Provided or not provided

Q) kindly explain in brief about your company and family history?

Settled Succession Planning

Definition: Succession planning is a structured approach to planning ahead for leadership positions in the organization; it can improve a potential leader's skills through experience and the assignment of appropriate tasks to individuals who will one day lead the family business (Sharma et al., 2000).

1. How do you plan ahead for the family member's leadership and ownership positions in the organization?
2. How do you select the positions of the successors? Is it by age? Or by experience and knowledge?
3. How do you train the successors for such positions?
4. Do you define the future role of the incumbent? Does he respect his role or still interfere because he can't let go?
5. Is this plan communicated and written down between all family members?

Well-Established Strategic Plan

Definition: According to Ward (1988), strategic planning is the process of developing a business strategy for creating internal and external operations to establish profitable growth.

1

6. How does the family plan for the business strategy in its markets and other new markets?
7. How does the family assess the business health? Decide on ways to increase sales? Or ways to enhance the service quality?
8. Is this strategy written down in a plan for the next 5, 10, 20 or 30 years? If yes, how often is this plan updated?

Structured Governance

Definition: "Corporate governance is the system by which companies are directed and controlled" [Cadbury, (1999), p.12].

9. How is the decision making process takes place? For issues to do with the business? And For issues to do with the family in terms of the business? Such as rights and level of authority?
10. What is the family business vision and mission? Is it defined, written and communicated?
11. How is the business structure developed? Is written and communicated?
12. Where are the company policies and procedures written, recorded, updated and communicated?
13. Regarding the family is there proof written signed agreement for the ownership percentage for the successive generation or at least a planned overview?
14. How does the family have communication about the business development, their benefits, the challenges and the business strategic directions? Do they have formal communication channels? Meet lets say weekly to discuss the business direction?

Competent Leadership

Definition: Leadership by definition means guiding others to understand and accept what needs to be done and how to do it; it is the process of helping individuals gather their knowledge to accomplish a unified objective (Yukl, 2010).

15. How does the incumbent ensure competent leadership in the successive generation? Does the incumbent teach and train the knowledge and skill required to lead the business?
16. How did the successive generation grow to become leaders and able to carry the business?
17. How does the successive generation share their leadership roles? Do they manage different sectors?
18. What is the successive generation plan towards their children in leading the business?

Well Known Family Business Values

Definition: Family business values are defined as clear and desirable goals for both family and business life, given that there are often conflicts of interest between business and family goals, family business values should be well known and serve as a common ground between the business and the family to benefit both goals (Koiranen, 2002).

19. How does the incumbent ensure of the loyalty, honesty, respect and trust of the successive generation?
20. How does he transfer such values to the next generation? Through narratives telling stories? Or through putting them in experiences?
21. How does he ensure that other values are there such as hard work, excellence and strong performance? Is there rewards or incentives?

Successful Family Capital

Definition: According to Danes et al. (2009), family capital represents the total resources of the owning family members and is divided into three components: human, social and financial capital.

- Family human capital is the knowledge, ability, energy and experience of family members regarding the business (Danes et al., 2008).
- Family social capital comprises goodwill among individuals in the family and their social interactions with community members for the benefit of the family and the firm, thus facilitating action (Danes et al., 2009).

22. How does the family allocate their resources in terms of human, social capital?
23. How does the incumbent pass the resources to the next generation, such as how does he pass the networks in the social capital?
24. What are the prerequisites from the successive generations to have an efficient human capital towards family member positions?
25. How is the family capital communicated? Does It do that through regular meetings etc?

Entrepreneurship Orientation

Definition: Entrepreneurship is defined as identifying and making full use of opportunities (Hitt, Hoskisson, Johnson, and Moesel, 1996).

26. If yes, how does the family help entrepreneur inside the business, such as better procedures, increasing efficiency?
27. If yes, How does the family entrepreneur outside the business, enter new ventures, investing with banks, taking risks etc.?
28. Does the incumbent encourage the successive generation in entering into new markets and business? If yes how do they do that?

Stewardship Behavior

Definition: Stewardship is defined as acting with an open heart for the benefit and success of the firm instead of one's own benefit (Davis, Schoorman, and Donaldson, 1997).

29. How does the incumbent ensure stewardship behavior from the successive generation?
30. How does the leading family members ensure stewardship behavior from their employees? Is it difficult? Do they struggle?

Use of Family Firm Advisors

Definition: According to Craig and Moores (2010), a family firm requires advisors to solve issues such as developing the family's personal, financial, succession and strategic plans; aligning family goals with business objectives; and conflict resolution

31. Does the family use any type of family firm formal advisors such as accountants, bankers, estate planners and family therapists? If yes in what way and how?
32. Does the family use informal family firm advisors? Such as trust catalysts and mentors? If yes in what way and how?
33. Does the family business have family board advisors? These advisors help in the decision making in terms strategy, performance, succession and conflict. If yes in what way and how?

Is there anything else you would like to tell me?

Thank you so much for your time it was a pleasure.

Appendix E

mohammed@asqalan.ae

From:	Essam Dabbour <essam.dabbour@adu.ac.ae>
Sent:	Thursday, May 4, 2017 11:47 PM
To:	Eng. Mohammed Oudah
Cc:	Christopher Dixon; Ashraf Khalil; Sam Eldakak; Hala Nazmy; Zubair Syed; Haitham Farok; Nida Qafisheh; Mwaffaq Summor Ali Al-Mahameed; Nejla Ellili; Ahmed Ebrahim Mousa
Subject:	RE: Updated semi structured interview Questionnaire
Attachments:	IRB Close Out Form.doc; IRB Protocol Modification Form (Final).doc
Categories:	Red Category

Hi Mr. Mohammed
Based on the full review for your IRB application, I am pleased to inform you that your application is now approved. However, one of board members have raised a concern that according to the email from Dr. Dixon, dated march 29, 2017, both of Questions 22 and 25 (that refer to finance) should be deleted from the interview questions. Please3 consult directly with Dr. Dixon if it is possible to delete those two questions. Furthermore, please make sure to adhere to the policy as well as to the approved protocol and questionnaire form that you have submitted. In case if you will need to make any changes to the protocol or the survey (other than possible deletion of the two questions) please fill out the attached change form and send it to me for approval prior to making those changes. Once the data collection process is completed, please fill out the attached closing form and return to me. Thank you and good luck in your research

Dr. Essam Dabbour, P. Eng., MASCE
Associate Professor
Department of Civil Engineering, College of Engineering
Abu Dhabi University
P. O. Box 59911, Abu Dhabi, UAE
Telephone +971 2 501 5634
essam.dabbour@adu.ac.ae

Member, American Society of Civil Engineers (ASCE)
Member, Institute for Transportation Engineers (ITE)

From: Eng. Mohammed Oudah [mailto:mohammed@asqalan.ae]
Sent: Saturday, April 29, 2017 10:46 AM
To: Essam Dabbour <essam.dabbour@adu.ac.ae>
Cc: Christopher Dixon <christopher.dixon@adu.ac.ae>
Subject: RE: Updated semi structured interview Questionnaire

Dear Dr. Essam,

Thank you and looking forward for your reply. Kindly note that your comments was taken into consideration and also your future comments will be taken into consideration to proceed with the approval and start the field work.

Thank you so much

Your student

Mohammed Oudah

1

Appendix F

جامعة أبوظبي
ABU DHABI UNIVERSITY

May 6, 2017

Ethical Clearance Certificate

To Whom It May Concern

RE: Participation in an interview on "Exploring Sustainability Practices of Multi-Generation Family Firms in the United Arab Emirates" as a part of a Doctoral Student Dissertation research.

Dear Sir/Madam,

Greetings from Abu Dhabi University, I am writing to invite you to participate in a research project aimed to study and understand the sustainability practices of multigeneration family firms in the UAE as a part of the Doctor of Business Administration (DBA) program at Abu Dhabi University. Your participation will assist to raise awareness among United Arab Emirates family business and discover the extent of sustainable practices implemented to aid in crafting the success and sustainability of your future generations. This research study is being conducted by Mr. Mohammed Oudah (ID:1031911), student of the DBA program at Abu Dhabi University.

All that is required from you is to participate in an interview for about half-an hour. All information will remain confidential and publications following from the research will not include any information which may identify individual participation. The student will submit a request letter for permission to conduct research with all his contact details, kindly reply if you are willing to participate in this beneficial study. Should you have any queries regarding this request, please do not hesitate to contact me.

Thanking you for your cooperation.

Yours sincerely,

Dr. Christopher Dixon
Associate Professor of Management and HRM
College of Business Administrations
Abu Dhabi University
Abu Dhabi, UAE
Email: christopher.dixon@adu.ac.ae,
T: +971553395817

جامعة أبوظبي
ABU DHABI UNIVERSITY
College of Business Administration — كلية إدارة الأعمال
ABU DHABI CAMPUS — فرع أبوظبي

WASC Senior College and University Commission | AACSB | ABET Engineering Accreditation Commission

أبوظبي، أ ع م، ص.ب: ٥٩٩١١، هاتف: ٥٠١٥٥٥٥ ٢ ٩٧١+، فاكس: ٥٠١٥٩٩٠ ٢ ٩٧١+، العين، أ ع م، ص.ب: ١٧٩٠، هاتف: ٧٦٧٠٠٠٠ ٣ ٩٧١+، فاكس: ٧٦٧٠٠٠١ ٣ ٩٧١+
Abu Dhabi, U.A.E, P.O. Box 59911, T +9712 5015555, F +9712 5015990, Al Ain, U.A.E, P.O. Box 1790, T +9713 7670000, F +9713 7670001
Toll Free: 800 ADYOU (800 23968), www.adu.ac.ae

Appendix G

جامعة أبوظبي
ABU DHABI UNIVERSITY

Confidentiality Agreement To Conduct Research

Project Title: Exploring Sustainability Practices of Multi-generation Family Firms in the United Arab Emirates

It is understood and agreed to that the below identified discloser of confidential information may provide certain information that is and must be kept confidential. To ensure the protection of such information, and to preserve any confidentiality necessary under patent and/or trade secret laws, it is agreed that

1. The Confidential Information to be disclosed can be described as and includes:

Invention description(s), technical and business information relating to proprietary ideas and inventions, ideas, patentable ideas, trade secrets, drawings and/or illustrations, patent searches, existing and/or contemplated products and services, research and development, production, costs, profit and margin information, finances and financial projections, customers, clients, marketing, and current or future business plans and models, regardless of whether such information is designated as "Confidential Information" at the time of its disclosure.

2. The Recipient agrees not to disclose the confidential information obtained from the discloser to anyone unless required to do so by law.

3. This Agreement states the entire agreement between the parties concerning the disclosure of Confidential Information. Any addition or modification to this Agreement must be made in writing and signed by the parties.

4. If any of the provisions of this Agreement are found to be unenforceable, the remainder shall be enforced as fully as possible and the unenforceable provision(s) shall be deemed modified to the limited extent required to permit enforcement of the Agreement as a whole.

5. The respondent name or any personal information will not be mentioned in the research, the company name however is optional upon the respondent request to be mentioned in a list at the beginning of the study. Note coding will be used for the interviewers responses. It will not show in the research which company respondent with such answers. All the responses will be completely confidential.

جامعة أبوظبي
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6. The instrument used in the interview will be a tape recorder in order to be able to concentrate and listen to the respondent better, save the time of note taking and assures to observe the actual interview responses and discussions. The researcher ensures to completely discard the tape after the dissertation is completed.

WHEREFORE, the parties acknowledge that they have read and understand this Agreement and voluntarily accept the duties and obligations set forth herein.

Researcher Details:

Name: Mohammed Oudah

Signature:

Date: 15/May/2017

Appendix H

جامعة أبوظبي
ABU DHABI UNIVERSITY

ACCESS LETTER REQUESTING PERMISSION TO CONDUCT RESEARCH

Abu Dhabi University
P.O Box 59911,
Abu Dhabi, UAE

To:
Date:

Dear:

REQUEST FOR PERMISSION TO CONDUCT RESEARCH

Your esteemed family business organization has been rated among the highest companies that contribute to the United Arab Emirates economy and sustainability.

The UAE family businesses are currently transitioning to the second and third generation, which puts the family business on the risk of survival based on the current studies in the family business research. Which state that only 30 percent of family-owned businesses transition to the second generation; 10-15 percent will transfer to the third generation, and 3-5 percent will survive to the fourth generation. Therefor, research need to be done to protect our country economy and sustain those family businesses through there coming generations.

I am a registered Doctor's student in the College of Business Administration at the University of Abu Dhabi. My supervisor/Advisor is Dr. Christopher Dixon Associate Professor in Management and Business studies at Abu Dhabi University.

The proposed topic of my research is: **Exploring Sustainability Practices of Multi-generation Family Firms in the United Arab Emirates**

<u>The purpose of this research is:</u> to raise awareness among United Arab Emirates family business and discover the extent of sustainable practices implemented in those businesses. By comparing to the sustainable practices stated in the current literature.

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The objectives of the study are:

1. Investigate existing sustainability practices in family businesses in the United Arab Emirates.

2. Produce observations on the United Arab Emirates family businesses sustainability practices.

3. Relate produced observations to current literature and establish recommendations to policy makers and family business owners/members in the United Arab Emirates.

I am hereby seeking your consent to include your organization in my field of research. To assist you in reaching a decision, I have attached to this letter:

(a) A copy of an ethical clearance certificate issued by the University
(b) A copy of the confidentiality agreement along with the interview instrument going to be used.

Should you require any further information, please do not hesitate to contact my supervisor or me. Our contact details are as follows:

- Dr. Christopher Dixon, Email: christopher.dixon@adu.ac.ae, No. +971553395817

- Mr. Mohammed Oudah, Email: Moudah20@gmail.com, Mohammed@asqalan.ae
  No. +971552000669 Note: please reply to both emails for security reasons, thank you.

Upon completion of the study, I undertake to provide you with a bound copy of the dissertation.

Looking forward to schedule an interview with the founder, or any of the leading family members.

Your permission to conduct this study will be greatly appreciated.

Yours sincerely,
DBA Student
Mohammed Oudah

Appendix I

On Aug 13, 2017, at 10:09 AM, guy.olivier.bambule@hsbcpb.com wrote:

Dear Mohammed,

We are delighted to invite you to our **Family Enterprise Forum** on 12th of September 2017 in the Ritz Carlton Hotel, DIFC (details in the attachment). This forum is part of a series of events hosted around the world for multi-generational family businesses designed to provide the latest thinking around wealth planning and investments from industry specialists.

Kindly confirm you attendance by responding to this email.

We look forward to welcoming you.

Kind regards,

Guy

<image001.gif>

Guy Olivier Bambule
Associate Director
HSBC Private Bank (Suisse) SA, DIFC Branch,
Precinct Building 4, Level 3 P O Box 506553, Dubai, UAE.
T +971 4 5093474 / M +971 5 65065675 / F +971 4 5093499
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Protect our environment - please only print this if you have to

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SAVE PAPER - THINK BEFORE YOU PRINT!

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<HSBC - Fam Enterprise- Dubai 12 Sept, Save The Date .pdf>

2

Appendix J

L 06

Date of interview: Monday, February 19, 2018

Time: 3:33 pm Duration: 47 min

Current generation leading: First and Second

Respondent: Second

Company Profile: Diversified holding company

Me: Family business consist of family, ownership and business, now these factors help all sides

R: ok

Me: they all work together for the family business to succeed

SP

Factor 1

R: I think every family has its own strategy and own vision, and for us many years ago we decided to differentiate between family and ownership. So we created professional management that run our family business, rather than us managing the business. The reason we did that was purely for succession reasons and purely because a lot of families their second generation don't have hobby no I don't want to say hobby don't have interest to run the family business. They developed their own hobbies and interests they want to be their own entrepreneurs. Aaam number 2 is the family has decided that we want to be managed by professionals and number 3 we want each one to explore their maximum capabilities and we did not want to limit the generation for example if you were in the contruction business that everyone has to be an engineer to work in this field, if you are in the food business you have to be a chief I don't know. But that was my fathers vision so that is the reason why we decided to differentiate and give the ability to the family members to create their own businesses. So what we do differently I believe is that we seed their ventures. So what happens in that here comes for example my sister who is a artist she loves to paint and draw and do all that. And she loves to travel around the world and commission artists young artists to produce work for the region. So what we do is we come in and invest in her business however what she needs to do is she needs to pass thru an investment committee and in front of the board and create. So she needs to prepare a business plan. Its not like omg shes my sister means she can take the money without putting in a business plan. She builds a case study together, she pitches her idea to the investment committee, this committee is made up of mostly independent members, they are not family members. They would write their recommendation and present it to the board. The board either recommends yes we make the decision or no we don't make the decision. So the decision is not done on an emotional point of view, they are done pretty much on numbers. Whether this business makes sense or doesn't.

Factor 3

R: it all depends on the business itself, as a company we have two different businesses. We have the family business or family council which manages all the assets of the companies. And they we have the businesses them self. These businesses have thousands of employees and subsidies and so on and so forth. The companies board are generated on two things. 1) who are the largest shareholders of the company 2) we bring third part experts to come in, we numerate them of course, they come they sit on the board. We create four board meeting a year and out the four board meeting a year we create subcommittees. the sub committees are pretty much three committees a executive committee, a audit committee and a numeration committee.

Me: enumeration committee whats that?

R: it looks at the salaries and the performance of the employees, like for example every CEO at every company builds relationship with his employees so at the end of the year when we are doing performance appraisal you don't want him to be bias to give increase or bonuses to certain groups and not to others . so it is an independent party that looks at the results of the company, the performance of the company it approves the bonuses, raises for the employees and the CEO himself. And even if you are a family member u are rated the same. I get rated every year if I did a good job I stay if I didn't do a good job they replace me with someone who is capable of doing a god job. It doesn't mean that I am family that I am born in this position. And this is how we have been able to manage our business. we look at how the performance is for the year, we look at the profit and loss. If I didn't do well this year I don't get no bonuses no dividend distribution, however if the family goes on and is distributing dividends then obviously I get because am part of the family ie shareholder but I don't get any dividends or bonuses from my role in the company as a manager. I am rated based on performance, I put myself a budget I get it approved from the investment committee, I tell them this year am gana generate x amount of cash and x amount of bonuses oh sorry I meant net profit, am gana generate ex amount of revenue. And I set my self a target they might tell me its too aggressive they might tell me its too easy to achieve we need you to put a little bit more or a little bit less until we agree.

Me: great lets go back to the board part, so you meet four times a year. But what I didn't get here is that is there anyone above the board, like a family board for the selection of these three or how does the board get selected?

R: the mother company vision has ownership shares in all its companies and again it all depends if its owns more than 50% of less than 50%. If It owns more than 50% *as per the article of association it* should have amount of seats on the board and if it does have more seats than every other member they take decision. And come back to the vision board of directors, and the vision board of directors are made out of family members and independent parties this is how we structured it.

Me: ok so the mother company is like the family council?

R: yes, ohh well we don't really call it a family council, we left things differently here. A family council in our family is a part of the board but they are not the whole board. The family council works on disputes for example board members don't agree together, theres a lockup somewhere. One of the subsidiaries is run by a family who's not doing well. They want to take a decision to close it. The family council is more of an emotional place to pitch but the board is majority independent.

Factor 2

R: well it is very difficult to do 10 years and 20 years these days I think with the environment and macro environment and the economic change everything changes every year.

L 06

R: where we were 12 month ago is not where we were today, the international markets were up 24 percent last year. And last week they all went down badly people never predicted but your strategy changes as things go. But every family in my opinion should have a plan, and that plan is how do you want your family business to be managed and owned. Because at the end of the die everyone has a lifetime so the vision of the founder in this case my father he has put a plan. He made a family charter on how wanted his family office to be managed and directed. And this charter we respect and go by. He created values such as giving back to society being good to one another and so on and so forth. And from that he also created commercial buckets where he says I want ex amount to be in philanthropy, I want ex amount to be invested, I want ex amount to go my children, I want ex amount to go to etc. with that we then build a strategy that in order for us to continue to fund the family lifestyle, we need to invest x to generate x amount to completely fund one bucket. For example in order for us to do x in philanthropy we need to do things share3a compliant to generate x. in order for us to create wealth we need to put x amount of our portfolio in private equity which generates value, because short term investments don't give you long term results and long term returns. So we said this is how much we as a family are willing to take a risk so we put a strategy together. And that is a long term plat form, then you go into the details of 2018 this is how much cash we need how much expenses we have, and we change that every year. Am not going to lie to you and tell you it worked hundred percent, a lot of times during the year we change course, we put a plan and it doesn't work so we move another direction because the market environment didn't work, or a war happened here. Or we put some money here and it just blew up although we expected to make the best returns. Things like this happen all the time in this fast track moving world that's why you should always change and move towards the right direction if you felt its failing.

Factor 4

Me: how do you ensure competent leadership from your family members and employees working in the family business?

R: this is the hardest question ever, and I don't think anyone can get it right. The reason why I say that you start developing relationships with the people around us. And even if you have the best team and best people when you work with someone for a long time you start to get to know their families, you start to get to know them. Because you want them to be loyal and feel that this business is their business. then sensitivity starts to happen, and I must say in our part of the world people take things personal. And so in eu and in the us people know I am an employee I am an owner and they differentiate that. As much as we can go out have a meal together as much we are friendly, they know in their mind that this is where I sit and that is where he sits. In our part of the world unfortunately it doesn't work that way. As soon as you are friend and you invite someone and get to know their family. They start seeing that they are part of it, and they start slacking. Me in my life time of working in the family business for 16 years now, I realized one thing always have Kpi's give people targets. Sit at the end of the year be professional and do performance appraisals. I have a small office here, this is the family office this is a the holding company. And of course we have subsidiaries in these subsidiaries we have companies that have 30 thousand people or 15 thousand people. The numbers are huge compared to what I have here who are my team, they are like 6 people and this team only does consolidation and reporting and legal works kewc's and stuff like that. I do performance appraisals every six month, I sit with them and I say this is the target of the year this is what I expected and this is your weakness and this is your strength. And we rate them, they are on a transparent basis and they know where they stand at all times. And that makes the dialogue better and that makes them perform better. The problem is the gap expectation between you, when you expect something, and they expect something and there is a gap. This is where performance slacks. You know leadership in my opinion is on being assertive and having a strategy. I can be the best public speaker in the world and give speeches everywhere or I can be the best accountant and sit behind an excel sheet and do excel sheets all day but again leadership is all about being clear and having a strategy and if you do that then it is very easy to implement and manage people. Otherwise it would be impossible.

Factor 5

R: this is a very sensitive topic, because every family has its own culture and has its own believes some families in share3a and some families don't. Some families believe a girl is equal to the man and some families don't. in our family particularly, my father who is the founder of this business decided that he wants in his absence god give him all life. Every girl and every son is treated exactly the same, so there is no favor to anyone for religion or what not. So with this vision that he had, he had to restructure the whole portfolio in order for it to not go thru share3a law which means everything that has been done locally needed to be restructured in different ways. Like offshores, structures, do resolutions, do letter of wishes, do trust funds do a letter of inheritance and so on and so forth. Because if he didn't do that and his values and his vision were not implemented in our strategy in our corporate structure then whatever he wished would have never happened.

R: so that was the first thing the second thing is his values where I come from Palestine I left many years ago I didn't have anybody I didn't have anything so for me saving and education is very important. So, he said I want ex amount to go in education to help the people so he imbedded his values. So the challenges here his values is very easy to be transferred to his sons or daughters they lived with him they ate with him they grew up with him. So the challenges is when this generation marries into other family members and the other family members are from other cultures as the world became multi cultural world. Like for me I married someone from another culture from another background so my husband is not from where I from so with that how do I make sure that my daughter has the same values as my father if shes going to be the third generation family business. so how do I imbed that in her and I haven't done that yet and I duno how I will do that but its something in me I think about it every day.

Factor 6

Human

R: I duno if I can answer the question because it all goes back to the wishes of the founder, I know lots of my friends were their father was successful but they decided they don't believe in succession planning and they don't believe in the next generation taking over the business and leading it, they have never seen it in their life time and they didn't want to take the risk so during their life time they split the wealth while he was still alive. They distribute all their wealth and have every family member you know, like you take one business, you take the one business you take this land you take this and everybody moves on because they don't want to create conflict. Because the problem in our part of the world most brothers end up in conflict because they have different vision, different strategy and there is no common frame work. I guess what makes my family business successful is my father created a framework, and the framework is there and we need to respect that framework. So I come and say as a family member sorry I don't believe in this vision and I want out. I cant come and say I want half of these assets and move out. There is a charter that clearly defines, what happens if someone passes away? What happens if someone leaves the structure? What happen if we decide we have this business and were not interested in it can we sell it? How do we sell it? What is the approach of taking the approval to sell it? Etc And also in order for us to be able to participate we need to create flexibility because if the structure is so rigid the second generation cant have the flexibility of venturing into new businesses and entrepreneurs it would be a problem. Because in my father generation there was no tech business, there was no spotify or facebook or anything like that. Now my brother who is twenty years old wants to be an investor in spotify in Alibaba he wants to do kareem and son on. All of these great things. So we had to create a platform whereby the structure of it is flexible to listen to ideas and help them grow. This made him become more interested in his goals and he starts participating and adding value. But if he sees that the structure is so rigid that every time he brings an idea its thrown out of the window because we only invest in real sate or only do this and only do that it will never happen. And same happens with social work, you know you put a platform together, but things change flexibility of the structure is very important. Although that doesn't mean you can have endless flexibility that also doesn't work and no way. I think something between that should be good.

Social

R: umm again like he had his contacts with his networks, his networks also have children that have now taken over. This is what made things easier, now there is newer generation and newer people so whatever he thought of the previous generation thought the newer one is breaking rules and making things differently. So, I have to say when I first started here unfortunately I wasn't given a platform, no body held my hand and told me these are the networks these are the clients and these are the people etc I had to learn it on my own but I had to really give him credit because he mentored me so last week there was a very big conference in abu dhabi which called the milcon institute conference by michel milcon and it was a fantastic conference he was invited and it was a 20 thousand dollars ticket. And he got invited so he said would you like to come and I said yes I would love to come, I would get exposure to different types of people and when he was there he started seeing people he hasn't seen in 10 years and people started giving me business cards and he started introducing me as shes my daughter she has taken over now am chairman I sit as an independent but everything has to go thru her. So when he gave me that credibility in front of the people, people started coming to me. So the next day I started getting emails of random people I met yesterday that want to meet. Now if he over shadowed me and continued to say he is the decision maker and he is the boss, this succession would have never happened. So he introduced me as the person in charge the person who is going to take the decision and is the right person to talk to if you want to work with us so that what helped so I think its two things there under social 1) is that the next generation has taken over and ur family friends these second generation you grew up with them you feel more comfortable talking to them rather than speaking to amo his dad or unti and feel more reserved and number 2) is that they gave you the assurance was they have given you that infront of the public that this is the person that takes the decision things start flowing. And I think the challenges in this part of the world is that we have this thing that we always make our sons and daughters feel as if they are still young ya3ne me I remember when I first started working with my father he always use to say binti or you know as if I am forced on him and the company. And then when u achieve your credibility and they start valuing you as a person things start flowing.

L 06

Factor 7

R: that's the most important thing about life in order to be excited as a managing director or ceo is to look at other opportunities, if you look at things that you do every day you will never learn or develop. The fact is our family office is created to look at new ventures, we look at new ventures every single day. Yesterday I had a company called little minds, a company that only invests in Arabic reading most of our children now don't speak Arabic anymore and so she developed an app only to help kids in nursery learn Arabic because as you know all the books in the store are in English. Everything is in English and all they wanted just a 100 thousand dirham investment and yes may be the money went to zero and may be it would have been something. But I believe in the entrepreneur that came and were selling me that story her numbers were correct her presentation was there she came with creditable people her public speaking skills was fantastic she had a good background she exited two businesses before on her own and she was so passionate about her business and she put around 3 mill dollars of her own money in this business. so we were happy to give her the money, I duno much about kids education, I don't know much but am willing to invest in an entrepreneur because that's whats going to create value in the family office, if we kept looking backward on what our fathers and mothers have done we are never going to evolve because life is changing every day.

Me: question how did they get to know you and how do you publicize yourself for such activities?

R: so I have learned over the years do not do too much PR , the reason why I say that we took a company public 10 years ago and we were a part of a public listed company for many years and you know pr and marketing is a very crucial thing, it is very important but it has a two edge sword it is good to publicize yourself but sometimes when you do a mistake like every other person does. Publicity hits you hard very hard and that everywhere around the world everybody likes bad news and they will always say these people were successful but look what they did something to or these people were successful but look what they have done. We never praise each other we always look at the negative things. When I came to vision which was 3 years ago I decided am not going to do PR the way am going to build a network was pretty much investing in businesses that I believe in becoming successful and this will get its own pr. So it was just word of mouth that we invested in a tech business and the tech industry here is very small so people started telling each other vision invests in tech. or this company is doing petrochemical, eventually it started happening although it took a lot of work and time. And I would say that this year out of the three years I have been here cuz I use to work for a subsidiary of this company and I moved to the holding I started seeing fruit of all the hard work were doing. Because the first year I came I was first laying my father wish, second structing the company to fit his wish from a legal structure, putting a strategy putting a business plan, creating the committees making people respect these committees and then third thing is deal flow which is how you bring deals to the company and how do you filter deals. Because when you also people know you're an investor and willing to invest people throw million things at you. How do I know this fits in our company? How do I know this fits in our strategy? So I created a mandate, I say ok put sectors tech, real state, construction and whatever. And I say ok if you bring me anything in construction I say no if you bring me anything in food and beverage I say no. however am willing to listen to anything in healthcare, education, technology etc. this is for my team also I don't want them to sit for hours when am not here on something or an idea I will reject immediately, haram I wasted their time, their time is also money and they also have kpi's and want to do good to receive bonuses. So I had to create a structure for them to know where to spend time on and how to spend it. So I believe entrepreneurship is life and I think it is very difficult in this part of the world is because the eco system does not support entrepreneurs. Ya3ne if there hasn't been these family offices like us half of these entrepreneurs will not be able to start businesses. The banks don't support small businesses, it is very difficult for you to raise 100 thousand aed to start a business and the expenses for you to start a business is so high you need an office you need a store etc etc makes your dream shatter before you even start. And so this eco system need to change, if you don't have wealthy family or you do not come from a supportive family you will never be able to create a business in this part of the world. And this is why we as family businesses are willing and have to support them. And that why I keep on telling my team listen to these people who have ideas because these businesses create jobs, and how our we going to get jobs in the private sector if we do not finance these startups.so in my opinion entrepreneurs are life other wise why are we living for.

Factor 8

R: wow these are all internal struggles you are touching on very sensitive points but these are all very important questions. Because I think for every person like myself who is given a huge responsibility to manage their families wealth is a really big burden than it is a privilege, and when I tell that to my sisters they would never understand. They think that it is easy , ok yes they know its a lot of work and its our and all that but they don't understand the internal struggles you go to. And the main reason is a worry about them I worry about people taking them for granted and stealing from them. I worry about when I came here and saw the amount of things that were done before me and my father has signed to. Was shocking and my father is an entrepreneur and shoot smart businessman but people when they wana sell you something they flourish it the way they want so if you are naïve and don't have the time to go thru the details people can take advantage of that. So my role here is to be a gate keeper which is to protect their money and their wealth and also create money. Because ill be a horrible manager if I take this from you and in five years I give it back to you the same. You would tell me easly you could have put the money in a saving account or fixed deposit and got four percent on it. Why are you giving it back to me as is? So my job is to give you your money back as it is and give you a little bit or return but not risk loosing your money and also you do not want me to make it a 100 because if I am it means am taking huge risk and no one wants that. So being honest to myself is very important ofcourse, I am very honest to my father and my children when I don't know something I say I dunt know, I would go to father for advice. A lot of times they want to invest in things I don't agree, but at the end he is the chairman he can accept and the committee is supporting him. But I personally as your daughter and manager here don't support it and I was wrong a lot of times, he asked me to invest in something and we have done money where I thought we wont. I think my role is wealth preservation, my role is not to gamble your money I can throw the ball and one will hit and five will miss but I don't go by that. The biggest and the hardest part is that if I get hit by a bus tomorrow allah yeb3id this family office is structured in a way where it is impeccable no one is able to take anything from them unless they were willing to give it. In terms of no one fools them I produce a weekly report to them, where everything is in which accounts in which investments, so they know and if anything happens they are hundred percent aware of everything. For them not to be clue less and people steal from them no. and that is my dilemma for myself.

Me: coming to this factor just because you are in charge and you are running everything and they are not, so how is that in the family in term of privileges, management ownership? So you are the one running the show and they aren't so you should get some management percentage that comes in the flow for it to happen? Because your giving your life to the business and they are not

L 06

R: ok sure I am equal to every body else in terms of rights, shares and everything. But as a manager I get a salary obviously because am here everyday and if I wasn't ill be working somewhere else so that's opportunity cost. And with that I get a performance fee that the executive committee decides on. Which is based on a criteria for example my target is 15 percent profit anything more than that I do share up to 10 or 20 percent of the upside and it all depends on the deal, if I brought the deal if I closed it etc. so there is a lot of criteria and they are happy about that, I think the challenge is that I always whenever I sit with them and have a confrontational meeting I always take a step back, I can easly attack and say you guys always go on holiday more than me, you guys work until 2 o clock and I work until 7 daily. U have given me this responsibility which is greater than anything else, I have children too. And I can attack when they feel they are left out however I always calm myself down because it is very easy to get in conflict with your family members and when it does its very hard to go back. Especially when as a brother or sister you fight with them over something they said or shoes or whatever. But when it is about the family business and structure the relationship gets destroyed especially when they get married and have partners, and their partner starts spoiling them how come your sister gets that and look what she said, how come she works there and you don't how come she makes more money than you. But I think because my father values that he imbedded in us being kind, being generous accepting one another will remain with us in his life time and after inshalah. That's the most important thing a person does not have anyone but his family.

Factor 9

R: I use advisors ofcourse, I don't use them in everything I do, however i think advisors are important especially experienced ones that have history grey hair meaning forty plus years of experience and give you advice. I have used advisors in many fields. I have always used legal advisors, am not a lawyer and I think commercial documentation is very important and contracts are very important. So, whenever I do a deal I make sure to have the right lawyer next to me, and make sure he is protecting the family interest. So this type of advisor I use all the time. And I don't use the same advisor for everything, I use a different advisor for realstate, than I use for construction than I use for law. Because I don't believe there is an advisor that knows it all. So this is one ,another advisor that I always use bank advisors, am not going to say bankers because they always have conflict of interest and they always want to make money. That's why you see them in their fancy cars, fancy couflings and watches to attract you towards them. I don't use these advisors I usually use retired ones who now sit on boards and want to serve their country and their companies and their communities. They are not here to make a commission at the end of the day they want to make money so you numerate them based on your success so if a make money you make money. So it is based on the success of the deal. So the third advisors that I use all the time is trust advisors, which is. How do I make sure if anything happens to us today everything is handled correctly I don't pay huge inheritance tax, it doesn't go thru sharee3a, I don't have to pay stamp duty tax in the uk, or how do I take money out of Egypt because not currency is a big issue . How do I collect my money around the world. So I use these advisors to help me because again as a managing director you you cant claim to know it all you can guide you can have the passion you have the direction but in order for the whole puzzle to fit together you have to have the right people around you. Or this will not work.

me: mashalah your answers are on point we came to an end here.

L 06

Ending

R: thank you so much it was nice talking to you saraha sometimes its nice to get a refresh of whats going on and theres always things u need to work on I always thing how can I make things better how can I do things better as a family as a unit as a company, I need my daughter to come to visit me to the office because she starts understanding and respecting what mummy does and sloley its imbded in her since shes young and that what succession planning is all about it start from when shes a child just to see and feel what her mum does and her family. So I told him she needs to come atleast once a month. Just to look at me working. She colors and have fun ofcourse but atleast she gets the feeling where is her mum all day long. Succession planning starts when you are three. But I have to tell you something my father was the toughest mentor that anyone can ever have not because am saying that to feel sorry for myself he taught me so much he was so tough on me. I remember when I first joined 15 years ago, he use to pay me 2000 DIRHAMS and I use to report to the most junior person in the office. I didn't come in being the boss I came in being the lowest person in the food chain. And that is how I learned because he wanted to me to learn from the bottom because when you become in leadership position it is not about technical anymore its about communication and networking and delegating and diversity. How to put people in your team. And every year he kept adding to my responsibility until I became who I am today. So we live and we learn it was very nice to see you again.

Appendix K

M 09

Date of interview: Tuesday, Nocember 21, 2017

Time: 6:08 pm Duration: 16min

Current generation leading: first and second

Respondent: first

Company Profile: Engineering Consultant Firm

Me: explaining the family business and the study problem

Factor 1

R: first of all I am one of the founders that wish and have the goal for my family business to reach to the fifth generation. I was just discussing this yesterday with the responsible person of Nasdaq and dubai stock exchange that how can I let the company reach to the fourth generation and so on. The challenges that we are facing today first the vast development of technology, second the open internet, third the fast market change, fourth the old employment and the benefits the employees used to get is almost gone now. The next generation which is my son and daughter is to continue the business, each have their own opinion and goals. They want to know knew things and they want to implement knew things. From my point of view I have my son, my daughter and my wife working with me in the company. So inshalah I am sure it will reach to the second and third generation. However I am convinced when I started the business in palastine in the 80's then transferred it to the UAE and succeeded. My son doesn't think like me, doesn't have this thinking, he says today within a small app on the phone I can do multiple times of what you did father. So how will I make it succeed. The only way is to develop you business and have the objective and motive to sustain to the future. We do not work on the old methods. We always look for the better. And honestly our idol here in the UAE is sheikh mohammed bin rashid, because he is always looking for the future. What can we plan for the future, what is our plan and where do we want to reach? And I believe all the country is following this motive. The company has to develop itself continuously in order for it to sustain in the market and in order to keep the generations ahead attracted to work in such developed up to the market family business.

Factor 2

R: This is normal and very very important. I always say if we do not hop on the train that is moving it will pass us and will just start going backwards and it will be very hard to catch up. We should always have a plan for 3, 4 , 7 etc years on one rule to not make it and sleep instead update, adjust and trim the plan every year. Because the fast moving world is extremely fast, when we were young there was no phones we use to look what is the nearest supermarket in order to go speak. Today the small kid has a mobile. So if we do not make the plan based on the world fast moving development you will fail. You have to investigate and assume what is going to be tomorrow. We started a new division the past two month, its called IOT n until now there is not much in the country under the name IOT. IOT is internet of things, today all your house hold appliances, your watch, your computer all connected to the internet. We develop apps that can connect all these devices together and hence make the future life easier and faster. To cope in the new world rather than waste time in the old-fashioned methods.

Factor 3

M 09

R: I have this from a long time, I gave authorities to all the decision makes and head managers in my company in order to not withstand everything with one person. I have had this strategy from a long time, as you know god rests every soul and my company is a services company. So its not for me its for the customers and if the customer did not find this service next year for any reason then theres a problem. So we have done something here all the heads are responsible for their own decisions and recently two month ago we created a board of directors, this board includes the department heads, the family and external n internal advisory boards. One of my main motive in this is to bring new ideas. People that can advice on the companies financial for example not necessary technolog.. so the decision is shared and open rather than only from me the founder. Why should we go far. This is there in our relation the shoora baynakom. Meaning consult and have shared decisions. And this is the sustainability of work because if someone left the company can still continue with no problem.

Factor 5,8

R: this is something I am very proud of, the employees that work for me. Most of them have been with me since I started 15 years ago. And the key in my success is letting the people in the company feel they are working for themselves and not for me. They are working for their company. And this is a huge factor of my succession today. Last time I was in a meeting in abu dhabi and they asked one of my employees are you comfortable, and he said ofcourse I feel like a m home in this company. I work for myself I get paid really well etc.. and this is why they are all very loyal to the company. I leave sometimes and they are still there working, I tell them to leave but they want to stay our of love of what they do. Loyalty in the team that you have, if he does mistake and he confronts it you forgive him etc. however if someone doesn't fall and stand, fall and stand he doesn't succeed.

Factor 4

R: well when my daughter first graduated I let her go thru all the departments in the company and ask her to see for herself which department is closer to her mentality and her thinking putting aside whatever she studied. And she found it., at the same time my son graduated 2 years back and I did with him the same exact thing and he found himself more interested in marketing so now he is leading the marketing of the company and so on. When I do it this way the like what they do. However my son or daughter are normal employees during the work times of the company because I cant create sensitive problems between my kids and employees that have been loyal to me 14 or 15 years. Then my son comes and he is treated better than them. That did not happen until end of duty hours he is an employee after that ok he is my son. And you believe that I am more hard on him than the other employees because he will be the next leader so he needs to be able to take this reasonability with all it stand for.

Factor 6

R: sc, it is important, we thank the technology for making it easy to communicate us together to such events. Your attendance to such events is not only networking, its also learning new things. Every event I attend I learn new things and this I teach it to my employees and my children. Networking is a must, also learn new things that will benefit you and your company. Also usually in attending events it also makes it easier to reach high ranking people. Because they will also be there to network and easier to approach than meeting them in their office. When each discuss his experience in a phenomena not necessarily it concerns you but it might have something that is not recognized or remembered by you and you hear it so you take what you want and apply it towards how it will benefit you. Today I told you regarding my business for example later you will tell two or three people in this way you are marketing my business indirectly without noticing and this is the key of socializing.

Factor 7

R: this is very important, you have to diversify. You have to entrepreneur obviously within what your expertise is however you found other roots and branches that can benefit your business internally and externally. Also I said what we use to hear before is old therefor you should always develop and diversify to be ahead of what you are doing and trying to achieve for your business.

Factor 9

R: I said and always will say, before you start any business you should have your lawyer and your auditor at least. You cant start and then wait for a problem to rise and start looking for a lawyer to help you and solve the issue for you. Of course here in the uae there is no law for these to advisory professions however when I started I had to have these two in place to help me start the business in the right manner. And they already know the business in and out from it first started. Today if I have a headache they say take Panadol or asprine but I like to go to the medicine doctor because he is the professional and specialized in this field. And same applies to all the other professions in our business industry. Everyone should work with his profession and take the advice from the other fields that is not your specialty in order to be able to succeed and sustain in your business and life.