

CHAPTER 5

CONCLUSION AND RECOMMENDATION

5.1 Research conclusions

Looking back on the development of family business research, we can find that the early research of family business focused on the distinctiveness of family business. Researchers tried to find the special characteristics of family business through comparative research on family business and non-family business. With the development of research, more and more family business researchers have realized that it is the involvement and influence of the family that makes the family business different from the non-family business. Research from a family perspective is urgently needed to deepen our understanding of family businesses. Family business researchers have begun to study family systems based on different theoretical perspectives and analytical frameworks in an attempt to unravel the impact of family on family businesses and its mechanism. The family started to change from the contextual factors into the research content. The study of the family system is considered to touch the "essential" content of the family business. In addition, as an independent research area, family business research is trying to build its own theoretical foundation and analytical framework. The related research results in the field of integrated families are undoubtedly an important source of this theoretical basis.

At the same time, various problems encountered by family businesses in their actual development, especially in the process of succession, also show that families have affected the business culture, values, operation and management processes, and even business performance. Family-based research has increasingly become a hotspot for practical summaries and academic discussions. However, after systematically combing the theoretical results of the succession research, it is found that, given the complexity and dynamics of the family social system, succession studies based on the family perspective are relatively lacking, and the family is still a "black box" for researchers of family businesses. In order to unravel this black box, the development of existing research basically follows two research ideas: a family-based involvement, and observe the impact of such involvement on business value and its path of action (eg Habbershon & Williams, 1999, 2003, 2005; Chrisman, Chua & Steier, 2005; Nordqvist, 2005). This research idea

has achieved theoretical breakthroughs and conceptual innovations, but it can only observe the effect of the family system on the family business, and it is difficult to describe the characteristics of the family system itself. Another idea is to describe the family system by extracting characteristic variables, so that the family can be operationalized and finally enter the empirical research process (such as Kellermanns & Eddleston, 2006; Lee, 2006; Bennedsen, Nielsen, Perez-Gonzalez., Et al ., 2007; Liu Li, 2008). This kind of research pays attention to the characteristics of the family itself. The further development of the research is expected to make us understand the position and role of the family in the family business. This research basically follows the ideas of this kind of research, and describes the family system from the two dimensions of family structure and family relationship. The main conclusions of this research as follows:

1). Family structure significantly influences the succession decisions of family businesses. Empirical research based on 131 succession samples of listed family businesses in China shows that compared with family businesses that choose internal and external succession, There are more male children in the family composition. It vividly illustrates that at this stage, " Family member inherited firstly, the son inherited firstly " is still the preferred mode of succession in family businesses in China, and the flow of power and wealth is closed in the narrow circle of business owner families.

2). The succession method of the family business has no significant impact on the performance change during the business succession. Empirical research based on 131 succession samples of listed family companies in China shows that after excluding the influence of industry changes and other factors, the choice of family succession of internal or external succession has no significant effect on the performance change of the business during the succession period. The research conclusion supports the view that "the family management power has no significant effect on business performance" in previous studies. At the same time, the asset scale and pre-heritage performance of the family business have a significant impact on the performance changes of the business during the succession period.

3). Family relationships significantly affect the succession of family businesses, and this effect is achieved through direct and mediation effects. Based on a systematic review of related research results in the field of family and family business succession, and the perception of family business succession practices, family relationships are designed as

variables that include three dimensions of family cohesion, family adaptability, and inter-generational style. In the test of direct effects, family adaptability and inter-generational attention significantly affect the satisfaction of the succession process, and family cohesion, family adaptability, and inter-generational attention significantly affect the succession performance. In the test of intermediary effects, inter-generational attention through the family commitment to business influences the part of mediating effect of succession process satisfaction and fully mediate effect of succession performance.

5.2 Theoretical contributions

On the basis of borrowing and absorbing related theoretical achievements in the field of family business succession and family research, the comprehensive use of normative analysis and empirical research methods explores the influence of family structure and family relationship on the effect of family business succession in the context of family business succession. The innovative significance of thesis research in academic research is mainly reflected in:

- 1). Introduce family variables in business research, and pay attention to the essential influencing factors of family business.

For a long time, mainstream management research has adopted an indifferent attitude towards the family. The family variable has hardly existed in the theoretical framework and research design of the existing literature. Little attention has been paid to the family organization, where the family system and the enterprise system overlap (Schulze, Lubatkin, Dino, et al., 2001; Dyer, 2003). With the recovery of family businesses around the world and the vigorous development of family businesses in China, the research of family businesses has gradually grown into an independent research area, but the research based on family systems has lagged behind. Although family business researchers generally agree that the family involvement and influence are the essential factors that distinguish family businesses from non-family businesses, the complexity and dynamics of the family social system make it difficult to enter research, especially empirical evidence. The research process has greatly hindered the advancement of research.

Based on the system perspective of family business research, this research regards

family business as a combination of family, business and other subsystems, and observes the functions and influences between systems. Although there is a two-way process between family and business, given that the impact of the business system on the family system is not significant (Nicholson, 2007), this article focuses on the role and impact of the family system on the business system. Through fixed research scenarios, absorbing and integrating related research results in the field of the family, and extracting characteristic variables of the family system to overcome the difficult operation of the family system, the theoretical analysis and empirical research methods are used to reveal the role and impact of the family subsystem on the business subsystem in the context of family business succession, and try to deepen our understanding of the family in the family business.

2). Integrate related research results of family system theory, and make cumulative work for the construction of family business's theoretical foundation.

In a systematic review of the research field of family business, Sharma (2004) pointed out that the important direction for the future development of family business is to build the theoretical foundation of family business itself. The realization of this goal depends on the further integration of the research on the basis of organizational theory and family system theory, and finally formed the analytical framework of family business research. Existing researches are continuously accumulating research results and consolidating the theoretical foundation in this direction. However, most of the researches are limited to the analysis and discussion in the scope of enterprise theory, and the attention on family system theory is far from enough. There are not many studies that directly draw on the related achievements in the family field, and it is rare to be able to combine the family business situation and further absorb and integrate on this basis, which has largely hindered the construction of the theoretical foundation of the family business.

Based on the research results of family business succession research and family, this research fully considers the special situation of family business, especially family business succession, and designs the research framework of family influence on family business succession. Specifically, this research has done the following work on the fusion of research results related to family system theory: explored the predictive effect of family structure on the succession method of family businesses, and further explored the impact of succession methods on the effect of succession; the dimensional composition

of family relationships; the development of a family research scale based on family businesses; and the verification of the effect of family relationships on the succession of family businesses. For the construction of the theoretical foundation of family business research, this research has done cumulative work.

3). The first attempt to describe the family system from the two dimensions of family structure and family relationship, and promoted the research of family-based family business succession.

In family-based family business succession studies, researchers mostly intercept some characteristic variables of the family according to the research purpose and research needs, and lack a systematic description of the family. It is easy to understand that the social nature of the family system makes it difficult for researchers to describe it comprehensively, and only based on a "fragment", such as Lansberg & Astrachan (1994) and Lee (2006) based on family relationships, Nicholson (2007) research based on family structure, Lumpkin, Martin & Vaughn (2008) research based on family orientation, etc.

On the basis of the above research, for the first time, the family system is described in terms of family structure and family relationship in an attempt to describe the family system of the family business more comprehensively. The empirical research part of this article is basically based on family structure and family relationships, and explores the impact of these two variables on the inter-generational succession of family businesses. Although the existing research is still a long way from opening the black box of the family, after a long period of accumulation of empirical results and development of theoretical research, it is expected to have a deep and thorough understanding of the family system of the family business.

5.3 Limitation and recommendation

Due to various restrictions, the research can only answer the impact of family structure and family relationship on the succession effect in the context of family business succession. There are some limitations and deficiencies in the research, and subsequent research should be expanded and improved in the following areas:

1). The description of family systems need to be further optimized, and the relationship between family structure, succession methods, and succession performance needs to be

further explored.

As the empirical research on the family of the family business is still in the accumulation stage, the description of the social system of the family is still immature. Many studies have used the family's involvement in business ownership, management power or family characteristics to describe the family system. This study uses family structure and family relationship as variables to try to characterize family systems in these two dimensions. Although this approach has its positive theoretical significance, the family structure belongs to the structural characteristic variables of the family, and the family relationship belongs to the functional characteristic variables of the family. These two dimensions obviously cannot describe the whole picture of the family system. Subsequent research needs to further optimize the concept of the family system and accurately depict the family system of the family business.

The Logit probability model was used to estimate the impact of family structure on the choice of succession method of family business, and then the relationship between succession method and succession performance was explored using multiple regression analysis. Subsequent research can consider increasing the substitution variables of the succession effect to test the robustness of the conclusions of the study; the research methods can be improved to provide a causal proof between the succession method and the succession performance. The causality of succession decision-making and succession performance of family businesses can be tested by examining the corporate governance structure.

2). The concept of family relationship needs to be tested and confirmed by follow-up research, and the effect path of family relationship on succession effect needs to be explored in depth.

Based on the family system theory and the succession theory of family business, this study combines the succession practice of family businesses in China to construct a three-factor conceptual model of family relationships. Although this construct has shown good reliability and validity in empirical research based on 88 family businesses in China, this construct requires a series of large-scale empirical studies to verify and confirm.

The direct and intermediary effects of family relationships on the succession effect are explored, and the two effects are considered to exist simultaneously. In fact, the effect

mechanism of family relationship on succession effect may be more complicated, and further research is urgently needed to further explore the effect path of family relationship on succession effect.

3). The data source of the research needs to be unified and standardized, and the research sample needs to be further expanded to increase the external validity of the research conclusions.

Due to the availability of data, the two empirical studies carried out in this article used data from different sources, one for public company data and one for questionnaire data. In addition, in the study of the effect mechanism of family structure on the succession effect of family business, because the family structure information of the family business owner could not be obtained, the related information from the Internet was finally adopted, and the accuracy and reliability of the information could not be guaranteed. Further research should establish a personal information database of family business owners to ensure the uniformity and standardization of research data sources.

Due to the difficulty of sampling, the two empirical studies carried out in this paper use different research samples: one is a sample of a listed company, and the sample of a company based on convenience sampling has limited the sample size. Subsequent research needs to further expand the source and distribution of sample companies, unify sampling standards, and increase sample capacity to increase the external validity of the research conclusions.