

MANAGEMENT IN FAMILY BUSINESSES – SUCCESSION AS A MEASURE OF BUSINESS SUCCESS

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Purpose: A properly planned and executed succession is the only way to ensure the sustainability of the company for future generations. Its incorrect implementation can cause a crisis within the company or family and can even cause its downfall. The aim of this article was to analyse how the succession process was conducted in selected family businesses - what advantages and disadvantages were indicated by both owners and successors. What does the succession process look like in the eyes of old-timers and young successors?

Design/methodology/approach: The study focuses on the analysis of how the succession process is perceived by the older and younger generation of entrepreneurs.

To achieve the study objectives an in-depth case study method, supported by a structured interview in selected family businesses operating in the local market has been used.

Findings: there are few practised inheritance patterns. Therefore, it is often unduly postponed, or conducted in a quick, poorly-planned manner. Such inappropriate steps can lead to the disintegration of the company or even bankruptcy rather than growth and success in the years to come. By analysing the succession processes already conducted, good practices can be identified in this respect.

By using them, both old-timers and successors could certainly avoid many mistakes. An important element is to make future old-timers aware that, when building a company and thinking about its development, they should think long-term, also taking into account the role of successors from the beginning. It is also very important that communication between incumbent owners and their successors is open and unambiguous from the outset. Analysing the possibilities for a smooth succession and helping each other to find suitable solutions is the key to the success of a well-run succession. It is also worth noting that the generation of owners will always look at the company's development from the perspective of the previous years of activity, while, according to the interviews conducted, the new generation looks at the company without analysing the past and thinks ahead, wanting to develop the company and implement innovations.

Practical implications: By analysing succession processes that were already conducted, it is possible to identify good practices in this area. By using them, both incumbent owners and successors could certainly avoid many mistakes.

Social implications: The research is addressed both to other researchers so they can analyse or elaborate the research presented here and to entrepreneurs in family businesses who are conducting the succession process in their companies. The analysis presented in this paper allows the succession process to be viewed through the eyes of both the younger generation

(the successors) and the older generation (the owners). This is important for the succession process to be conducted properly so that it contributes to the success and development of family businesses. The research presented here will serve to broaden knowledge on succession in family businesses.

Originality/value The research is addressed to both other researchers so they can analyse or deepen the research and to family business entrepreneurs who are conducting the succession process in their companies. The analysis allows the process to be viewed through the eyes of both the younger generation (successors) and the older generation (owners). With the information gained, entrepreneurs will be able to plan the succession process better and avoid certain mistakes.

Keywords: family businesses, succession, management.

Category of the paper: Research paper.

1. Introduction

A family business is an enterprise defined as a business entity in which ownership control or management of the entity is in the hands of family representatives and more than one family member is involved in the operation of the business entity (Family Business Survey, 2015). Family businesses are one of the cornerstones of the global economy.

The succession process is one of the characteristics of such enterprises. To ensure that the business remains a property of the family in the future, the business long-term strategy must involve the succession. The succession process is based on the intergenerational change management (Marjański, 2010, p. 88). Succession in a family business involves the handover of the latter by its founder or owner to a successor, who may be a family member or a professional manager (Surdej, Wach, 2010, p. 54). The handover of a company to successors continues to cause many contradictions and often involves personal and business issues (Hall, 2001). According to the analyzed data, approximately 79% of Polish family businesses have not yet developed a succession plan, while studies conducted in Western European countries and the USA show that only one third of family businesses successfully undergo the first generational change.

Family businesses in Poland were established predominantly in the 1990s. This means that their owners are now between 50 and 65 years old and need to face the issue of succession. The first generational change is a very important moment in any business, as it is at this stage that the departing owner and their family should define the company's vision - its system of values and formal regulations. As rightly pointed out by Krzysztof Safin, Ph.D., WSB Professor: *The succession process cannot be reduced to relatively simple notarial and judicial acts. Recognising the business model, values and ownership relationships, and integrating them with the personality of the successor, as well as with the new position of the seniors, requires many years of active involvement by all participants.* The process of handing over the company

to the next generation is very important. Properly planned and executed succession is the only way to ensure the sustainability of the company for future generations. If it is not conducted properly, it can cause a crisis in the company or the family and even lead to bankruptcy (Lee, Marshall, 2013). Research indicates that succession is among the most difficult challenges of the entire life cycle of a family business. Many family businesses fail to cope with this task. Through the close relationship between the business and the family, succession ceases to be a purely professional matter as it concerns the entrepreneur and their family. Succession raises issues in the areas of economics, law, taxation and psychology. Changing ownership and management of a company can create conflicts between generations over money or power. Emotional conflicts can be caused by the owners' and successors' conflicting perspectives on the goals and development of the company, as on the one hand, it is important to ensure the sustainability of the company and, on the other it is equally important to seek the financial security of their own family (Perz, Kaszuba-Perz, 2016; Stavrou, 1999).

The aim of this paper was to find out how the succession process has been handled in selected family businesses - what advantages and disadvantages of the problems are indicated by both owners and successors. How the succession process is perceived by the older and younger generation of entrepreneurs. To achieve the objectives, a face-to-face interview method was used in selected family businesses operating on the local market.

2. The succession process in family businesses

Family businesses are economic entities that can be defined in many diverse ways in the subject literature.

Among many definitions, some literature sources state that a family business is a business in which (Family Business Definition, 2015; Mandl, 2008, p. 2; Piecuch, 2013, pp. 152-182; Sulkowski, 2004, p. 99):

- the majority of votes and also the majority of the ownership structure is in the hands of members of a (single) family;
- the majority of family members are actively involved in the functioning of the family,
- there is an intention of succession, i.e. passing the company on to the next generation.

Switzerland is an example of a country with a long tradition of family businesses. Some of Swiss companies have traditions hailing back more than a century. The oldest family businesses in Switzerland are: Hotel Interlaken in Interlaken, founded in 1239, Engel Pharmacy in Basel, founded in 1389, and Goldenen Sternen Restaurant in Basel, founded in 1412. In contrast, the oldest family business still remaining in the hands of the founding family is Fonjallaz Wein, located in Epesses and operating since 1552.

A common element in the definition of family businesses is the concept of succession. Succession is defined as 'the transfer of ownership and management of a family business to a younger generation' (Aronoff, Mc Clure, Ward, 2012, p. 15). It is a complex, long-term process, involving planning and management functions, which aim to ensure that the company operates in the market when it is run not only by founders, but also by the subsequent generations (Kowalewski, 2012; Ahmad et al., 2020) (Figure 1).

PLANNING	THE SEARCH FOR A SUCCESSOR	COMPLETION	POST- SUCCESSION
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Figure 1. Stages of the succession process.

Compilation of the source based on (Lewandowska, 2013).

When discussing the succession process, it is worth mentioning that it is possible, although very rare, to come across the so-called 'reverse succession', which involves handing over the company and management competences to seniors who have previously played subordinate roles.

When juniors come to the conclusion that the company they have created is mature and stable, and they have other business ideas themselves, they can place the company under the supervision of their most trusted persons, i.e., their parents, seeing this as a certain compromise in terms of ownership and management (the company still remains within the family) (Miklaszewski, 2018).

According to J.A. Blikle (President of the Family Business Initiative Association) the concept of succession includes two aspects: legal and emotional. The way in which power is delegated in formal and legal terms within family businesses can include the following aspects: (Lewandowska, 2013)

- mere delegation of authority,
- transfer of power and assets,
- transfer of authority and bequest in a will,
- simultaneous transfer of power and assets,
- sale of the company.

The transfer of power also involves a psychological aspect. For seniors, leaving a company can mean a change of status, a change of daily routine, putting the 'work' of their lives in the hands of others. These aspects cause fear and a sense of powerlessness (Iszkowski, 2012; Ahmad et al., 2021). The emotions that arise during the succession process are difficult. Each party has its own expectations, which may be conflicted with each other. During succession, some family members, e.g., children of the owners, may feel that they have been treated unfairly by their parents. During succession, there is often a selection of the best candidate according to certain criteria, which in owners' opinion facilitate the survival of the company.

The formalisation of the succession process is a very important factor for a properly conducted succession. According to Andrzej Marjański, Ph.D., (Head of the Department of Entrepreneurship and Family Businesses, Social Academy of Sciences in Łódź). *Having a good intergenerational plan makes it possible, in most cases, to keep the business going and to maintain proper family relationships. Preparation a succession plan will help define a clear picture of the organisation and bring order to the role of the family and avoid conflicts over ownership and management.*

In Poland, the tradition of family businesses is only just being revived, therefore the topic of succession in Polish companies is also only just starting to be discussed. Unfortunately, Polish family businesses are characterised by low awareness of the need to create succession plans, indicating a scarcity of knowledge on the subject. Surveys show that family businesses are mostly at the stage of planning or preliminary discussions of the succession process. However, a trend towards accelerated succession processes in the post-pandemic era has become apparent. Health experiences have influenced more frequent analyses of the succession process and the attempts to secure the next generation in the family.

The business succession process takes up to 7-8 years. Statistics show, however, that in Poland only 8 per cent of children want to take over businesses run by their parents. This raises a lot of emotions and uncertainty in business families.

In addition to planning, there are also other elements worth analysing that affect the success of a succession (Table 1).

Table 1.

Factors influencing the succession process

SUCCESSION	Involvement in the succession process
	Raising a generation of successors
	Choosing the best successor for the business
	Choosing when to hand the company over
	Selection of alternative activities for seniors

Source: own work based on Lewandowska, Greser, Jakubowski, 2012, p. 126.

Other factors influencing the success of the succession process are, according to the author's definition (by Adrianna Lewandowska, Ph.D., President of the Family Business Institute) - business succession is based on 'five P':

- Proficiency - successor must first learn everything there is to learn,
- Power - authority that is transferred gradually,
- Property - legal aspects, formal division of the company,
- Principles - shared values establishing how one should approach development, risk or money,
- Plan - a shared vision of the future of the business discussed jointly by owners and successors.

The succession process is the most important challenge that is faced by the companies that have been operating for more than 30 years. As exemplified by the experience of Western family businesses that have longer history than ours, proven business concepts taken over from owners are often bequeathed to the next generation and successfully continued. The relationships with customers and suppliers that have been developed in an atmosphere of trust over many years are being continued by subsequent generations. A well-executed succession is therefore an indicator of a stable and secure family business. In turn, thriving family businesses strengthen the economy, ensure social development, provide employment, etc. (Cabrera-Suárez et al., 2018).

As part of the project 'Codes of Value - Effective Succession in Polish Family Businesses', eight key success factors were defined, improving the succession process from businesses' point of view:

1. it should be realised that this process is inevitable and the sooner it is undertaken, the greater the likelihood of success,
2. the company's initial situation must be properly analysed,
3. succession discussions should be initiated,
4. one should not be afraid to have a frank conversation with the family and future successors about existing concerns and come to a consensus together,
5. responsibility for the company should be extended before handing power over,
6. it is important to know that the successor is still learning and may make mistakes, but this does not imply their incompetence or lack of preparation,
7. if succession is a problem, one needs to find an expert well-versed not only in legal matters, but also in communication and understanding of succession process,
8. plan activities for the company's seniors after the handover even before it happens.

The topic of succession is still important and relevant in the turbulent environment in which companies find themselves, so it is impossible not to agree with Prof. J. Ward's words: *keeping a family business alive is probably the hardest job in the world*. On the other hand, the continuation of the business is particularly important for family businesses, because the survival of the company involves benefits for family members. Therefore, if they are properly managed and can handle succession well, they can build capacity for the years to come.

3. Company characteristics and survey methods

The research was conducted in 2022-2023 on the basis of data obtained through interviews (face-to-face interview with owners and successors of two family businesses from the Silesian Voivodeship). The sector in which the businesses are active is plastics processing (Company A) and road construction (Company B).

A common feature of the analysed businesses is that they are small family enterprises, were launched in the 1990s, and they underwent a succession process (15 years ago in Company A, 10 years ago in Company B).

The purpose of the interviews was to analyse the succession process through the eyes of the owner and the successors. Interviews among owners and successors were conducted in 2 businesses, that shared several common characteristics:

- They both operate in the Silesian Voivodship.
- Both companies were founded in the 1990s, (Company A in 1991, Company B in 1998).
- They are small family businesses.
- The successors were young people: 25-year-old son and 25-year-old daughter-in-law in in company A, 28-year-old son and 26-year-old son in Company B.
- The model that has been used for the succession is the so-called step-by-step model, which involves gradual introduction of the successor to the business they are to take over by giving them more and more responsibilities and authority.
- The reasons for carrying out the succession were identical in both cases, i.e., the desire for the younger generation to formally take over the company due to its modernisation and development.
- However, in both companies, the assets were largely transferred to the successor, but the owners left part of the company to themselves as a separate property.

On the basis of the previously conducted succession interview with the owners and successors of the two companies, a number of emerging questions with suggested answers were formulated (Tables 2-5 in the analysis and discussion chapter). Owners and successors were asked to comment on the relevance/importance of each response by marking them as: xxx - very important factor, xx - fairly important factor, x - not a very important factor.

4. Analysis and discussion

In the first question, both owners and successors were asked to tick the answer to the question 'which of the succession process factors do you consider most important' (Table 2).

Table 2.

Which of the succession process factors do you consider the most important (having the greatest impact on a successful succession process)

Responses	Owners		Successors	
	A	B	A	B
Involvement in the succession process	xxx	xxx	xxx	xxx
Raising a generation of successors	x	xx	x	x
Choosing the best successor for the business	xxx	xx	xxx	xx

Cont. table 2.

Choosing when to hand the company over	xx	x	xx	xx
Selection of alternative activities for seniors	x	x	x	x
Other				

xxx - very important factor xx - fairly important factor x - not very important factor.

Source: personal analysis of the data collected in the study.

In both companies, owners and successors alike agreed that the factors with the greatest impact on a successful succession process are: commitment to the succession process and selection of the best successor. In the case of the companies analysed, the owners passed on the companies to their own children but retained part of the company as their own property under their own management. The owners said that there was no problem with successor selection because the sons had been interested and involved in running the companies for several years before the succession. However, it should be stressed that in many cases finding a potential candidate is difficult. Children are often not interested in running the company or, on the contrary, all the children of the owners would like to manage the company in the future, although their involvement and experience may vary. In such a situation, owners have to make difficult decisions when identifying the right successor within the immediate family. The identification of a successor is a problem that is not limited to the selection of the right person with the necessary skills and seniority, because it also involves other family members and their expectations. Such decisions, however correct, can cause serious conflicts between siblings or between children and parents. The consequences might include a loss of trust in the family, disillusionment in relationships or internal conflict, all of which can have a dramatic impact on the company (Lansberg, Astrachan, 1994, pp. 39-59).

The choice of when to hand the business over was considered quite important by the owners as well as the successors, while the choice of alternative activities for seniors was considered of little importance. This is due to the fact that the parents, as well as their successors in the companies considered that the succession would take place after the successors had received adequate education and some experience in running the company. The successors are young people while their parents enter the pre-retirement age and have not completely withdrawn from running their companies. Another important issue in the area of successful succession is the element of communication, the time when succession is planned and implemented. In the companies analysed, both owners and successors agreed that discussions about succession took place very frequently. Although research indicates that, in general, owners rarely talk to their family and potential successors about succession. Such conversations are occasional, and do not result in agreements concerning details or decision-making (Lansberg, Astrachan, 1994, pp. 39-59). Perhaps this is due to the owners' fear of giving away the business, or a lack of final knowledge of the success.

This trend and incongruity can be seen also in the interviews conducted for this study. Although all interviewees declared that their conversations about succession were very frequent, when asked how long the preparations for succession had taken, there was a certain discrepancy between the statements of owners and successors. The owners of both companies had been analysing and thinking about succession for a long time, about five years in Company A and ten years in company B. The younger generation responds however that it was about 1 year in company A, while the successors of company B believed that there was no specific preparation. This may be due to the young age of the successors (people in their early 30s in both companies), who, despite some discussion, did not see the succession process as 'mature' and future-oriented; perhaps a lack of clear communication and declaration caused a different perception. The succession process is perhaps understood by the younger generation more as specific legal steps of taking over a company rather than the planning process associated with it. According to the Institute for Family Business in London, communication is also a very important factor in the succession process. It should be based on a partnership between the incumbent owners and the next generation. This is difficult in the case of family businesses and parent-child relationships (Haynes, 2021; Duarte Alonso et al., 2018).

Diagnostic research shows that as many as 77% of successors believe that succession is an important process in a company that needs to be planned in advance and managed in a professional manner, but they do not follow these beliefs with necessary actions. This poses a major threat to businesses as it can lead to the improper functioning of the latter. Formalisation of the succession process is one of the most important factors for successful succession (Mishra et al., 2022).

Perhaps conversations about the succession process alone are not binding and treated with responsibility especially by the younger generation and therefore it is worth writing down so-called succession plans (Halter et al., 2009).

According to the US Northwest Family Business Survey of American family businesses, only 33% of such entities to be passed on to family members have a succession plan that has been developed and written down.

Research on the succession process on the Swiss market indicates that the process usually lasts between 5 and 10 years; on average taking approx. 7 years. There are several stages to this process: - contract negotiations: 8 months, - successor assessment: 19 months, - identification of successor: 23 months, - preparation for retirement: 24 months, - withdrawal of the owner from the company: 24 months, - taking over the owner's tasks by the successor: 24 months, - accumulation of shares and ownership by the successor: 25 months, - operational transactions: 29 months (Zellweger, 2012).

Another question asked concerned support for consultation in the succession process (Table 3).

Table 3.

From whom did you seek additional consultation support during the planning/succession process?

Responses	Owners		Successors	
	A	B	A	B
Lawyers and notaries	xxx	xxx	xxx	xxx
Friends and family members	x	x	x	xx
Management consultants	xx	xx	xx	x
Long-serving company employees	x	xx	x	x
Other institutions or persons (please specify)				

xxx - very important factor xx - fairly important factor x - not very important factor.

Source: own elaboration based on the conducted research.

In the research, both owners of company A and B sought support from lawyers and notaries, as did the successors. Advice from management consultants was also sought. In the case of company B, the successors also took advice from their friends and other family members. Perhaps for the younger generation, the professional advice and the opinion of friends and other family members are important when making important decisions. It is still worth looking at this issue in the broader perspective of the generalised succession process from the point of view of owners and successors - communication with other (more neutral) people can also be an important element of a well conducted succession. If there is a lack of proper communication, succession is being dragged out, it may be worth taking advice from outsiders, people who are more neutral, and in some cases also from mediators. It is worth encouraging the younger generation to also consult others when discussing succession so that they are confident in their decisions.

Research (Halter et al., 2009) indicate that business owners in Switzerland seek support in the succession process from: tax advisors and auditors (75%); lawyers and notaries (47%); friends and family members (30%); the main bank of the family business (29%); the supervisory board of the family business (20%); management advisors (18%); long-serving company employees (12%). For the succession process to be conducted correctly and to contribute to the success of the company as such, it is certainly worth stressing the openness and communication on many levels. Every family business is a little different, so when making important decisions, it may be worth encouraging both owners and successors to have more frank discussions to avoid later misunderstandings and arguments.

Interviewees were also asked what problems have owners and successors noticed during the succession process (Table 4).

Table 4.*What problems have you noticed during the succession process?*

Responses	Owner		Successor	
	A	B	A	B
Fear of changing roles within the company	xx	xx	x	xx
Employees' fear of change	xx	xx	x	x
Excessive bureaucracy involved	xxx	xxx	xxx	xxx
Lack of knowledge about the succession process - how to do it properly	xxx	xxx	xxx	
Difficulties in making a joint decision (owner-successor) about the succession and related issues	xx	x	xxx	xxx
<i>Other...</i>				

xxx - very important factor xx - fairly important factor x - not very important factor.

Source: personal analysis of the data collected in the study.

The information provided indicates that there is still insufficient knowledge of the succession process (how to do it properly) and excessive bureaucracy associated with the process. The younger generation of successors, on the other hand, points to the difficulty of making a joint decision (owner-successor) regarding succession and the legal issues involved. Also in a study conducted by Lewandowska (2013), owners of family businesses particularly indicate a lack of knowledge regarding the succession process. The analysis of the in-depth interview shows that when succession planning starts, it is the senior generation that seeks the primary information about succession, without even involving the younger generation in the process.

It should be emphasised that owners and successors had to jointly develop a plan for the development of the company after succession, which was not easy. The young and old generations perceived the development of the company somewhat differently, e.g., the young saw the need to invest in modern equipment in order to outperform the competition, while the experienced owners feared overinvestment. It is important that the younger generation, which has its own vision for the development of the company, openly discusses the topic with the founding generation before and after the succession.

The owners of both companies and, to a lesser extent, also their successors noted some employee concerns about changes in the companies. The owner of one of the companies surveyed said that employees initially did not trust potential successors and doubted their skills, ability to run the company properly, and independence. They pointed to their young age and lack of long-term work experience. In order to calm and soothe emotions, the owner and successors had to address the emotional reactions of employees to major changes. Among other things, they pointed to new opportunities and chances for development after the change. Often the change of power or ownership, as well as transfer of knowledge are important not only for the owner and potential successor but also for the company's employees. In the succession process emotions are being felt also by employees (Jakubowski, 2007, p. 29).

Another question was to analyse the benefits noticed by owners and successors after the process.

Table 5.*What benefits have you noticed after the succession process?*

Responses	Owner		Successor	
	A	B	A	B
Survival and protection of company assets, preservation of contracts and jobs	xxx	xxx	xxx	xxx
The company will remain under family ownership and management.	xxx	xxx	xx	xx
More comprehensive development of the company, e.g., implementation of innovative solutions, expansion into new markets	xx	xx	xxx	xxx
Preservation of a company's long-established reputation	xxx	xxx	xx	xx
<i>Other...</i>				

xxx - very important factor xx - fairly important factor x - not very important factor.

Source: personal analysis of the data collected in the study.

The analysis of the responses in Table 5. shows that the benefits after the succession process are noticeable and appreciated by both the former owners and their successors. For the senior generation of both companies, the benefit they pointed to was the survival of the company, the protection of assets, and the preservation of contracts and jobs for their long-serving employees. The fact that company remains a property of the family and under its management is very important to both owners. These issues were also important and appreciated by the successors. However, it should be emphasised that during the interview and benefit analysis, successors focused mainly on the company's health and emphasised their contribution to the further development of the company through the implementation of innovative solutions and expansion into new markets. The older generation continued to talk very emotionally about the company's origins and possible difficulties that might await it in the future. One can still see a very strong commitment and emotional connection to the company. It is very important for the owners to maintain the company's long-established reputation and goodwill in the eyes of colleagues, contractors, business partners etc. The younger generation is more focused on action, innovative solutions, concrete steps. This is due to the fact that young successors become more identified with their company after the succession. During the interview, the successors pointed to this strengthened connection to the company once they became official co-owners. Handing a company over to a younger generation is a difficult decision, but in the case of both companies, the owners say they are satisfied with the decision and the succession.

5. Summary

The history of Polish family businesses is relatively short. Few succession patterns are yet practised. This is a daunting task for owners, linked with considerable costs even if they pass the company on to their next of kin, while a lack of available knowledge on the subject of succession and considerable bureaucracy do not make the successful conclusion of the process

any easier. Therefore, it is often unduly postponed, or conducted in a quick, poorly-planned manner. Such inappropriate steps can lead to the fragmentation and even collapse of the company rather than its growth and success.

By analysing the succession processes already conducted, good practices can be identified in this respect. By implementing them, both owners and successors can certainly avoid many mistakes. An important element is to make future old-timers aware that, when building a company and thinking about its development, they should think long-term, also taking into account the role of successors from the beginning. It is also very important that communication between incumbent owners and their successors is open and unambiguous from the outset. Analysing the possibilities for a smooth succession and helping each other to find suitable solutions is the key to the success of a well-run succession. It is also worth emphasising and realising that the generation of owners will always look at the company's development from the perspective of the previous years of activity. Long-time owners are partial to analysing the past. On the other hand, according to the interviews, new generation does not take the past into account, and looks into the future, focusing on business development and innovation.

In the interviews, owners and successors declared that the process has been conducted fairly and that the relationship between generations has not been altered. However, it should be noted that in both companies a large part of the company's assets and property were transferred to the successors, but the owners left part of the company to themselves as a divested property. Perhaps the generation of incumbent business owners still feels a lot of apprehension as to how the younger generation would cope when the entire company is finally handed over. However, it is also a solution that is worth considering, although it is somewhat 'indirect' and can work in many family structures. In businesses where there is no clear consensus on the succession process or where it is delayed, this scheme should be applied. This allows the younger generation to develop the business, innovate and lead it to success, while the older generation smoothly withdraws from full ownership and management of the company.

In both companies, owners and successors alike emphasised that the succession process is difficult and requires a high degree of commitment from both owners and successors. The owners acknowledged that the difficulties in carrying out the succession were largely caused by a lack of sufficient knowledge of the succession process and the excessive bureaucracy involved in the process. It is important to choose the best successor, good relations and communication between owners and their children. In the case of the businesses analysed, the children of the owners were naturally involved in the business activities beforehand and tied their future to them. Although none of the successors had previous experience in other workplaces, their conviction in their professional choice was evident. They wanted to work together with their parents, and said they look forward to bringing new ideas, energy and a new quality of thinking and acting to the company. The owners of both businesses emphasised that the changes resulting from the succession are important not only for the owner and the successor

but also for the company's employees. It is necessary to prepare the workforce for the change of power and ownership in the company through discussions and explanations.

Several years after the succession, both generations are satisfied with the changes made and point to the benefits resulting from the succession process. For the senior generation of both companies, the survival of the business, the protection of assets, the preservation of contracts and jobs for their long-serving employees were all very important. Keeping the company under family ownership and management was very important to both owners but also appreciated by their successors.

Both companies are owned and managed by two generations - parents and children. It is a good deal provided there is good dialogue and joint decisions are reached. This is not easy because issues and decisions that seem obvious to present owners can be and often are seen differently from their children's perspective. Innovative solutions are appearing on the market every day, often displacing the old ones. That is why it is necessary to adapt to the changing environment. Young people are more likely to recognise these changes and be able to adapt quickly to them, while older people have more experience which is valuable when managing a company. Therefore, a discussion is needed and sometimes the parties have to compromise. It may be that the actions taken will not always be successful, not everything will work out, but the young generation wants to work at their own pace and vision from the start. Therefore, when deciding on a succession process, it is worth taking these elements and different views into account.

The success of the company following the succession process should not only be the survival of the family business, but above all the preservation of jobs or development of innovative solutions, which provide an opportunity to continue the business for future generations.

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