CHAPTER –3
A CONCEPTUAL MODEL

3. INTRODUCTION

A variety of factors influence whether women in family business succeed or fail, most of which have been identified in Chapter 3. For the purpose of this study, the factors influencing the success of women in family business have been categorized into two broad groups, namely family – based and business-based factors. Family – based factors refer to those factors that influence the dynamics and interaction between the family members, when they work together as a tram. Business – based factors relate specifically to those factors that influence the women’s ability to complete the task at hand. By their nature these business-based factors will also influence family relationships and the interaction between family members.

A proposed conceptual model of the selected variables or factors that are hypothesized as influencing the success of family business is presented in this chapter. The independent and dependent variables which form the basis of the model, as well as the resulting hypothesized relationships, will be discussed. To facilitate discussion the variables identified are divided into three categories. The first category encompasses the dependent variables, namely Perceived success. The second category encompasses the independent variables that are the family and business based factors.

THE CONCEPT

The conceptual framework for the study was arrived at after incorporating the major constructs previously identified in the literature. Literature in terms of the family which is an important responsibility of a woman (Poza and Messer, 2001) and business concerns for those with an entrepreneurial spirit are significant in family business management. (Danes, Haberman and McTavish 2005; Curimbaba, Rowe and Hong 2000; Danes and Olson 2003; Foley and Powell 1997; Cosier and Harvey 1998 ), Family issues like motivation (Singh, 1993; Sharma, 2004), Kahn and Henderson (1992) the impact of family criteria on business decisions, boards of
family businesses (Barach, 1984) (Ward, 1988; Harris, Martinez & Ward, 1994), family communication in planning (Ward, 1988), stakeholders: founders, next generation members, women and non-family members (Sharma, 2004), family business culture (Hollander and Burkowitz, 1996) assume significance in the context. The hypothesized relationships between the independent, intervening and dependent variables that were identified and which are also relevant to this study are presented in Table 3.1

Table 3.1: Relationships and theoretical support

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>Theoretical Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust and values</td>
<td>Perceived success &amp; Firm performance</td>
<td>Macniel, 1980, Gambetta, 1988; Mayer, Davis and Schoorman, 1995; Powell, 1987; Bradach and Eccles, 1989; Kramer and Tyler, 1996; Rosseau and Sitkjin, Steier, 2001</td>
</tr>
</tbody>
</table>
3.1.1 Proposed Conceptual Model

Taking the model, as well as the existing literature on family business, several Family- and Business-based factors influencing the success of family business have been identified. The Family-based factors include: Trust and values, Family harmony, Open communication, and Commitment to the business. The Business-based factors include: Succession planning, Professionally managed, Governance, Role Conflict and Strategic Planning.

Therefore in the proposed conceptual model, 9 independent variables are put forward as influencing the success of family business. In this study, two variables are used to measure success, namely the dependent variable, Perceived success, and the intervening variable, Firm performance. The hypothesized relationships and proposed conceptual model are depicted in Figure 3.1.
3.2 Perceived Success

The process of evaluating and determining family business success has become somewhat challenging, owing to unclear definitions and biased perceptions (Hienerth & Kessier 2006). Similarly, Tompson and Tompson (2000) assert that defining and measuring success presents a difficult task for researchers studying family business. In contrast with conventional management studies, in which business performance may be the exclusive marker of success, family business research must consider the significance of both business and marital success (Tompson & Tompson 2000). To substantiate its incorporation into the proposed conceptual model put forward by this study, the dependent variable *Perceived success*, as well as the intervening variable *Firm performance*, will be considered.
3.2.1 DEPENDENT VARIABLE: PERCEIVED SUCCESS

As mentioned above and illustrated in Figure 3.1, the dependent variable in this study is the *Perceived success* of a family business. For the purpose of this study, *Perceived success* is defined as the degree to which the family business find their ongoing involvement in the business to be satisfying as well as beneficial to their family, marriage and personal development. In family business research, the satisfaction that family members experience as a result of their involvement in a family business is regularly associated with success (Handler 1991; Ivancevich et al. 2005; Sharma 2004; Venter 2003). Similarly, Garza (2003) has found anecdotal evidence to suggest that some women only consider their involvement in the business to be satisfying because of their togetherness.

3.2.2 INTERVENING VARIABLE: FIRM PERFORMANCE

For the purpose of this study, *Firm performance* refers to positive trends of growth in the number of employees and profits, as well as increasing revenue experienced by the family business. Firm performance is widely considered a measure of success, and has been used by several authors to differentiate between successful and unsuccessful successions (Flören 2002; Venter 2003), successors (Goldberg 1996), family businesses (Millman & Martin 2007; Sharma 2004; Sorenson 2000:185; Ward 2004) and even teams in general (Ivancevich et al. 2005; Mondy & Premeaux 1995; Northouse 2004). For example, in their study on small copreneurial food companies, Millman and Martin (2007) define success as growing a business in terms of turnover and employee numbers.

In addition, Adendorff (2004) in his empirical study has reported a positive relationship between profitability and the ability to satisfy stakeholders' interests. Tagiuri and Davis (1992) have indicated that supplying themselves with financial security and benefits is one of the most important goals of the owner-managers of successful smaller family businesses. Similarly, O'Connor et al. (2006) observe that spouses have a tendency to establish businesses out of a desire to create wealth. Stakeholders in a family business would be hesitant to consider their
involvement in the business to be satisfying should the business encounter financial difficulties. The following hypothesis is thus formulated:

*H1: There is a relationship between the Firm performance and the Perceived success of the family business.*

### 3.3 INDEPENDENT VARIABLES: BUSINESS-BASED FACTORS INFLUENCING FAMILY BUSINESSES

Various factors influencing the success of a family business have been identified in both the teamwork and the family business literature. Business-based factors can be described as the "soft" issues in business, influenced by personal feelings and the emotions of individuals involved. The various Business-based factors influencing women in family business, as identified in both the teamwork and family business literature, will be discussed below. In addition, support for each of these factors as applicable to family businesses will be elaborated on. The Business-based factors are *Succession planning, Professionally managed, Governance, Role Conflict and Strategic Planning*

#### 3.3.1 Succession Planning

Succession Planning is in direct conflict with the entrepreneur's need for control, power and meaning (Handler and Kram, 1988). Handler (1989) found that the degree of mutual respect and understanding between the next generation successor and the founder is a key factor affecting succession. Handler and Kram (1998) and Dyer (1992) found that the founder's family members may not want to accept the founder's mortality and may see the founder as the only person able to manage family conflicts and keep the family unit together. They are therefore reluctant to see the founder relinquish the role. Family members may also be seen as disloyal if they enter discussions regarding the retirement of the founder and are usually unwilling to engage in such discussions.

Sharma (1997) also found a positive relationship between management succession planning and satisfaction of both owner managers and successors with the succession process itself. Rosenblatt, De Mik, Anderson and Johnson (1985) found that family business owners often
resisted succession planning and that this in turn diminished the probability that the business would survive beyond the first generation.

Other researchers suggest that the importance of succession planning to business continuity has been overstated (Aronoff, 1998; Astrachan and Ward, 1998; Kirby and Lee, 1996). Astrachan and Kolenko, (1994,) revealed that while boards of directors, strategic planning and frequent family meetings are correlated with business longevity over multiple generations, succession planning is not. Santiago (2000,) in similar studies found that succession planning is not necessarily important for the survival of family businesses.

It is therefore hypothesized that:

$H^{2a}$: There is a relationship between the Succession planning of the Family business and the Firm performance of the family business.

$H^{2b}$: There is a relationship between the Succession planning of the Family business and the Perceived success of the family business.

### 3.3.2 Professionally Managed

Family businesses are professionalized either through the introduction of structures and mechanisms similar to those applied in professionally managed firms or through changing management teams through the introduction of professional managers. Researchers in this area try to understand how and when family businesses introduce structures and systems to coordinate their activities, moving away from a coordination system which is based on direct supervision by the founder or family members (Liebtag, 1984; Berenbeim, 1990; Francis, 1991).

Liebtag (1984) finds that the founder is the key factor in hindering the introduction of systems and structures in the family business. His timely withdrawal from active management of the business and handing it over to professionals is the most critical factor in transforming a family firm into a professional company. Once the founder has departed, systems and structures can be introduced.

Berenbeim (1990) studies 20 firms which have completed the transition from founder management to professional management. He identifies critical steps and issues in the transition
of family businesses from direct supervision to “professional” management. He also identifies issues that are critical to professionalization. Several of the issues he identifies are related to the manner and the timing of the founder’s departure. He finds that the withdrawal of the founder is a critical event and needs to be managed as such. He finds that it is important that structures and processes are in place to assure the continuity of the business without this specific person as coordinator of the different interest groups. Finally, the preparation of the succession process is critical in assuring that the departure from day-to-day business is timely and unequivocal (Berenbeim, 1990).

The selection and preparation of a successor is also critical. In the first place, he finds that it is necessary to have heirs to assure continuance. However, too many heirs can complicate decision making. The heir needs to undergo rigorous training to assume his responsibility (Berenbeim, 1990). In addition, clarification of the role of the family in the family business is important to the process of professionalization.

In his work on the development of family businesses in the U.K., Francis (1991) researches the development of family businesses from beginnings as family businesses into financially controlled institutions. He finds that family businesses develop as professional management and/or financial capital is introduced into the business. He goes on to reveal that only a very small number of families can avoid losing control to outside managers and financial institutions as owners of the business. Francis provides evidence that there is a tendency for family businesses to professionalize during their development (1991).

From this research we learn about mechanisms that family businesses introduce during their transition from a founder/owner managed business to an organization based on systems, structures and roles. Research findings coincide in the importance of the removal of the founder and the eventual professionalization of the business (Francis, 1991). Based on the discussion above, the following hypotheses have been formulated:

\[ H^{3a} \]: There is a relationship between the Professionally managed family businesses and the Firm performance of the family business.
There is a relationship between the Professionally managed family businesses and the Perceived success of the family business.

3.3.3 Governance

The existence of good governance structures can go a long way towards avoiding many of the typical situations that may erupt in family businesses. (Egan, 1998; Martin, 2001; Neuebauer and Lank, 1998; Ward, 1997). Largely, the successful activities of a family owned business depend on the awareness of the importance of a sound governance structure. The simplest and most direct governance structure has two components: governance of the business (e.g. Board of directors) and governance within the family (e.g. family council), (Egan, 1998).

Astrachan and Kolenko, (1994) found a positive correlation between governance structure and organizational survival across family generations. Egan (1998) maintains that a business with a governance void begins to experience problems when the business passes to the second generation. Businesses that survive this transition have a sound, acceptable governance structure. It could be argued that the existence of any advisory body will influence the governance structures of family businesses (Venter, 2002).

The complex stakeholder structure that involves family members, top management, and the board of directors makes the governance of family businesses a particularly challenging task (Neuebauer and Lank, 1998). The owner family members play multiple roles in managing and governing the business (Tagiuri and Davis, 1996), thereby blurring the governance relationships. Family members as managers make the most important business decisions, while the emotional attachment to family business ownership may detract from the business's focus on economic goals (Gallo and Sveen, 1991).

Neuebauer and Lank (1998) state that in addition to management supervision and control, family businesses need to develop governance structures that promote cohesion and shared vision within the family and which reduce harmful conflict. Mustakallio and Aution (2001) state that this may be achieved by employing formal controls that minimize opportunism, or by the implementation of social controls that promotes social interaction and the formation of a shared vision among the various stakeholders.
Advisory councils as well as review councils are recommended as alternatives to the traditional board for family businesses that are not too large or complex. Jonovic (1989, p. 35) and Lansberg (1999b, p. 282-300) suggest that family councils can also function as boards in many small and medium sized family businesses.

It is therefore hypothesized that:

\[ H^4_a: \] There is a relationship between the Governance of the family business and the Firm performance of the family business.

\[ H^4_b: \] There is a relationship between the Governance of the family business and the Perceived success of the family business.

### 3.3.4 Role Conflict

Work-family conflict is a form of inter role conflict in which the role pressures from the work and family domains are mutually incompatible in some respect. In other words, participation in one role is made more difficult by virtue of participation in the other role (Foley and Powell, 1997). A similar model was proposed for business/marriage partners by Foley and Powell (1997), which took into account conflict resolution. Two important variables are to be considered in solving problems arising from home-run businesses, one is the amount of time devoted to the business and the degree of control over the schedule of business affairs. Another problem associated with conflict is role overload. Studies by Isaac (1991) and Covin (1994), state that role overload is a major component of work-family conflict. It exists when the total demands on time and energy, associated with the prescribed work and family roles are too great to perform the roles adequately. Hutcheson (1999), on the other hand, mentions that, to many, family business means conflict. It is only when conflict is not managed in a positive way that it becomes destructive.

Thus role conflict is viewed in many facets in literature. It is important to note that conflict does represent a problem in family business studies and therefore is imperative to be considered in any study due to the various roles that women play in the family and business. It is very evident in the family context in terms of dealing with inter role conflict between responsibilities in the
business and the family. This now leads us to further explore family lever and the roles prevalent at that level.

It is therefore hypothesized that:

\( H^5a \): There is a relationship between the Role conflict of the Family business and the Firm performance of the family business.

\( H^5b \): There is a relationship between the Role conflict of the Family business and the Perceived success of the family business.

### 3.3.5 Strategic Planning

Strategic planning is deciding on a choice of action that has important consequences and resource demands for the family business. It involves not only the conscious choice of what to pursue, but equally importantly what not to pursue. From a family business perspective, strategic planning is not only about an industry and market perspective, but also equally importantly about a family perspective as well. It includes brainstorming, project management and detailed contemplation of the choices that are available to the business. McCann (2003) suggests that strategic planning is important for two reasons. Firstly, an intense sense of collaboration is created by the very process of committing a project to writing for the key stakeholders to review. Secondly, by reducing to writing and obtaining feedback from key stakeholders, the content of a plan is usually vastly improved.

Poza (1989), states that family businesses must consider growth strategies to avoid the decline and liquidation of the family business, to promote continuity and family unity, and to save jobs and create wealth. Mintzberg (1994) observed that family businesses preferred privacy, and planning may be neglected because it requires sharing what might be considered confidential information. Mead (1994) states that the preference for privacy can influence growth when family managers will not share knowledge of the family business with non-family managers.

Daily and Dollinger (1992) using the typology of Defender, Prospector, Analyser and Reactor strategies, found that family businesses tend to adopt either the Defender strategy ("We stick to what we know how to do, and do it as well as or better than anyone else") or the Prospector
strategy ("We have a specific program to be innovators and are willing to take the necessary risks of promising new products and services") more often than non-family businesses. Greenwald and Associates (1993) found that the Prospector strategy is considered a growth strategy, although growth is not a highly ranked goal among family businesses.

Greenwald and Associates (1993), in a national survey of 614 family businesses, found that 56% of those businesses had no written business plan. In a survey of 303 family businesses, Andersen and Narus (1984) discovered that 69% had no strategic plan. On the other hand, Rue and Ibrahim (1996) noted that for family businesses in Georgia, half of their sample reported written long-range plans and 97% reported specific plans to grow. They found that family businesses that set goals, set goals for growth, plan for growth through equipment acquisition, through marketing, through hiring of key personnel or through new product expansion was likely to be more successful. Upton, Teal and Felan (2001) found that researchers surmise that fast growth businesses are more likely to engage in strategic planning than their slower growth counterparts.

It is therefore hypothesized that:

\[ H6^a: \text{There is a relationship between the Strategic planning of the Family business and the Firm performance of the family business.} \]

\[ H6^b: \text{There is a relationship between the Strategic planning of the Family business and the Perceived success of the family business.} \]

### 3.4 INDEPENDENT VARIABLES: FAMILY-BASED FACTORS INFLUENCING FAMILY BUSINESSES

Various factors influencing the success of a family business have been identified in the family business literature. Family-based factors can be described as the "soft" issues in business, influenced by personal feelings and the emotions of individuals involved. The various Family-based factors influencing women in family business, as identified in family business literature, will be discussed below. In addition, support for each of these factors as applicable to family businesses will be elaborated on. The family-based factors, which form the independent variables of this study, include: the Trust and values, Family harmony, Open communication, and Commitment to the business.
3.4.1 Trust and Values

Trust derives from a number of diverse areas including social exchange theory, contractual relationships (Macnief, 1980), trust theory (Gambetta, 1988), organizational theory, literature on moral development and literature on buyer-seller exchange relations (Tynan and O'Malley, 1997). Trust plays a crucial role in business survival and success. Mayer, Davis and Schoorman (1995) provide a useful working definition of trust: "the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustee, irrespective of the ability to monitor and control that other party".

Groebel (1991) define trust as a positive expectation that another will not, through words, actions or decisions, act opportunistically. The two most important elements of the definition imply familiarity and risk. The majority of definitions of trust focus on the ability to test the variations of trust in an exchange relationship, and rely on the notion of trust as a belief or expectation of relationships (Tynan and O'Malley, 1997).

A significant body of literature emphasizes the role of trust in organizational governance (Powell, 1987; Bradach and Eccles, 1989; Kramer and Tyler, 1996; Rosseau and Sitkjin). Steier (2001) states that, used effectively, trust represents a major source of competitive advantage for a business. Researchers recognize that trust potentially contributes to lower transaction costs, while contributing to more effective managerial co-ordination and collaboration within the business (Steier, 2001; Mayer, 1995). Wicks and Jones (1999) reinforce the notion that organizations sometimes over invest or under invest in trust and that what should be objective is striking a balance in which trust is at an optimal level.

According to Arrow (1974), as a governance mechanism, trust provides some clear advantages: "Trust is an important lubricant of a social system. It is extremely efficient; it saves people a lot of trouble to have a fair degree of reliance on other people's word".

In family business relationships where results depend on the behavioural intent of partners, trust is particularly crucial (Johnson and Cullen, 2002). Although family enterprises are challenged to develop governance mechanisms that permit building and sustaining of optimal trust, relatively little is known about the dynamics of trust within these unique organizational forms (Steier, 2001).
It is therefore hypothesized that:

\( H^{7a} \): There is a relationship between the Trust and values of the Family business and the Firm performance of the family business.

\( H^{7b} \): There is a relationship between the Trust and values of the Family business and the Perceived success of the family business.

### 3.4.2 Family Harmony

Scott and Perren (1994) observe that, "Family events were by far regarded as the most important aspects of people's lives". Bernadus (1997) indicate that most people consider family harmony as the most important aspect of their lives. The idea of "the family" is so powerful in the family business network that the family ideology will determine what is correct and proper in governing their business, and what is somewhat wrong. Research in the nature of family ideology has also failed to recognize a considerable number of practical and theoretical difficulties facing any who wish to study family harmony.

The most serious problem for anyone wishing to study family harmony is his or her proximity to the topic. Family harmony is not a matter of bias, but rather of the strength of beliefs about family lives. Venter (2002) indicates that various researchers have provided empirical support for the constructive relationship between harmonious family relationships and their influence of the succession process (Dumas, 1992; Malone, 1989; Santiago, 2000).

Positive relationships between perceived family harmony and continuity planning have been discovered in empirical results of Malone (1989). Therefore, there is a greater possibility that business continuity will be planned if the extent of family harmony is considerable. These results are consistent with the conclusions of Handler (1994), who examined the relationship between a positive succession process and the mutual respect and support achieved by the successor with the predecessor during succession (Venter, 2002).

Sharma (1997) finds that there is a negative correlation relationship between perceived family harmony and the satisfaction with the succession process as experienced by incumbents. However, for both the founders and successors in her study, (Venter, 2002) found that family
harmony has a positive relationship with the extent of mutual acceptance of individual relationship and the extent of mutual acceptance of individual roles among family members.

It is therefore hypothesized that:

\( H^{8a} \): There is a relationship between the *Family harmony* of the Family business and the *Firm performance* of the family business.

\( H^{8b} \): There is a relationship between the *Family harmony* of the Family business and the *Perceived success* of the family business.

### 3.4.3 Commitment

Literature distinguishes between three distinct types of commitment based on underlying motives: affective commitment; cost induced commitment and obligation-based commitment. Brenic and Zabkar's (1998) understanding of commitment is based upon affective motives such as emotional attachments, belonging and respect for a partner, which is in the form of a liking to develop and strengthen the relationship with another person or group (Hewett and O'Bearden, 2001). Affective commitment is explained by some in terms of congruence of valuing goals among participants. This means that relationship participants have common beliefs regarding behaviour, goals and policies (Buchanan, 1974).

The literature focusing on relationships, concentrates on the environment of a western-country and not on the international or cross-cultural scenario (Hewett and O'Bearden, 2001; Johnson and Cullen, 2002). The same is true when defining commitment and trust. Not a lot of researchers involve the cross- cultural components of trust and commitment in business relationships. Johnson and Cullen (2002), imply that the issue of commitment in cultural exchange has become compelling when expanding to foreign markets. Within the family business context, commitment is defined as "the desire to continue relationships at work to ensure its continuance" (Wilson, 1995) or as "an explicit or implicit pledge or relational continuity between partners" (Dwyer, Schurr and Oh, 1987).

It is therefore hypothesized that:
H9a: There is a relationship between the Commitment of the Family business and the Firm performance of the family business.

H9b: There is a relationship between the Commitment of the Family business and the Perceived success of the family business.

3.4.4 Open Family Communication

Open family communication is closely linked to family trust. A culture of open family communication, reinforced by structured processes, is an integral precondition to creating a successful family business (Martin, 2001; Neuebauer and Lank, 1998; Ward, 1997). According to Martin (2001), the place to start is with communication between family members themselves, regarding family matters. Martin (2001) indicates that a second area of open communication requires regular flow of information from the family company to family members.

Families that have grown to a multi-generational stage may require a formal structure, such as a family council. The family council meets several times a year to discuss family issues, including performance of the family company or investments. Such meetings provide an open forum for family members to discuss outstanding matters with each other. The council may have key functional responsibilities such as nomination of family directors to the company board. The family council can also serve as an educational and mentoring facility for the younger generation. Most importantly, it helps to create and sustain a culture of mutual trust within the family (Martin, 2001).

Martin (2001) indicates that the second area of open communication requires a regular flow of information from the family company to family members. The closed mode of keeping key financial data from all but a small circle of family members must be avoided. Why should shareholders of a family business receive less information than shareholders of a public company, who receive quarterly financial reports? In addition, how can a meaningful family business be put into place in a culture of secrecy?

According to Martin (2001), the maintenance of these two communication processes among the family members and between the family and its business or wealth structure creates the knowledge and competency required by family members who will have responsible roles in the
family governance model. Together with the accumulated experience of being exposed to financial results and discussing them with other family members, there develops some of the understanding required for good governance. Company and investment performance become more familiar subjects for family, rather than unknown distant, data. It is Martin's (2001) opinion that what is at the heart of this entire communication process is the creation of trust among family members. Openness and inclusion creates trust, and family trust creates family harmony.

It is therefore hypothesized that:

\[ H^{10a} \]: There is a relationship between the Open family communication of the Family business and the Firm performance of the family business.

\[ H^{10b} \]: There is a relationship between the Open family communication of the Family business and the Perceived success of the family business.

### 3.5 Research Hypotheses

The following directional hypotheses have been formulated to test the relationship proposed in the conceptual model, depicted in Table 3.2

Table 3.2: Research Hypotheses

<table>
<thead>
<tr>
<th>Hypotheses</th>
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<tbody>
<tr>
<td>[ H1 ]: There is a relationship between the Firm performance and the Perceived success of the family business.</td>
<td></td>
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<tr>
<td>[ H^{2a} ]: There is a relationship between the Succession planning of the Family business and the Firm performance of the family business.</td>
<td></td>
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<tr>
<td>[ H^{2b} ]: There is a relationship between the Succession planning of the Family business and the Perceived success of the family business.</td>
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<tr>
<td>[ H^{3a} ]: There is a relationship between the Professionally managed family businesses and the</td>
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<tr>
<td>Hypothesis</td>
<td>Description</td>
</tr>
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<td>------------</td>
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<tr>
<td>H3b</td>
<td>There is a relationship between the Professionally managed family businesses and the Perceived success of the family business.</td>
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<tr>
<td>H4a</td>
<td>There is a relationship between the Governance of the family business and the Firm performance of the family business.</td>
</tr>
<tr>
<td>H4b</td>
<td>There is a relationship between the Governance of the family business and the Perceived success of the family business.</td>
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<tr>
<td>H5a</td>
<td>There is a relationship between the Role conflict of the Family business and the Firm performance of the family business.</td>
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<tr>
<td>H5b</td>
<td>There is a relationship between the Role conflict of the Family business and the Perceived success of the family business.</td>
</tr>
<tr>
<td>H6a</td>
<td>There is a relationship between the Strategic planning of the Family business and the Firm performance of the family business.</td>
</tr>
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<td>H6b</td>
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</tr>
<tr>
<td>H7a</td>
<td>There is a relationship between the Trust and values of the Family business and the Firm performance of the family business.</td>
</tr>
<tr>
<td>H7b</td>
<td>There is a relationship between the Trust and values of the Family business and the Perceived success of the family business.</td>
</tr>
<tr>
<td>H8a</td>
<td>There is a relationship between the Family harmony of the Family business and the Firm performance of the family business.</td>
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</tbody>
</table>


| $H^{8b}$: There is a relationship between the *Family harmony* of the Family business and the *Perceived success* of the family business. |
| $H^{9a}$: There is a relationship between the *Commitment* of the Family business and the *Firm performance* of the family business. |
| $H^{9b}$: There is a relationship between the *Commitment* of the Family business and the *Perceived success* of the family business. |
| $H^{10a}$: There is a relationship between the *Open family communication* of the Family business and the *Firm performance* of the family business. |
| $H^{10b}$: There is a relationship between the *Open family communication* of the Family business and the *Perceived success* of the family business. |

### 3.6 SUMMARY

A proposed conceptual model of the different factors influencing the effective functioning of a family business has been presented in this chapter. From the literature, a number of factors influencing the effective functioning of women in the family business forms the foundation on which the conceptual model proposed in this study is built.

For the purpose of this study, two main categories of independent variables influencing the success of family business have been identified, namely the family – based and business – based factors. The family – based factors identified were *Trust, Family harmony, Commitment to the business, Open communication*. The business – based factors include: *Role conflict, Succession planning, Strategic planning, Governance structure, Planning and Professionally managed*. These two categories of factors which served as the independent variables were hypothesized as influencing the measure of success of family business. Editorial and empirical evidence from the family business and women in family business literature has been presented to support the relationships hypothesized between the 9 underlying independent variables and the dependent
variable (Perceived success). In total, 10 relationships were hypothesized from the aforementioned factors. The research methodology implemented for the purpose of this study will be presented in chapter 4.