CHAPTER 1

INTRODUCTION

1.1 CONCEPT OF ENTREPRENEURSHIP

In the 16\textsuperscript{th} century the word entrepreneur was derived from the French word “ENTERPRENDRE” referring to French men who organized and led military expeditions. It was then extended to cover civil engineering activities such as construction and fortification in the 17\textsuperscript{th} century and it was only in the beginning of the 18\textsuperscript{th} century that the word was used to refer to economic aspects.

Hisrich (2005) defined entrepreneurship as the process of creating something different with value by devoting necessary time and effort; assuming the accompanying financial, psychological and social risks and gain the rewards of both monetary and personal satisfaction.

First generation entrepreneurs were defined as those persons who start a venture of their own without any entrepreneurial background.

1.2 SUCCESSION PLANNING

Family business succession has emerged as a major area of concern worldwide in the field of entrepreneurial development. It is an emerging aspect of entrepreneurship which has evolved over decades but still remains in the developing stage. It is understood that the way family business pass the
stick from generation to generation varied, though being advantageous; under many circumstances resulted in failure. Succession planning in family businesses takes place in two ways: one form was that the family members were promoted to undertake management position even if non-family members/employees who were more qualified were available. Such kind of unwritten promotion was a result of right of inheritance of being the elder son or daughter of the founder. On the other hand, some family firms did not groom a successor and adopted performance-based promotion or succession when the founder of the business moved away from the management position.

Succession is a very crucial moment in the life of the family business that required smooth transfer of ownership along with management leadership from the first generation to the successive generation. Succession might involve repositioning of family relationships; redistribution of traditional patterns of authority and alterations in management and ownership structures of the business. Planning succession, therefore, is an issue of strategic importance as it would affect the founder, the successor, the family, the managers, the owners and other stakeholders in the business. Existing family business owners should select a successor with the right mix of education, technical skills, managerial excellence, enthusiasm, aspiration, intelligence, emotional stability, human relationship and management skills to successfully execute the strategic plans of business.

It could be told that the entrepreneurs going in for a documented succession plan were indicative of a slow and steady shift from a traditional family business pattern to a professional style of management. Preparation of a clear business plan was done by taking into consideration commonly shared views of all the family members and some external inputs too. Family business enterprises are progressively becoming more focused on strategic planning, opening up to new business ideas. The danger of an ineffective
succession could have a detrimental effect on the performance and continuity of a firm.

Succession planning involves the most important lifestyle change. Nevertheless, there are subsequent immense psychosomatic and rational obstacles that should be overcome in the life of a first generation entrepreneur. Succession planning is not a single task, it is a huge process which discovers and develops a person with the required potential to fill in the key leadership position in the firm. It augments the accessibility of experienced and competent heirs who were prepared to assume these roles as they become available. Succession planning is a process whereby, a first generation entrepreneur ensured the identification and development of a suitable successor to take up a key role within the firm.

1.3 FAMILY OWNED BUSINESS & SUCCESSION PLANNING

A family business is a company owned and run by a key person or the members of the family for the benefit of the entire family, a simple logic that distinguished family owned business from other modes of ownership business. Family owned business consists of the presence of the ‘family’ dimension in conjunction with the ‘business’ dimension of the family and organization. It consists of the founder as the head of the organization. Family business has also been explained by the existence of certain characteristics, preferably that the vision of the firm was kept and pursued by a family member or head of the family (Poza 2004) considered participation, control, strategic preferences and culture as four factors that contributed to the influence by the owner on succession.

Most family businesses were started with minimum capital. Family business provided income to the family, employment to all family members,
prestige and privilege, additional income in the form of profit and so on. The livelihood of total family was enhanced with the help of proper establishment of business based on the co-operation within the family. It is the prime generator of employment to poor and middle class people. Family business remains the most influential contributor of job creation in every country (Miller 2003). Family owned business generated more than two-thirds of employment and employs more male and female, part-time and full-time, young and old, educated and uneducated. In innovation point of view, family businesses generated two and a half times as much innovation as large firms on a per capita employed basis.

Family businesses facilitate smooth transfer of goods and services from the abundant place to scarce place resulting in equitable distribution of scarce resources consequently contributing to the economy of a country. It is evident that some geographical areas are specialized in the production of certain goods due to the existence of family-owned business. The responsibility of parent to safeguard the survival of their wards from economic fluctuations paves the way for starting a business. The ownership, possession and operation of the business transferred from the parents to their heirs is called as transition or succession.

Family owned businesses is considered as more than just a job to most owners. Assessment about the future path of business habitually had emotional content for the owner and his family. According to (Dyer 2003) family relationships in family business had a direct control on the firm’s behaviour and the leaders within those organizations. Succession could cause problems or stress in the family amidst other family members who were often concerned with those decisions. Family is all about relationships, while business is, to a large extent, about dispassionate decisions based on logic and these considerations may not always go hand in hand. In India, the eldest son
expects to inherit the business from his father as a matter of right. The problem arises when the eldest son is not necessarily the most capable, or the other siblings do not accept the state of affairs. The main reason for the high breakdown rate among first and second generation family businesses were their lack of ability to administer the intricate process of ownership and management succession from one generation to the next.

Family business succession is the act of taking over the leadership role in the business of the family by the heir. Management succession of family business had attained much research consideration since family businesses repeatedly slip in succession. Family business succession was hardly ever a single incident, making it difficult to assess. Some entrepreneurs had trusted professional transit, while others had quarrelled that ownership was the key assess of control in family business. The problem of family business succession could be defined as an overlap of firm ownership and management by a family.

Successes in management succession in a family owned business consist of two interactive dimensions: first, the family members’ satisfaction with the approach in which the succession process was conceded and second the effect of succession on the subsequent performance of the firm. In a widely held ownership firm, financial performance might be the prime objective and success in management succession might basically be a function of the firm’s post-succession performance whereas in the case of small scale family owned firms, preserving good family relationships is awfully vital in addition to the firm’s post-succession performance. Under this situation, family harmony might have to be given more preference compared to profitability. Hence it is imperative to understand the factors which influenced satisfaction with the succession process, from the perspective of a family
member and other stakeholders, as lack of satisfaction in the succession process might simultaneously affect both family and the business.

Studies on family owned business and succession planning are important, as it has a direct impact on the relationship among the family members, where a strained relationship could cause an adverse impact on both business efficiency and family harmony. Succession planning helps in minimizing the risks intrinsic with generational transfer and in ensuring prosperity, with continuity of the family owned businesses, as it could not be doubted that the unexpected exit of the family firm leaders could cause major turmoil in the exercise of power and authority among heirs and prospective successors over the firm (Chrisman 2009).

Family businesses are distinctive organizations representing an arrangement in which two apparently dissimilar social elements viz., the family and business are integrated in an effective way. During succession, the person who heads the top management has to step aside from that position.

It can be understood that the succession in the family-owned business take place under two circumstances. The first is the voluntary retirement of the founder and the second is the compulsory appointment of the successor. In the first case, the successor has the time to learn the operation of the business and might be groomed by the present first generation entrepreneur. The presence of two or more heirs might create structural changes. However, it could be handled efficiently by the incumbent leader. Sudden demise of the present leader might reveal several issues. If the successor was a sole heir, potential problems on leadership take over are minimal, but could pave way for inefficient functioning of the firm.
1.4 PROCESS OF SUCCESSION PLANNING

Succession is not a one-time occurrence, but rather a continuous process which goes on for three to five years. This is a sluggish process involving informal role modification, transfer of responsibility and decision-making authority to the successor, even if the incumbent refused. According to Cadieux & Lj (2000), what principally differentiated a family-owned business from a non-family owned business was the succession process, not only of the capital, but also of the owner’s proficiency. The process consisted of creating a succession time table, considering potential successors, developing a leadership style and commitment to new structure. Family succession could be emotional and hectic, which might lead to major rifts within the family and the business. To maintain family and organizational consistency, existing business head should develop planning processes and methods that provide a sustainable structure for the delegation of leadership.

Succession plan includes an identifiable set of elements which should precede the actual succession event. Succession planning process should contain the following steps: identification of pool of potential successors, designating them and lastly notifying the successor. This process provides a framework for understanding the tasks required for suitable succession planning and identification of a successor. A proper succession plan would help in avoiding power struggle in the company and family, as non-successors would be less likely to dispute the succession. However, the conflict involving the selection of a successor might continue for a period of time in business and the family, which could be minimized through proper communication among the stake holders. Adopting a succession process play a vital role in bestowing the family business with identity, stability and continuity. Moreover, the processes of developing an appropriate succession
plan for the business and defining the post-succession role for the retiring incumbent improved communication within the family business. Proper communication would ensure smooth succession planning. The need for the leaders of family businesses to share ideas about the success and continuance of the family business with the next generation was highlighted by (Lansberg, 1999). The preparation of a plan should continue in a systematic manner, involving succession procedure before, during and after the succession occurrence.

1.4.1 Successor Selection

Execution of a proper succession plan will help in selecting a suitable successor to foresee the organization affairs. The existing business owner has to consider several qualities and skills in the successor to take over the business. In case of leadership succession, a business assigns major importance to the morals and beliefs of an outside source, namely the family over its own needs. The difficulty in finding a successor is not restricted to the person with the most appropriate profile and abilities, but also has the added problems of family membership and prospects. The established customs in India naturally assumes that the eldest son of the promoter will be the person considered for successor. The problem arises when the eldest son is not necessarily the most capable, or the other siblings do not accept the state of affairs. For this reason, factors such as intelligence, hard work, leadership skills, attitude, knowledge on business and efficient training under promoter guidance should also be given due importance in selecting a person as successor. Many family owned businesses fail to engage in the succession planning process to determine a successor. The main reason for failure to adopt a suitable succession plan could be the lack of assistance in preparing a succession plan.
The succession plan should not only aim at the prospective successor, but also the reasons why he/she is preferred than the other possible heirs of business and family. The crucial condition for the succession to proceed is successor’s willingness to demonstrate a long-term attachment to the business and ability to expand the knowledge, skills and competencies essential to manage as per the goals of the business up to his/her entire tenure. Mostly the successors stick to the family business instantaneously after completing their education. Attaining experience in other firms can also present the possible successor with a broader standpoint on managerial issues and address them. This could widen their competence to adapt to an extensive environmental change. Moreover, for the new entrant, success in outside the family firm can facilitate takeover of family business with credibility and respect.

Lower-order job entry strategy in family owned business could facilitate the establishment of strong relationship with the stakeholders. This strategy would allow the successor to build self-confidence and credibility, to develop specific expertise in understanding the culture existing in the organization and the processes in the business. The effectiveness of training, degree of responsibility, quantum of expertise, experience, eloquence, education, communication, and leadership can also be considered as the qualities for a successor. In addition to this attributes like decision-making skills, commitment on duty, interpersonal skills, and employability skills are four successor oriented attributes that can be expected in a person to take over a business.

Succession planning is proactive identification and development of successor for future professional and leadership positions at top level of the organization.
1.4.2 Successor Relationships

Relationships surrounded by the antecedent, family members, employees and other stakeholders will renovate the destiny of the business and family of the successor. The weak link in the association between the antecedent and the business is the essence of managing succession. This is the most difficult step as it is a mutually dependent relationship between the owner and the successor. In most cases, the antecedent is not willing to contemplate succession due to fear of loss of power and control on wealth and status. Under these circumstances the successor’s relationship with the predecessor would not be at a satisfactory level. Hence succession process surrounds the existence of mutual role adjustment between predecessor and successor. In this process, the predecessor adopts sequentially the role of sole operator, monarch, delegator and a consultant, while the successor moves from the idle position to the positions of a manager, leader and a decision-maker.

Succession process is strongly influenced by the willingness to take over the business and positive relationship between the owner and successor. Succession planning process must include a clarification of the role, responsibilities and ownership stake of the antecedent after the leadership is assigned to the successor. Similarly, relationship with family members may be crucial in maintaining business success as well as to achieve big transition in the business. Usually, the family members who were not active in the business would have considerable influence during succession. Hence, maintaining effective relationship among the different generations of family members can resolve the family and business problems.

One of the most important factors to succession is the level of mutual admiration and understanding between present and next-generation
family members. It is described as the quantum to which these persons have a
good working affiliation that include trust, support, communication, feedback
and mutual learning. Mutual respect among the siblings and other relatives
along with the promoter can build over time as the working relationship
develops. The essence of this relationship is mutual respect, dependability,
sharing of views and ideas, wealth, prosperity and so on.

Maintaining good relationship between predecessor and family
member can avoid structural, administrative and functional problems in the
family and business too. At the same time, the successor should be in a
position to maintain a positive relationship with the employees. There would
be several employees discharging diverse nature of work. Hence having
knowledge on operations of all types of work will give exact knowledge and
facilitate the successor to encourage them to achieve superior results.
Successor should have the competency to maintain good rapport and
relationship with other stakeholders like customers, creditors, debtors,
government departments, general public and the academic community.
Maintaining a positive relationship with all the stakeholders can give extra-
ordinary results in terms of profitability, performance and reputation.

1.4.3 New Role of the Successor as the Company Head

The successor in his new role as the company head takes two to
four years to gain credibility from his peers and is accepted by the employees
of the organization. There are several factors facilitating the integration of the
successor viz., acceptability, credibility, legitimacy and leadership traits. The
successor should also prove his involvement with the firm. The successor in
the process of building his identity and image learns how to survive on his
own, take risks and to face new challenges. Through the process of
socialization and interactions with the people present, the successor could rise
up to the requirements of the firm. Also, it is through experience in the family firm that the successor acquires the required knowledge, values of the family, culture and an identity. It is imperative that specific responsibilities be entrusted upon him. Effective training in conjunction with experience of the successor would soon make him adapt to the business environment.

1.5 REASONS FOR EXISTENCE OF SUCCESSION PLAN

It is imperative that family business owners bestow attention to succession planning in consultation with business consultants, family members and other associates related to the business. Gender issues also influence succession planning, though reviews state that both male and female heirs were perceived to be equal. Furthermore, successors irrespective of gender differed in many attributes and characteristics in the family and the business. Women put more significance in human and social values and their value system partially revealed feminine style of management. It was not only based on conventional indicators such as profit, sales, return on investments but also on social involvement, quality of work life, client satisfaction and their personal growth.

There are other reasons favouring the existence of succession plan, which could be either business oriented or family oriented. The business oriented reasons could include the nature of business, profitability position, application of specialized techniques, enlargement of business, improving market share etc. Likewise, family oriented reasons covered readiness of successor, completion of education, maturity and marriage, retirement age of the incumbent leader, rivalry among siblings and so on.
1.6 REASONS FOR NON-EXISTENCE OF SUCCESSION PLAN

Research results recognize the significance of proper succession planning (Leibman 1996), many firms ceased to sustain without a proper succession plan. Succession planning was one of the vital business processes that revealed dominance of family or business system. Where the family system was dominant, the succession planning and process was completed with favouritism or custom. In family owned firms, the successor to power was either the eldest among the siblings or family relatives. The family and business overlapped in family firms and was influenced to a large extent by the culture of the society. A preference for male successors was made explicit in some of the family-business sectors regardless of suitability. According to the prevailing customs in the society, traditionally, daughters were not considered for succession into management position in the family business. In family firms, women customarily played many soft roles: daughter, spouse, mother, mother-in-law and family leader. These roles directly related to the family, had made women to be considered unsuitable for leadership roles in the business administration.

Substantial reasons were attributed for why family businesses did not consider succession planning. Many family business owners were not interested in retirement. They preferred to remain in the position throughout their life. More so, they did not feel good to discuss succession planning and their financial affairs until death. In addition, the attitude of the parent in getting ready to relinquish power and the demand of the next generation to take over might make it difficult to even begin the discussion. Nevertheless, the factor contributing to the non-existence of succession plan in family businesses is the lack of understanding of succession planning resulting in the implementation of weak succession plans.
1.7 FACTORS INFLUENCING SUCCESSION PLANNING

In SME’s, the process of succession planning and transfer of leadership from founder to successor is relatively similar in all types of business enterprises. Entrepreneurs looked forward to a successful succession of their businesses within the time prescribed for retirement. Many entrepreneurs place expectations, desires, dreams and hopes on their immediate successor in conjunction with their business environment. Also, it is desired that the successor share the vision, maintain efficiency, and augment profitability of the firm to ensure sustainability. Due to several reasons, succession planning fails. Some factors affect the overall productivity, profitability, reputation, brand image, turnover and morale of the employees.

Among the issues explored by (Berman Brown, 1999) the following were the problems inherent in succession planning in family business:

The major concern was the preparedness of existing business owner to handover the authority and control to the successor. Nevertheless, the business was conceived and constructed by him. This situation would create a vacuum in the role of the successor.

This was followed by the sibling competition or lack of support which might affect the smooth succession of the organization. If more than one son or daughter was interested in taking over the control of business, it created complexity in selecting the successor as it became an emotional process. Moreover, assumption of different roles in the different domains of the business was detrimental and caused disputes later on.
Third factor was related with the knowledge and skills of the successor. The failure of the successor to attain to the expected level of business knowledge, managerial excellence, knowledge on operation of the firm, attitude, administrative capacity etc., might create disagreement. If the successor lacked in the above aptitude, the owner would be very apprehensive in handing over of the management to the successor.

Age of the owner and the successor was the fourth criteria which significantly influenced the smooth succession of the business. Quick succession followed when there was wide age difference. In cases where the age difference was less, succession got delayed. Assuming responsibilities at a young age warranted lot of managerial capabilities.

Fifth criterion was education of the successor which played a pivotal role in the succession planning. Over qualification of the successor might cause reluctance to take over the family business. In case of under qualification of the successor, the parent might hesitate to handover the business. Under such circumstances, the succession might be delayed or the business owner might prefer to sell off his business.

Sixth criteria dealt with the family sizes, nature of the business and income opportunities from other businesses, collectively determining the fate of succession planning. In addition, success of succession plan depended on the relationship between the founder and the heir. Trust got strengthened by openness and honesty, confidence, reliability and integrity. Similarly, respect and harmony between the business owner and successor determined the fate of the business.

Seventh criterion dealt with the existence of proper succession plan. Proper succession served as a blueprint for the growth of the firm, deploying
appropriate strategies to address the firms’ problems. It was crucial to the long life of a firm. The motive of succession plan was to ensure that right kind of successor/employees was chosen to shoulder the responsibilities of the firm at the right time. Proper succession planning helped to retain continuity of firm’s strength and stability. Execution of succession plan in a proper manner at all levels in the organization could fetch desired profitability.

Eighth factor was related with the timing of the succession planning process. If the business was administered by the family members, they might be a strong influence for the best solution to plan for succession. In this case, the ownership was passed within the family itself. If the business was controlled by managers or professionals, the plan was often initiated by searching for employees who were found to be the most suitable to take on leadership position. In a family controlled business, it was often hard to describe the distinction between succession management and distribution of ownership. Also, succession planning decided on how the company assets were split up and shared among members in the family.

Ninth factor covered the size of the company, if it was large in size; there was a chance for larger pool of prospective successor to select from. Under these circumstances, the organization had several options to identify the right person based on their performance for leadership positions. If the organization size was small, designating a successor might become difficult.

Lastly, tenth factor dealt with leadership development among the different heirs of the head of the business. It was a best option to groom a potential successor to take over the leadership position after the retirement of the key person. Hence, preserving a suitable leadership development in the firm among the heirs would address issues related to succession planning.
Similarly, this step could be appreciated by the employees working in the organization.

Hence, addressing all the challenges in succession planning could pave the way for achieving greater results. Principally, the business owner needs to develop a succession plan and groom his successor to become an able and talented entrepreneur. At the same time, the successor must respect the owners’ attachment towards the organization and be responsible to the organisation.

1.8 BACKGROUND TO THE RESEARCH STUDY

Family businesses accounted for nearly 75 per cent share in all economies around the world. Family owned types of firms are the key source of growth, employment and innovation in the economic system of a country. These economies where the concentration of Micro, Small and Medium Enterprises (MSMEs) is large grow at a more rapid pace than others and 35% of Fortune 500 companies in the global arena are family owned (Kets de Vries 1993). In India, small scale family business firms, as a form of ownership could be proprietorship, partnership and limited liability forms, where a single person, husband and wife, two or more brothers or friends run a business together and one might assume leadership role and the others supported. Succession rate in the family owned business is very low when compared to the established corporate firms. Many research studies revealed that less than 30% survived to the second generation and about only 14% survived beyond the third generation. The rate of survival was very low beyond fourth generation. Changes in the economy, environment, education and employment played significant role in fixing the destiny of family business and passing succession from one generation to next. Typically, some family business units are still running with the use of traditional technology
and are labour intensive in nature, which contradicted the needs and aspirations of the successor who was reluctant to undertake the venture. Succession planning is also concerned with the willingness of the successor to take over the ownership role and the relationship existing between the present proprietor and successor.

Family owned businesses across various sectors, form the stamina of many developed and developing economies around the World. The notable characteristics of family businesses were the capacity to produce considerable prosperity and employment on a much larger scale than any other form of business. The strategic issue exclusively shared by family firms was succession planning and passing the property and authority from one generation to the next. Successful succession could be defined as ensuring the business functions effectively and the successor had the capability to ensure sustained development and financial safety on completion of the succession process.

Family businesses posed many inherent advantages and some disadvantages. Contradicting objectives and values are the most serious threats, followed by interpersonal sibling disagreement during succession planning. This could be combated by establishing substantial energies to nurture and strengthen harmony within family, trust and satisfaction. The case of family business in India is qualitatively dissimilar to western family businesses in that they had a more collective culture and absolute dedication of individuals for the wellbeing of the family.

The family business is a composite organizational system involving diversity of stakeholders, issues, objectives, problems and disputes. Taking into consideration the enormous contribution of family businesses to the
global economies, it is imperative to safeguard such family businesses from becoming extinct beyond successive generations.

1.9 NEED FOR THE STUDY

A decade ago, family businesses were unaware of succession planning. Family hierarchy was the deciding factor when it comes to leadership succession. There was no clarity on roles and responsibilities of family members to succeed existing business established by their ancestors. This often led to unrest and quarrel and ultimately proved detrimental to the business. Nowadays, existing business owners started realizing the importance of professional training and development in order to prepare their successor generation take up business responsibilities after their retirement.

Studies on the sky-rocketing death rate of entrepreneurial firms revealed that of the few businesses which did endure the first start-up phase, even fewer failed to continue further after the life of the founder. The major reason for the downfall of entrepreneurial firms was the incapability of the entrepreneurs to transfer their skills, knowledge, contacts with the stakeholders and optimum power to the successor. Predominantly, lack of priority due to busy work schedules, unwillingness, lack of confidence on the successor, lack of knowledge and lack of adequate experience to plan might be attributed for failures.

The aim of the study was to identify the reasons for the existence and non-existence of succession plan and to study the complexities involved in succession planning. This study helps in answering questions regarding the reasons for the existence/non-existence of succession plan, the influence of financial or personal reasons that could affect the drafting of succession plan
and the competencies the entrepreneurs expect in a successor to lead the business.

1.10 STATEMENT OF THE PROBLEM

Succession planning process is a complex issue and involves many factors at personal, relational and organizational level. There are two interpersonal relationships like current and next-generation family members and the intra-generational relationship between siblings that exists in succession planning. Both these relationships are considered important for the firm’s future. Though, succession planning is not a new concept in Indian corporate world, it still faces many problems especially in the small scale sector. In order to have a deeper understanding of the problems faced during succession planning and consequently develop solutions, a systematic and comprehensive study had been made by the researcher. The main objective of this study was to measure the practice of succession planning and to study the reasons affecting the drafting of a succession plan. Family is a composite, multifaceted and emotional system with members who are at various stages of development and had different views, values, needs and capabilities.

The succession planning process is defined as the set of actions taken to lead the transfer of leadership from one family member to another. The successor might be from the same family or extended family and might or might not belong to the same heredity. For succession in the family business three components were essential viz., the existing head who handed over the role, the successor who took over the role and the mechanism by which transition took place. The family had to be included as a factor to fully conceive the models of entrepreneurial succession. Family members not directly involved in the succession process might still influence succession-related decisions.
Successful succession planning could provide the family-owned business an aggressive edge over a non-family owned business by facilitating the accumulated personal experience of family members. The inherent awareness possessed by family members, conjoint with trustworthiness and faith, synergize the expertise required to run the business efficiently. It acts as a catalyst to generate the required resources and capabilities to have a competitive advantage. The probability of success of firms managed by the professional team guided succession planning is high. On the basis of merit and competency the successor was selected from the deserving pool of candidates.

Hence it could be summarized that, succession planning is crucial in ensuring the continuation of any family-owned business, predominantly if the owner plans to retire soon or unfortunate demise of the owner. If successfully developed, a succession plan provides for a smooth transition in management and ownership, whether the business is to remain in the family or run by non-family members. Given the number and intricacy of succession options existing, effective succession planning requires time, outside counselling and the contribution of other family members, as well as the enthusiasm to concentrate on interpersonal conflicts that can happen during the phase of plan development. It could be concluded that succession planning ensures peace of mind for the incumbent owner, delegation of authority and ownership to the successor, new ownership for the company and personal satisfaction to all family members.

1.11 CHAPTER SCHEME

The thesis is organized into five chapters as follows:
Chapter 1 : Introduction to the Study

This chapter presents the introduction about the study, statement of the problem, the purpose of the study, objectives of the study, research hypothesis, scope and limitations of the study.

Chapter 2 : Review of Literature

The chapter covers a literature review of past studies to describe the theory, empirical models and salient findings that defined the scope and focus of analysis of the present study.

Chapter 3 : Research Methodology

This chapter presents a brief description of the methodology adopted by the researcher.

Chapter 4 : Analysis and Interpretation

The analysis of data and interpretations, with reference to the objectives of the study which are used to draw specific inferences are presented in this chapter.

Chapter 5 : Findings, Suggestions & Conclusion

Findings on the basis of analysis of data, suggestions on the basis of findings and conclusion of the study are given in this chapter.