THE CHALLENGES OF PASSING MANAGEMENT FROM OLDER GENERATIONS TO YOUNGER GENERATIONS IN FAMILY-OWNED BUSINESS

YUN WU

A THEMATIC PAPER SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF MANAGEMENT COLLEGE OF MANAGEMENT MAHIDOL UNIVERSITY 2023

Thematic paper
entitled

THE CHALLENGES OF PASSING MANAGEMENT FROM OLDER GENERATIONS TO YOUNGER GENERATIONS IN FAMILY-OWNED BUSINESS

was submitted to the College of Management, Mahidol University
for the degree of Master of Management
on
April 29, 2023

yun wu
....
Miss Yun Wu
Candidate

....
Assoc. Prof. Astrid Kainzbauer,
Ph.D.
Advisor

....
Assoc. Prof. Prattana Punnakitikashem,
Ph.D.
Chairperson

....
Assoc. Prof. Vichita Ractham,
Ph.D.
Dean
College of Management
Mahidol University

....
Asst. Prof. Manjiri Kunte,
Ph.D.
Committee member

ACKNOWLEDGEMENTS

I would like to acknowledge and give my warmest thanks to my advisor Assoc. Prof. Astrid Kainzbauer, who made this work happen. Her guidance and advice helped me to get through all the stages of writing this paper. I would also thank the committee members for making my presentation a memorable moment of my life and for your comments and suggestions.

Other than that, I would like to thank the respondents who participated in my interviews. Also, I would like to thank my family members who always give me mental support when being away from home and trust me always for what I am doing today. Without their support, none of this work would indeed be possible.

Last but not least, I want to thank my classmates and everyone that I have met at CMMU throughout my time. They shared knowledge and experience together and cheered me up during this work.

Yun Wu

THE CHALLENGES OF PASSING ON THE MANAGEMENT FROM OLDER GENERATIONS TO YOUNGER GENERATIONS IN FAMILY-OWNED BUSINESS

YUN WU 6449095

M.M (ENTREPRENEURSHIP MANAGEMENT)

THEMATIC PAPER ADVISORY COMMITTEE: ASSOC. PROF. ASTRID KAINZBAUER, Ph.D., ASSOC. PROF. PRATTANA PUNNAKITIKASHEM, Ph.D., ASST. PROF. MANJIRI KUNTE, Ph.D.

ABSTRACT

It's a cliché that the first generation sows the seeds, the second generation reaps the fruits, and the third generation leaves the leftovers. The implication of this statement is that it is clear that the first generation worked hard to start this business and keep it on track. The second generation just takes this business and enjoys the wealth that their ancestors created. But if they don't work hard to grow this business, by the time the third generation is ready to take over, this business will be in shackles. The first generation of entrepreneurs establishes the company, and over time, passes it down to younger successors. However, passing on the management of family-owned businesses from older to younger generations can be challenging due to differentiated management styles, generational issues, and family management conflicts. In this paper, I aim to address the challenges of family business development and provide practical suggestions for family businesses to thrive.

I conducted qualitative analysis by interviewing seven successors from six family-owned businesses about the difficulties and challenges of managing family businesses, as well as the advice of younger generations on taking over. Based on our findings, I identified three main challenges for the younger generation to take over the family business: managing the family business, leadership, and business development.

Finally, I provide some inspirations and suggestions for the younger generation to take over the management of the family business. To overcome the challenges of family business development, it is crucial for the younger generation to respect the age gap between older and younger employees internally, develop effective communication channels, establish and implement mutual help systems, foster a culture of innovation and teamwork, and develop an organization that is flexible and encourages teamwork. Externally, it is essential to shift the current business model, actively seek new cooperation and industrial innovation, and address the problems encountered during the development of the company.

KEY WORDS: Family business / Younger successor / Management challenges / Management challenges of successor

46 pages

CONTENTS

CONTENTS (cont.)

CONTENTS (cont.)

LIST OF TABLES

LIST OF FIGURES

CHAPTER I
INTRODUCTION

It's a cliché that the first generation sows the seeds, the second generation reaps the fruits, and the third generation leaves the leftovers. The implication of this statement is that it is clear that the first generation worked hard to start this business and keep it on track. The second generation just takes this business and enjoys the wealth that their ancestors created. But if they don't work hard to grow this business, by the time the third generation is ready to take over, this business will be in shackles. Every company has its own corporate culture and mission. The founder relies on the mission and beliefs to start the company and keep it on track. As a family-owned business grows, the founder will pass on the business to the next generation of successors, and the trajectory of many family businesses is "boom and bust". In the era of knowledge economy, family companies will face the dual challenges of corporate transformation and intergenerational family succession, and the younger generation will also face the pressure of business diversification and the challenges of family communication, governance and cohesion.

When the older generation hand over the management power to younger generations, they will encounter two levels of challenges - the challenges within the family and the challenges within the company. On the one hand, the older generation does not really delegate power to the younger generation, and some may interfere directly or indirectly in company decision making. On the other hand, the younger generation will face the challenge of developing family business. Sometimes it is also a challenge to pass on the core values and corporate culture of the company. From a practical point of view, when the founder of a family business is getting old and the younger generation of the family is getting mature, many family businesses are facing or will face the problem of intergenerational succession. Based on this background, this paper explores the challenges encountered by the older and younger generation in the intergenerational succession through case studies, hoping to provide some suggestions and references for the subsequent family enterprises in the intergenerational succession, so that the family enterprises can make a smooth transition and continue to develop and grow.

The objectives of this paper, it explains in the research question below:

Research Question 1: What are the most significant challenges the younger generation of successors faced after taking over from the parents?

Research Question 2: How does the younger generation of heirs govern the family business differently from their parents?

Research Question 3: How can the younger generation of successors handle the challenges of family business development, which approaches do they use?

In order to answer these three questions, a qualitative approach was used in this study.

The author will interview seven family companies' younger generation successors. They all went to work for their family companies right after graduation and basically had no experience working in other companies. Younger generation successors are in the age group of 25-33 and have several years of work experience. After taking over the family business, they found that the challenge of managing the family business is very daunting. They not only need to handle the relationship within the company, but also need to keep the company growing.

This is because it is important to gather information about the real stories and experiences of the younger generation of SME successors. In the literature review, there are many theoretical frameworks that are relevant to the research questions. It mainly emphasises how the younger generation of successors can practice entrepreneurship craftsmanship and manager spirit to meet the challenges in order to adapt to manage the business and keep growing it.

Finally, the recommendations and conclusions will guide the younger generation of successors to use as a reference after taking over a company that has encountered challenges.

CHAPTER II
LITERATURE REVIEW

2.1 Introduction

Magrelli et al. (2022) argue that family business scholars frequently use intergenerational dynamics (relationship dynamics involving individuals or groups belonging to two or more generations who interpret the past differently) to define this type of organization because generations play such an important role within family businesses. Suppose the current generation is heavily invested in the firm and deliberately plans to carry the family's beliefs and ideals to future generations. In that case, the enterprise may be termed a family business (Lansberg, 1999). According to Barach (1995), the rivalry between the older and younger generations is evolving since the newer generation cannot seize control of the organization. When the family business board includes individuals from multiple generations, finding answers to problems becomes more difficult. PwC reports that only 1 in 12 family enterprises survive into the third generation, and less than 1 in 100 survive into the fifth (Magnadi, Perdhana & Raharjo, 2021). Frequently, the success or failure of a corporation depends on how efficiently it controls the transfer of power from one generation to the next. This chapter will analyze significant challenges facing the younger generation of successors, meeting the challenges of family business development and Inheritance challenges between older and younger generations in family enterprises, to learn from their mistakes for the benefit of the entire family.

2.2 Intergenerational Conflict of Younger Generation Family Business Successors

Intergenerational conflict has become increasingly relevant to the succession of family businesses. As the number of generations within a family business increases, the younger generation of successors typically has the task of managing a potentially complex and turbulent intergenerational power dynamic. Generational disparities in **work ethic, communication style, and core values** can all contribute to intergenerational conflict within the context of a family business. It is vital to evaluate the influence of intergenerational conflict on the younger generation of family business heirs in order to comprehend the potential effects this form of conflict might have on their success.

The disparity between the ideals and expectations of the older and younger generations is one of the key causes of intergenerational conflict in family companies. The "values gap" across generations has been linked to disparities in managerial style and decision-making procedures, according to research (Bryant, 2009). Younger generations may not have the same level of knowledge or familiarity with the family business as previous generations. This lack of information and experience can lead to intergenerational conflict, as the younger generation may not comprehend the reasoning behind the elder generation's decisions.

In family enterprises, generational disparities in communication style may also be a source of intergenerational conflict. According to research, the younger generation of family business heirs frequently choose to connect using more modern, technology-based techniques such as email or text, whereas the older generation may prefer more conventional ways such as in-person meetings or telephone conversations (Sabah, Carsrud & Kocak, 2014). This communication gap can lead to generational misunderstandings and conflicts, which can further contribute to intergenerational conflict.

The effects of intergenerational conflict on the heirs of a family firm are numerous. According to research, intergenerational conflict can lead to emotions of alienation and frustration among the younger generation, resulting in lower motivation and commitment to the family business (Leiß & Zehrer, 2018). In addition, the younger generation may have difficulty establishing relationships with their elder counterparts, making it harder for them to collaborate and work together efficiently. This can result in a lack of trust and respect between the generations, which can eventually hinder the family business's growth.

It is evident that intergenerational conflict can have a substantial effect on the younger generation of successors in a family firm. By recognizing the probable causes and consequences of this type of conflict, family businesses will be in a better position to resolve the issue and guarantee that the younger generation can transition into their role in the firm successfully.

2.3 Significant challenges facing the younger generation of successors

2.3.1 Sibling Successor Conflict

Sibling entrepreneurs are more prevalent in the United States than ever (Drucker, 2014). More than half of all business owners plan to pass their company on to two or more children. The hurdles faced by sibling partnership teams are unparalleled. Despite the tight relationships between siblings, a major dispute could result in the breakup of the current ownership structure. Estimates indicate that 50% of all sibling pairings fail (Miller et al., 2007). When one or both partners are bought out, this creates management challenges and a poor company climate, resulting in financial losses and missed growth opportunities (s). When working as a team, siblings must exert more effort to maintain a healthy relationship. They must be able to resolve conflicts through debate and consensus. Since their sibling connection is more essential than producing money, they must "agree to agree" on most matters (Miller et al., 2007). It is preferable to limit company expansion if doing so does not threaten the relationship. However, a poor business alliance can wreck even the most affluent corporation, while a good one can outweigh even terrible commercial decisions.

2.3.2 The Challenge of Business Transformation

Younger generations see the necessity for digital transformation, professionalization, and sustainability. Every generation must understand this distinction. Digitization is extremely challenging for family companies because it must be personalized to meet the specific demands of each family member (Soluk & Kammerlander, 2021). There are huge opportunities to accelerate digital transformation as one generation transfers the torch to the next, providing the older generation strategically uses the younger generation's experience (Fendri & Nguyen, 2019). According to the research, several members of the younger generation who have opted to join the family business are eager to make their imprint and have unique ideas for the company's future. This new generation of business owners has several objectives, including the introduction of novel products, an increase in social media marketing, and breaking the habits of the preceding generation. They are introducing products that are more original and inventive than conventional ones. In addition, they are utilizing various social media channels to create relationships and expand their customer base in order to reach more people. In order to change the behaviors of the previous generation, they are offering new means of client interaction, such as personalized customer service, online reviews, and interactive content. Increases in sales, customer loyalty, and customer happiness demonstrate the effectiveness of these techniques. In addition, the usage of social media has enabled these firms to increase their visibility and reach new clients. As a result, a new wave of business success is being generated by this new generation of business entrepreneurs.

2.3.3 Management Style Challenge

According to Handler (1990), transferring power and authority from generation to generation is one of the greatest challenges facing families in business. It is typical for a business's strategy to change when new family members assume leadership. The transformations and innovations within the family business will be influenced by the founder's and the successor's divergent worldviews. According to Pratono & Han (2022), transferring management duties from the elder to the younger generation is a chronic challenge for many family businesses. There must be a balance between professional and personal issues in family-owned firms. This entails both amassing wealth and preserving it for future generations. Preserving the fragile equilibrium from one generation to the next is necessary. It is essential that the heirs are familiar with the family business and prepared to assume it. Companies should begin succession planning in five to seven years (Atwood, 2020).

In conclusion, numerous challenges involve being the youthful in a family business. There are, for instance, discernible variations in the generations' operational procedures. Younger generations are more collaborative in working together, whereas older generations rely more on their intuition. In addition, young business owners value work-life balance. In addition, the expectations of different generations for the company's future are diverse. Younger generations desire that their family businesses make greater use of technology and social media marketing. The resulting technology gap is a problem in and of itself. This is because young people are more comfortable utilizing technology in their professional and personal lives, whereas older people may not use technology at all. In addition, a credibility gap exists when the heir or new generation receives a different level of credibility from employees and consumers than the older generation. Furthermore, it is difficult, particularly for the older generation, to devise a plan to transfer the business to the younger generation.

2.4 Solutions to the challenges of family business succession

2.4.1 Ensuring there is unique strategic insights

Continued expansion requires a steady stream of creative, strategic ideas. In most industries, it is essential to revise business plans at least once every few years. Family-owned businesses must try to foster innovation because most of their managers and leaders have lengthy tenures, and only some of their successors have substantial outside experience. Leaders of a family business can build an innovation-friendly culture by implementing the following steps:

Encourage calculated risk-taking. Growing businesses frequently test the limitations of their current strategic thinking (Dixit et al., 2021). They modify their services, investigate potential new markets or distribution methods, experiment with different pricing and promotion strategies, and develop innovative ways to distinguish themselves from competitors. The most common source of innovative discoveries is trial-and-error testing with existing tactics, which can startle family businesses out of the lethargy that plagues many established companies.

2.4.2 Professional Manager Training Program

Even though long-term success requires a group of talented non-family management, most family businesses fail to maximize this resource. They are hesitant to invest in the next generation of talent because they need to predict how influential non-family managers will affect the careers of family members. Executives usually need to pay more attention to their ability to attract exceptional individuals. If family business owners wish to discontinue these acts, they must do the following:

Always seek to hire individuals with merit. The finest non-family managers must believe they are adored, valued, and compensated relatively (Aronoff & McClure, 1993). When hiring individuals, it is important to select people based solely on merit and not on family ties or other factors. The best non-family managers should be given the recognition and rewards they deserve for their hard work and dedication. This could include offering them competitive salaries, bonuses, and other forms of compensation that reflect the value they bring to the organization. In addition, they should be given opportunities to grow and develop their skills, as well as recognition for their work. This way, they will be motivated to continue doing their best, and their loyalty to the company will be rewarded.

2.4.3 Develop an organization that is versatile and flexible

A company that is ready to attempt new things constantly must be able to:

Share company information openly. A family business that is successful in succession must be able to share company information openly. This is key for fostering an atmosphere of trust and understanding between the generations of family members and business managers. Financial success and failure should be discussed openly, as this can help to build confidence and bolster morale (Sasaki et al., 2020). Additionally, family businesses must be willing to attempt new things in order to stay competitive and remain flexible. This will ensure that the business is able to continue to grow and prosper through the generations.

Promote change and applaud novel concepts. Teamwork should be an essential element of a family business's culture in order to ensure a successful succession. As the business evolves over time, it is important to foster an environment that encourages creativity and flexibility to ensure that the company remains competitive (Sonnenfeld & Spence, 1989). Rather than relying on a single heroic leader, the success of a family business should be attributed to the collective efforts of its personnel, who often bring a wealth of experience and innovative ideas to the table.

2.5 Conclusion

Despite the growing literature on family firms, empirical research on the effectiveness of techniques implemented to address the unique problems of family firms remains to be developed. There is also a need to examine the impact of intergenerational and sibling difficulties on firm performance and the most effective ways to deal with these issues to ensure a smooth transfer of power. In addition, family businesses face particular obstacles, such as succession planning, intergenerational issues, conflicts between siblings, and changes in corporate culture and mission. To meet the challenges of family business development, it is important to develop a strategic management plan, create and implement an incentive system, prioritize family harmony, foster a culture of innovation and teamwork, develop an organization that is flexible and encourages teamwork, and allocate resources to ensure that the next generation of family business leaders is prepared. Family businesses can continue to thrive if they adopt the right technology.

CHAPTER III
METHODOLOGY

3.1 Primary Data Collection Method

In order to explore the challenges encountered by successors and post-succession family businesses, this study decided to adopt a qualitative research approach. The data collection method will be done through in-depth interviews. The younger generation's management experience in a family business allows the authors to get an overview of the challenges in each company.

3.2. Interview Method

The interview method will be conducted to provide the primary data finding in this paper, representing in-depth information from interactive communication as question and answer sessions. More information on the interview method will be demonstrated below.

3.3 Sample Selection

For this research, the interviewees consist of four heirs of the family business. These included one female heir, the two brother's heirs, and two male heir. Four of them included successors who had taken over the business and were in different industries.

Table 3.1 Interview List

Code	Position	Gender	Experience	Age
A	Younger CEO	Male	9 years	31
B	Younger COO	Male	5 years	27
C	Younger COO	Female	9 years	31
D	Younger CEO	Male	4 years	25
E	Younger CEO	Male	8 years	33
F	Younger CEO	Female	1 year	25
G	Younger CEO	Male	2 years	24

3.4 Open-Ended Questions

In order to find out real-life experiences that younger generation owner is facing with the internal and external challenge and how to manage the family business in a competitive market, the open-ended questions are selected to allow the interviewee to communicate about their story more freely. The table below shows the list of open-ended questions to find the factor of family business challenges related to the transfer of management from the older generation to the younger generation.

Table 3.2 Open-ended questions

Factors to investigate	Open-ended Question
Family Business Vision	• What is your company background? • What is the vision of the company？ • What is your vision？ • What is your mission? • How do you motivate yourself？ • Is your business model suitable for a highly competitive industry? • What are your views on the development of the company？
The challenge of Younger generation successors	• How did you parents prepare you for taking over the company? What specifically did they do? • How did you prepare yourself for taking over the family business? What helped you? • Do you experience any differences in core values, work ethic, communication style, and between yourself and your parents? (or yourself and your siblings?) Can you give examples? • What do you think is the biggest challenge in taking over a company? What were your biggest challenges in taking over your company from your parents? Why? • How you can manage these challenges? • Do you encounter challenges in the development of the industry in which your business operates? • How do these challenges prevent you from becoming a leader? • Are you under pressure about your company's turnover?

Table 3.2 Open-ended questions (cont.)

Factors to investigate	Open-ended Question
Family Business Management Style Challenge	• Is your management style a continuation of your parents' management style? • How do you manage employees in your family business ? • What did you learn from your parents about managing the family business? Which management aspects did you keep, which aspects did you change (compared to your parents)? • Is there anything you can learn from the older generation's management company? • What are the challenges you encounter in your management style ? • Do you feel challenged to manage the first generation of older employees? How do you handle them? • How do you address the challenges of management style ?
Development Challenge	• What are the changes that you initiated in the company in terms of business direction/business development since you took over from your parents? • Has the company encountered any growth difficulties? • Does the company need to reform or innovation? If yes, how and why? • Did your parents/siblings agree with these changes? • Do you need to find new suppliers or customers ? • Do you have any development plans ? • What recommendation would you give to others who take over their family business? What should they keep in mind, how should they prepare themselves, what are the major challenges they should expect?

3.5 Develop Probing Techniques

Probing techniques will be used in the interviewing techniques in order to seek more information from respondents. Hence, the first step is to start with questioning the open-ended questions. The next step is to develop probing techniques to get more information and find out the underlying reasons. It allows the interviewer to get to know more profound information and a deep understanding of what respondents would like to communicate and provide essential data by asking these questions. The last step is to ask closing questions because it allows the interviewer to confirm understanding between interviewer and interviewee about the information discussed in each specific question.

3.6 Conduct the Interview

In terms of conducting interviews, in-person interactive dialogue is an effective way of interviewing and finding out information in an efficient manner. In addition, some interviewees were overseas and needed to be interviewed by video phone. Therefore, the author interacted with the interviewees in the form of remotely and was able to observe the posture and demeanor of the interviewees. However, some interviewees admitted to asking for an in-person interview. The interviews were conducted at their companies as they were familiar with the environment and atmosphere and found it convenient to provide them with a comfortable atmosphere and felt it was convenient to provide knowledgeable information for this paper. The interviews lasted approximately 30 minutes and included introducing and exploring each issue.

3.7 Research Framework

The research framework will explain how the data collected from the in-depth interviews relate to the internal and external challenges of younger generation successor management companies. Qualitative research is a method for discovering factors for this study. The factors found are the succession challenges and the business model of the company in relation to each other. In addition, the values of the successor and the values of the company are also interrelated. To explain, the business model challenge faced by younger generation successors is meant to be innovative, and in order to respond to the needs of the market, younger generation successors need to change and innovate. Secondly, the values company, when the business model needs to be changed, the values of the company also change and the young generation successor needs to update and inform the employees of the new values - Vision, and Mission. Therefore, the research model of the relationship between the two found factors is shown in Figure 3.1 below.

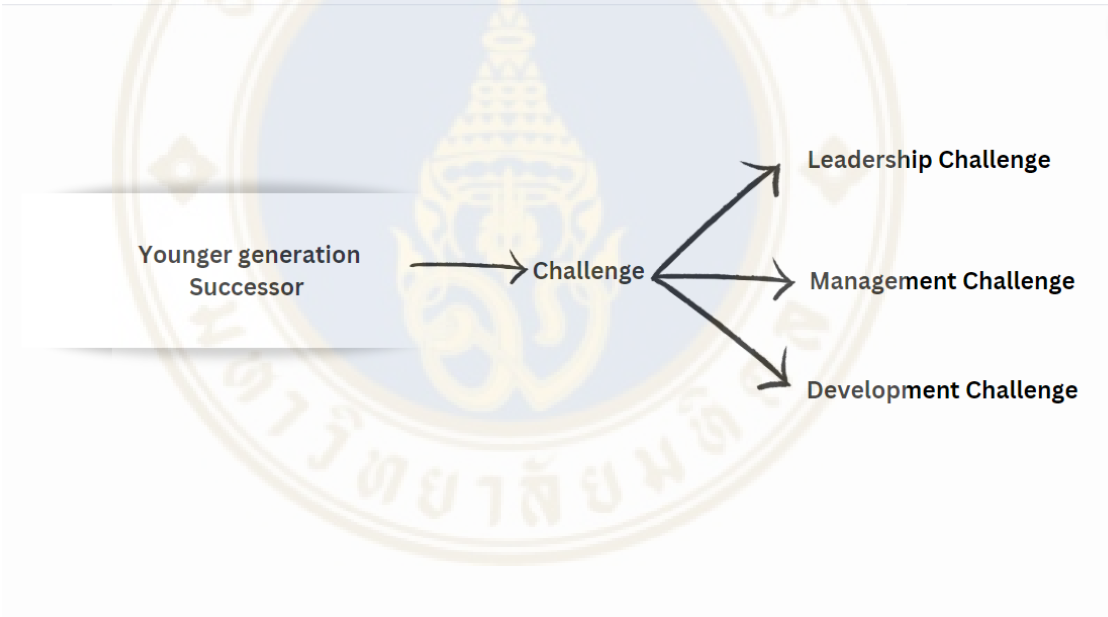

Figure 3.1 Research framework of challenges management with younger generation successors.

CHAPTER IV
DATA ANALYSIS

After conducting the qualitative research method by interviewing the interviewees, the summary of data finding from sample interviewees is analyzed. Three main issues: the challenges of managing within a family business, the challenges of succession leadership, and the challenges of family businesses responding to industry developments.

4.1 Management Challenges

Younger successors have different management styles to the older generation due to their personalities, education levels, social backgrounds and times. In order to identify the challenges faced by the younger generation in managing the family business, several interview questions were asked and the results are summarized in the following section.

4.1.1 Management challenges with older generation employees

Each of the younger generation successors responded that there was one factor that affected their management of the family business, as they were inheriting the estate from their parents, making it impossible for younger successors to build up trust and followers for a short period of time. The older generation employees were more accustomed to their original working patterns and status and usually showed doubt and lack of understanding of the younger generation successors' decisions.

To explain the problem, Mr D said, "I am faced with a situation where I assign a job and the older generation does not carry it out, and when I communicate with them, they do not show any reaction". He adds that, " the older generation is more accustomed to their old work patterns and status, and it is difficult to make changes in a timely manner. It was difficult and uncomfortable to talk to them because they subconsciously believe that this is the way we have been working for years and the business is still running well, so why do you want to upset the balance or make us change as soon as your successor comes to manage us, and it is very difficult to understand why this is necessary". Some of the interviewee mentioned that the biggest challenge is the generation gap and cultural differences in managing older employees, and that leadership change is challenged by the fact that the younger generation of successors do not understand the ideas of the older generation. In addition, Ms C and Ms F faced the same challenge.Ms. F mention that, "I have a more direct and diverse approach to communication, whereas my parents may prefer a more traditional, gentle approach. And I often overlook the fact that each employee has his or her own personality, and that my straightforward approach to communication may not have a positive and positive effect". Mr A mentioned that "the older generation often mentions that I grew up watching you, or that our older owners didn't ask us to change our work habits and so on. We are not asked to change our work habits and so on and so forth". These employees prefer conservative methods and traditional approaches, and having been brought up as heirs with an excellent and progressive education, they tend to prefer modern methods and techniques of running the company. The older generation, however, is more accustomed to their previous working patterns and status and find it difficult to make timely changes, which adds to the challenge of transforming the company. This is mainly due to the fact that older employees, despite their experience, are often unable to adapt themselves to new changes and often show doubts and lack of understanding of the decisions made by the younger generation of successors. Similarly, Mr. G found it a challenge to manage older employees, saying "I think the golden age of each employee is 10 years, and managing older employees requires a 'conversational' approach, usually because they think they have a lot of experience, so they often use their experience to try to convince me to listen to their past experience in managing a modern business".

Younger successors cite the challenges of managing older employees, mainly because although older employees are experienced, there are differences in thinking and working styles between them and the younger generation, and these differences are not conducive to younger successors' management of the company. In addition, the younger generation of successors believe that the older generation of employees lack communication and have difficulty in communicating, because of the different backgrounds and business environments in which they live. The younger generation of successors is willing to try new areas and change the company's old working model. When the older generation of employees is not willing to participate in the changes made by the younger generation of successors, and the two sides are on opposite sides, it is not good for the younger generation of successors to organize their work because they do not get any feedback, so there is a cultural difference and generation gap in managing the older generation of employees.

4.1.2 Challenges of team management between family members and non-family employees

While the old generation of family business leaders appoints family members to important roles, the younger generation tends to govern the company by developing talent or seeking professional expertise. The high turnover rate of non-family members in family businesses is often due to the fact that the personal goals of non-family employees do not match the vision of the company, so it is difficult for professionals to adapt and integrate into the family business, resulting in challenges for the younger generation successors in managing both talent and teams. Four of the seven younger successors said that they did not know how to balance the relationship between family members and non-family employees. On the one hand they focus on harmony in family relations, but on the other hand they are overwhelmed by the complex personnel structure. Mr B said: "I manage a company with 30 employees, 10 of whom are family members and 11 of whom are older employees. These employees have followed my father all the way through the company for more than 20 years since he originally ran it, and they have become something like founding fathers. When I took over the company, I needed to find professional people to help me run the company, and often these professionals had a very high turnover rate, often giving the reason that they could not work with family members or older employees. It was very frustrating for me to keep hiring and leaving, which created a crisis and challenge for my management". Ms F also mentioned that "9/10 of their family members are family members and she has no idea how to manage them, it's like everyone is dedicated to the business but they don't know what changes are coming" . Job Overlapping also often occurs in family businesses, and the growing number of non-family members can lead to conflicts between family members and non-family members. Mr. A mentioned that "our family business is expanding, non-family employees are increasing day by day, the original model of family members helping each other will cause some problems, such as non-family employees can't accept job overlapping, they can't communicate with family members, most of the time they have a lot of work to do, so they feel that work is already very tiring, communicate with family members is even more tiring, and then they will choose to leave". Mr. A and Ms. C also mentioned that after they took over the company, they found that the family members had a poor work attitude, which affected the management of the whole team, such as coming to work late and leaving early, and working inefficiently. Ms. C added, "When I tried to bring back professional outsourced finance to handle the company's internal accounts, I was strongly opposed by my manager who thought we already had finance and didn't need to spend any more money, and that most of them were family members who could be trusted. I don't think they are professional enough and don't have any relevant industry background, but I don't know how to convince them to accept the new finance and follow the outsourcing employee".

According to the interview, there is a huge difference in the age and unequal treaties between family members and normal employees. Family members cannot be punished, retire, or even argue with, especially with a manager who is a senior. These people feel that they have more knowledge and experience which makes it hard to listen to the new generation when proposing new ideas. In addition, family members who are related can join the company without qualification. Some people don't have enough knowledge to work in the field that they join. Other people in the team need to bear the pressure and work more than what they need to be responsible for.

Managing family members and non-family members is the biggest challenge for the younger generation when they take over the company. Family members are usually in a comfortable position, they do not lose their jobs because they are not good at their job, and usually the younger generation cannot fire them directly. The conflict between non-family employees and family members is obvious, as non-family employees may be discouraged by the company for poor performance. Moreover, some family members do not follow the company's rules and regulations and set a bad image for other members of the company, which can lead non-family employees to follow suit. From the perspective of the younger generation of successors, team management is very complex, involving not only balance and stability within the family, but also the need to withstand the pressure of team building.

4.1.3 Challenges of corporate culture

As younger successors are educated and trained in modern business management, the ethics of the younger generation of successors may not be fully aligned with the views of their parents. For example, in terms of business management, the younger generation of successors are more concerned with fairness, while their parents may be more inclined to take a more conservative approach to certain decisions. There is no subjectivity. Mr. D said, "My view is that employees have the ability to take ownership of their work assignments, to communicate in both directions in a timely manner, and that everyone has the right to express their views and opinions, and I encourage them to do so. And employees are used to listen to my father and then execute my father's arrangements. Employees in the company have no initiative, if my father arranges for them to change certain performance parameters in a file, but they don't take the initiative to check if there are any other errors elsewhere, this will make my father's job very stressful, so small details have to manage themselves. Over time, after I took over the company, I asked everyone to give their ideas in the meeting, and usually they were always silent for various reasons, and when I asked why they were always making the same mistakes after working for so long, their answers were unclear or silent. I want them to have autonomy, but whenever I communicate with them, their reply is always that there is no problem, but in fact we all know what the problem is. Since most of the employees in my family are lazy worker, I don't know how to change this flawed company culture, but I can't keep an eye on all the big and small things in the company like my father did". Mr G said, "We don't have a culture, but I want to create a new culture, a new approach to the market". and Mr E also metion that, "My family business doesn't have a culture either. The reason is that our employees are low-skilled workers and I don't know how to build a corporate culture. So the service of our employees in several branches is not the same and we often get complaints from customers, and most of the complaints I receive are not in sync with the store promotion information and the employees can't answer the customers' questions. Our family business has seven stores in total, four are under my jurisdiction and three are managed by my aunt. I tried to communicate with my aunt, but she did not consider corporate culture as a factor affecting our business development. So within my management, I train my staff on the words. Since they are low-skilled workers who are not flexible and adaptable, I may need to consider opening up admin positions for recruitment so that the right people are in the right positions. But our family business is a very small business, and it is my responsibility to take care of every employee". Ms C said, "It took me two years to correct the culture of our family business, but it is still a challenge because junior staff do not understand our culture because the middle managers do not communicate it to them. I think the workflow of our business was faulty. Originally my father ran the business and the employees reported directly to my father, which had the advantage that my father could quickly understand what was going on in the company and make quick decisions. As our business has been in operation for twenty years, management has gone from one person to five people now, and employees have increased from six to 50. When I communicate with these four managers, they don't do a very good job of getting information to the employees under their hands, but what I do require is to have written notification to individuals for each meeting. I want my business workflow to be standardized, but it will take time for the managers to adapt to the change, improve communication with junior staff, understand their work progress, and give them timely help. Employees give feedback to them and they don't pay attention to it, and sometimes employees complain".

The younger successors face challenges in aligning their ethics and management style with their parents' views while taking over the family business. They express concerns about the lack of autonomy among employees, a flawed company culture, the need to build a new approach to the market, and the difficulty in implementing change due to communication barriers between managers and employees. Meanwhile, the younger successors want to building a corporate culture that values fairness, communication, and employee ownership of work assignments to improve the overall performance and success of the family business.

4.2 Leadership challenges

Younger generations see the necessity for digital transformation, professionalization, and sustainability. Digitization is extremely challenging for family companies because it must be personalized. The digital transformation of a company depends to a large extent on the vision and mission of the young generation successor, which requires not only a sense of innovation, but also the ability to identify and develop talent, and the improvement of the professional skills of employees is the core of the digital transformation compared to the upgrading of hardware and software. The young successor is a manager and an entrepreneur, and needs to have both Technican skills to better lead the company and the team.The challenges of digital transformation for the younger generation of successors in the family business include the difficulties of transitioning from traditional to digital working models, the inexperience and resistance of the older generation of employees, and the need for cross-departmental coordination and cooperation for the successful implementation of digital transformation. And it is difficult for young successors to establish prestige in the short time they are running the company, which can lead to difficulties in building credibility and trust, the uncooperative nature of older employees and the need for young successors to improve their leadership skills in order to gain credibility and influence and therefore followers. Therefore, the above are all factors that contribute to the succession leadership challenge.

4.2.1 The challenge of digital transformation

The family businesses interviewed had 15-25 years of experience in their respective industries. When the family businesses were handed over to the younger generation of successors, the family businesses were still using the previous working model, the most common point being that the companies had not achieved a paperless office and the internal order management system was following the traditional handwritten approach. In the last decade, IT systems, Cloud has developed rapidly, and many large and emerging companies have long since become popular, while family businesses have not yet achieved digital transformation, because the older generation of employees do not have this ability, and are not good at using computers to help them better handle their work. The younger generation of successors want to keep up with the times and reform internal work systems, but also need to take into account the cost and acceptance of employee training.The younger successors want to keep up with the times and want to move from traditional platforms to online promotion and marketing, and the company's established employees have no experience in this area.

Mr E mentioned that "I have no confidence in the ability of the staff, the company does not use any IT systems in the business, everything is recorded on paper", and that he felt that their staff were not capable of using IT systems. However, if we want to grow our business in the near future, we need to convert paper data into digital data because it is more accurate and easier to retrieve information. The more we avoid using IT systems, the more time we will have to spend entering data from our sales history into the system". I couldn't track or check the orders in time. I couldn't track or check the orders in time and at the end of the year I couldn't see an accurate summary of the work orders". The digital transformation is a challenge for many family businesses, as the company is in a different era and needs to adapt and change within the company. Both Mr A and Mr B mentioned that they had no idea of the inventory of tiny parts in the warehouse, as human counting and counting was often wrong, and that unintelligent warehouse management could make it difficult to plan and adjust the volume of purchases for the coming year. Mr. D mentioned, "I wanted to transition from traditional industry to E-commerce, but the choice of platform and product became a challenge for me. Because we don't have experience in this area, we don't have the ability to operate, and we can't provide more guidance to the staff we hired from outside, but I am sure that digital platform sales will be the trend, and the traditional store traffic is getting less and less". Ms. C also mentioned her desire for digital transformation, saying "We want to put our products into videos on our website, but our website is not well built, I need to hire a team from outside to help me improve the website, but our staff has no experience in editing, I need to hire an extra professional, but later we don't have the right staff to running the website".

All five younger successors mentioned the challenges of digital transformation, but with these challenges comes the need to face the transformation of the company's system and organizational structure, because the above-mentioned transformation requires cross-departmental coordination and cooperation, and it is not realistic to have a single department to operate.

4.2.2 The challenge of gaining followers

In the leadership interviews, all seven interviewees mentioned that they had difficulty establishing credibility after taking over the business, with Mr B saying "If I give instructions within the company, they go to my father, but no one comes to me directly to communicate their opinions or grievances". Similarly, Mr A had the same problem, saying, "I don't know how to improve my leadership skills to make me more credible in the company, and I often can't command the older generation". The younger generation of successors not only face challenges at the management level, but also the challenge of uncooperative company seniors. Mr G says, "I wish I could be as popular as my father was, but I still need to be trusted by the staff, and I need to be recognized for my achievements when I take over the company in order to increase my credibility and influence". The younger generation of successors will need to improve their leadership skills in order to run the company better. Ms. C mention that, "My father's influence means that I often see my employees as my brothers and sisters, but that doesn't help me to build my credibility to run the company. I need to keep the family business in order and use my leadership to influence them, but running the company is not as easy as I thought it would be". Ms. F has the same problem, as the family business is staffed by her relatives and she is too young and inexperienced to establish her authority and influence in the company. Ms. F says "When I took over the company, I wanted to prove my leadership skills immediately, but my lack of influence made me feel stressed. I tried to manage the company in many ways, even with orders, and I could not get the support and cooperation of my employees".

Younger successors want to prove their leadership ability, and they want to have the same kind of following and prestige as older owners. But they all need to first refine their ability to convince their employees in order to better lead the company. They can build a dialogue with their employees through different situational leadership, which will help them manage the business.

4.3 Company Development Challenge

The younger generation of successors, who are often well educated and have studied company management systematically, still encounter challenges to the development of the company when they take over. The fierce competition in the industry forces them to actively seek alternative paths to the company's development, such as innovative companies and new industry segments. As well as the challenge of managing the flow of capital as the company grows and develops. These are the challenges that the younger generation of successors are or will be facing.

4.3.1 Challenges of the old business model

Family businesses face unique challenges as they strive to grow and remain competitive in an ever-changing marketplace. As a family business expands, internal product lines increase to extend the life cycle of the business. However, as the company grows, it must find new products or value-added services to expand its market share in the second curve and continue to grow the business.

The younger generation of successors faces challenges related to innovative business models to remain competitive in their industry. One of the interviewees mentioned that their family business is in a highly competitive industry that requires constant innovation and change in order to remain competitive and adapt to changes in the market. Failure to introduce new products, improve business processes and technology in a timely manner can result in being outpaced by competitors. Another interviewee stated that their family business was overly dependent on original equipment manufacturers and did not develop new products on its own, resulting in losing out in the market.

Other interviewees mentioned that their family businesses face challenges related to supply chain management, customer acquisition and marketing. In particular, old supply chains no longer met the needs of large companies, requiring family businesses to urgently find new supply chains. Some family businesses also rely on old customers to introduce them to new customers, which prevents them from scaling up. In contrast, competitors use a multi-channel marketing approach to increase their visibility and reach new customers.

Ultimately, the challenges faced by family businesses are similar to those faced by any other business. They must constantly innovate and adapt to changes in the market in order to remain competitive and grow. The process of finding and innovating a business model that meets the needs of the market is one of constant experimentation and challenge.

Mr. D mention that, "The main challenge I have to overcome now is the innovation of my business model, as our family business is in a highly competitive industry that requires constant innovation and change to remain competitive and adapt to changes in the market. The industry in which our business operates is a highly competitive one and requires constant innovation and change to remain competitive and adapt to market changes. If my company does not continue to introduce new products, improve business processes and technology in a timely manner, it will be outperformed by its competitors. We are currently exploring ways to expand our market such as online VR custom homes". The new business model is not a rejection of the old business model, but an iteration of the old one. Mr G says, "Our business is currently targeting the lower end of the market, while I want to segment the industry and focus on the high-end market, using creative products to build the uniqueness and core competence of our brand". Mr. A and Mr. B had a lot of headaches because their old business model was causing them to lose their edge in the market. Mr A said, "My family business were overly dependent on OEMs and did not develop new products on our own. The old business model was saturated, and the fierce competition made it necessary to find a new business model from the red market". The Ms C also received the impact of the old business model and had to find a new business model. Ms.C mention that, "The old supply chain no longer met the needs of the larger companies, and we urgently needed to find a new supply chain. The old business model was successful because there was a demand for it, but the demand of consumers and the industry is constantly changing, if the old business model does not change in time, the dividend will slowly disappear and the company will be in trouble. We don't do any promotions or online platforms, and our sales approach to finding customers relies on old customers introducing us to new customers, which makes it impossible for us to scale up. Our competitors are using a multi-channel marketing approach to increase their visibility".

Businesses all have a life cycle, and the essence of a family business is to solve needs just like any other ordinary business. The market is constantly changing, the old business model can not meet the solution or meet the demand, in the business competition will be in a weak position, the family business actively looking for and innovation business model to meet the needs of the market will be a continuous process of experimentation and a challenge.

4.3.2 The challenge of capital flow for business development

Small and medium-sized family businesses do not have the ability to raise capital, and many family businesses do not want external involvement in their family business. However, family businesses can face the same problems as large and small companies in terms of liquidity or shortages of capital. Ms.C mention that, " When I got the PO for 50 units at the beginning of this year, I was worried that we were getting bigger and bigger, but we didn't have enough money to work with and I was struggling to find 2 million baht to pay for the goods and deliver them to my customers on time". She goes on to add, "I was struggling to find two million baht to pay for the goods and deliver them to my customers on time. In my father empire period, he had enough money to hedge his bets, but when I took over the company, it was growing at twice the rate of sales every year, but we didn't have that much money to expand our business". The financial flexibility of a family business is crucial to its ability to weather external crises smoothly. Mr A and Mr B's family business faced an even bigger crisis, with Mr A mentioning that "when we decided to spend money on warehouse expansion, the sudden global epidemic forced us to stop our production lines and give workers time off, but the shutdown of our production lines meant we had no income, yet we still had to pay our workers and staff regularly, so we also needed to spend Mr B added: "Yes, it was a big blow to us, and one we hadn't expected.

This has led to a lot of financial inflexibility over the last two years, as we have had to place orders for raw materials in small quantities, which has required us to spend more time and money on raw materials and production lines, but this has also been a challenge for our family business in terms of flexibility of capital".

4.3.3 The challenge of industry competition

Every industry is in a race to win more customers, to increase turnover or to be number one in the industry, and Mr E says "Our competitors also grew and improved their service, as well as the rise of new competitors over the years, it is getting more difficult to maintain competitive advantage by just maintaining costs and providing fast delivery". As the industry continues to grow, the market will only become more competitive. Mr D says "Not only do we face competition from a wide range of brands and products, both local and international, but we are in an industry that involves a lot of supply chain and inventory management, and cost and inventory management is a challenging issue." In a highly competitive market, branding and marketing are crucial and Mr G said, "What we are lacking in our business is innovation and creativity to increase our brand awareness at the top end of the market, which was not our market segment before, but in the end, it's all about the brand. ". Ms C also had the same problem, saying that "the brands we represent are increasing in price every year and we need to build our own brand to compete with our competitors".

CHAPTER V
CONCLUSION AND RECOMMENDATION

5.1 Conclusion

Through interviews with seven younger successors, we found that they believe that the pressure of managing a family business is unavoidable. They face internal and external challenges mainly in the following aspects: younger successors have difficulties in balancing the relationship between family members and non-family employees, younger successors do not want to break the family's peaceful relationship and need to balance the relationship between employees, which is about team building. A good team is able to help the company become stronger and stronger, while a problematic team will lead to talent loss, internal management chaos, the inability to resist external changes, and ultimately lead to the loss of competitiveness. Secondly, younger successors face the challenge of managing the cultural differences and generation gap of older generation employees. If younger successors are unable to put their rich experience to use and establish effective communication channels with them, the company will be divided into two factions - the older generation and the new blood. The older generation and new blood factions will lead to a confrontational situation among the company's employees, which will also bring great challenges to the management of young successors.

The interviewees shared that in the early days of the company, the culture was not perfect and the older owners created the company with their own enthusiasm and achieved success. The older owners may not share the company's culture with their employees, and in those days, employees were not expected to have their own personalities and ways of expressing their opinions, and were used to following orders from their owners. Younger successors want to communicate and shape the company culture, but the employee generation gap involves family members and non-family employees. Younger successors want to prove their influence, but they are also hindered by the fact that it is difficult to establish credibility in a short period of time.

Digital transformation was another topic what was mentioned by the interviewees. It is a part of the traditional enterprise towards intelligence and information technology, and it is also an important step to upgrade the business model. And younger successors want to achieve digital transformation, but also have to consider the internal staff skills upgrading training and staff acceptance. In the fierce industry competition, the old business model needs to adapt to the new market changes and competition, accelerate the innovation of business model is younger successors challenge is also the challenge and opportunity for the development of the company, younger successos need to have the ability of strategic planning and keen market insight ability.

5.2 Recommendations

Based on the research, it found that the younger generation of successors encountered many challenges and difficulties in the process of keeping their businesses. The study therefore makes the following recommendations and countermeasures, which are set out below in the areas of intergenerational succession leadership, internal management and business development in family businesses.

According to the interviews, the younger successors expressed their gratitude to their parents for providing a wealth of educational and training resources to enable the young successors to understand all aspects of the company, including management, production, marketing, financial management, human resource management and customer service. Parents also helped them understand industry trends and market changes, and how to respond and adapt to changes. Older generation owners involve their successors in the company's decision-making process, empowering them to deal with issues independently and helping them to be creative so that they can better lead the company in the future. This helps them to be creative and to lead the company in the future. The young successors also mention seeking support and guidance from the older employees and management of the family business as appropriate, as they provide valuable advice and suggestions to the younger generation as they take over the business, helping them to better understand the way the business works and the areas in which it operates.

While both the younger successors and their parents are very focused on the success and growth of the family business, they may have different core values. For example, younger successors may be more focused on the social responsibility and sustainability of the business, while older generation owners may be more concerned with the profitability and market share of the business in that era. As the younger successors are educated and trained in modern business management, their work ethics may not be fully aligned with the views of the older generation owner. For example, younger successors are more concerned with fairness when it comes to business management, while older generation owners may be more inclined to take a more conservative approach to certain decisions. The underlying reason for this is that the two generations grew up in different times and environments, and communication styles may also differ, with younger successors focusing more on direct and diverse communication styles, while older generation owners prefer traditional, moderate communication styles. Younger successors believe that building a good corporate culture will stimulate the creativity of employees and help the company to stand out from the competition. Therefore, younger successors will stick to the positive and progressive corporate culture established by their parents and also make changes such as placing emphasis on staff development and providing staff training to help them improve their skills and knowledge and provide more talent security for the company's growth.

The younger successor respondents said they would focus more on the innovative development of the company, exploring new directions and business areas based on the heritage of the company; they would also focus on building long-term partnerships with suppliers, customers, employees and society to jointly maximize the development and benefits of the company. The younger successor from the year onwards has also expressed a desire to clarify the company's vision and goals to become a well-known brand in the industry, to attract more consumers and investors, and to enhance the company's brand value and market position. They are also committed to providing high quality services to gain the trust and loyalty of consumers and thus achieve sustained growth and profitability. The younger successors is motivated by the need to continue the family business legacy, to achieve long-term sound growth, to enhance the influence and reputation of the family business, to create better working and living conditions for employees, and to provide high quality products and services to customers.

The young successors believe that the biggest challenge may be to balance the differences between traditional values and modern business practices. While the traditional values and experiences of family businesses are valuable, there is also a need to draw on and apply modern business practices and technologies in a modern business environment to better respond to market challenges and opportunities. The younger generation of successors will therefore need to find a balanced approach that can respect the traditions of the family business, while at the same time positively driving the growth and change of the company. As successors, they will also need to face other challenges, such as attracting and retaining good employees and dealing with the complexities of relationships within the family. These require a certain level of leadership, strategic vision and team management skills, as well as the need to constantly learn and improve their abilities and qualities. The younger successors are advised to develop long-term strategies and goals in order to keep the company grounded and growing in the marketplace. An in-depth understanding of markets, products and customer needs is required, along with the development of appropriate marketing and sales strategies and the establishment of strong R&D and production teams. It is also necessary to establish an efficient organisational structure and management system to keep the company running efficiently. Appropriate organisational structures and management systems need to be established to ensure coordination between departments and functions. And as the heir to a family business, dealing with family relations is a key challenge. The younger successors sees the need for a fair, transparent and effective decision-making mechanism to avoid strife and conflict due to family ties. There is also a need to actively listen to the voices and feedback of family members and to build mutual trust and good relationships with them in order to promote the growth and prosperity of the family business.

The younger successors will need to be equipped to deal with the pressures and challenges of a highly competitive marketplace, including the ability to develop effective coping strategies, improved decision-making skills, and the ability to adapt and change quickly. The younger successors gave several tips for inheriting a family business as below.

- Understand own family business: Before taking over the family business, learn about the history, culture, products, customers and suppliers, and build up knowledge base.
- Learn about management: learn about business management, including human resource management, financial management, marketing management, strategic management and other aspects. This can be done by reading books, attending training courses and consulting professionals.
- Establish own leadership style: Although younger successors can learn a lot from their father, as an heir, they also need to establish their own leadership style based on their own personality and characteristics.

5.2.1 Innovation of corporate culture to stimulate the potential of employees

The author encourages younger successors to receive relevant training as a decision-maker, not just as a manager, but also with entrepreneurial spirit and technical skills. The author also recommends that younger successors receive education and training on the latest industry trends and business management knowledge, including marketing, sales, human resource management and financial management. Secondly, younger successors should refine and develop the corporate culture, develop effective strategic and financial plans, handle employee and supplier partnerships, and build knowledge and skills in handling customer relations in the course of business management. Finally, actively seek the support and guidance of the older generation in the family business, who have a wealth of experience and can provide valuable advice and suggestions to help the younger successor better understand how the business operates and what areas it operates in.

As the successor to the company, the younger successors grow up with a deep understanding of their parents' original vision and mission. The younger generation of successors is expected to pass on the culture and values of the family business in order to maintain the stability and continuity of the business. Building on the legacy of the business, new directions and business areas are explored, and products and services are innovated and upgraded to meet the needs of consumers and changes in the market. As the younger successors grew up in a different era and environment from their parents, communication styles may differ. Younger successors focus more on direct and diverse ways of communication, by passing on and sharing the company's culture, communicating with employees, listening to their ideas and encouraging them to build the corporate culture together. A good corporate culture stimulates the potential of employees and helps the company to stand out from the competition. Younger successors should therefore build a positive corporate culture which presupposes that the personal values of employees are also taken into account. For example, they should focus on employee development, providing training and career planning to help employees improve their skills and knowledge and provide the company with more talent.

Given that each generation grows up in a different historical era, it is normal for people from different generations to display a variety of different characteristics and different ways of thinking. In such cases, the successor of the younger generation must first prove that you can accept the uniqueness and differences of people. And recognises that each generation contributes unique knowledge and skills to the business. Only then will you be able to build prestige and trust and gain the support and following of your employees when you take over the business.

5.2.2 Manage employee generation gap

As a company's leaders, the younger successors should keep an open mind to the age differences of their employees. Even if the younger successors grew up in different generations and have different ways of thinking and characteristics that may make the younger successors feel the generation gap and cultural differences, these differences should not be viewed negatively. Firstly, young successors should learn to respect and appreciate the experience and knowledge of older generation employees, especially in terms of company history and culture. Younger successors should also learn to build good communication and trust with older generation employees, to understand their opinions and perspectives as much as possible and to make decisions together with them. Secondly, help older generation employees to work alongside younger employees, helping them to understand the experience and knowledge of older employees and facilitating cross-generational communication and cooperation. Insist on fairness and transparency in the management process to ensure that both older and younger employees have the opportunity to contribute to the company and are rewarded for their efforts.

Younger successors need to show not only an appreciation of people's individuality and differences. There also needs to be regular communication, even if different generations have developed different approaches to the workplace. It is important not to assume that these differences are fundamentally undesirable and that employees should be encouraged to express themselves more and share their experiences, with the aim of facilitating knowledge transfer, as each generation contributes something different. Also, the older generation employee of a family business have an in-depth knowledge of the company's history, operations and customers. Conversely, the younger employees introduces new perspectives, adapts to a changing industry and seeks to expand the company's reach. It is therefore essential that the knowledge or skills of the older generation employees are passed on. This is why it is essential to establish effective communication channels. As decision-makers in the company, the younger successors must maintain a neutral attitude and guide the company's employees in their communication and exchanges.

Younger successors therefore adopt a more open and egalitarian approach to management, encouraging employees to communicate directly with each other and giving full attention to their initiative.

5.2.3 Implementation of clear and uniform corporate systems

As a younger generation heir, younger successor must have a certain level of leadership, strategic vision and team management skills, as well as continuous learning in order to improve his or her ability to manage the company. And as the company's decision-maker, the younger successor needs to attract and retain good employees as well as manage the complex relationships within the family. To do this, the younger successor needs to establish a fair, transparent and effective decision-making mechanism and to ensure that all employees adhere to the company's rules and regulations.

The younger successor reduces employee turnover in the company by establishing a fair, transparent and effective decision-making mechanism. This starts by establishing a system of accountability, with clear rewards and punishments and timely feedback to motivate employees. At the same time, different employees are rewarded, praised, encouraged or punished for their performance (e.g. bonuses for meeting sales quotas or pay deductions for absenteeism). If employees fail to perform, they will be dealt with in accordance with the rules. Secondly, younger successors need to treat family members and non-family employees fairly by communicating with family members so that they can be role models and not ignore company rules and regulations just because they are family members. Lastly, younger successors need to listen to non-family employees, make them feel part of the company, encourage them to communicate with non-family employees and develop a sense of ownership.

Through these measures, the younger successor can build a united, stable and sustainable business and thus achieve long-term growth for the family business.

5.2.4 Develop a long-term and short-term development plan

Based on the interviewees' new ideas and plans for established business models, it is shown that in most industries it is essential to revise business plans at least once every few years. Therefore, in order to stimulate growth and address the unique challenges faced by family businesses, the younger generation of successors will need to have not only unique strategic insight in governing their companies, as well as a constant flow of creative and strategic ideas in order for the family business to continue to expand.

The parents gradually delegates authority and responsibility as they train their successor to become an experienced manager. The younger generation wants to continue to expand its external market share in order to achieve greater growth and profitability, to develop new markets and customers, and to improve the company's standards and competitiveness. Based on the interviewees' new ideas and plans for established business models, it is shown that in most industries it is essential to revise business plans at least once every few years. Therefore, in order to stimulate growth and address the unique challenges faced by family businesses, the younger generation of successors will need to have not only unique strategic insight in governing their companies, as well as a constant flow of creative and strategic ideas in order for the family business to continue to expand. Therefore, business development requires the formulation of short-term and long-term plans.

Firstly, short-term plans are aimed at the internal intelligent development of the company, to achieve digital transformation within the company. First, it is necessary to formulate training plans for both new and old employees to improve their digital skills and understanding of IT systems. For the new generation of employees, their own digital literacy can be improved through training and by implementing a plan that involves younger employees assisting older ones in learning and improving. To cultivate new skills for older employees, internal training for several weeks and repeated reviews can be used to help them adapt to digital transformation. For example, constructing an internal order management system and warehouse management system can achieve digital management, improve data accuracy, and work efficiency. Younger employees can also share and summarize their experience in using new paperless systems with older employees, ask older employees about the problems they encounter, proactively help them solve doubts, and teach them how to operate. In this process, employees can deepen their work friendship through communication and exchange, allowing them to work more harmoniously in the future. The implementation of this plan is also conducive to the company's management of employees, consolidates the company's culture, and achieves the digital transformation of the family business in response to the development of the times. Based on short-term implementation, digital transformation is a long-term process that requires continuous improvement through continuous practice.

Secondly, the long-term plan is to shift old business models to new business models, to industrialise and upgrade. The younger generation can identify new business areas through market research and competitor analysis. In this process, the family business's core competencies and competitive advantages should be taken into account, as well as optimising the supply chain in order to find a suitable new business area. Having identified a new business area, the family business needs to invest in research and development markets, machinery, equipment, technological upgrades etc. in order to develop new products, offer new services and implement new uses of technology. As a result, family businesses can increase their market share through innovation. It is also possible to attract new customers by introducing new brands and products. In order to industrialise and upgrade, family businesses also need to recruit people with the relevant skills and knowledge. At the same time, training and development opportunities are offered to existing employees to enhance their skills and capabilities in conjunction with the short-term plans mentioned above. With the above recommendations, companies can make the transition from the old business model to a new one, achieve industrialisation and upgrade, and improve their competitiveness and market position.

5.3 Limitations of the study

Despite the growing literature on family business, this research was conducted to only 7 respondents in a qualitative method. there is a lack of empirical research on the effectiveness of implementing solutions to address the unique problems of family business. There is also a need to investigate the impact of inter-generational succession on firm development and the most effective ways to deal with these issues to ensure that firms do not fall into crisis. Not only, younger generation successors have to face the obstacles and challenges of inter-generational succession leadership and the most effective ways to deal with these issues to ensure a smooth transfer of power. And, more research is needed to understand the impact of organizational culture on improving the profitability of family businesses.

5.4 Further research suggestions

There are limitations on the time frame and length of the case study. The questionnaire survey is limited by the subjectivity of the interviewees, and this paper makes targeted recommendations based on the interview results. Therefore, if further research on intergenerational family business succession poses more challenges to the younger generation of successors and businesses, multiple interactions with respondents over a long period of time are needed because the problems encountered by stage companies are not identical. If further research on family business succession to younger generation successors managing family businesses typical common problems, this needs to be supported by a larger sample.

REFERENCES

Aronoff, C. E., McClure, S. L., & Ward, J. L. (1993). *Family business compensation*. Marietta: Business Owner Resources.

Atwood, C. (2020). *Succession planning basics*. American Society for Training and Development.

Babikian, M. M. (2006). All in the family: family dynamics and successful business succession planning. *Glendale L. Rev.*, *20*, 1.

Barach, J. A., & Ganitsky, J. B. (1995). Successful succession in family business. *Family business review*, *8*(2), 131-155.

Bryant, S. (2009). The generational transition in family businesses: Issues and challenges. Family Business Review, 22(4), 280-301.

Dixit, S., Singh, S., Dhir, S., & Dhir, S. (2021). Antecedents of strategic thinking and its impact on competitive advantage. *Journal of Indian Business Research*, *13*(4), 437-458.

Drucker, P. (2014). *Innovation and entrepreneurship*. Routledge.

Fendri, C., & Nguyen, P. (2019). Secrets of succession: how one family business reached the ninth generation. *Journal of Business Strategy*, *40*(5), 12-20.

Handler, W. C. (1990). Succession in family firms: A mutual role adjustment between entrepreneur and next-generation family members. *Entrepreneurship theory and practice*, *15*(1), 37-52.

Lansberg, I. (1999). *Succeeding generations: Realizing the dream of families in business*. Harvard Business Review Press.

Leiß, G., & Zehrer, A. (2018). Intergenerational communication in family firm succession. Journal of Family Business Management.

Magnadi, R. H., Perdhana, M. S., & Raharjo, S. T. (2021). CHARACTERISTICS OF FAMILY BUSINESS SUCCESSION IN BATIK INDUSTRY. *Journal of Management Information & Decision Sciences*, *24*(2).

Magrelli, V., Rovelli, P., Benedetti, C., Überbacher, R., & De Massis, A. (2022). Generations in family business: a multifield review and future research agenda. *Family Business Review*, *35*(1), 15-44.

Miller, D., Le Breton-Miller, I., Lester, R. H., & Cannella Jr, A. A. (2007). Are family firms really superior performers?. *Journal of corporate finance*, *13*(5), 829-858.

Pratono, A. H., & Han, L. (2022). From family business orientation to organisational citizenship behaviour: prosocial behaviour in family business performance. *Journal of Family Business Management*, *12*(4), 923-937.

Sabah, S., Carsrud, A. L., & Kocak, A. (2014). The impact of cultural openness, religion, and nationalism on entrepreneurial intensity: Six prototypical cases of Turkish family firms. Journal of Small Business Management, 52(2), 306-324.

Sasaki, I., Kotlar, J., Ravasi, D., & Vaara, E. (2020). Dealing with revered past: Historical identity statements and strategic change in Japanese family firms. *Strategic Management Journal*, *41*(3), 590-623.

Soluk, J., & Kammerlander, N. (2021). Digital transformation in family-owned Mittelstand firms: A dynamic capabilities perspective. *European Journal of Information Systems*, *30*(6), 676-711.

Sonnenfeld, J. A., & Spence, P. L. (1989). The parting patriarch of a family firm. *Family Business Review*, *2*(4), 355-375.

Ward, J. L. (1997). Growing the family business: Special challenges and best practices. *Family business review*, *10*(4), 323-337.

Zahra, S. A., Hayton, J. C., Neubaum, D. O., Dibrell, C., & Craig, J. (2008). Culture of family commitment and strategic flexibility: The moderating effect of stewardship. *Entrepreneurship theory and practice*, *32*(6), 1035-1054.