
OWNER FAMILY AND BUSINESS SUCCESSION IN FAMILY OWNED COMPANIES

Chamaru DE ALWIS

Department of Human Recourse Management,
University of Kelaniya, Kelaniya, Sri Lanka

Abstract

The foremost purpose of this research was to evaluate the level of influence coming from owner family on business succession processes in various successor modes. The targeted population was selected were the successors of family owned businesses that contain between 50 and 149 employees and who were involved in a business succession process within the last 10 years. Sample units were selected through simple random sampling method and consist of 128 units. The main data collection modes were a structured research questionnaire mail-out, and also in-depth discussions held on successors. All factors have a positive relationship to Initial satisfaction in Business Succession Process. However, the relatively important factor is family harmony. When succession is conducted with family member successors, the most important factor for success is family harmony. In practice business succession process encourages stakeholders to work for higher levels of satisfaction for the successor. Furthermore, the study recognizes Unrelated Manager Successor as a suitable alternative succession mode for family owned business.

Keywords: *Owner Family, Business Succession, Satisfaction, business Performance*

JEL Classification: L21, L26, L1

Background of the Study

When the incumbent is getting close to retirement, the Family Owned Business (FOB) and the owner-family is in a dilemma about the new successor appointment, and the success after the new appointment. If this process fails, that occurs just occasionally, it is the biggest loss in the entire life of the business entity. It is clearly not a regular incident in these generic types of businesses. Succession in FOB usually means one generation handing management to the next generation. If one or few families have the majority of ownership and the controlling power of the company, then simply it can be identified as a FOB (Shanker and Astrachan, 1996). Astrachan et al (2002) developed a new model for assessing to what extent family influence has on business organizations, using three dimensional powers, experience, and culture. Klein et al (2005), developed another scale named "F-PEC" to measure family influence on power, experience, and culture within a firm. Chrisman et al (2003), defined FOBs based on "familiness" which is current and next generation business control of a firm. Carsrud (1994), defined FOBs as when "A firm's ownership and policymaking are dominated by members of an 'emotional kinship group' whether

members of that group recognize the fact or not." Globally, FOBs are the prevalent form of business organizations, and they represent 60% to 75% of all worldwide enterprises - from the most developed countries to developing countries. However according to Ward (1987); Davis and Harveston (1998); and Kets de Vries (1993) "only 30% of FOB survive into the second generation, and 15% survive into the third generation." As per Miller et al (2003) poor Business Succession Process (BSP) is the central cause for this and factor behind this failure is stakeholders influence is one of the factor to the unsuccessful BSP. Successor, Incumbent and Owner family are the most influential stakeholders for the succession process (De Alwis, 2012).

As a group, family members are the most important internal stakeholders in FOBs because the successor must continually deal with families in financial and social transactions (Sharma et al., 2001) throughout succession process and after. Therefore successful continuation of the business, family managers must accept each other's role, and if they reject the successor, it hurts to the entire BSP. If owner-family act against the BSP, it will block the entire process of the BSP (De Massis et al., 2008; Lansberg, 1983). The challenges running the business for the successor are somewhat complex, especially when family members have different expectations for what they must do for the FOB. For instance, some family members may be directly involved with the FOB, and some not. However, all of them may have hidden or open expectations of goals for the FOB. The worst situation happens when the successor cannot accomplish those expectations from other family members, and then family members will go against the BSP as well as the successor. This encourage to appoint an outsider as a successor. Therefore their commitment, trust and agreement to work is very important for a successful BSP. Churchill and Hatten, (1987) believed that family harmony helps the succession process be successful because it brings great trust and mutual understanding among participants (Dyer, 1986 and Handler, 1990). Malone (1989) included mutual respect, trust, understanding among family members, and the presence of open lines of communication as the main features to help family harmony. This brings a shared vision for their future (Sharma, 2001). Further, Morris et al. (1997) confirmed that the quality of family relationships is a reliable indicator of whether a BSP will be successful, more reliable than either succession planning or preparing heirs. If there is family disharmony, it will badly affect the business such as discontinuing business involvement, put family stakes into jeopardy, and cause stakeholder powers to be dysfunctional. Those badly affected must still attempt to successfully continue on with the business. If the family chooses not to continue the FOB, the BSP cannot be seen to implement this decision. In some instances, children of the owner do not have any interest to join the FOB due to various reasons because family relationships are complex and people conflict with each other, which then damages the continuity of the business.

According to research findings, FOBs give foremost preference to hand over the business to family members because their ambition is to preserve family company ownership. To achieve this, they transfer management and control to the next generation (Morris et al., 1997; Lansberg, 1999), without considering the level of competence of the successor. The leading argument for this generational succession is the belief that family members can gather social capital, resources and specific knowledge on running the firm in a more efficient and profitable manner (Bjuggren and Sund, 2001). According to Davis et al (1997) "the family successor could perform better than other managers because they are exposed to higher non-monetary rewards associated with the firms' success that other successors do not share." They further argue "to get solid, specific knowledge and high levels of trust from key

stakeholders is very difficult to outsiders.” However due to the failures with family successor, BSPs have gone beyond that stage by considering alternative succession modes, not for family control but for the survival of the organization as a FOB. Nelton (1997) expressed that “families are now starting to recognize that it is not the end of the family enterprise if you bring in a non-family executive to lead the firm”. In other words, at present there is a trend to be a FOB as a “family owned - non-family managed” model, not as a “family owned-family managed” model. Therefore, the business succession process of FOBs is better defined as “the passing of the leadership baton from the founder/owner or incumbent owner to a competent successor, who will be either a Family Member Successor (FMS) or a non-family Unrelated Manager Successor (UMS) (De Alwis, 2011).” This paper defined FMS as “individuals who have a relationship with the incumbent and family by blood or by law (De Alwis 2012).” In general, the transition will come from generation to generation, but sometimes, due to the unavailability of blood relations; there is consideration given to whether the business should be handed over to more distant, legally binding relations. Thus, this study considers both types of successors. The adoption of UMS signifies the separation of ownership and control, or at least it dilutes the family control in the actual management of the business. Under these circumstances, the UMS is defined in this paper as “an individual who takes full charge of the day-to-day operations while retreating to the board of directors to assume advisory and supervising duties (De Alwis 2012).”

A successful changeover is extremely dependant on two foremost decisions. The first one is choosing the appropriate successor, and the second one is managing influential factors so as to maximise successor satisfaction because this directly affects PSP of the business unit. Under these circumstances, the author was in a conceptual puzzle: What are the family related factors influencing successful business succession process, and so on. Finally, this motivated the author to conduct empirical study to investigate that question.

Research Problem

As explained previously, BSPs of FOBs have become a serious issue for the longevity of this business entity. Therefore, there is a high tendency among researchers and practitioners to find feasible solutions to this succession issue, however in FOB literature; no one has researched owner family influences under the same conditions with different succession alternatives. This study aims to develop an understanding of this phenomenon, identified in the previous section. Hence, the research problem can be stated as follows: “What are the influences from owner family members on a successful business succession of a family owned business in generally and under alternative type of succession modes? How is the influence different with each type of succession mode?” The aim of this study is to examine the influence of owner family member’s related factors to the success of the BSP under different succession modes.

Therefore, the objective is:

To compare influences from owner family relevant factors of the BSP with different successor modes: family members and non-family unrelated managers.

Methodology

Conceptual framework

This conceptual framework has identified family related factors of the BSP as the independent variables and the Post Succession Business Performance (PSBP) and Initial Satisfaction on Business Succession Process (ISBSP) as dependent variables of the study.

Independent variables

- Family Harmony

The factors carrying a high level of influence on the BSP include family members' commitments to the business (Dyck et al., 2002); their trust in the successor's capabilities (Dyck et al., 2002; Sharma, 1997; Sharma et al., 2001); and their mutual agreement to accept the new successor and continue the business (Sharma et al., 2003). Churchill and Hatten (1987); Dyer (1986); Handler (1990) all identified the combination of these qualities as increasing family harmony, and this generates a shared vision for every participant (Sharma et al., 2001). This study defines family harmony as "the level of trust, commitment to business and mutual agreement among family members." Therefore, this study was measured "family harmony" through three indicators: "trust, commitment to the business", and "mutual agreement."

- Willingness to support succession process

According to Tagiuri and Davis (1992), "an overlapping and interdependent relationship can be seen between the FOB, the owners of the business, and the family that controls the business." If family members are not committed to the succession, it blocks the opportunity to demonstrate the requisite management abilities of the successor (De Massis et al., 2008). Moreover, most frequently, family members are more willing to offer higher positions to their relatives than to outsiders. In addition, they should be very willing to share their knowledge and portfolio of professional capabilities with relatives. However, in some instances, family members that hold important roles in the company may threaten to leave the company because of dissatisfaction with the selection. Under this background, this study defines family member's willingness to the successor as "how much family members conform to the selection of the successor" and the study was measured it through two indicators: "sharing knowledge freely among members", and "continuing the family role of doing business without any disconnection."

- Family involvement to the management

Generally, the director of the board of any type of company is consisted the owners of the entity. It is not dissimilar with FOBs, and based on the level of ownership, family members take positions on the board of directors. If the business is totally owned by one company, on most occasions, the entire board is represented solely by family members. If a high percentage of family members are in executive positions, they have the power of decision making. In other words, without interference, they

can decide the future direction of the company. This study defines family involvement in management as “family member’s active contribution toward decision making”. Therefore this study was measured this through two indicators: “expert evaluation vs. criticism of successor’s decisions”, and “the supportive role of being members of the board”.

Dependent variables

- Satisfaction

There is no definite agreement among researchers about what contributes to the successfulness or effectiveness of BSP in FOB. Some researchers suggest “satisfaction of the BSP from the incumbent, the successor and other family members, as the indicator of the perceived success” (Cabrera-Suárez et al., 2001; Dyer, 1986). Sharma et al.(2003) employed this performance indicator for their research on “predictors of satisfaction with the succession process in family firms.” Under this study framework however, this study has collected data from FOBs who had their BSP within the period from 2000 to 2013. Therefore, it has failed to collect data from incumbents and their family members. Therefore, this study has come to the decision to measure ISBSP of the successors of various business units. This study defines ISBSP as “perceived satisfaction of succession before post succession FOB performance is accurately known.”

- Business Performance

Apart from that, others have used “successors’ ability to keep the FOB healthy” as the measurement to appraise the business unit. Venter et al.(2005) and Sharma and Irving (2005) express the perceived success of the BSP is determined by the extent of satisfaction with the process and continued profitability. This study used Post Succession Business Performance (PSBS) as the second dependent variable. Business performance has several related terms such as business development, and business improvement. Riding (2005) illustrates that business performance can be divided into four categories: financial performance, customer base performance, employee base performance and environmental base performance. Jarvis et al (1996) have revealed in their organizational theories and accounting literature, that profit maximization is the central goal of firms. In that way, some studies have included both objective measures, which are obtained from organizational records (Seashore and Yuchtman, 1967) and subjective measures, which are perceptions collected from organizational members and stakeholders (Campbell, 1977).

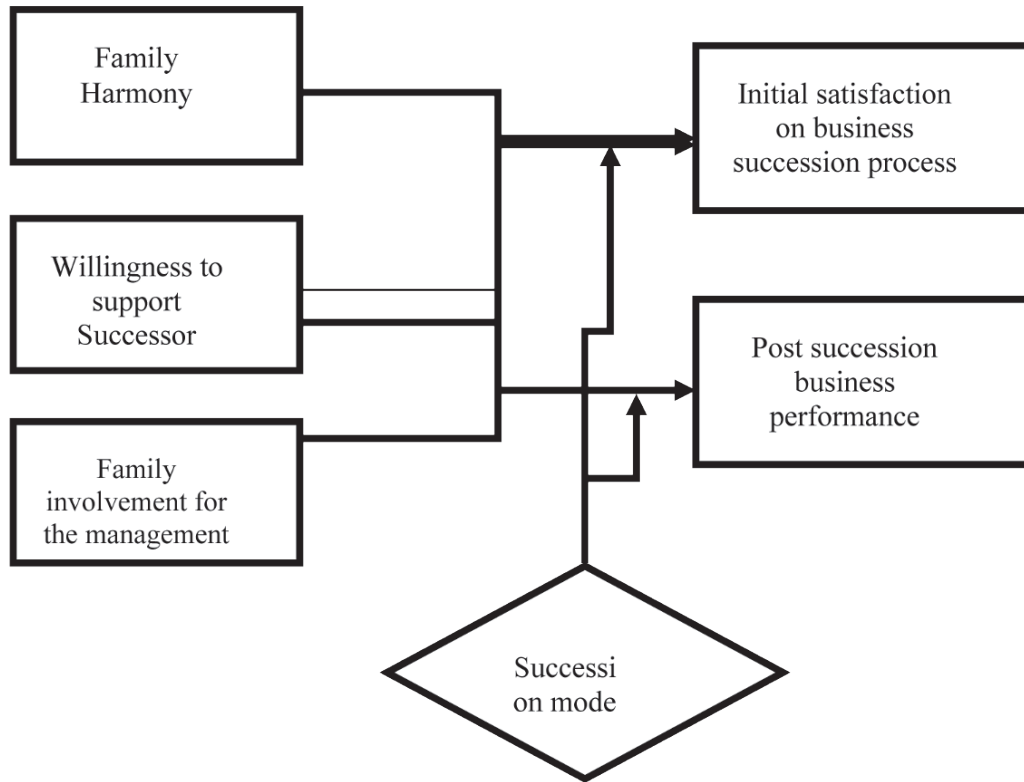
In order to be objective, this study considered financial performance the same as business performance. Furthermore, Zahra (1991) emphasises that growth measures for performance may be more accurate and available than accounting measures of financial performance. Rosemond (n.d) (cited in Etzioni, 1964) has reported that performance should be viewed in relation to one or more goals in an organization, and has suggested percentages to measure performances for businesses. In this context, this author agrees that business performance is a valid indicator for assessing the effectiveness of BSP (Morris et al., 1997; and Goldberg, 1996). Hence, this has been used to compare pre and PSPs of FOBs.

In various literature, relatively few papers endeavour to address this issue empirically, but most attempts focus on the comparison between family and non-family businesses (Daily and Dollinger, 1992) instead of the different modes of successes. Academics and researchers argue that business performance is a multi-dimensional construct (Fitzgerald and Moon, 1996 as cited in Wang et al., 2004). There are two highly recognise business performance modes for the evaluations named: the European Foundation Quality Management model and the American Malcolm Baldrige National Quality Award model. These provide a comprehensive framework that assesses companies directly and compares them with others. However, these two models are only highly appropriate for large-size companies and not medium and small sized organizations (Wang et al., 2004).

Financial outcomes enable managers and business owners to make decisions and plan business development (Jenkins, 1995 as cited in Wang et al., 2004). Financial outcomes are broadly utilized in the SME and entrepreneurship literature (Morris et al., 1997). However, there is broad agreement that no one single financial indicator can accurately and comprehensively capture business performance, particularly in the scope of small firms (Daily and Dollinger, 1992). Taking this into consideration, it is preferable to devise a multiple measure of financial performance and interpret the results based on one indicator in conjunction with other indicators. This study used business performance as a second dependent variable.

There are a number of performance evaluation tools available for profit-oriented organizations. Most of these techniques directly relate to the financial performance of the organization. "Profitability" and "management efficiency" are the indicators commonly used. Return on Equity (ROE), Return on Sales (ROS), Return on Assets (ROA) and Earnings per Share (EPS) are some common examples of profitability indicators. After considering the study population, this study expected to use Average Returns on Assets (ROA) and Average Returns on Sales (ROS). Handler (1989) and Morris et al. (1997) also mention that "success has two interactive dimensions: satisfaction with the process and the effectiveness of succession." Chrisman et al. (2005) express the importance of family relations and the effectiveness of the business entity, and they identified two perspectives to measure the success of the process: business performance and family harmony, and named these as "two pillars for family firm performance." The author agrees with Cabrera-Suarez et al. (2001); Dyer (1986); Handler (1990); Morris et al. (1997); Sharma et al. (2001) and they believe that the success of the BSP is defined as "the subsequent positive performance of the firm, the ultimate viability of the business and the satisfaction of stakeholders with the succession process." At last, a conceptual argument can be brought toward as an interactive relationship between these two dimensions of success in the BSP of FOB. According to Sharma et al. (2001) "...performance may also alter family member's satisfaction with the succession process even in the absence of any changes in the relationships among family members."

Chart 1: Conceptual Framework



Source: Designed by the author based on exploratory study

In order to be subjective, further, this study considered to use a scale to measure successor's perception about business performance. For that, this study used scale named "the perceived success of the succession process" developed by Venter et al in 2005.

Hypothesis of the Study

Alternative hypothesis (H1.a1): Family harmony significantly correlates with the ISBSP.

$$H_{1.a1} : P_{FHAR2SSP} \neq 0$$

Where:

FHAR2SSP = Family harmony influences to the level of initial satisfaction business succession process

Alternative hypothesis (H1.b2): Family harmony significantly correlates with PSBP.

$$H_{1.a2} : P_{FHAR2BP} \neq 0$$

Where:

FHAR2BP = Family harmony influences to the PSBP.

Alternative hypothesis (H2.b1): Family member's willingness to support successors significantly correlate with the ISBSP.

$$H_{2.b1} : P_{FSUP2SSP} \neq 0$$

Where:

FSUP2SSP = Family members' willingness to support the successor influences to the level ISBSP.

Alternative hypothesis (H2.b2): Family members' willingness to support the successor significantly correlates with PSBP.

$$H_{2.b2} : P_{FSUP2BP} \neq 0$$

Where:

FSUP2BP = Family members' willingness to support the successor influences to the PSBP

Alternative hypothesis (H3.c1): Family involvement in management significantly correlates with the ISBSP.

$$H_{3.c1} : P_{FMGT2SSP} \neq 0$$

Where:

FMGT2SSP = Family involvement in management influences to the level of ISBSP.

Alternative hypothesis (H3.c2): Family involvement in management significantly correlates with the PSBP.

$$H_{3.c2} : P_{FMGT2BP} \neq 0$$

Where:

FMGT2BP = Family involvement in management influences to the PSBP.

Sample Design

This study screened the population of "FOBs that have done their BSP within the period from 2000 to 2010". Under these circumstances it assumes that memories of the BSP are relatively fresh in the minds of the successors and that their responses will be accurate. Due to a national database for screening being unavailable, SME database was used because according to the literature, the majority of SMEs are FOBs (Commission, 2006). Author preferred to use only the "number of employees" for identifying FOB units for their study. According to Sumanasena (n.d) "The most common categorization based on employees in Sri Lanka is 4 to 49 employees for small-scale enterprises, 50 to 149 for medium scale enterprises and more than 149 employees for the large scale."

Thus, for this study, the population is defined based on the following criterion: The sample unit must fit into the aforementioned definition; the SME has had a succession within the period 2007 to 2013; a FMS or an UMS has been appointed to the top executive senior position (CEO/ Chairman). The database managed by the National Chamber of Commerce in Sri Lanka used to distinguish FOBs from SMEs. For selecting sample units, the following procedure has been applied.

A structured research questionnaire that has developed by combining with universal accepted scales and author developed scales. This questionnaire was basically divided into two sections by considering the following objectives: Section 1 designed to collect demographic information about FOBs. This section also helped collect data on pre and post business performance. Owner family related factors were measured by the scales originally developed by the author based on the exploratory study. In addition to the financial data, the study used Venter et al.(2005) "the perceived success of the succession process" scales for collecting business performance information subjectively. The original alpha values for this scale was 0.84. Initial

satisfaction with the succession process was measured through the scale developed by Sharma et al.(2003). This instrument was constructed by 12 statements which were equally weighted. Every independent variable was also a construct calculated as an equally weighted average of the relevant indicators. The original alpha values for this scale was 0.93.

This study utilized postal and electronic mail surveys simultaneously as the data collation method. The questionnaire was sent with a covering letter and return-paid envelope to ensure it was convenient for the respondents to submit their information. The first reminder was sent three weeks after the initial mailing and the second reminder was sent after six weeks. In addition, selected FOBs were personally visited to some selected FOBs in order to get a deeper understanding about their BSPs.

The Bivariate Pearson correlation was used as the statistical tool for measuring hypotheses 1 to 3. Tests of significance for the first above-mentioned hypotheses developed to understand the nature and relationship either positive (+0.1) or negative (-0.1) between independent variables and dependent variables, those were designed on an interval scale and measured by denoting "two tailed." The generally accepted conventional level of significance, denoted by 'sig' or 'p' value is 0.5 in social science researches (Shekaran, 2009). In this study also the degree of correlation was accepted if the variables had a significance of $p \leq 0.5$, which reflected 95 or more times out of 100 make sense of relationship existing among the variables were fallen true.

Reliability and validity

For the pilot survey, 10 successors were selected from the population, and the survey instrument was a structured questionnaire. Each successor took about 20 to 25 minutes to complete the questionnaire after the study objectives were explained. The author directly assisted the respondents to fill in the questionnaire by clarifying instructions and explanations. As a result of the pilot survey, a number of changes were made to improve the clarity of the questionnaire and to improve the construct validity of the questionnaire. This helped to increase the efficiency of the questionnaire and survey data.

Moreover, to test the internal consistency and reliability of the study, it used Cronbach's alpha. The study employed the scales developed by Sharma et al.(2003) and Venter et al.(2005) for the present study. Sharma (2003) and Venter et al (2005) have confirmed that the scales were reliable (Cronbach's alpha values were within the acceptable range). However, these scales were translated to Sinhala and Tamil languages. Therefore, again a reliability analysis was done and all independent and dependent variables were within the acceptable range.

Table 1: Reliability analysis

Construct	Variable	Cronbach's alpha
Family related factors	Family Harmony	.729
	Willingness to support the successor	.766
	Family involvement in the management	.754
Business performances		.821
Initial satisfaction with business succession process		.721

Source: Pilot survey

Data Analysis and Discussion

Family harmony directly influences the family member successor because if the family refuses to accept their appointment, or do not believe in their competence, or do not trust them, then the successor is unable perform well.

Table 2: Family harmony

Hypothesis No.	Relationship	Correlation	M	SD	N	Sig.
H 1.a1	With initial satisfaction (All successors)	.444**	2.99	0.60	128	.000
H 1.a2	With PSP (All successors)	.384**	2.99	0.60	128	.000
H 1.a1	With initial satisfaction (Family successors)	.615**	3.01	.59	86	.000
H 1.a2	With PSP (Family successors)	.443**	3.01	.59	86	.000
H 1.a1	With initial satisfaction (Unrelated successor)	.096	2.95	.62	42	.546
H 1.a2	With PSP (Unrelated successor)	.254	2.95	.62	42	.104

** Denote significance at 1 percent level (2-tailed)

Source: Survey data

In the Sri Lankan context, family harmony and willingness to support the successor have not become strong issues because they are highly emphasis collectivism. Individuals are not working for their own self-esteem. They highly concern about people around him. Under this background, that family harmony and willingness to support a successor do not have identified as a big issue. In cases of UMSs, most families have taken the decision to appoint them due to a serious lack of alternatives within the family, and therefore they must learn to trust an outsider and give their commitment to their role in order to encourage maximum results.

- Willingness to support the new successor

Table 3: Willingness to support successor

Hypothesis No.	Relationship	Correlation	M	SD	N	Sig.
H2.b1	With initial satisfaction (All successors)	.371**	2.87	0.54	128	.000
H2.b2	With PSP (All successors)	.129	2.87	0.54	128	.146
H2.b1	With initial satisfaction (Family successors)	.446**	2.84	.52	86	.000
H2.b2	With PSP (Family successors)	.241**	2.84	.52	86	.025
H2.b1	With initial satisfaction (Unrelated successor)	.135	2.94	.55	42	.395
H2.b2	With PSP (Unrelated successor)	.064	2.94	.55	42	.689

** Denote significance at 1 percent level (2-tailed)

Source: Survey data

Willingness to support the new successor is statistically significant with the ISBSP, but there is no statistically significant relationship with the PSP for all successors. If family members are not content with the new appointment, they have the opportunity to work against successor and his appointment. In Sri Lankan culture though, in most families, the eldest son has more appreciation than any other family members and it is second only to respect for the father. Most of the time, the eldest son is directly involved in decision-making at home when the father is absent. Sometimes the father discusses issues with the son before making a decision. He has sacrificed lots of resources such as time and money in order other family members develop. In most cases, the eldest son does not get married until his younger sisters get married. In such a situation, he has automatically become the most powerful member in the family. If the circumstances are like this, then willingness to support the successor is not identified as highly important because family members are generally committed to the business and are happy to follow instructions given by the eldest son.

- Family involvement in management

Table 4: Family involvement for the management

Hypothesis No.	Relationship	Correlation	M	SD	N	Sig.
H3.c1	With initial satisfaction (All successors)	.405**	3.12	0.67	128	.000
H3.c2	With PSP (All successors)	.238**	3.12	0.67	128	.007
H3.c1	With initial satisfaction (Family successors)	.460**	3.04	.62	86	.000
H3.c2	With PSP(Family successors)	.345**	3.04	.62	86	.001
H3.c1	With initial satisfaction (Unrelated successor)	.209	3.29	.75	42	.184
H3.c2	With PSP (Unrelated successor)	.263	3.29	.75	42	.093

** Denote significance at 1 percent level (2-tailed)

Source: Survey data

Family involvement in management positively correlates with the successor's ISBSP and post succession performance under the sample categories of all (combine) and FMS. It is statistically significant with both the Initial satisfaction with business succession process and post succession performance concerning the combine and FMS. The presence of the family in the governance structure of the firm may be another source of strength. Consequently, the high percentage of family members sitting on the board of directors and in executive positions give more decision power to the family because altruism is expected from members toward one another due to kinship obligations.

Table 5: Acceptance and rejection of null hypothesis (influential factors and initial satisfaction about business succession process)

Hypothesis No.	All successors	Family Member Successors	Unrelated managers Successors
H1.a1	Rejected	Rejected	Accepted
H1.a2	Rejected	Rejected	Accepted
H2.b1	Rejected	Rejected	Accepted
H2.b2	Accepted	Accepted	Accepted
H3.c1	Rejected	Rejected	Accepted
H3.c1	Rejected	Rejected	Accepted

Source: Survey data

Conclusion

If family members decrease their commitment to the FOB and their involvement in its activities and/or resign from holding company positions during the business succession process, it shows their unwillingness and dissatisfaction with the new appointment. It could also be a sign of their lack of trust about the business future with the new successor. On the contrary, if family members continue in their positions and are committed to supporting the successor, it shows a willingness and trust with the new appointment. If family members give their undivided support to the new successor, willing to share knowledge without hesitation, to help them during difficult situations, and to stand with the successor to protect the company, then it increases the successor's satisfaction and also increases PSP. Family harmony is the relatively important factors to increase level of satisfaction.

Recommendations for future research

This study presents a generic model to evaluate the relationship between family related influential factors and PSP. However, future research may well focus on confirming these results by analysing a larger sample. Furthermore, research is better conducted in diverse countries which have a dissimilar cultural background. This may be done by dividing the total sample into segments: first generation to second succession, and also second generation to third succession etc...

This model considered only 03 independent variables: three factors related to the family. Researchers though may identify other influential factors relating to each stakeholder by scrutinizing various literatures. They can then include these factors into the research framework and testing process. This model is only based on family concerning the BSP. Additionally, Successor related, incumbent related factors, the succession plan, taxation regulations and mode of legislations can all influence the BSP. It is therefore better to develop a conceptual framework with that all and test the factors influencing the BSP.

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Correspondence address:

Dr. A. Chamaru De Alwis , Senior Lecturer, Department of Human Resource Management, University of Kelaniya, Sri Lanka, dealwisac@gmail.com, chamaru@kln.ac.lk