

**SUCCESSION PLANNING MANAGEMENT (SPM): A
CASE STUDY OF VIETNAMESE FAMILY OWNED
BUSINESS IN AUSTRALIA**

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*Submitted in fulfilment of the requirements for
the degree of
Doctor of Business Administration (DBA)*

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Management
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ABSTRACT

Succession Planning Management (SPM) is the process of management ownership leadership transition from incumbent to successor. SPM is directly related to governance for family owned businesses (FOB's) and an effective succession plan helps to provide a degree of confidence that is necessary for the proper functioning of a market economy. As FOB's contribute some thirty-three percent of the nominal gross domestic product (GDP) to Australia's social and economic environment, effective SPM is clearly an important consideration in ensuring the continuity of the family business structure.

This study reports a case study of succession planning management in eight Vietnamese family owned businesses in Australia. In 1975, people from Vietnam formed the first mass migration of Asian people to Australia and have since established themselves in business, politics and education. This study presents a dynamic conceptualisation of Vietnamese family owned business, illustrating SPM practices in the community as reflective of three rising levels of influence: succession planning, that it is defined initially by the founder's personality and experience, by wider community influences and then by the selection, preparation and the successors elevation to the head of the family business. The successors describe how Vietnamese cultural beliefs shaped their transition into the family business and their efforts to be accepted as a competent choice by the founder, to be accepted as the patriarch of the family, and to be seen in the wider business community as having the same business acumen and social standing as the founder.

The collected research data, identifies *push* and *pull* factors that are linked to contextual, relational and business transition factors and are reorganised into three action orientated themes: *to control*, *to thrive* and *to survive*. These themes contribute to the formulation of a suggested SPM framework for Vietnamese FOB. Finally, the study illustrates SPM transition from the founder (1st generation) to the current generation (2nd) and provides an extension for future research (3rd generation) for SPM in Vietnamese FOB in Australia.

KEYWORDS: Ownership Succession, Leadership Transition, Vietnamese Family owned Businesses, Confucian influences, Succession Planning Management

DECLARATION

I, Gavin John Nicholson, declare that the DBA thesis entitled “*Succession Planning Management (SPM): A Case study of Vietnamese Family owned Business in Australia*” is no more than 65,000 words in length including quotes and exclusive of tables, figures, appendices, bibliography, references and footnotes. This thesis contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this thesis is my own work”.

Signature: *Gavin Nicholson*

Date: *27 April 2018*

ACKNOWLEDGEMENTS

The journey to complete this thesis started many years ago prior to even completing my Master of Business Management. My childhood years and family life were extremely fractured; I lacked self-confidence and the stability to study. My education really started when I joined the Australian Regular Army, where I was extremely lucky to meet people who instilled leadership skills and the drive to be the best that I could. The life lessons I learnt in the Army family went with me to the New South Wales Police where, once again, I was lucky to meet people who took an active interest in me. They shared their professional knowledge and also imparted the elements that it took to be a good person. Through life's ups and downs it has always been either ex-Military or Police that have inspired me to rise above disappointment, remain resilient and complete journey's no matter how hard the road ahead was. My resilience to get through life's ups and downs and desire to complete this journey helped me through the dark days of this thesis and kept me going even when I doubted myself.

I would like firstly to thank staff of Victoria University who have been extremely kind to me. The University provided me with the opportunity to complete the DBA which has led to teaching opportunities in Melbourne, Sydney, Malaysia and the Skema International Business School in China. The assistance and kindness of Dr Michelle Fong and Dr Jo Vu has not been forgotten and I am very grateful. I would like to thank Dr Joe Griffin who I greatly respect. He has not only supervised me during this thesis but, when I was having difficulties with work and financial income he provided wise advice and took a personal interest in my situation. With my Military and Police background it is not surprising that fate also led me to Dr Keith Thomas (Lieutenant Colonel Thomas BM in another life). I don't think I have the words that are fitting to describe my respect for Keith, what I have learnt from him and the opportunity he has given me has changed my life. Without his guidance and support I would not have been able to complete this journey.

PUBLICATIONS – CONFERENCE PAPERS

British Academy of Management Conference 2015:

Succession Planning: A Cross – Cultural study of Vietnamese family owned business in Australia. (Nicholson G, Thomas K, and Griffin, J)

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LIST OF ABBREVIATIONS

ABS	Australian Bureau of Statistics
Cth.	Commonwealth
GDP	Gross Domestic Product
FOB	Family Owned Business
GLOBE'	Global Leadership and Organisational Behaviour Effectiveness
MGI	MGI Parkinson Consulting
MNE	Multi National Enterprise
RBV	Resource Based View
RMIT	Royal Melbourne Institute of Technology (University)
SME	Small to Medium Enterprise
SPM	Succession Planning Management
RO	Research Objective
RQ	Research Question

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CHAPTER 1 - SUCCESSION PLANNING MANAGEMENT: STUDY OVERVIEW

1.1 Introduction

Succession planning is the process of management ownership and leadership transition from incumbent to successor. Succession planning management (SPM), involves the identification and preparation of potential successors, to assume leadership roles of a business (Garman and Glawe 2004). SPM is directly related to governance for family owned (small to medium sized) businesses (FOBs). However, this is not exactly how the process is interpreted in a Vietnamese family and cultural context (Miller et al 2013). In fact, as Miller et al (2013) report, the full succession planning process may be too rigid, and does not appear to align readily with Vietnamese (or perhaps Asian) culture, which is more concerned with ensuring the continuity and stability of the family business.

An effective succession plan helps to provide a degree of confidence that is necessary for the effective functioning in a market economy. Given the size and scale of contribution of FOBs to this country's social and economic environment, representing, for example some thirty-three percent of Australia's nominal gross domestic product (GDP) (ABS Australian Industry Report 2015), effective SPM is clearly an important consideration if it ensures continuity of the family business. That said, FOBs continue to be the best performing companies in terms of financial results, despite a lack of monitoring and proper governance mechanisms (Wong 2011). There is potentially great value in an enhanced understanding of the approach taken by family firms, their strategic leadership, management and ownership practices as well as how these practices are linked to governance, change management practices and to SPM.

This study focuses on SPM in Vietnamese FOBs in Australia. FOBs are recognised as a major contributor to the country's social and economic environment. To emphasise their importance, Dana and Smyrniotis (2013) suggest that around seventy percent of privately owned businesses are family owned and/or controlled, while a study by Family Business Australia (2013), indicates that FOBs employ some fifty percent of the total workforce. For these reasons, FOB's are an important element of the local economy, which in turn makes succession planning a vital element of governance to ensure business continuity.

1.2 The Vietnamese Community in Australia

According to a study by the New South Wales Government, Education and Communities Department (2013) the first mass immigration of Asian people to come to Australia were refugees from Vietnam, following the end of the Vietnam War in 1975. The first group to arrive were admitted through the resettlement camps in South East Asia. In 1975, as the Multicultural Equity and Access Program Vietnamese Cultural Profile (2010) noted, these first groups were primarily from the educated and privileged sector. In 1978, a second group of refugees were predominately *boat people* who travelled directly to Australia or via refugee camps in Malaysia, Indonesia, Thailand, the Philippines and Hong Kong. From 1992 the third group of Vietnamese migrants were mainly the result of family reunions.

The ABS Census of Population and Housing Report (2014) noted that 185,039 (*84,807 men and 100,232 women*) people identified as Vietnamese born or as having Vietnamese cultural heritage; this report also highlighted a number of features about the Vietnamese community in Australia. The largest proportions of Vietnamese Australian's (69,000) are living in the south-western suburbs of Sydney, with similar numbers of Vietnamese migrants in Melbourne, principally in the suburbs of Footscray, Springvale and Richmond. The Census Report (2014) noted that 81.8% had obtained Australian citizenship while 15.9% remained non-Australian citizens.

In 2015, the Vietnamese community celebrated 40 years in Australia. They enjoy strong community networks and are typically active in community development, business, advocacy and social work. They are also represented in the Upper Houses of Parliament of both Victoria and Western Australia. It is evident that the community has sought to integrate into Australian society, despite the setbacks caused by cultural differences upon arrival. One community leader, Mr Dung Le (2015) characterised the Vietnamese community's gratitude to Australia:

It is 40 years since 1975, which started wave after wave of Vietnamese asylum seekers, via UNHR-refugee camps, to come to Australia. From 1975 to 2015, a miracle has happened: they have become happy and successful Australian Vietnamese. Thank You, Australia for such a miracle coming into being in this lucky country. The Australian Vietnamese are celebrating their 40th anniversary of settlement in Australia. LEST WE FORGET. The Australian Vietnamese are celebrating their 40th anniversary of settlement in Australia.

With systems thinking, we, the Australian Vietnamese, extend our gratitude towards benefactors who have helped us overcome hardships from Vietnam to obtain well-being and achievements in Australia. "Blood, sweat and tears" and even lives are sacrifices conditional for our meaningful, peaceful and prosperous living in Australia. Let's us thank Australia for being the lucky country where we and our children and grandchildren live with dignity and freedom. Join us to contribute and pay back to the lucky country and the good-natured people of Australia and make copious donations to the Royal Children's Hospital's Good Friday Appeal as well as their social and charitable organisations in Australia. (Dung Le 2015).

A recent study by the Asylum Seeker Resource Centre (2012) noted that Vietnamese refugees who arrived in Australia during the 1970's and 1980's brought with them a plethora of business and cultural knowledge, together with skills that have since helped to build vital trade links with much of South East Asia. Traditionally, the Vietnamese have relied on family owned businesses that provided the sole source of family income. Upon arrival in Australia, the Vietnamese community continued to prefer family business as it presented a way to avoid barriers to employment, resulting from language or other cultural difficulties associated with integration.

A study by Hugo (2011) suggests that besides employment, skills and business networks that can be an indicator of economic performance, social and civic contributions also represent an intangible, less quantifiable value. This wider contribution is evidenced by the strong business and community representation of Vietnamese Australians in society and in SME's in particular (Parsons 2013). Hitchcock and Wesner (2009) suggest that the Vietnamese, like the Chinese, appear to share certain cultural attributes such as resilience, self-reliance and an aptitude for business. The Vietnamese are described as relying on interpersonal ties favouring relations and social obligations to kin and the wider community. Much like the Chinese, the Vietnamese people seek to establish long lasting social and business relationships. These connections have been characterised as *'trusted networks'* and arise from the Confucian family model. Vietnamese business relations rely on trust, within a family business network or organised collective framework, with a necessity to nurture relationships beforehand in order to conduct business. Another distinctive feature of Vietnamese FOBs is that there appears to be a significantly large number of women participants.

A study by Bagwell (2006) noted that in many Vietnamese family businesses, men are only nominally in charge of operations, while women exercise day-to-day control of management and finance. Bagwell also suggested that the leadership style of men may be more direct, while women have a more participative style. Importantly when considering successors from within the family, a participative leader would appear to be more suited to forming positive social interactions with co-workers and customers (Ashkanasy 2002). Finally, another contextual factor, that may have a significant impact on succession planning, is the fact that women possess greater ability to forge and develop positive relationships with co-workers and customers. The post-war Vietnamese migrants are experiencing a generational change. Hitchcock and Wesner (2009) suggest that the younger generation appear to be more individualistic, less collectivistic and less committed to their traditional Vietnamese values than earlier generations. These changes may have a significant bearing on the sustainability of family owned business.

1.3 The Vietnamese Family

Nguyen (1985) describes the Vietnamese family as a super organic unit that exists across both past and future generations, with the behaviours of family members reflecting the entire family. Nguyen and Williams (1989) noted that Vietnamese culture, like Chinese culture, is both collectivist and communal in nature. Vietnamese families align with the core Confucian values of *filial piety*, the honouring of ancestors and obedience to, respect for and financial support of parents (Yan and Sorenson 2006). Another particular feature of Vietnamese families lies in the patriarchal system. Power and status revolves around the father as head of the family (Dinh, Sarason and Sarason 1994). The father (*cha*) is the head of the family, while the mother (*me'*) is considered the home minister (head of the family home) and responsible for family harmony, budget and family schedules. Family interests take precedence over personal issues, with loyalty and service to the family lineage paramount. The cultural gender dynamic of the father, as head of the family extends to Vietnamese children. Consistent with this cultural practice, sons assume a more prominent place in the family structure maintaining male dominance in the family. In contrast, daughters are groomed more for domestic duties, while overall parent- child relationships are formal and hierarchical, with clearly defined roles and behavioural expectations. One evident expectation is the sense of indebtedness of children for the sacrifices made by the parents who gave them life and ongoing nurturing, upbringing and education (Nghe, Mahalik and Lowe 2003).

Similarly, as illustrated in a recent advertisement on a national tourist website titled *Vietnamese Family Life: Vietnam Beliefs and Values* (<http://www.holidaysvietnam.com/travel-guide/vietnam-family-life.html>) family bonds and beliefs are so strong that children often praise their parents' achievements as 'fathers good deed is as great as Thai mountain' (*Công Cha Như Núi Thái Sơn*) and 'mother's love is like water flowing from a perennial spring' (*Nghĩa Mẹ Như Nước Trong Nguồn Chảy Ra*). What these evocative expressions illustrate is the bond of blood relationship in Vietnamese culture and the strong sense of collective responsibility, loyalty and mutual obligation between immediate and extended family members.

Relationships between siblings are similarly based on respect, with the younger ones recognising the burden of the eldest brother, who is typically entrusted with the heavy responsibility of substituting for the parents during family crises. Not surprisingly, these family values and cultural expectations extend into the business environment. As Hitchcock and Wesner (2009) observed, Vietnamese business people identify with the core values of respect for their seniors and the need to protect *face* in business, while in general exhibiting a strong work ethic built around Confucian ideologies. The fundamental Confucian assumption of human kind is that individuals exist in relation to others. Arguably, Confucian societies either in their home country or overseas still remain very relationship orientated (Redding and Wong 1986).

A study by Koh et al (2013) noted that Asian businesses are built on a strong family ethos with a deep sense of family responsibilities that pass from one generation to another to preserve family values and wealth. On a similar theme, a study by Alexis du Roy de Blicquy (2014) noted that Asian family and cultural values are significant factors in the perpetuation of families in business across generations. Consistent with this theme Shrapnel (2014) reported that, to facilitate the continued generational ownership of FOB, SPM needs to commence the day a business starts whether it is family run, small, medium, large, or privately owned.

1.4 Study Aim

The aim of this study is to develop a framework for SPM practice in Vietnamese FOB in Australia.

1.5 Research Questions

The research question (RQ) that this study will seek to answer is:

What are the relative contextual, relational and other influences on SPM in Vietnamese FOBs in Australia?

The sub-set research objectives (ROs) are as follows:

- to identify contextual factors that influence Vietnamese FOB;
- to identify relational factors that influence Vietnamese FOB;
- to investigate convergent (common) and divergent (different) SPM practices in Vietnamese FOB in Australia;
- to develop a framework based on proactive or reactive SPM practice in Vietnamese FOB in Australia.

1.6 Method

The research approach proposed is a qualitative case study of selected Vietnamese family owned businesses, that have recently undergone succession transition. The approach uses narrative analysis, which involves the study of stories or accounts of individuals, as well as that of groups and societies (Reismann 2008). The intention of this approach is to identify themes and categorise aspects of accounts to highlight the relative contextual and relational influences on SPM. Data is collected through pre-interview questionnaires, semi-structured interviews with owners, managers, external suppliers and family business confidants, observation of family and business interactions and document analysis. The case studies of 8 Vietnamese FOBs were drawn from businesses located in Melbourne, Sydney and Perth, in order to discern any regional differences. Interviews with FOB members included the founder, a successor, a long serving staff member and an external (trusted) supplier - if one was available - to capture the element of relationships outside the family. These interviews were preceded by a short survey, that prepared the various participants for deeper conversations to illuminate issues related to research objectives.

1.7 Family Business

A family business can be defined as being governed or managed on a sustainable, potentially cross-generational, basis to shape and pursue the formal or implicit vision of the business held by members of the same family (Chrisman Chua and Sharma 1998).

Family ownership, family management and family control of the board are regarded as the most important indicators of a family business (Chua et al 1999; Villalong and Amit 2006). Tagiuri and Davis (1992) conceptualised family business as comprising three components: *family*, *business* and *ownership* (see Figure 1). The interconnected systems can influence decision-making and the implementation of business strategy. Consequently, success or failure of the family business is arguably linked to how these elements are managed (Smyrinos, et al 2003).

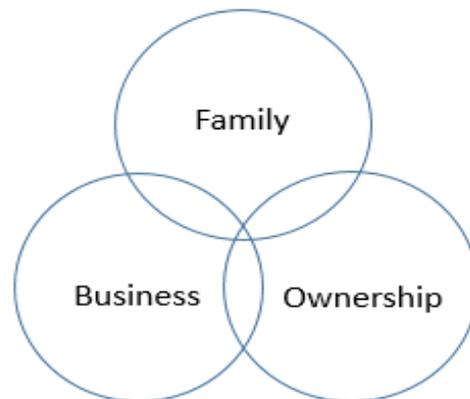


Figure 1: Three Systems Model of Family Business (Source: Tagiuri and Davis 1992)

The model by Tagiuri and Davis (1992) is a general functional description of a Western family business structure. However, while instructive, it does not explain how the three components or systems can be managed to enable effective SPM in a different cultural context, for example, a Vietnamese FOB. Relational factors linked to familiness such as – human resources (*reputation and experience*), organisational resources (*decision making and learning*) and process resources (*relationships and networks*) are absent (Irava and Moores 2010). Moreover, as a more recent study of a Vietnamese family business (Creed 2000) noted, co-operation is mandatory for all family members and business decisions needed to be consistent with family values. Similarly, in a changing and competitive environment, knowledge transfer, social networking (*guanxi* in Chinese, or *quan he* in Vietnamese) and the role of relationships in decision making processes will arguably influence business practices.

1.8 Factors influencing Succession Planning in FOB

Implicit in descriptions of SPM in FOBs is the idea of grooming family leaders, so that the firm's tacit knowledge can be transferred and developed (Chirico and Nordquist 2010). Assuming the implicit objective is to ensure the growth and prosperity of a business, what is less evident is the need for transparency as it reduces ambiguity that can spur conflict within the family (Brun de Pontet et al 2007). What is also important in SPM is consensus on issues where the owner's wishes matter most. Consensus provides family members with a shared sense of identity and mission that transcends their individual interests in the business (Gupta et al 2009).

Beyond the emphasis on physical and human capital in SPM, Dunemann and Barrett (2004) identify the attributes of social capital and social networks (which map and measure relationships between people and groups) as critical factors. Social capital concerns the *set of resources founded in relationship*, with a central premise that trust, mutual understanding, and shared values and behaviours bind members of networks and communities, to make cooperative action possible (Cohen and Prusak 2011). Relationships go to the heart of the socially embedded nature of Asian business behaviour and the context that surrounds Asian family business. Relational (or social) capital, described variously as *guanxi* (China) *kankei* (Japan) and *inmak* (Korea) (Hitt et al 2002) provides the framework for business dealings in many Asian countries. Social capital includes family, friends, and also casual relationships with others such as suppliers of important resources of knowledge, information and support (Bourdieu 1986; Coleman 1990 and Putnan 1995). While Mustakallio, Auto and Zahra (2002) have argued that social capital seems highly applicable to the study of FOBs, somewhat paradoxically there is yet limited research on SPM that addresses the influence of context or culture (Miller et al 2003).

In fact, rather than examine organisational and contextual dynamics, succession studies appear to focus more on individuals. As a result, there are some predictable gaps in knowledge about the way relationships, personal and social dynamics, and the overall context surrounding family businesses can influence SPM (Dunemann and Barrett 2004). A further theme in research is that country-focused family business studies are an emerging field in literature. The evidence emerging from such studies is that industry and cross-national differences may be more important than whether the businesses are family or non-family owned firms (Smith 2008).

In the Australian context, research in the business community suggests that there is a rising interest in SPM, due to the age of business owners and the imminent need for ownership or management transfer (Dunemann and Barrett 2004). In Australia, consistent with trends in Asia, FOBs are a major contributor to the country's social and economic environment. Importantly, a large and growing number of FOBs comprises migrants from the Asian region (Tung and Chung 2010). In terms of SPM, Asian families share key fundamental strengths of family influenced businesses in general, including long-term commitment to the business, consistency in decision making and better alignment of ownership and management interests.

Not only do Asian FOBs benefit from the long term and more stable investment strategy of their business owners, but their performance is helped by Asian family values that view family businesses as an inheritance. This attitude provides an important source of continuity in the transfer of business and wealth between generations. It should also be noted that, while succession planning is generally regarded in literature as a process of management ownership and leadership transition from incumbent to successor (Miller et al 2013), this arguably reflects a western and Anglo cultural perspective that may not recognise exactly how the process unfolds in a Vietnamese family business. As noted earlier, when conceived as a process of transition in ownership, succession planning can appear too rigid as a process and may not align with Vietnamese cultural business practices. Traditionally, succession planning in the Vietnamese family business has been less about handing on to a successor (a transactional event) and more about business continuity to ensure the longevity and stability of the family business (Cling et al 2010). This study's primary focus is on identifying the contextual, relational and other culturally specific influences that impact on succession planning. While reflecting on the shared experiences of the respective business founders three major storylines or themes can be identified: first, the reported SPM process within the respective family businesses, that in part reflects the business founder's history and personal attributes, and in turn reflects the impact of the broader community context that Australian based Vietnamese family business operate within. Figure 2, below, illustrates these three connected themes.

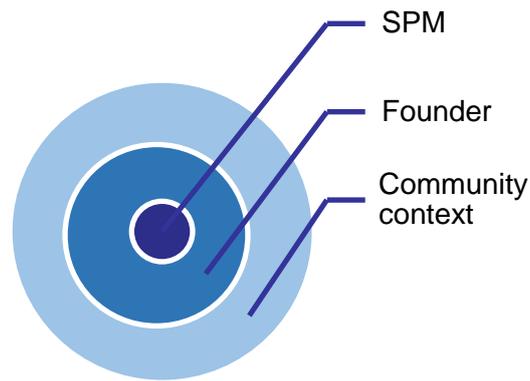


Figure 2: SPM and Vietnamese family business

This study concentrates on SPM in Vietnamese small businesses but, to understand SPM fully, it is necessary to also explore the other two broader themes. The aim is to understand the dynamics and then offer guidelines for effective succession planning for the benefit of both the family business and the broader national economy. Figure 3, below, provides an overview of the content of Chapter 1.

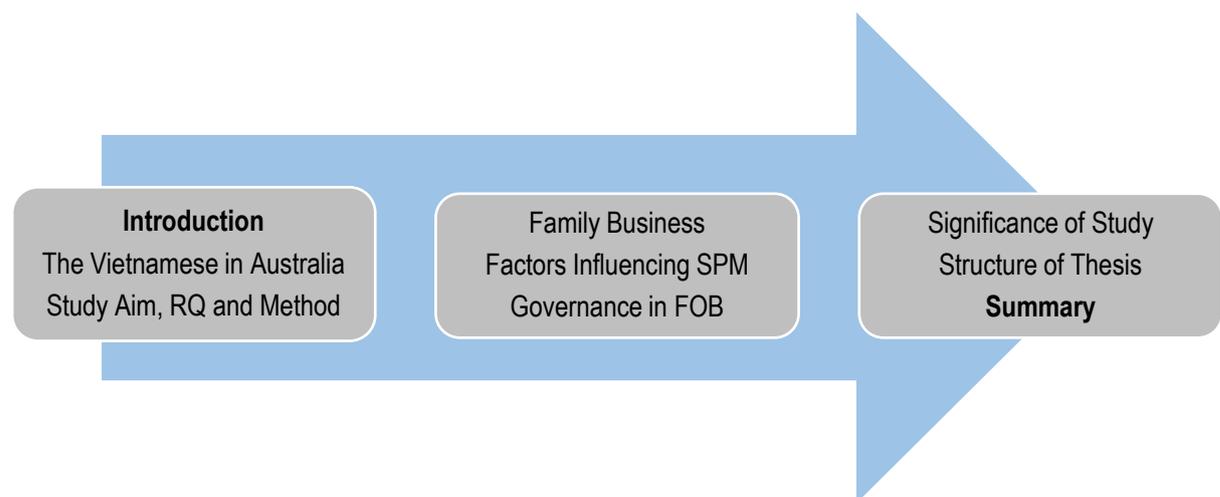


Figure 3: Chapter 1 Overview

1.9 Governance in Family Owned Business – Underpinning Focus of the Study

A study by Goel et al (2014) suggests that family businesses have a distinct form of governance due to the alignment of management, ownership and control. Moreover, Morrone and Armstrong (2013) describe a family governance system as a process of joint decision making, by which members manage competing and interrelated interests.

This joint process defines roles and boundaries and supports the family’s collective vision, values and mission. In family governance, the *family* can extend beyond biologically related people and may include immediate and extended family, in-laws, adopted children and trusted family advisors. Tarlow (2012) identifies best practices in business governance as establishing a board of directors to handle specific strategic issues of the business. In a family governance context, regular family meetings should be held to discuss issues that affect the family. The intersection of these two governing systems, business governance and family governance is family business governance. However, noting Aronoff and Ward’s (2001) observation that every family business is unique, embracing a systematic governance process can help family businesses achieve varied goals, practice orderly decision making and enjoy business continuity.

As a result, good family governance structure blends the dynamic interests of the blended family unit, its businesses and other holdings for succeeding generations (Morrone and Armstrong 2013). Figure 4 is an illustration of a family governance structure (adapted from Marrone and Armstrong 2013). The two sections highlighted in green - Continuity Planning and Transition Planning - are the areas of focus for this study. These elements which concern SPM, are essential for multi-generational families seeking to sustain and preserve family business and wealth creation.

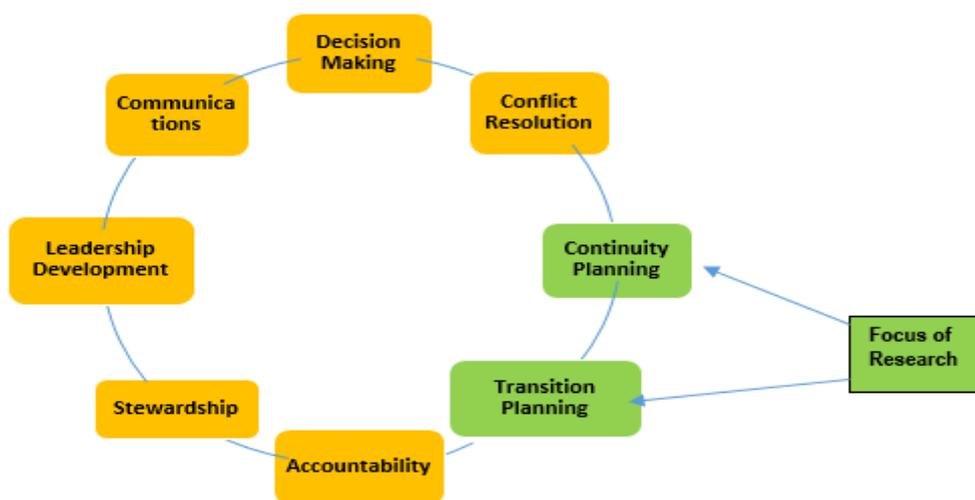


Figure 4: Continuity (succession) planning and family governance (adapted from Morrone and Armstrong 2013)

According to literature, there are general features of family owned businesses that specifically shape the performance and behaviour of Asian businesses (Claessens, et al 2000). These include: concentrated ownership, extensive cross ownership ties and pyramidal ownership structures, extensive family ownership with a high degree of overlap between controlling family ownership and management, and relatively limited use of professional managers in top positions.

Asian SME's need to implement and enforce a system of governance that identifies shared cultural values and relational networks, consolidates family interests and resolves conflict. The governance system should also regulate family member's involvement and provide exit strategies for the family business. Moreover, as Fan (2012) suggests, Asian SMEs should consider the broader aspects of family governance, ownership structure and business relationships when planning for succession, as unsuccessful SPM equates to a decline in a business's stock value and future wealth creation (Morck and Yeung 2004).

1.10 Significance of Study

Without a succession plan in place, the family business may lose stability and direction, potentially triggering the decline or sale of the business (De Visscher 2004). This study builds on previous research on SPM, but with a particular focus on the contextual and relational factors and associated dynamics in Vietnamese FOBs. As SPM is an element of family governance, FOBs that have effective governance structures tend to have a more focused view of the business, appear more willing to take into account and benefit from, the views of outsiders (that is non-family members) and tend to be in a better position to evolve and grow into the future (Mallin 2013). As there are a variety of circumstances in which family businesses are embedded, it is recognised that there may not be one single way to think and act on within family business succession decisions (Boyd and Royer 2012).

The relational and contextual factors of Vietnamese FOB may be associated with significant revision of the family firm's business strategy, which in turn, may require modifying internal structures and business processes to support the new direction (Duh et al 2009). This research is significant in a practical sense as it formalises a framework that Vietnamese family owned companies can integrate into their business practice. On this matter, as a study by Chang and Wei (2011) noted, the consequence of poor SPM is a reduction in company wealth due to perceived poor governance strength.

Conversely, a successful SPM process contributes to positive governance strength in a family business, which can enhance the price of stocks and increase the price investors are willing to pay (Globerman et al 2011). As SPM is an essential element of good governance, Burkart et al (2003) suggest that succession planning in Asian family owned SMEs is an important consideration in the field of family business governance knowledge. The data collected in this study will contribute to the future growth and continuing success of family businesses by formalising a framework that Vietnamese family owned businesses will be able to integrate into their business practice. The advantage of an effective process for SPM in formal governance structures is its contribution to stakeholder confidence in a company. The point is consistent with the Cadbury governance principles (1999), which suggest that for family businesses to maintain growth they must develop a culture of trust and transparency and define logical and efficient organisational structures.

1.11 Structure of Thesis

The thesis structure is illustrated in Figure 5, below. This introductory chapter (Chapter one) sets out the research issue which is concerned with succession planning management in Vietnamese family owned businesses in Australia. Chapter two offers a detailed literature review and provides a description of family business in Australia, the relevance of SPM to governance and SPM in a global context with a specific focus on the Vietnamese in Australia, as well as contemporary elements of cultural and family dynamics that influence SPM.

Chapter three outlines the research methodology and the process of data collection and analysis. Chapter four provides an individual case summary and Chapter five presents the qualitative data analysed by NVivo software and provides a consolidated framework for Vietnamese SPM. Chapter five presents the study findings and Chapter six formulates conclusions linking back to the aim, objectives and research methodology to identify the contemporary contextual and other influences that impact upon SPM in Vietnamese FOB in Australia. This chapter also identifies avenues for ongoing research.

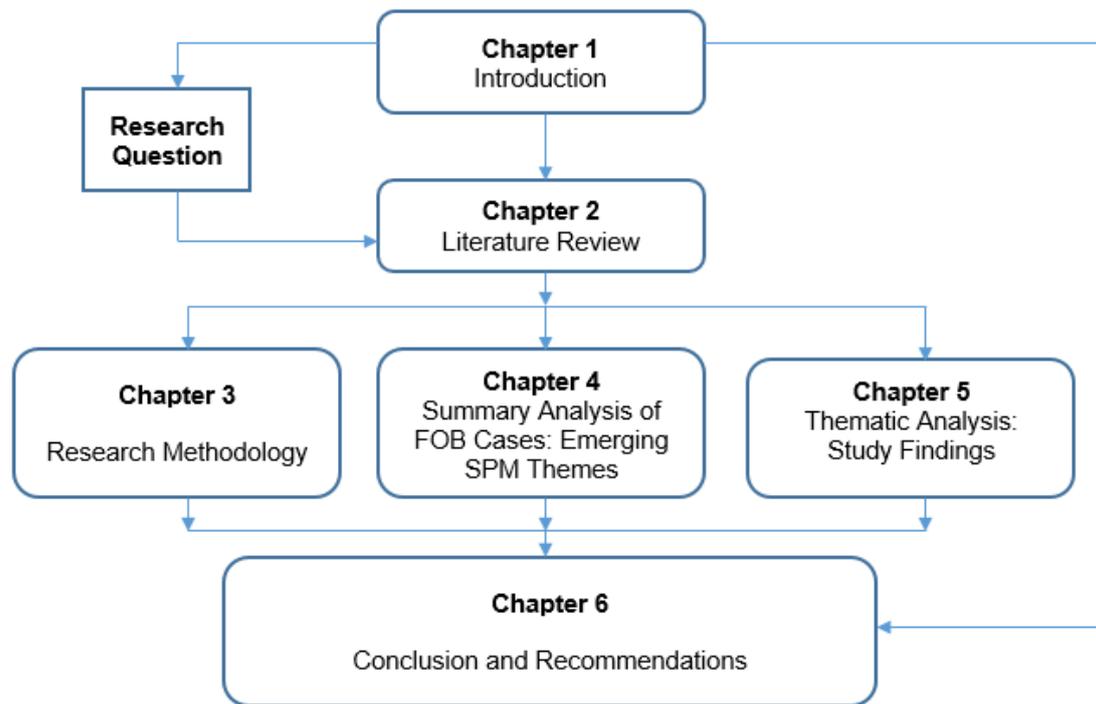


Figure 5: Progressive Summary of Thesis Structure

CHAPTER 2 - LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature on family owned businesses. The chapter highlights the general inter-relatedness of family business practice and the various factors and the cultural dynamics that are at play, particularly in Vietnamese family owned businesses. The literature is presented in three parts. The first is a description of FOBs in Australia and provides the context of SPM and family business structure. The second provides an examination of governance and succession planning, including concerns related to business continuity, factors that influence business performance and the cultural characteristics in FOBs. The third part outlines social capital and the two components of contextual and relational factors. Figure 6, below, sets out the flow of Chapter 2.



Figure 6: Chapter 2 Overview

2.2 The Family Owned Business (FOB)

2.2.1 Family owned Business

Chua, Chrisman and Sharma (1999) define a family business as being governed or managed on a sustainable, potentially cross-generational, basis to shape and pursue the formal or implicit vision of the business held by members of the same family. In addition, Burkat et al (2003) identify that family business are controlled by the founders or by the founder's families and heirs. Family ownership, family management and family control of the board are the most defining indicators of a family business.

These characteristics distinguish family owned businesses from other organisational forms and significant family influence is exerted on achieving business success (Chua et al 1999; Villalong and Amit 2006). A study by Chua et al (1999) identified the *components* of family involvement and an *essence* approach as factors that distinguish family businesses from other organisational forms. A *components* approach focuses on the family involvement in management, ownership, governance and succession that are the operational aspects of a family business (Gersick et al 1997; Klein et al 2005; Westhead and Cowling 1998). These are measurable characteristics and signify differences in strategy, competitive advantage and scope (Porter 1980). The *components* dictate the existence of a business but the *essence* provides the distinction between family and non-family businesses (Chua et al 1999).

The *essence* approach focuses on the behavioural consequences of family involvement in the business. The behaviour of the family unit is shaped by the vision and dominant coalition of the people who own, manage or govern the business (Chua et al 1999; Klein et al 2005). Collins and Porras (1996) suggest that the vision consists of core values, core purpose and the desire for a better future for the family, with the business operated as the vehicle in which to achieve that goal. The dominant coalition consists of the senior family members who control the direction of the family and the business (Cyert and March 1963; Hambrick and Mason 1984). The essence of the family business is shaped by the vision of the dominant coalition and is continually shaped and pursued in a way that potentially provides sustainability across generations for the family. That sustainability relies however, upon the availability and competence of a suitable successor (Chua et al 1999). Sharma and Nordqvist (2008) note that both the components and essence approaches are integral in highlighting the diversity in FOBs. Litz (1995) describes the component approach as addressing the '*when*' questions of the extent of family involvement in management and ownership of the business. The essence approach focuses on the '*how*' questions or the consequences of family involvement in the business and the extent to which it influences behaviours and decision making (Chua et al 1999; Klein 2005). The components approach may provide a framework for interpreting business patterns and discrepancies, while the essence approach provides an understanding of the consequences of family involvement in the business (Sharma and Nordqvist 2008). Greenwood and Hinings (1993) suggest that the elements of organisational design such as structures and systems (*what's* and *how's*) are not neutral instruments but embody the underlying family beliefs and values (*whys*).

Accepting these two perspectives helps explain the drive or extent of the family involvement in the business, as well as the influence that the guiding values of the family have on governance structures. The configurational or fit approach suggests that family businesses with coherence between guiding values, structures and systems enjoy performance advantages (Greenwood and Hinings 1993). Sharma and Nordqvist (2008) suggests that family businesses with a good fit between guiding values and the extent of family involvement in business and governance mechanisms, are better positioned to achieve their performance objectives. Figure 7, below, illustrates this fit approach between guiding values, family involvement in business and governance mechanisms.

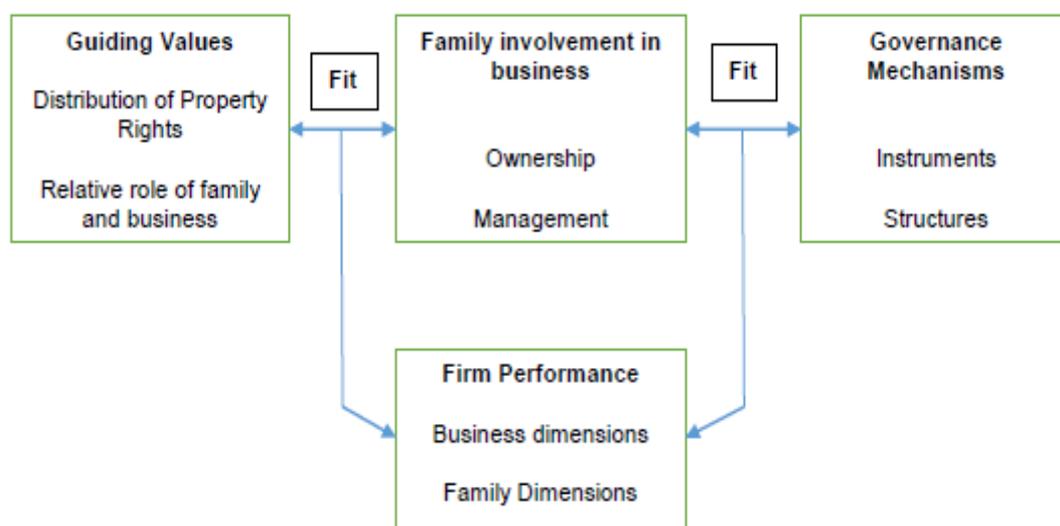


Figure 7: Firm Performance as a function of fit between guiding values – family involvement in business – governance mechanisms (Source: Sharma and Nordqvist 2008)

2.2.2 Succession Planning Management in Small Business

Succession planning is a process of management ownership and leadership transition from incumbent to successor (Miller et al 2013). Succession planning management (SPM) is directly related to governance for family owned small to medium enterprises (SME) (Burkhart, Panunzi and Shleifer 2003). An effective succession, be it for a family owned business (FOB), a small to medium enterprise (SME) or a multi-national enterprise (MNE) helps to provide a degree of confidence that is necessary for the proper functioning of a market economy.

As Garman and Glawe (2004) also explain, SPM is a structured process that involves the identification and preparation of potential successors to assume leadership roles in a business. A key feature in succession concerns the transfer of physical capital (equipment, land and cash) and the assumption of responsibility for human capital that includes individual knowledge, capabilities and physical appearance (Steier 2001). More broadly, given that corporate governance is concerned with holding the balance between economic and social goals and between individual and communal goals (Cadbury 1999), the consequent challenge is to align, as nearly as possible, the interests of individuals, corporations and society. Tarlow (2012) has noted that good business governance and good family business governance are complex and somewhat elusive concepts given the many facets – social, economic, political and cultural - that can be involved.

In the context of SPM in such businesses, Asian family owned businesses continue to be the best performing companies in relation to financial results and business performance despite the lack of monitoring and possible proper governance mechanisms (Wong 2011). Consequently, as Wong (2011) concludes, further studies are required to enhance the understanding of and knowledge about the strategic development of family firms. Implicit in the strategic development of family firms and the future development of SPM is the idea of grooming family leaders, so that the firm's tacit knowledge can be transferred and developed (Chirico and Nordquist 2010). What is less evident, assuming the implicit objective of SPM is to ensure the growth and prosperity of a business, is the need for transparency in the succession process. This reduces ambiguity that can spur conflict within the family (Brun de Pontet et al 2007). What is also important in succession planning management is consensus on issues where the owner's wishes matter most. Consensus provides family members with a shared sense of identity and mission that transcends their individual interests in the business (Gupta et al 2009).

Beyond the emphasis on the tangible physical and human capital elements of SPM, Dunemann and Barrett (2004) highlight social capital and the social networks (which map and measure relationships between people and groups), as critical factors. Social capital can be considered as a *set of resources founded in relationship*, with a central premise that *networks of relationships* are valuable in conducting social affairs (Nahapiet and Ghoshal 1998).

Another aspect of social capital is the stock of active connections among people: the trust, mutual understanding, and shared values and behaviours that bind the members of human networks and wider communities and make cooperative action possible (Cohen and Prusak 2001). Social capital includes elements such as, culture, social relationships, consensus and participation that collectively contribute to effective succession planning management. Relationships are about the connections, ties and myriad of webs and networks arising from these connections (Fox, Nilakant and Hamilton 1996). Relationships go to the heart of the socially embedded nature of Asian business behaviour and the broader context that surrounds Asian family business.

The essence of social capital in an Asian context is the network of relationships that include family, friends, and casual relationships with others such as suppliers of important resources of knowledge, information and support (Bourdieu 1986; Coleman 1990 and Putnam 1995). Not surprisingly, Mustakallio, Auto and Zahra (2002) have argued that social capital and the associated social capital theory seems highly applicable to the study of family firms. Yet, somewhat paradoxically, as Miller et al (2004) have noted, there is as yet limited research on SPM that addresses the issue of context – which includes the family, industry and business. Moreover, rather than examine organisational dynamics, succession planning studies so far appear to focus mostly on individuals. That is, the focus appears to be on the choice of successor and the transfer of authority. As a result, there appears to be some significant gaps in research and knowledge in relation to the way, for example relationships, personal and social dynamics and the context surrounding family businesses can influence SPM (Dunemann and Barrett 2004).

A further theme in research is that country focused family business studies are an emerging field in literature. For example, an earlier study by Wortman (1995) cited by Gupta and Levenburg (2010) found that some 84% of family business studies were situated in the United States, Canada or the United Kingdom. As Wortman (1995) indicated there were, at that point, few comparative studies of family-owned businesses across cultural, ethnic or national boundaries.

An interesting question to ask is: are there really differences in the way family businesses operate – sub-nationally, nationally or globally? Since Wortman (1995) several studies, focused on family businesses, have emerged that consider institutional contextual factors such as culture, values, conflict, networks and social capital.

The majority of these investigations were in the US, with some also in Spain, China and the United Kingdom. But few were conducted on Asian or Vietnamese FOBs. Importantly, also, the majority of two-nation studies appear to involve the US or other Anglo nations, with the focus generally being on finding universal or common features within and between regions (*convergence hypothesis*), or how the local FOBs differ from Anglo-based ones (*divergence hypothesis*). Other frequently examined institutional factors included culture, values, gender, conflict, networks and social capital (Gupta and Levenburg 2010). Interestingly, the evidence emerging from these studies is that industry and cross-national differences may be more important than whether the businesses are family or non-family owned firms (Smith 2008). Turning to the Australian context, research in the local business community suggests there is a rising interest in SPM, due to the increasing age of business owners and the imminent need for some form of ownership or management transfer in the near future (Dunemann and Barrett 2004).

In Australia, the family owned SME has been identified as a major contributor to the country's social and economic environment. For example, as suggested in the MGI / RMIT survey by Dana and Smyrniotis (2013) of family businesses in Australia, around 72% of privately owned businesses were family owned and or controlled. Further research (Family Business Australia 2013) confirms that around 70% of small businesses are FOBs adding that this category employs some 50% of the total workforce. Importantly, a large and growing segment of this family owned group of SMEs comprise ethnic Asian migrants (Tung and Chung 2010). The significance of this growing segment of Asian Australian family SMEs is principally in their contribution to job creation, as well as stimulation of economic growth (Waddell et al 2013). The trend in FOB is that small businesses will continue to be significant in its contribution to economic growth and performance in Australia. This importance of small businesses to economic growth is being repeated across the Asian region. For example, a study by Credit Suisse, Emerging Market Research Institute (Asia Family Business Report 2011), reported that family owned SMEs in Asia generate 34% of the nominal gross domestic product (GDP).

What is also apparent in regard to Asian SMEs operating in both Australia and regionally is that there is a higher concentration of family owned SMEs in the southern Asian countries of Malaysia, Singapore and Vietnam where FOB's make up to 65% of the total number of listed companies.

Family owned SMEs in China, Malaysia, Singapore and South Korea achieved the strongest relative performance in terms of capital growth (Credit Suisse 2011). In addition, given that Asian FOBs account for half of all listed companies in South Asia with an annual investment of USD500 million, the long-term economic performance of Asian FOB to Australia's (and the regional) economy is clearly significant (Credit Suisse 2011). In terms of SPM, Asian families share key fundamental strengths of family influenced businesses in general, including long-term commitment to the business, consistency in decision making and better alignment of ownership and management interests. Asian FOBs not only benefit from the long term and more stable investment strategies of their business owners, but their performance is helped by Asian family values that view family businesses as an inheritance (Tung and Chung 2010). This perspective provides an important source of continuity in the transfer of business and wealth between generations.

2.2.3 Australian Small Business

The Australian Bureau of Statistics (ABS) (2015) defines a small business as employing five or more people but less than 20 people, whereas a medium business employs 20 up to 200 people. Beyond staff numbers, Section 45A of the *Corporations Act 2001* (Cth) describes a small proprietary business as a company with fewer than 50 shareholders, consolidated revenue of less than \$25 million per year; gross assets of less than \$12.5 million and fewer than 50 full-time employees. The Vietnamese FOBs selected for this study are all within these shareholder, revenue and employee limits. An Australian Government study of Australian Small Business key statistics and analysis (2016) indicates that in June 2015 there were 2,121,235 actively trading businesses in Australia, of which, 97 per cent were small businesses (2,066,523).

Clearly, FOBs feature significantly in the Australian economic landscape. Surprisingly though, given that succession planning is a critical aspect in ensuring the continuity of business, it is not a recognisable feature in the family governance systems of most small businesses. For example, the MGI / RMIT survey 2013 of family businesses in Australia, noted that over half (55%) of family businesses do not have a strategic plan and (48%) do not have a business plan. Not surprisingly, hardly any family businesses have set a definite date for the transfer of leadership responsibility and control to the next generation (4%).

Only 30% of respondents indicated that the business has a specially designed successor development program, with 36% emphasising integrity and commitment to the business as primary successor attributes. It is also relevant that 41% of family business owners believe that it would not be feasible to implement succession in their family business. Consistent with this finding, a study by Koh et al (2013) noted that SPM from within the business may not be possible due to a lack of management skills, or a lack of interest from their children to succeed the founding owner.

A similar trend is noted in a Price Waterhouse Coopers (2014) survey highlighting that only 24% of Australian family businesses plan to pass the business to the next generation. This survey also identified that only 26% of family members of the next generation are working within the business, compared to 43% globally. Of most significance is the study finding that only 8% of Australian family businesses have a succession plan in place compared to the global average of 16%. These statistics suggest serious economic consequences in Australia if this lack of planning is not improved. Smorgan (2014) suggests family businesses are at risk of eroding the value or even derailing the business they've worked so hard to achieve.

2.2.4 The Vietnamese Family Business

Lam and Martin (1997) suggested that Vietnamese refugees arriving in Australia during the 1970's were mainly from the commercial south of Vietnam while the North Vietnamese were mainly from rural areas. However, even with commercial business acumen, cultural barriers such as language, job skills and community acceptance hindered employment opportunities in Australia. Bagwell (2006) noted that Vietnamese refugees commenced businesses to build cultural status and respect in their adopted country as well as provide an income for their families. Businesses were started in clothing manufacture, restaurants, mini markets, hairdressing and other specialist services within the Vietnamese community. The business practice of the Vietnamese aligns with traditional Confucian ideologies, of commitment to community and family but emphasising the welfare of all individuals. The Confucian values of humanity, righteousness, propriety, wisdom and trustworthiness formed the basis of their business structure that respected elder people, ensured the protection of *face* in business and valued a strong work ethic (Marosi and Van 2014). Marosi and Van (2014) suggest that relational networks in Vietnamese FOBs include brothers, parents, children, spouses, friends and neighbours with an aim to succeed in all business endeavours.

Additionally, Nguyen and Nguyen (2008) note that happiness, sense of accomplishment and family security are some factors that motivate Vietnamese business practice. A summary of the traditional features of Vietnamese Networks (Table 1 below) highlights both contextual and relational factors in Vietnamese family businesses.

Table 1: Traditional Features of Vietnamese Networks (Source: Hitchcock and Wesner 2009)	
Elements	Characteristics
Participants	Extended family and friends (information remains within the family)
Character	Basic and largely pragmatic Loyalty to home regions (ancestor worship) Relationships are based on loyalty and trust (little use of contracts)
Main Characteristics	Suspicion of foreigners (long history of colonisation and migration within Asia)
Common Features	Wealth accumulation within the family

2.2.5 Family Business Structure

A study by Tagiuri and Davis (1992) suggests that a family business structure consists of three overlapping elements, the family, the business and ownership. Family members may simultaneously perform multiple roles as relatives, owners and managers. As family members there is concern for the welfare and unity of the family, as owners they are concerned with return on investment and business longevity and as managers they work collectively to ensure the operational effectiveness of the family. The success or failure of the family business is intrinsically linked to how effectively or coherently these elements and competing interests are managed. For example, the father and son are both members of the family and may be both owners and managers. When the interests of all the family are compatible it assists in decision making and cooperation but can also have adverse effects when father and son become rivals for control of ownership of the FOB. Importantly, if a strong relationship foundation is established and both parties have learned to support each other, the FOB may be able to more effectively endure adversity (Tagiuri and Davis 1992). Figure 8, below, illustrates the overlapping elements of family business.

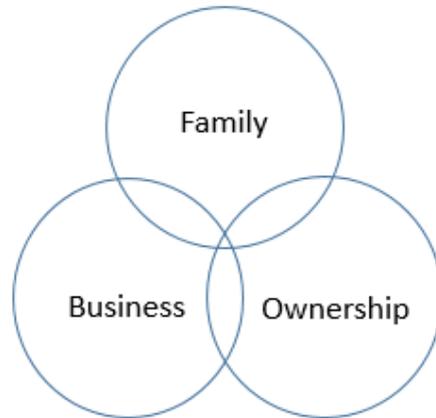


Figure 8: Three Systems Model of Family Business (Source: Tagiuri and Davis 1992)

2.3 Governance and SPM

2.3.1 Governance and SPM

Governance is a rule based system of business that is generally assumed in western countries, based on a desire for transparency and accountability. These two attributes are important to help retain investor confidence, particularly in the context of falling stock prices as a result of financial scandals or corporate collapses (Mallin 2013). In contrast to the explicit rules based systems of western industrialised countries, in Asian businesses governance is essentially based around close relationships usually involving family control and ongoing close relationships with creditors, suppliers and major customers (Clarke 2011).

Small businesses are owned and managed by family members and can become large business if publicly listed on the stock market (Peng and Jiang 2010). Importantly, in terms of decision making and strategic direction, families usually maintain strong control in these firms even when they grow into large businesses and become publicly listed (Claessens, Djankov and Lang 2000; Faccio, Lang and Young 2001; Carney and Gedajlovic 2002; Gedajlovic and Shapiro 2002; Chu, 2011). Carroll and Buchholtz (2012), note that small businesses have limited economies of scale whereas large businesses have more money, personnel and resources with which to get the work done.

When family businesses grow from small businesses, to larger businesses, the controversial aspects of family ownership, control, performance and their association with governance are of greater concern (Schulze and Gedajlovic 2010). Moreover, good governance contributes to sustainable economic development by enhancing the performance of companies and increasing their access to outside capital. It involves, structures and processes related to the direction and control of businesses (Landsberg 1999), and also relationships that include interactions with management, shareholders and other stakeholders. Control refers to the actions necessary to oversee the management's performance and the implementation of strategic planning. In sum, effective governance contributes to long-term strategic decision-making that can include mergers and acquisition, as well as SPM in both large and small businesses.

2.3.2 Resource Based View of the Family Business

A resource-based view (RBV) of family business, suggests that a family business can achieve and maintain a competitive advantage through specific combinations of tangible and intangible resources (Moore 2009). Tangible resources include plant, facilities and equipment. More importantly though as a family business undertakes generational and cultural evolution, the intangible resources such as employee skills, leadership and managerial capabilities and strategic partnerships through relational factors are increasingly important indicators of business continuity or sustainability. Studies by Barney (1991), Grant (1991) and Hunt (1995) suggest that family business resources can be divided into four categories. *Physical capital* resources include plant, raw materials, cash and intellectual property. *Human capital* (contextual) resources include skills, knowledge, training and relationships.

Organisational capital resources include competencies, controls and policies while *Process capital* resources include knowledge, skills, communication and leadership. Hunt (1995) suggests that *human capital* resources are more aligned to a Vietnamese family business, whereas the study of Habbershon and Williams (2010) notes that family business resources are a bundle of resources (familiness) represented by the interactions between the family, its individual members and the business. In the context of succession planning, if this attribute of 'familiness' is not assessed and managed, or if the business does not invest in the replenishment, augmenting and upgrading of its familiness as a resource it can become a familial encumbrance.

For succession planning in any family business, it is imperative to build management and business skills and to foster and build relationships with internal family networks, including staff and external networks such as suppliers, business contacts and social and community groups (Habbershon and Williams 2010). Creed (2000) suggests that in a Vietnamese family business, co-operation is mandatory for all family members and all business decisions must comply with the family values. The model of Tagiuri and Davis (1992) predominantly outlines an Anglo cluster family business structure but as Habbershon, Williams and MacMillan (2003) and Melin and Nordqvist (2007) suggest, the model is static and overemphasises the similarities between family businesses while underplaying the differences. Thus, it could be argued that the 3-circle model by Tagiuri & Davis (1992) may have limitations for non Anglo cluster cultures.

Principally, the model does not take into account the factor of 'familiness' and the inclusion of contextual or relational characteristics of Vietnamese family businesses, such as the development of knowledge transfer, social networking (*guanxi*) and decision making . Irava and Moores (2010) suggest that familiness comprises elements of human resources (*reputation and experience*), organisational resources (*decision making and learning*) and process resources (*relationships and networks*). These elements of familiness are core components of Vietnamese family businesses. A framework based on the Irava model (Figure: 9 below) highlights familiness in Vietnamese family businesses.

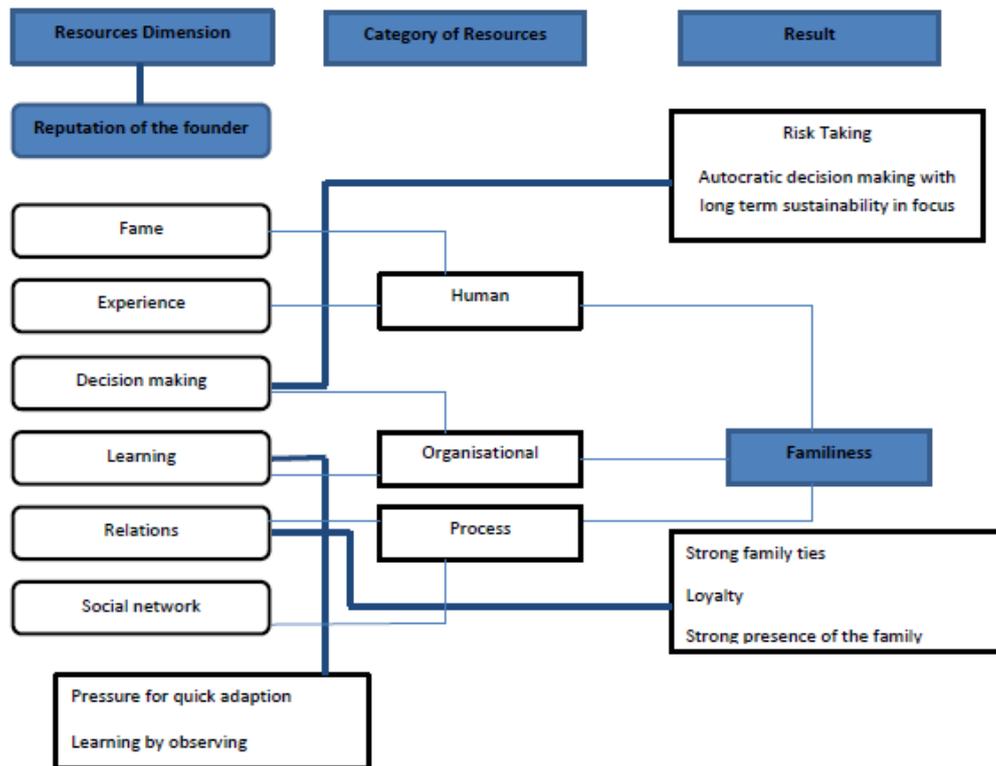


Figure 9: Familiness in Vietnamese family business, based on the Irava model (Source: Marosi and Van 2014)

The RBV of a business, whether it be family or non – family, focuses on its internal environment. In a family business RBV relevance is magnified due to the closeness of the business, culture and familiness factors. In succession planning the founder needs to address issues such as ownership continuity, management continuity, power and asset distribution and the businesses role in society (Beckhard and Dyer 1983). For an effective succession transition, Miller et al (2003) suggest that the next generation must develop an appropriate relationship between the businesses’ past and present, avoid an attachment to past generational management styles or try to blend the past and future. In a Vietnamese family business context, such an approach would involve the blending of culture and founder relational factors and building on that trust and those cultural factors. Also, in Vietnamese family businesses the next generation would probably be socialised into the business at a very early age, by working with their parent’s and learning basic business acumens. However, their acceptance of an active role in the business or succession is uncertain, and may affect the long-term performance of the business.

Barach and Ganistsky (1995) suggest that as the next generation assumes successor roles they become increasingly familiar with the culture, values and employees within the business. They then begin to build on the capabilities that the family business needs for continuity.

The development of these capabilities builds and nurtures both internal and external relationships in their own context rather than that of the founder. In turn, successful relationships tend to project credibility, in a social and community sense, and so supports successful business performance.

Chrisman, Chua and Sharma (1998) suggests that a strategic planning process may build and reinforce the successor's industry knowledge and business skills, functional capabilities and decision making with the latter referring to social and business networks developed inside and outside the business. The ability of the successor to successfully develop a wide range of knowledge and skills (*educational benefits*) and relationships with internal and external stakeholders (*relational benefits*) may contribute to their credibility and legitimacy that can assist the family business to survive and prosper in the next generation (Mazzola et al 2008). The *educational* process suggests that strategic management must build and reinforce knowledge and skills in a particular industry, as well as improve relevant business knowledge, functional capabilities and decision-making. The *relational* process may build internal and external social and business networks with a flow-on effect of improving the credibility and legitimacy of the successor which assists the family businesses sustainability.

In addition to educational and relational processes, the successor must develop an appropriate relationship between the past and present management process and avoid inappropriately blending the two (Miller et al 2003). McCann et al (2001) note that the strategic planning process may contribute to a FOB's innovative abilities and possibly allow it to pursue business opportunities and competitive advantage (Chrisman, Chua and Steier 2003). Habbershon and Williams (1999) suggest that familiness facilitates interaction between the family, its individual members and the business, providing a link between business performance capabilities and competitive advantage. From a Vietnamese FOB perspective, familiness is an important element as it is shaped by the internal resources that the family is able to apply to the business environment. Figure 10, below, identifies key elements of processes that may apply to the strategic management of a Vietnamese FOB.

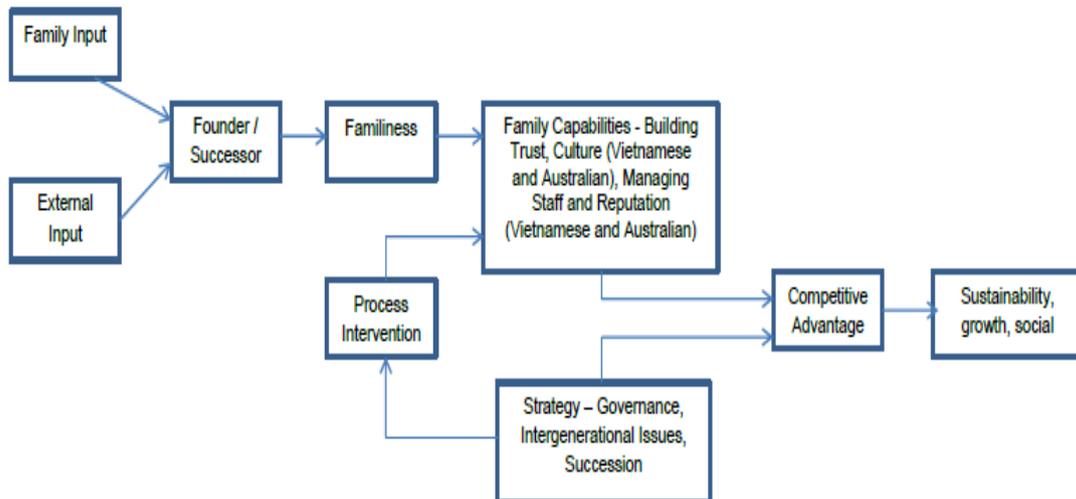


Figure 10: Strategic Management in a Vietnamese family business (Adapted from Habbershon and Williams 1999)

2.3.3 Strategic Planning and Sustainability in Family Business

Armstrong (1982) highlighted strategic planning as a specific and ongoing organisational process, that larger businesses and corporations undertake and which may include guidelines, setting annual capital and revision of business plans. More recently, as Mazzola et al (2008) suggest, a strategic planning process can assist family businesses in an educational capacity, by reinforcing and building the next generation's industry business knowledge. The successor's business knowledge, functional and leadership skills are developed through the transitional phase leading to succession takeover (Aronoff and Ward 2001). More importantly in a relational sense for family businesses, strategic planning can provide a proactive approach to the development of necessary functional capabilities such as industry and business knowledge and decision making, as well as help develop social or business networks inside and outside the family business. This arguably proactive approach to transition can enhance the credibility and legitimacy of family business succession and so foster sustainability across generations (Chrisman, Chua and Sharma 1998). As a study by Smyrnios, Poutziouris and Goel (2013) suggests, sustainability is about adaptation and the durability of an organisation.

For a family business to achieve sustainability across generations, shared ownership, the reliability of the successor and the maintenance of intra and inter – organisational relationships are all factors that will determine future success.

In a Vietnamese family business context, the transference of cultural beliefs and values from generation to generation provides relative stability for both the family and the business. The cultural collectivism and mindset of the family business founder, devotion and responsibility to family, the capacity for work and a sense of success have provided a base for family businesses in Australia (Macombe 2003). Moreover, as Hoffman et al (2006) noted, the close links within the immediate and extended family network constitute a fundamental aspect of family capital. Similarly, as Habbershon et al (2003) and Tokarczyk et al (2007) suggest they constitute one of the characteristics of familiness, in that the family system is composed of a number of subsystems that include history and traditions in the family life cycle, strategies and structures to create value and individuals and family members who contribute to the process of control and management.

Smyrnios et al (2013) developed a sustainable family firm (SFF) performance framework (Figure 11). This framework provides an understanding of how family businesses can measure sustainability through control and management, and the exploration and exploitation of knowledge while pursuing reliability through a collective mindset. Although the model is generic to family business research, its similarity and application to Vietnamese family business makes it relevant. For Vietnamese SPM, the maintenance of strong relationships both internally and externally provides business continuity that maintains family ownership. This provides a basis for good governance in that sustainability is created by the continuity of management process and the confidence of all stakeholders in the transition process from founder to successor.

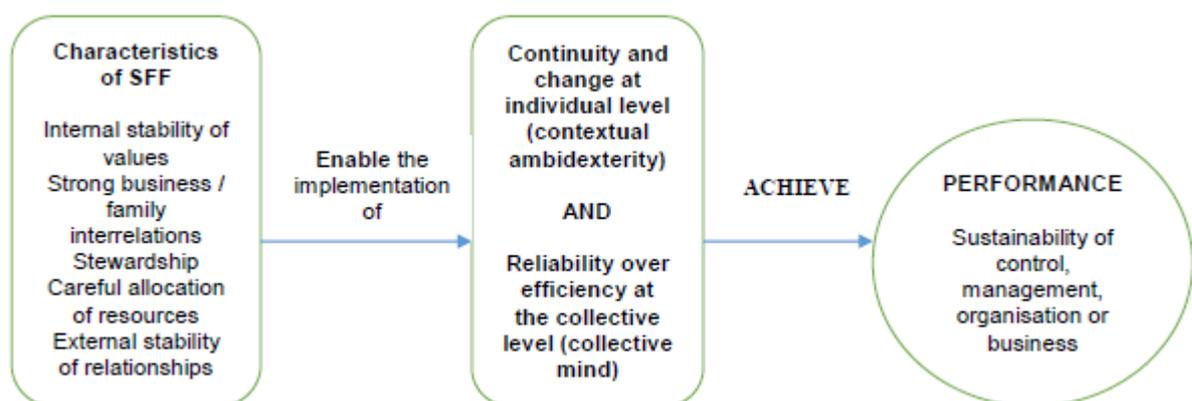


Figure 11: Framework for Sustainable Family Firm Performance (Source: Smyrnios et al 2013)

2.3.4 Ensuring Continuity: factors influencing succession

Tagiuri and Davis (1992) suggest that the family, the business and ownership are interconnected systems that influence decision making and the implementation of business strategy. These three elements may impact on family business continuity as the family is arguably emotionally based and the family business is task orientated (Smyrinos et al 2003). A large proportion of research seems focused on experiences of family businesses in North America and Western Europe. As Gupta et al (2010) and Clarke (2011) suggest, this work appears to be written from an Anglo perspective that focuses on the transfer of management and performance. Significantly, this research is mainly focused on survival rates, and highlights that one third of businesses achieve continuity from founder (ownership) to second generation (owner management) (Ghee et al 2015). Of those FOBs, only one third survive from the second to third generation and beyond (Poutziouris 2001; Wang et al 2000; Ibrahim et al 2001a). Globally, the number of family businesses has declined, due to inadequate governance, poor talent management and an absence of succession planning (Fernandez – Araoz et al 2015). In the Asia, Pacific region where family businesses represent more than half of both large corporations and smaller businesses, this inadequacy in governance and absence of succession planning can have a serious impact on employment and economic development. A recent study in the Economist Magazine (2015) forecast that, by 2025, there will be more than 15,000 companies worldwide with at least \$1 billion in annual revenues, of which 37% will be FOB in the emerging markets of Asia. Thus, the tendency for Asian FOB to mismanage SPM by failing to plan, or automatically appoint children, nieces and nephews may have serious financial consequences (Fernandez – Araoz et al 2015).

However, there is one common consideration for both large and small firms, be they public or private – the matter of ensuring continuity of SPM. Business continuity and sustainability research also adds weight to the argument for effective SPM (Rothwell 2010). It has been shown that a firm in which the CEO has a specific successor in mind tends to be more successful than a firm without a specific identified successor (De Visscher 2004). Effective SPM processes are also credited with driving plant turnaround by linking the organization's continuous improvement philosophy to individual development. As a consequence, SPM and leadership development often figure prominently in many blue-chip corporations, although as Rothwell (2010) contends, small to medium-sized business also need them.

In fact, as he notes, inadequate succession plans are a common cause of small business failure when founding fathers retire with no one to continue their legacy (Rothwell 2010). There is much governance research on CEO successions and such features as the negative organisational consequences when Boards are unable to effect smooth leadership transitions (Marcel, Cowen and Ballinger 2013). Chrisman, Chua and Sharma (2005) also highlight that businesses, which are able to effect a smooth leadership transition by engaging in strategic planning, are also able to anticipate and capitalise on market opportunities, and improving market prominence. When handled well, successions provide the opportunity to re-evaluate the firm's strategic direction and confirm the appropriate executive talent. Conversely, successions that are not handled well can risk undermining competitive gains and less disruptive CEO succession processes are associated with better performance outcomes (Griener, Cummings and Bhambri 2003; Wiersema 2002; Zhang and Rajagopalan 2004).

Importantly, the effect of succession on firm performance can also depend on the actions of the successor, as well as the internal and external context surrounding the event (Kesner and Sebor, 1994; Rowe et al 2005). A study by Bocatto et al (2010) of family business succession in Spanish firms suggests that a loss of directive experience and performance has a negative effect on company value on the Spanish Stock Exchange (see Figure 12).

Factors Influencing Family Succession

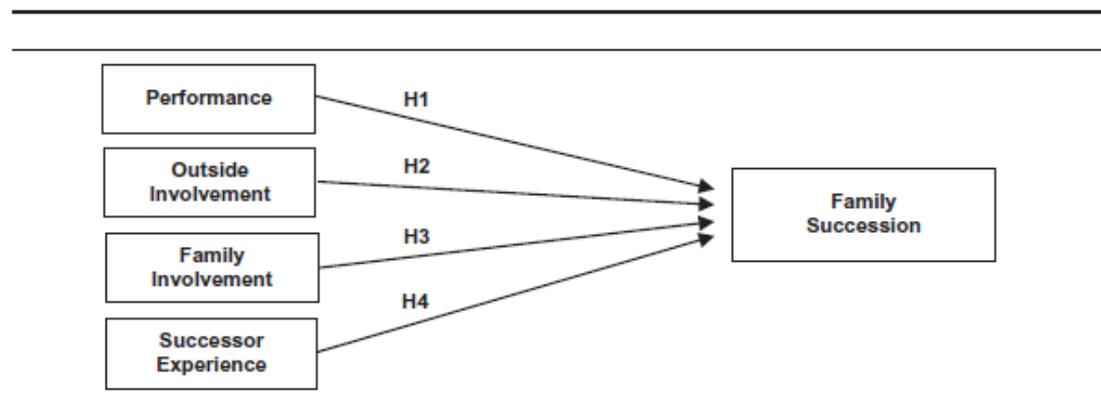


Figure 12: Factors Influencing Family Succession. (Source: Bocatto et al 2010)

Bocatto et al (2010) identified four distinct factors that influence succession; these are: firm performance; participation of independent board members; family involvement in terms of ownership and participation in governance, outside involvement in terms of stakeholders or extended family; and the successor's experience or directive position in the business. These factors identified Spanish FOB as having a propensity to apply greater commitment to family business interests, rather than the interests of the family unit. The resultant prescription for effective SPM is to encourage a choice of successor based on the long-term experience of working in the business and what the successor can contribute to the business. The choice of successor is not based on family influence.

In contrast to the Spanish SPM perspective, research on succession planning in Turkish FOB, suggests that few strategic decisions are made on purely economic grounds. Rather, it appears that the values and aspirations of the owners play a more important role. This approach indicates that social roles and family politics can constrain management strategies and profit maximisation. In effect, business considerations can be sacrificed for family concerns (Bhalla et al 2006). The issues of family ownership, control and performance are highlighted in the growing importance of Asian businesses, their global economic contribution and interest in the governance of Asian family businesses (Peng et al 2010). A study by Terdpaopong and Farooque (2013) similarly suggests that intergenerational succession in Thai FOBs and the willingness of successors to be involved in the business, business experience, family relationships (particularly blood related) and educational background can all affect the strategic succession planning process. Most importantly, the fastest growing family businesses have been shown to proactively plan for the future and to engage in strategic planning (Upton et al 2001) and as Eddleston et al (2013) suggest both strategic planning and succession planning management contribute to growth in first generation firms.

2.3.5 Knowledge Transfer and SPM

Chirico and Salvato (2008) suggest that knowledge in a family business is the wisdom and skill that family members have acquired through education and experience both inside and outside of the business. The knowledge elements in a family business includes contextual information, framed experience, beliefs, values, expert insight and the practical application of those skills (Cabrera – Suarez et al 2001). All such knowledge acquired by any family member should spread across all family members (Comeche - Martinez 2007).

This is a central part of knowledge management in a family owned business model and highlights the important links between the founder, learning and succession (Cabrera and Martin 2010). The founder is the main source of skills and capabilities in a FOB and this knowledge may be lost if he or she retires. It is therefore important that this tacit knowledge be transferred and developed by the successor, to be used as a strategic asset to maintain competitive advantage (Bracci 2008). Chirico and Nordquist (2010) point out that when the succession process commences knowledge transfer will be streamlined with the successor configured in the company's culture. Explaining how this might be achieved, Le Breton – Miller, Miller and Steier (2004) suggest that knowledge transfer should start at the dining table, be built up during summer jobs in the family business and be continued throughout a career at the family firm. For example, a study by Fan (2012) of Mr Li Ka-shing, CEO of Cheung Kong Holdings, noted that he adopted a long-term vision to prepare his eldest son Victor for succession.

Mr Li stated that if he passed away and his succession planning was reactive he could not pass on intangible assets such as his reputation and relationships. Figure 13, below, illustrates a summary, drawn from the literature, of knowledge transfer processes in a FOB. The knowledge elements illustrate the various sources of skills and knowledge. The application of the knowledge elements is influenced by the successor's involvement in management, ownership, governance and succession (*components*) and the behavioural consequences (*essence*) or vision of the FOB. Knowledge transfer from founder to successor is reinforced by learning *on the job* and by feedback, and the effectiveness of the process will determine succession success or failure.

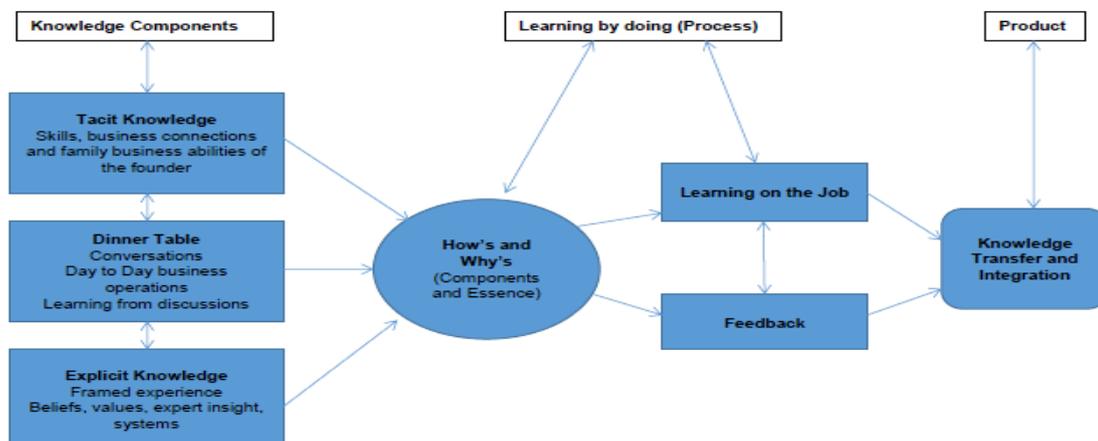


Figure 13: Summary of Knowledge Transfer processes in a FOB

2.3.6 Knowledge Transfer and Integration

The successors in Vietnamese family business recognise the importance of renewing business knowledge and skills to continually improve the business's ability to operate in a highly competitive and regulated environment. Transfer of acquired operational and business knowledge is passed to the successor through '*on the job*' experience or practical application. For example, the children help their parents in the business and gather information from dining table conversations. This knowledge, consisting of skills passed onto them by their parents, had been learnt in an under developed economy and so did not include academic or senior management competencies. For the Vietnamese family business to remain sustainable into future generations, knowledge transfer (and transition management) are vital elements in the succession process.

In a Vietnamese family business, the children play an integral part in supporting their parents and contributing to the financial security of the family. Effective knowledge transfer must ensure that future successors are interested in the family business and view it as a career option with room for business expansion and growth, rather than a burden bestowed upon them due to cultural heritage or being the heir apparent. The challenge for Vietnamese family business in the future will be in the retention of their children. These young people are expressing cultural divergence from their parents and may seek to work in different industries or have careers outside the traditional Vietnamese business sectors of food, retail and clothing. For family businesses, knowledge transfer includes conceptual knowledge (*human capital*) framed experience, beliefs, values and expert insight as well as the know-how and skills to perform tasks (Cabrera- Suarez et al 2001).

The values and goals of a Vietnamese family business are born from family history that includes ethnicity, geographic location and the transfer of previous business knowledge. From a founder's perspective, old cultural traditions may make the family resistant to change, as they tend to favour tried and tested practice which may impede strategic renewal of the business (Kets de Vries 1996). From a successors perspective and reflective of their cultural divergence and broader business acumen, the Vietnamese family business will need to recruit more highly skilled employees and managers who are not family members. In doing so, they are growing informal networks that facilitate the sharing of external knowledge and skills to the family business.

As Levin et al (2006) suggest, these communities of practice are almost always voluntary groups with no reporting structures or accountabilities, in which people share a passion for something that they know how to do well and who interact regularly in order to learn how to do it better. Therefore, as suggested by Crossan et al (1999) organisational learning is crucial and involves considerations such as leadership, change management and governance that are the principal means of achieving strategic renewal. Crossan et al (1999) also suggest that organisational learning is a four-stage process consisting of intuiting, interpreting, integrating and institutionalising that occurs at three levels of the family business: individual, group and organisation. The 4I model below (Figure 14) illustrates organisational learning that is reflective of learning in a non-family business but incorporates the requirement of a more professional management and learning structure in family business, the 4I model is relevant for Vietnamese family business due to the relationship and community of practice elements.

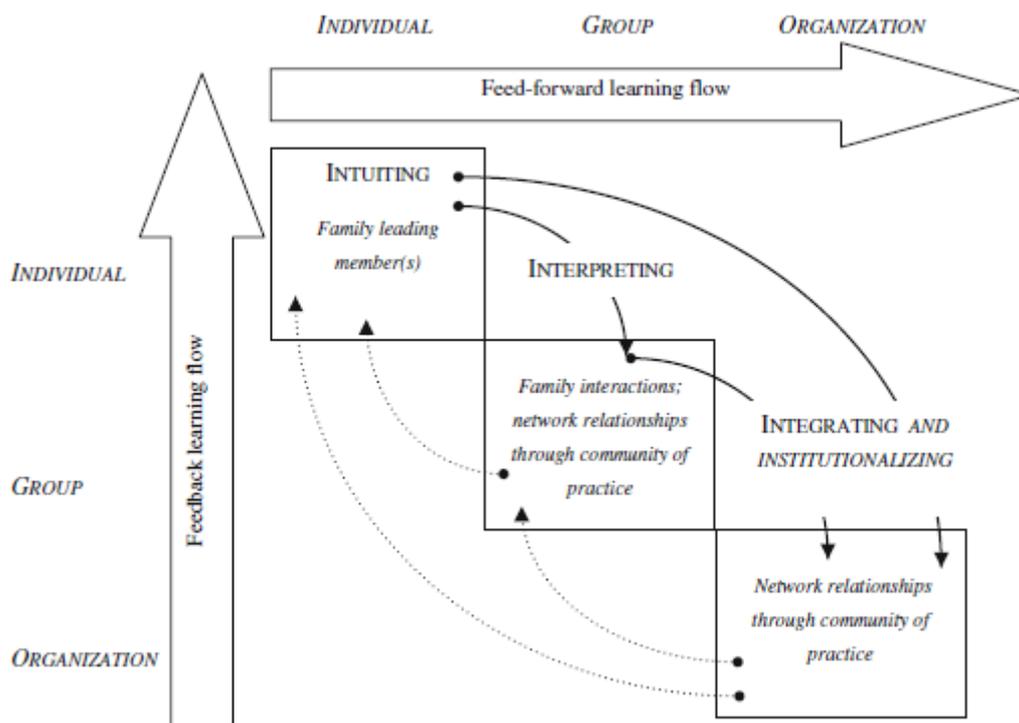


Figure 14: Knowledge Integration in Family SME's (Source: Crossan et al 1999)

The 4I model suggests that intuiting and interpreting occur at the individual level, interpreting and integrating occur at the group level and integrating and institutionalising take part at the organisational level.

Crossan et al (1999) suggest that *intuiting* is the recognition of a pattern or possibilities inherent in a personal stream of experience while *interpreting* is explaining through words and or actions an insight or idea to oneself and to others. The *integrating* element is the process of developing shared understanding between individuals while *institutionalising* is the implementation of actions. The Crossan model (1999) has, in some aspects, been the model for knowledge transfer and organisational learning in Vietnamese family business, without formal acknowledgement. This model is not culture specific but is relevant in the Vietnamese context due to its strong focus on relationships. At the individual level, the family leaders are the knowledge supervisors, who promote the involvement of other family and non – family members and develop a cultural approach to dialogue and management (Shilling and Kluge 2009). The group level is the collectivist element and involves strong network relationships that involve family members of all different hierarchical levels. It allows for knowledge integration through networks and the introduction of knowledge from different individuals and groups.

A study by Bracci and Vagnoni (2011) suggests that intergenerational knowledge transfer should provide the family business with business continuity and improved competitive advantage. This is achieved by the transfer of intellectual capital from successors to incumbents and through the development of intellectual capital from internal networks within the family business. The introduction of knowledge from external businesses, including professional management and technical skills build the internal competencies of the family and enhances business capability.

In a Vietnamese family business, the addition of relational networks and community practices are factors that distinguish their informal succession process from the succession process of a structured Anglo family business. The addition of relational networks and community practice is illustrated in this study by the practice of building intellectual business capacity in potential successors from an early age. This ensures a proactive and seamless business transition rather than a reactive formal business transition process. Figure 15 illustrates an adaptation of the business succession and intellectual capital model of Bracci and Vagnoni (2011), to include the integration and transition factors relative to a Vietnamese family business. The model highlights that SPM knowledge transfer in FOBs is in transition from the first generation to the second generation. This interim situation is due to the contrasting business skills and acumen of the founder and successor.

This model will provide scope for future development with the third generation of successors developing diverse business skills, the entry into non-traditional Vietnamese businesses and the divergence of ethnic or community ties.

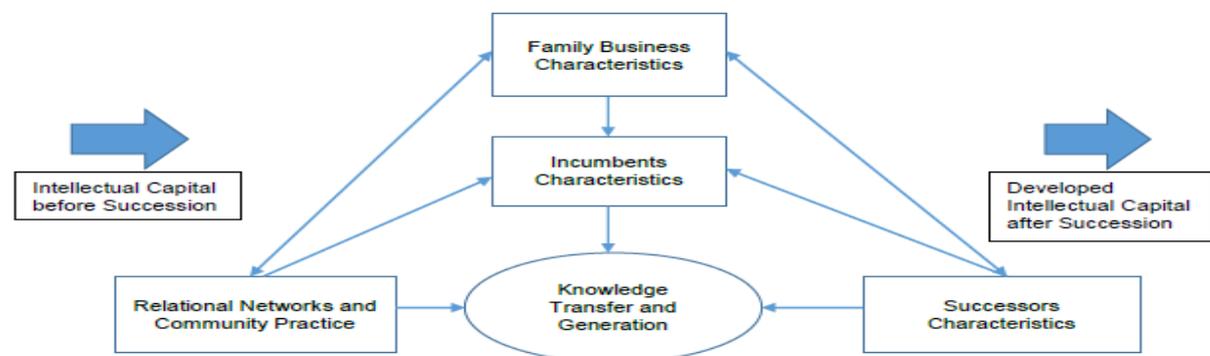


Figure 15: Succession and Intellectual Capital Model
(Adapted from Bracci and Vagnoni 2011)

2.3.7 Internal Successor or External Successor

A study by Villalonga and Amit (2006) noted that family ownership only creates value when the founder serves as the CEO, or as a Chairman with a hired CEO. Ang et al (2000) suggest that family owned and managed businesses achieve higher performance than those that are professionally managed. In contrast, Lauterbach and Vaninsky (1999) suggested that businesses managed by professionals' recorded superior performance than those managed by founders. Business professionals possess knowledge that is valuable in mentoring future generation leaders or in filling a leadership role (Lee et al 2003). For example, a Taiwanese study by Lin and Hu (2007) suggested that family businesses require high managerial skills and that the engagement of a professional CEO, improved business performance. In a study of Malaysian business practice, Ping (2001) noted that some families train their sons and grandsons to fill successor roles, but there is failure when the potential successors are incapable of managing the tasks. Hence, family businesses may need to include professional management (non-family members) based on merit instead of blood or regional ties. For example, the Public Bank Bhd was founded by Tan Sri Teh Hong Pois but is professionally managed by Teh and his managers (Amran 2012). None of Tan Sri Hong Pois children hold significant positions within the group.

De Massis et al (2008) suggest that commitment to the family business is a critical component of SPM, and that dissatisfaction and lack of motivation in potential successors can obstruct the succession process. For example, family disharmony, lack of business acumen and skill or the inability of the successor to manage social capital could all be seen as a SPM barrier (Steier 2001). These factors add weight to the Chinese proverb that reportedly observes that “*wealth shall not pass to a third generation*” (Ngui 2002). In a unique cultural diversion from Confucian values, Mehrotra et al (2007) noted that Japanese family owned businesses practice a form of arranged marriage called *omiai*, that translates to ‘arranged seeing’. This practice is where the founder’s daughter meets an approved groom selected by the family business patriarch for his business acumen. It is common for Japanese family owned businesses to select a son from the ranks of their promising managers in the event that nature does not provide the family with a son, or if the natural son is inadequate to assume succession. One of the problems for governance, in a Japanese context, is that natural heirs may lack business acumen or their upbringing renders them unqualified. The new son, takes his new family name, swears allegiance to his new family and marries the patriarch’s daughter. This is commonplace in Japan, but rare elsewhere (Hayes and Habu 2006).

2.3.8 Transition

Steier et al (2009) suggests that one of the most important processes in maintaining continuity in the family business is the transition factor in SPM. A study by Lambrecht (2005) notes that transition in a family business consists of the transfer of ownership, management and governance. Transition should not be considered as a one-time event but should be regarded as a lifelong continuing process (Keating and Little 1997; Aronoff 1998; Astrachan 2001; Landsberg 1999; Murray 2003). In a study by Morris et al (1997) three sets of determinants were identified as being required for successful FOB transitions. These are the preparation of heirs to ensure a successful knowledge transfer process, the reinforcement of the importance of relationships among family members and the types of strategic planning and control activities that are engaged in by the management of the family business. These categories arguably capture the internal variables affecting transitions, in which the family has some control, but there are external variables such as economic issues, or employee demands and resources, supplier and other stakeholder issues that can affect the process (Morris et al 1997). According to Lussier and Sonfield (2012), for a successful succession transition to occur three basic factors must exist.

First personal relationships between family members and non-family member employees should be built around factors such as communication, trust, commitment, loyalty, shared values and traditions to minimise family turmoil, and sibling rivalries. Second, family values and beliefs tend to unify the FOB and can affect the business continuity and finally, effective successor training which can ensure a positive transition experience (Ghee et al 2015).

As the founder plays a dominant role in the formation of family values and beliefs, that culture must be valued by other family members as it may affect the family structure and job socialisation process of the next generation (Alvarez and Lopez – Sintas 2002; Pitts et al 2009). Effective successor training may ensure a positive transition process as the successor must possess the requisite business skills, managerial capabilities and FOB knowledge (Doescher 1993; Fenn 1994; Hyatt 1992; Osborne 1991). These successor requisites may be gained from formal education, entry-level work experience, working inside and outside of the FOB (Ghee et al 2015).

Besides preparing the successor for the transition process, other factors may influence the sustainability of the family business across generations. The family name generally has great emotional and symbolic significance and represents the history of the business, family achievements, heroic deeds and sacrifices of the previous generations (Lambrecht 2005). Although the father is the figurehead in the family unit, the mother plays an important role in the FOB by raising children and supporting the founder (Landsberg 1999; Muson 2002). Although the mother may not perform a leading role in the transition process, she is seen as the guardian of family values, advisor to her husband and the person who binds the family and business together (Lambrecht 2005). A study by Gallo (2002) suggests that the upbringing children receive in the family unit is crucial for a career in the family business. The orientation of the children towards the values, history and culture of the business and how the family deals with problems, may determine whether or not they embrace or reject the prospect of working in it. Clearly, the ability of the founder to work effectively with the successor is a crucial part of the transition process (Yan and Sorenson 2006). For example, founders need to build strong ties with successors, develop the long-term goals of the FOB and transfer their tacit business knowledge to the successor (Miller and Le Breton Miller 2006). However, if a successor is not identified in the FOB, some founders may choose to sell the business or engage external managers (Wiklund et al 2013).

The choice between internal and external transitions is influenced by family structure, family involvement and relationships within the family. Although internal transitions are more common, an external management transition should not be viewed as a failure to retain the family business, but more as a strategic choice within the family (Zellweger et al 2012). Family dynamics play an important role in the transition process with the employment intentions of family members also impacting on the operations of the family business. Various factors such as market and environment issues and the needs and goals of the next generation can influence their desire to seek employment in or outside the business (Stavrou 1998). A recent study in the Economist Magazine (2015) suggested that the challenge for any family business is to professionalise their management without losing their family roots. This is a specific challenge for Vietnamese FOBs given their strong cultural family structures. This study advocated that family members should become accomplished professionals prior to working in the family business. For example, all members of the Mulliez (large French retail distribution) family who want a career in the family business must undergo a strict apprenticeship that includes the acquisition of both internal and external business competencies. In the De Kuyper (Dutch spirit distillers) family an independent supervisory board selects family members who want to work in the family business. As SPM, can be viewed as a lifelong process, transitions occur more smoothly when heirs are better prepared, relationships are more trust based and families engage in succession related planning (Michael et al 1996).

2.4 Cultural Characteristics in FOB

2.4.1 Cultural Features and Characteristics

Waddell, Paris and Ye (2013) suggest that Anglo family businesses in Australia tend to be distinguished by strong business performance with strong individualism and weak family orientation with moderate business longevity. In contrast, Asian family businesses in Australia are characterised by strong performance and family orientation, a strong collectivism with long-term business perspectives. This study on the succession decision of Chinese Australian family businesses highlighted a need for further research on the second generation of family successors in Chinese and other ethnic Asian family businesses, that have become part of the host culture. The study findings of Waddell et al (2013) may enhance the understanding of the negotiation process between home cultures in South Asia, the host culture in Australia and the impacts of family business SPM.

In Asian SMEs, SPM is even more far reaching as it involves both structure and social capital aspects of the business and family. The dominant cultural feature that influences Asian business operations is Confucianism – a social code and way of living that, although transformed over time, still exerts considerable influence over many aspects of political and social life in East Asian countries, including Vietnam. A related and substantial influence is the reliance on family human capital (Sanders et al 1996). One particular Asian cultural convention, in relation to SPM, is the concept of setting a time limit on the control and direction of the business founder. Consistent with this cultural sensitivity, the superstition that you should never give a person a clock or *zhong*, as it can mean death, or finality.

Symbolically, such a gift can suggest that you are expressing a wish for the recipient's early departure (Redcat Journal 2008). The same sensitivity can apply to succession. Such symbolic meanings clearly add to the complexity of SPM in an Asian cultural context. Another cultural consideration in Asian succession planning is the practice of the founder continuing to have some influence over the business. This influence can be illustrated by the example of former Singaporean Prime Minister, Mr Lee Kuan Yew who, until his death continued to provide a guiding and mentoring role in Singaporean politics, in particular, to the current Singaporean Prime Minister, Mr Lee Hsien Loong, his eldest son (Loh 2011). Table 2, below, illustrates the key cultural features and characteristics of the major Confucian cultures.

Table 2: Summary of Cultural Features and Characteristics. Sources: House (2001); Taman and Lee (2002)				
	Vietnamese	Chinese	Korean	Japan
Confucian ideals (collectivist)	Yes	Yes	Yes	Yes
GLOBE study classification	South Asian Cluster but in Australia – Anglo Cluster	Confucian Cluster	Confucian Cluster	Confucian Cluster
Relationship terminology	<i>quan he</i>	<i>guanxi</i>	<i>inmak</i>	<i>kankei</i>
Societal Practices	Structured with societal collectivism based on networks and trust	Societal Collectivism	Power Distance valued but in group collectivism not so important	Power Distance valued but in group collectivism not so important

2.4.2 Confucianism and Relationships (*Guanxi*)

Confucianism is not a religion but a social capital ideology that underlines, pervades and guides Chinese culture. The interpersonal relationship principles advocated by Confucianism are also prevalent in cultures other than Chinese, particularly in more collectivist societies (Yan and Sorenson 2006). The Vietnamese, Koreans and Japanese are commonly included among East Asian societies influenced by Confucianism, which in various permutations has been identified as providing the core values of a stable and human centred community.

Confucianism has been credited with underpinning economic growth in East Asia since the 1990's (Elman et al 2002). Strongly linked to Confucian influence and a central feature of Chinese and Vietnamese business policy is the importance of business relationships or *guanxi*. *Guanxi* is a social networking focus that draws on a web of connections in personal and business relations and permeates almost every corner of Confucian society (Huang et al 2013). The term *guanxi* is an indigenous Chinese cultural term and is best understood in relation to *renqing* (favour), *guanxi* (relation), *mianzi* (face) and *bao* (repay). These terms are from the *pin yin* system which follows the Peking pronunciation of standard Northern Chinese. The term *bao* emphasises the value of maintaining personal harmony and social order among persons situated in hierarchically structured relationships (Hwang 2006).

Lebra (1976) suggests that similar patterns of behaviour can be found in other collectivist cultures such as the Japanese and Vietnamese. For example, the concept of '*on*' in Japanese culture implies a similar reciprocal exchange. Once a benefactor generates an '*on*' relationship by giving a benefit to another, the receiver is obliged to repay '*on*' in order to restore balance (Benedict 1946; Lebra 1976). There is a similar notion in Vietnamese culture, where the term '*lam quen*' relates to business networks, while the term '*quan he*' relates to relationships and contacts (Edwards and Phan 2013). To understand the importance of *guanxi* to human relationships King (1991) points out that the word *guanxi* is a relatively modern term and was not used in the original writings of Confucianism, instead the word '*lun*' was used. The first meaning of the word *lun* pertains to the importance of human relationships. The second meaning of the word *lun* is social order or differentiated order, which may be interpreted hierarchically and horizontally (Fei 1992). In a hierarchically structured family there are unequal rights with father, husband, elder brother and senior friend enjoying more authority than son, wife, younger brother and junior friend.

Finally, *lun* refers to moral principles regarding the interactive behaviours of related parties (Redding and Wong 1986). Chen and Chen (2004) note that the fundamental Confucian assumption is that humans exist to assist other humans. Of the variety of relationships, the five cardinal relationships (*wu lun*) are: ruler – subject, father – son, husband – wife, elder brother – younger brother and friend – friend are the most important. Although the structure of Confucian societies on Mainland China or overseas may change, in essence these societies all remain very much relationship orientated (Redding and Wong 1986).

The relationship between father and son in a SPM context is thus a fundamental consideration for the sustainability of the family business. Hwang (1987) suggests that *guanxi* can be categorised by the classifications of expressive ties, instrumental ties and mixed ties. The *expressive tie* is a relatively permanent and stable social relationship which occurs among members of family, close friends, and other congenial groups and can be utilised to procure a desired material resource. The *instrumental tie* is driven by physical benefits and is used to establish ties with people outside of the family. The *mixed tie* is between the expressive tie and the instrumental tie and it exchanges both affection *ganqing* and physical benefits. Figure 16, below, illustrates a theoretical model of face and favour in Confucian society.

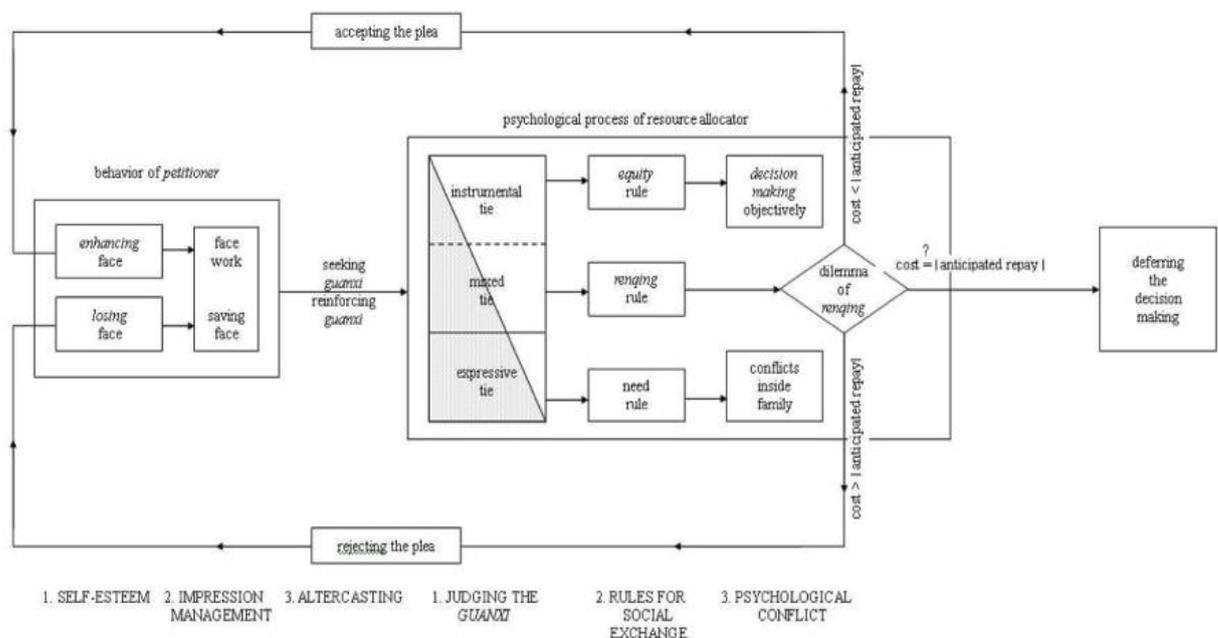


Figure 16: A theoretical model of face and favour in Chinese society (Source: Hwang 2006)

To understand the relationship between *guanxi* and family business, Greenberg and Cohen (1982) suggest that there are three justice norms frequently used for social exchange, or for distributing resources within a group. These are equity, equality and need rules (Deutsch 1975; Leventhal 1976a; Greenberg and Cohen 1982). The equity rule allocates resources to individuals in proportion to their contributions and is primarily activated in economically orientated situations, where economic productivity is a primary goal. Leventhal (1976b) suggests that the receiver's primary responsibility is to perform effectively or, when individuals are in a unit relationship, with one another. In addition, that they perceive each other as role occupants rather than individuals (Lerner 1977). The equality norm dictates that profits and losses be distributed equally among members, regardless of their contributions and is active when cooperative social harmony is required. The need norm of justice dictates that dividends, profits or other benefits should be distributed to satisfy a person's legitimate needs, regardless of their contributions and is predominate in fostering welfare and development (Deutsch 1975).

The *relationship based* Asian business landscape, however, has a tendency for individuals and their families to establish large interlocking networks of subsidiaries and sister companies that include partially owned publicly listed companies (Clarke 2011). The effectiveness of these business relationships is determined by the strength or weakness of *guanxi*. It is suggested that *guanxi* is an essential informal governance mechanism that creates social and economic value and has supposedly permeated into every corner of Chinese society (Park and Luo 200; Duo and Li 2012). Moreover, Vietnamese business people refer to a core set of values such as respect for senior people, protecting their *face* or reputation in business and a strong work ethic. Not surprisingly, Vietnamese business people identify Confucianism as an important ethical and relationship element for their businesses (Hitchcock and Wesner 2009).

2.4.3 Relationships and SPM

Reflecting the deep influence of *guanxi*, some suggest that Asian SMEs and their families need to transform their philosophy of succession from simply the transfer of wealth and power to the continuity of unique business elements such as *guanxi*, social capital and tacit knowledge. A study by Hansen (1995) affirms that personal relationships (*guanxi*) are a substitute for the contract based agreements that are commonly found in western businesses.

Buckley (2004) suggests that Vietnamese businesses, after being exposed to European concepts of contract law under French colonial rule (1883 – 1954), inherited a contract *guanxi* mix of business dealings which may be common in Vietnamese business transactions. A study by Duo and Li (2012) suggests, that Vietnamese families should strengthen strategic thinking in the succession process, to include overall business performance, in order to avoid the loss of value residing in *guanxi* networks when an unplanned or sudden succession occurs.

One study by Augusto–Felicio et al (2012) suggests that existing literature on succession pays appropriate attention to the transfer of physical and human capital (wealth and management), but pays little attention to the transfer of social networks or social capital. Interestingly, business dealings in North America and Western Europe are based on the concept of transactions, whereas in Asian societies they are based on relationships. For example, when a business executives are successful in western society they are assumed to be wealthy. In Asian culture the same executives would be assumed to be well connected (Chen 2001). This concept is a fundamental feature of Vietnamese family owned SMEs as the strength of business networks can improve business performance. Cohen and Prusak (2001) note that social capital bridges the space between people. Its characteristic elements and indicators include high levels of trust, robust personal networks and vibrant communities, shared understandings, and a sense of equitable participation in a joint enterprise, all of which draw individuals together into a group. This kind of connection supports collaboration, commitment, ready access to knowledge and talent, and coherent organisational behaviour.

2.4.4 Gender in SPM

The majority of knowledge transfer research tends to focus on male owned firms with the transfer process occurring from male to male, and a focus on immediate action and external events and activities such as business contacts and *guanxi* networks (Higginson 2010). Knowledge transfer between female business owners and daughters focus more on introspection and openness (Higginson 2010), and rely on the presence and strength of four relational elements - structural, cognitive, affective and reflective (Fingerman 2001). Moreover, MassMutual (2003) suggest that female business owners tend to focus more carefully on succession planning, are less hierarchical than male business owners and more overtly seek outsiders when making succession decisions.

Hitchcock and Wesner (2009) note that Vietnamese women are becoming more prominent in the management of family owned businesses and are considered to be equal to men in terms of business acumen. The following quote by a Vietnamese community leader interviewed in a study illustrates this point:

“Women keep the money. Women have a good instinct. Women consider decisions more carefully than men”. (Hitchcock and Wesner 2009)

2.4.5 Fathers and Daughters in SPM

As female succession elements align more with relational elements and can be considered to be less confrontational than male- to -male succession due to the separation of power structures, knowledge transfers between founder and successor may be considered to be more productive and harmonious (Stewart and Danes 2001). Conversely, the traditional view of SPM focuses on the male heir to the family business. This view aligns with Vietnamese family culture, as the oldest son is conventionally entrusted with maintaining the quality of family relationships and the effectiveness of the family business (Branon, Wilklund and Haynie 2013).

In contrast, as Cadieux, Lorrain and Hugron (2002) note women view business as a *co-operative network of relationships* and are able to negate generational issues and act with sensitivity. Dumas (1992) highlighted that daughters have greater consultation and communication abilities with their fathers than do sons, thus enabling them to take over important roles in the family business. As communication is an important element in the succession process daughters tend to avoid conflict, viewing their fathers as mentors who can assist the succession process (Dumas 1992; Hollander and Bukowitz 1990). However, Vietnamese women are reported to maintain supportive roles and tend not to be socialised into the business from an early age. Rather, they may be brought into the business on a part time basis to assist with secretarial work or only after a crisis (Dumas 1989). Hitchcock and Wesner (2009) suggest that due to generational change, the younger generation appear less committed to traditional values than earlier generations and heir- apparent sons are less committed to being the family business successor. Not surprisingly, the best successors are not necessarily the firstborn sons but those with the most ability and willingness to lead (Nelton 1988). Diverting from traditional gender roles and socialising daughters into the family business can provide an effective way for the business to maintain familial continuity.

For example, as a recent study by Shrapnel (2014) suggests the traditional role of sons and daughters in succession have changed. Sons are no longer considered the natural heirs to family businesses and this has seen a significant rise in the number of daughters becoming successors in key executive roles.

2.5 Social Capital

2.5.1 Social Capital

Social Capital is the network of relationships that include family, friends and casual relationships such as suppliers of important resources of knowledge, information and support (Bourdieu 1996; Coleman 1990; Putnan 1995). Social Capital in an Asian perspective is described by Portes (1998) as not being contingent on the direct knowledge of its benefactor, but on membership in the same group. In other words, trust exists in this situation because obligations are enforceable, not through recourse to law or violence but through the power of community. This description of social capital suggests appropriate organisational investments namely, giving people space and time to connect, demonstrating trust, and effectively communicating aims and beliefs. The context of social capital investments is evident when individuals develop relational ties with one another, thereby creating many real advantages to the organisation as a whole. Bourdieu (1986) suggests that social capital is not owned nor has it monetary value, but it bonds relationships. Moreover, Hamilton (1996) notes that relationship development within Asian cultures is a critical component of business negotiation and presents itself in the form of *guanxi*.

This personal network of special connections is prominent in all countries where the Chinese Diaspora have settled, and Vietnamese culture is clearly related (Leung et al 2005). Adler and Kwon (2002) suggest that social structure shapes the relationships from which social capital is accessed and includes hierarchical or intra-organisational bonds, market and inter-organisational relationships and personal and family relationships. These relationship types determine how an individual is situated in the broader business network (Nahapiet and Ghoshal 1998). The social capital framework (see Figure 17) illustrates how social capital is inter-related and used to improve other types of relational networks.

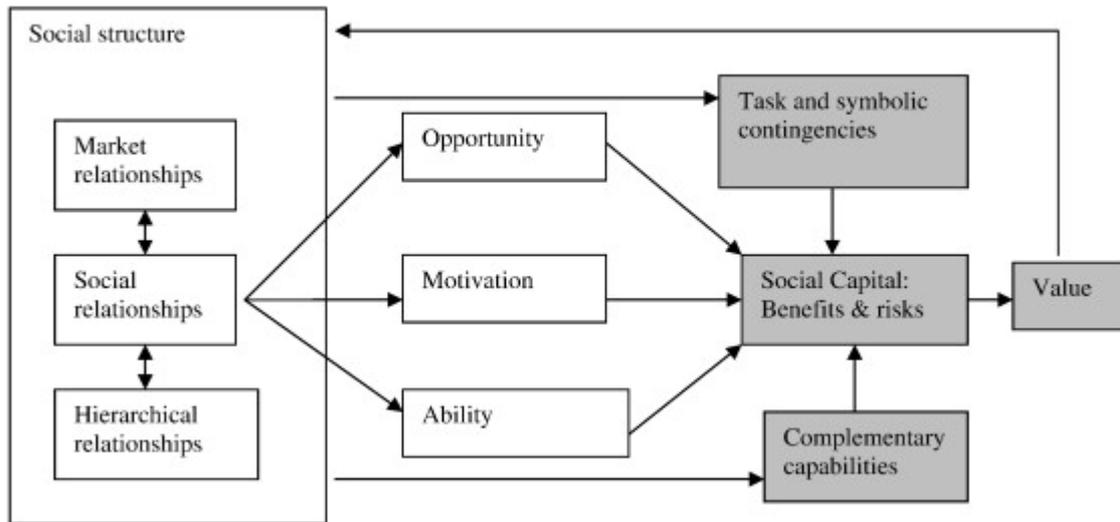


Figure 17: Social Capital Framework (Source: Theingi et al 2008)

The market relationships relate to inter-organisational associations, the social relationships relate to personal and family associations and the hierarchical relationships are intra-organisational (Nahapiet and Ghoshal 1998). In an SPM context, the hierarchical relationships would relate to the founder and a family member who may be the identified successor.

2.5.2 Relational Factors

The complexity of relational factors in Vietnamese families and businesses has its origins in the basic structure of the family unit that remained unchanged for many years until the mass migration to western countries in 1975. Prior to the fall of Saigon in April 1975, there had been minimal migration of Vietnamese to western countries such as Australia, the United States of America, the United Kingdom or Canada (Haines et al 1981).

With the large-scale relocation of Vietnamese people to foreign countries, the complexity of Vietnamese family relational factors and their extension to family business may have become even more complex. Relational factors in family business would be divided between the traditional Confucian based values of the business founder and the changing mind set of the younger generation that may be influenced by the cultural and geographic diversity of the host (in this case Australian) society. Noting cultural and generational difference in Vietnamese families, Nguyen and Williams (1989) highlighted the potential for intergenerational conflict between the Vietnamese born parents and their children.

This risk was reportedly due to parents maintaining traditional family values while their children tended to adopt western values and lifestyles. The relational emphasis in Confucian based ideologies is often in contrast to Anglo based ideology which is typically characterised in business as '*you're either with us or against us*, for example, socialism to capitalism, competition to co-operation, friends to enemies (Lewis 2000). The Confucian based mindset however identifies the connective nature of *relations* that refers not only to human relationships but also to the maintenance of order or structure (Xin and Pearce 1996; Tusi and Farh 1997; Tsang, 1998). In Vietnamese culture individuals are defined and redefined by their relational circumstances and less in terms of their personal characteristics, but more in relation to their expected family roles and responsibilities (Dinh, Sarason and Sarason 1994). The Confucian mindset extends the family unit beyond its functional role to a broader social context of binding and mutually dependant relationships. The broader social context provides a moral social role, linking people to an integrated and stable network, guided by the principle of *filial piety* and other rules of conduct. The Vietnamese emphasis on family relationships and values may be referred to as social institutionalisation of the relational perspective (Chen and Miller 2011).

Consistent with this cultural influence, the Vietnamese appear to place great value on an extended and cohesive family with distinct aspects such as the pre-eminence of sibling and parental ties. These distinct ties include the reliance on the eldest son to assume a leadership role in the family business, thus ensuring continuity and providing financial stability, as well as the continuance of the family name and the familiness aspect of providing care for elderly parents. However, in traditional Vietnamese families, daughters receive fewer privileges than their brothers and are expected to perform more domestic duties and to behave in a respectful manner to protect the *face* of the family (Dinh, Sarason and Sarason 1994). Further, these cultural expectations of family roles and behaviours also extend to the non-Vietnamese community. The Vietnamese place high value on community interaction at both a social level and on a day-to-day basis.

A study by Freeman and Nguyen (2003) suggested that after the Vietnamese left their homeland and were temporarily settled in refugee camps in South East Asia, awaiting resettlement, the need for a new homeland was mentally overwhelming. Reflecting this disruption, the Vietnamese diaspora viewed resettlement in a new country as a priceless gift of returning their dignity and purpose in life.

The need of belonging is so profound that anything that contributes to this sense is seen as invaluable (Tran Minh Tung 1975), while an admirable work ethic helped overcome integration barriers. Haines et al (1981) highlighted Vietnamese refugee work ethic responses such as, '*the Vietnamese like to work hard*', '*the new refugees will succeed because they will work hard*' and '*we have to work hard, you know to make it*'.

2.5.3 Contextual Factors

Contextual factors in family businesses can be described as the combination of an individual's attributes skills or experience that form the main drivers of successful entrepreneurship. They enable the business to identify business opportunities, shape their strategic management process and plan for the future continuity of the business (Shane and Venkataraman 2000). Such contextual factors influence entrepreneurial orientation and leadership within a FOB and influences business performance (Muchiri and McMurray 2015). For example, the traditional Vietnamese FOB model in Australia was orientated towards the retail and service sector, but with generational change and skill acquisition it is likely to improve the contextual factors of FOB by developing, founders, successors, managers and employees who exhibit transformational characteristics (idealised influence, inspirational motivation, individualised consideration and intellectual stimulation), which will lead to better business performance (Dvir et al 2002; Yukl 2013).

To this end, as a study by Barbera et al (2015) noted, early intervention when educating the next generation of family business successors is important. To build the contextual factors in FOB, the nurturing and development of successors and their acquisition of knowledge, leadership capabilities and to achieve credibility and legitimacy is vital in the early stages of the succession process (Morris et al 1997).

In a family context, human capital consists of ethnicity, education and the amount of time and energy that is committed to both the family and the business. Ethnicity consists of common values, beliefs and practices that are related to nationality, common ancestry and or common immigration experiences (Hill et al 2005). Moreover, the human capital in a family business assists the owners to acquire resources such as financial and physical capital; it can also facilitate the acquisition and transfer of knowledge (Honig 2001; Sonnentage and Frese 2002; Bosma et al 2004).

The extent to which human capital is developed in a family business enhances a member's ability to work within the family business systems, providing flexibility to changing business environments, family dynamics and family business governance (Rothausen 2009; Stafford and Tews 2009).

2.5.4 Summary

Family ownership, management and control of the board are the most important characteristics of a family business (Chua et al 1999; Villalong and Amit 2006). The family business structure proposed by Taguri and Davis (1992) suggests that family, business and ownership are interconnected systems that influence decision making and the implementation of business strategy, which may impact on the continuity of family business from one generation to the next (Smyrinos et al 2003). Consequently, succession planning, which is a process of management ownership and leadership transition from incumbent to successor (Miller et al 2013) through SPM processes is directly relevant to family owned SMEs (Burkhart, Panunzi and Shleifer 2003). SPM is a part of governance and is essentially a rule based system in western economies, whereas in Asian businesses governance is essentially based around close relationships involving family control and ongoing close relationships with creditors, suppliers and major customers (Clarke 2011). Tarlow (2012) has noted that good business governance and good family business governance are complex and somewhat elusive concepts given the many facets – social, economic, political and cultural – that can be involved.

Steier et al (2009) suggests maintaining continuity in the family business is the most important factor in SPM, thus highlighting the importance of transition in a family business that Lambrecht (2005) defines as a transfer of ownership, management and ongoing governance. Above all, transition should not be considered as a one-time event; rather, transition to the next generation should be regarded as a continuing process (Aronoff 1998; Astrachan 2001; Keating and Little 1997, Landsberg 1999; Murray 2003). The key factors that influence SPM in Asian family businesses include the primacy of relationships that underpins Confucianism. The interpersonal relationship principles advocated by Confucianism are prevalent in cultures other than Chinese, particularly in more collectivist societies (Yan and Sorenson 2006). The Vietnamese, Koreans and Japanese are commonly included in the group of East Asian societies influenced by Confucianism, and a vital feature of Chinese and Vietnamese business policy is the importance of business relationships or *guanxi*.

The Vietnamese community in Australia has become a prominent segment of the Asian Australian community over the last 40 years. There is a paucity of literature specific to SPM in Vietnamese family owned businesses in Australia, however, studies of other Australian ethnic communities, notably those conducted by Waddell, Parris and Ye (2013), on succession decisions in Chinese Australian family businesses, and by Dunneman and Barrett (2004), identify important gaps in research and knowledge of how relationships, personal and social dynamics can influence SPM.

A review of literature suggests that there is a gap in contextual and relational knowledge of how Vietnamese FOBs have, or have not, prepared for succession. Appropriate preparation includes: having a long-term plan for the business, keeping the business in the family, having sufficient highly skilled staff to maintain business continuity, identification and preparation of successors, maintenance and management of external networks (*guanxi*) and maintenance of internal aspects such as family harmony and the relationship between successor and founder. This study aims to build on the research of Waddell, Parris and Ye (2013) and Dunneman and Barrett (2004) focusing specifically on a Confucian-based cultural community, the Vietnamese, with the aim of developing a framework for SPM practice in Vietnamese FOB in Australia. Figure 18, below, summarises the key literature concepts on which this study is founded.

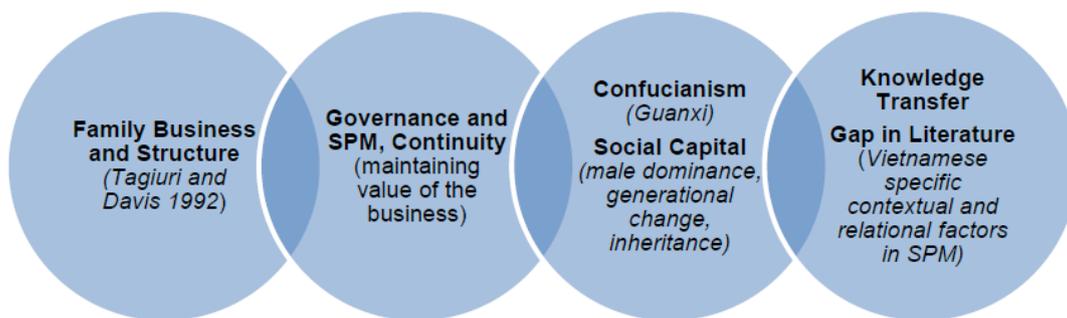


Figure 18: Conceptual Summary of Key Literature

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CHAPTER 3 - RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides a summary of the research philosophy, approach and methodology adopted for this study, which is based on a case study of Vietnamese FOB in Australia. The chapter discusses the philosophical dimensions of ontology and epistemology and how these disciplines influenced the choice of a constructivist research paradigm. The chapter is presented in three parts. The first part provides a description of core concepts in research philosophy. The second part outlines the research design, selection of case study families and how the case studies for this research are presented using narrative analysis. The third part provides an explanation of how the qualitative data was constructed and analysed using NVivo 10 software. Figure 19, below, illustrates the flow of Chapter 3.



Figure 19: Chapter 3 Overview

3.2 Core Concepts

3.2.1 Ontology

The two main philosophical dimensions that distinguish between research paradigms are Ontology and Epistemology (Laughlin 1995; Kalof et al 2008; Saunders et a 2009). These dimensions relate to the nature of knowledge and development (or creation) of knowledge respectively. Ontology is concerned with how a person perceives reality. Ontology is often used as a synonym of 'metaphysics', a term meaning 'what comes after the physics' (Barry 2003). A study by Woodruff-Smith (2008) explains ontology as the study of beings or their being.

In terms of social research, ontologically a person can perceive that the existence of reality is external and independent of social actors and their interpretations of it – a stance that is usually termed as objectivist or objectivism (Saunders et al 2007). Objectivism suggests the only legitimate approach to create knowledge about social reality is through the use of positivist, empirical research in which evidence must be verifiable and replicable (Remenyi 1998). From a positivist viewpoint, as Anderson and Barrera (1995), suggest human nature can be perceived as being deterministic - that is, it is shaped by heredity and environment. Therefore, objectivism portrays the position that social entities can exist in reality external to (independent of) other social actors.

In contrast to an objectivist (and objectivism) viewpoint, a subjectivist view is where social phenomena are seen as being created from the perceptions and consequent actions of social actors. This view reflects the continual process of social interaction and thus, social phenomena can be perceived as forever in a state of revision (Saunders 2007). In broad terms, then objectivism is the ontological stance that supports a quantitative research approach and subjectivism is the stance supporting qualitative research (Heidegger 2005).

3.2.2 Epistemology

Wahyuni (2012) explains that epistemology as the way in which we generate, understand and use knowledge that is deemed to be acceptable and valid. Woodruff - Smith (2008) describes epistemology is the study of knowledge '*how we know*' and like ontology (with elements of objectivism and subjectivism), epistemology has the two opposite elements of positivism and phenomenology. Positivism is the epistemological position that advocates working with an observable social reality. Neuman (2011) noted that positivism research seeks to obtain law like generalisations by conducting value free research to measure social phenomena. Positivists believe that different researchers should be able to generate similar results by carefully using statistical tests and applying a similar research process when investigating a large sample (Creswell 2014). In contrast, phenomenology suggests that meaning is derived through experiences. Phenomenology studies the conscious occurrence from the subjective viewpoint (Woodruff-Smith 2008), or as Saunders et al (2007) says, it supports an epistemological stance that sees social phenomena as socially constructed and concerned with generating meanings and gaining insights into these phenomena.

Phenomenological research highlights the way in which humans make sense of the world around them. It focuses on the context of social interactions and follows an inductive study approach using qualitative research methods (Lamnek 2005). Schwendinger (2011) suggests that for exploratory qualitative research regarding the context of family business succession, phenomenology provides a favourable epistemological position to develop a richer understanding of the study's aim. Importantly, at the heart of phenomenology is the view that those who have experienced it are the only ones able to communicate a phenomenon to the outside world. Phenomenological research aims to *borrow* the experience of affected humans in order to provide a description or interpretation of that experience.

This approach values the importance of past experiences as well as future concerns and plans (Miller 2003; Priest 2004), while Saunders et al (2009) identify the challenge as being able to enter the social world of the participants and the need to understand their world from their point of view. On this evidence, as the study intention is to gather and interpret the phenomena of SPM within family businesses, an epistemology research paradigm is preferable over an ontological research paradigm.

3.2.3 The Constructivist Paradigm

Constructivism is a theory that explains how people construct their own understanding through experience and reflection, while social constructivism (often combined with interpretivism) extends constructivism by including social actors and even culture in development. Constructivism is a perspective that is widely seen in qualitative research (Creswell 2014). Crotty (1998) suggests that the goal of a constructivist approach to research is to rely as much as possible on the participant's views of the situation being studied. The questions consequently need to be broad and general so that the participants can reconstruct the meaning of their situation through discussions and their interactions with other persons. Open - ended questions allow for the participants to provide their story and what they do in their life settings which are described both historically and socially. Moreover, they are not imprinted on individuals but formed through interaction with others and through historical and cultural norms that operate in individual's lives. The process of this qualitative research approach is largely inductive, with the researcher seeking to generate meanings from the data collected in the field.

Table 3 below illustrates the philosophical dimensions of ontology and epistemology and their relationship to the research paradigm of constructivism, the approach taken for this study (Saunders et al 2009; Guba and Lincoln 2005; Hallebone and Priest 2009).

Table 3: Research Paradigms (Source: Saunders et al 2009; Guba and Lincoln 2005; Hallebone and Priest 2009)				
Fundamental Beliefs	<i>Positivism (Naïve realism)</i>	<i>Post positivism (Critical Realism)</i>	<i>Interpretivism (Constructivism)</i>	<i>Pragmatism</i>
Ontology: the position on the nature of reality	External, objective and independent of social actors	Objective. Exist independently of human thoughts and beliefs or knowledge of their existence, but is interpreted through social conditioning (critical realist)	Socially constructed, subjective, may change, multiple	External, multiple, view chosen to best achieve an answer to the research question
Epistemology: the view on what constitutes acceptable knowledge	Only observable phenomena can provide credible data, facts. Focus on causality and law like generalisations reducing phenomena to simplest elements	Only observable phenomena can provide credible data, facts. Focus on explaining within a context or contexts	Subjective meanings and social phenomena. Focus upon the details of situation, the reality behind these details, subjective meanings and motivating actions	Either or both observable phenomena and subjective meanings can provide acceptable knowledge dependent upon the research question. Focus on practical applied research integrating different perspectives to help interpret the data
Axiology: the role of values in research and the researcher's stance	Value free and etic. Research is undertaken in a value freeway; the researcher is independent of the data and maintains an objective stance	Value laden and etic. Research is value laden: the researcher is biased by world views, cultural experiences and upbringing	Value bond and emic. Research is value bond, the researcher is part of what is being researched, cannot be separated and so will be subjective	Value bond and etic – emic. Values play a large role in interpreting the results, the researcher adopting both objective and subjective points of view
Research Methodology: the model behind the research process	Quantitative	Quantitative or qualitative	Qualitative	Quantitative and qualitative (mixed or multi method design)

3.2.4 Emic and Etic Viewpoints

Emic and Etic refer to two different viewpoints to researching human beings; from within a social group (participant perspective) and from outside (observer perspective), respectively. The emic approach investigates how people think (Kottak 2006). It is referred to as insider, inductive or bottom up as its starting point is the perspectives and words of the research participants. Emic constructs are accounts or descriptions and analyses expressed in terms of conceptual schemes and categories. These schemes and categories are regarded as meaningful and appropriate by the native members of the culture whose beliefs and behaviours are being studied. In taking an emic approach, prior theories and assumptions are put aside in order to let the participants and data *speak* and allow themes, patterns and concepts to emerge (Lett 1990).

Conversely, an etic approach takes an outsider perspective. It is deductive or top down and uses theories, hypotheses, perspectives and concepts as its starting point. Etic based constructs are accounts, descriptions and analyses expressed in terms of the conceptual schemes and categories regarded as meaningful and appropriate by the community or scientific observers (Lett 1990). Emic and Etic viewpoints can also apply specifically to codes used in Thematic Analysis. For example, an emic approach allows for the participants to express how they perceive and categorise the world, their rules for behaviour, what has meaning for them and how they imagine and explain things (Kottak 2006).

In contrast, an etic approach to coding data involves codes developed from the literature or prior research while an emic code arises from the data and is often built from a participants own words. In this study, from an axiology perspective an emic approach was undertaken, as the researcher is part of what is being researched, due to the close interaction with the participants and more importantly the research is being conducted within a culturally specific group. The emic approach is more applicable for this study given the participants have generational differences, were born in different cultures which may provide differing mindsets to interview responses, day to day business practices and cultural alignments.

3.3 Design

3.3.1 Case Studies

The case study method has an extensive history as a research and teaching tool within health and social sciences (Gerring 2007). Case study research is associated with disciplines such as sociology, anthropology, medicine and psychology and education (Meriam 1998; Simons 2009). Case studies are a research method that facilitates a deep investigation of a real life contemporary phenomenon in its natural context (Woodside 2010; Yin 2012). Case study research allows for the exploration of the phenomenon under investigation from a variety of perspectives to gain an in depth balanced picture of the phenomenon (Taylor and Martindale 2014).

Yin (2009) suggests three ideal conditions for conducting case study research in social sciences: experiment, survey, archival analysis and history. The research questions can be shaped in the form of why or how, there is no control over behavioural events and the focus is on contemporary events. Case study research should use a multiple case study design, involving multiple study sites and using multiple methods to analyse collected data. Miles and Huberman (1994) highlighted that multiple case studies are preferred over a single case study as they allow comparison between observed practices by subjects studied in order to obtain a more comprehensive understanding. This allows for the study to contrast, compare, replicate, catalogue and classify the data for analysis. In this study, eight case study families will be selected from different geographical locations, different business types with three different data analysis processes. Introduction to the families will be through the Vietnamese business community in Melbourne, to facilitate ease of acceptance and to build initial authentication.

Qualitative data provided by the business founder, business successor and a third source (triangulation) will be presented in a case study format that narrates the personal family and business stories through narrative analysis. This data forms the primary data source for this study, with secondary data obtained through viewing of personal FOB documentation that includes sales documents, order documents, business plans, customer feedback and web page publications. A third source of data, for triangulation, will be collected through conversations with close business associates, long time work colleagues or employees and customer interaction.

3.3.2 Narrative Analysis

Narrative analysis is a study of stories or accounts of individuals, but also of groups and societies (Reismann 2008). This approach traces the order of events and how business and family life may or may not bind together (Czarniawska 1997). From a family business perspective, a narrative analysis approach can help address the family business phenomena by encompassing the lively, moving, creative and dramatic characteristics of family relationships (Hjorth 2007). Cope (2005) suggests that narrative analysis, as a qualitative approach, brings the reader closer to the phenomena being studied and can assist in understanding human behaviour and the complex, dynamic and relational quality of social interactions. In a family business perspective, narrative analysis focuses on the process through which the shared or contested realities of family businesses arise, are sustained and are changed (Morgan 1980). It highlights the relational processes and the context they are embedded in (Gartner 2007; Hosking and Hjorth 2004). As Taylor and Van Every (2000) note, narratives are more than storytelling. They are a mode of reasoning and a primary way we cognitively process social information. Narratives are emotionally conveyed and are a way of remembering personal meaning. Figure 20, below, illustrates the narrative analysis approach as it applied to this research by allowing Vietnamese family business members to tell their stories inclusive of Vietnamese cultural aspects.

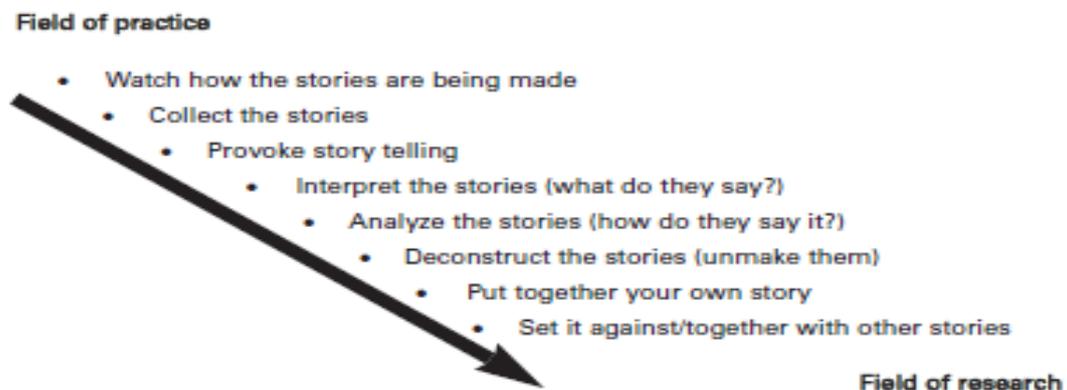


Figure 20: The Narrative Turn in Social Sciences (Czarniawska 2004)

3.3.3 Data Collection

Eisenhardt (1989) and Yin (2003a) suggest that multiple data collection methods are required in case study research, while Denzin and Lincoln (1994) add that using multiple data collection methods enhances the understanding of each case study by providing a fuller description of individual cases. An open ended, semi – structured interview is a primary source for data collection in case study. Open ended questions allow for each interviewee to adapt to their individual circumstance and family business environment, yet still provide information on the issues being studied. This methodology allows the interviewee to reflect, elaborate and narrate those experiences that are most meaningful to them in both a business and cultural context (Yin 1994). The data collection process (see Figure 21 below) for this study was constructed to align with the research conceptual framework of Crotty (1998).

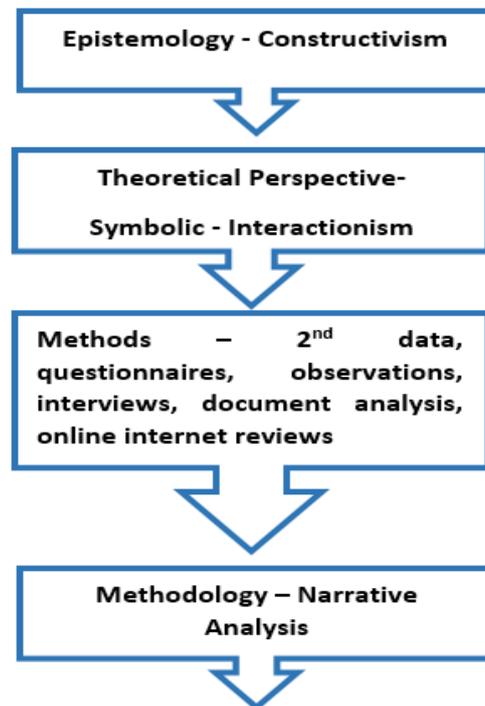


Figure 21: Research Methodology (adapted from Crotty 1998)

A constructivism research approach allows for the individual to interpret their particular social circumstance and explain their experiences (Yin 2003a). The symbolic – interactionism theoretical perspective aligned with the research question, being concerned with family life and the thoughts and concerns of the family in regards to the interaction of family and business (Burr 1996).

The methodology of survey questionnaire, document analysis and observations aligns with the ethnography of culturally diverse interviewees and enables an engagement with specific cultural aspects. The summation of data collected in each case study must therefore preserve the original content (Mayring 2002). Primary data collection includes interviews with individual family members, attendance at cultural functions, family business events as well as observing interactions between founder, successor, customers and other employees and reading online reviews on Facebook, YouTube and other social media. Parker (2003) suggests that researchers should get involved in a face to face communication process with participants in order to better understand the current state of real world practice. A summary of responses provided to a pre-interview questionnaire, is formulated into a table linking this data to the research question (RQ) and research objectives (RO).

The founder and successor will complete these questionnaires, and an additional perspective of the succession process is provided from either an employee or business associate. Cultural diversity and the generous acceptance into the family and business life of each case study family is respected in each overview. Secondary data included viewing internal publications provided by participants and publicly available data available on web sites. This document analysis included profit and loss statements, customer order forms and business plans. The online data consisted of customer reviews, testimonials and family business marketing, promotional documents, booking sheets, order forms, business emails, company web pages, previous and current customer acknowledgments and catalogues.

These documents were viewed to support either a successful transition or a loss of business continuity following the succession process. All of these documents were provided by the case study families on a case dependant goodwill basis, with the individual identity of the documents not disclosed. The multiple data collection method from multiple sources is known as triangulation (Bryman 2012). This allows for a more comprehensive collection process and cross checking for consistency in order to enhance the robustness of findings. The semi-structured interview allows for the participants to share their perspectives, stories and experience regarding a particular social phenomenon.

The participants pass on their knowledge through conversations during the interview process (Boeije 2010), while Fletcher (2007) suggests analysing the narratives of those conversations helps to understand how family businesses are socially created and maintained in emerging interactions among people, with these interactions taking place in resonance with the participants' histories, socio-cultural and economic context. Rubin and Rubin (2005) suggest that responsive interviewing concentrates on obtaining a deeper understanding rather than breadth. The interview questions should be structured to include open-ended main questions, follow up questions and probes.

Relevant articles, web page publications and industrial research should be explored to gather ideas about relevant practices. In this study, the participants completed a pre-interview questionnaire by answering set questions and providing their responses against a Likert scale. The semi structured interviews consist of a number of pre-set questions depending on whether the participant was the founder or successor, clarification questions from pre-interview questionnaire and clarification questions that may arise during the interview. The interviews are voice recorded or recorded by note taking and transcribed immediately afterwards. The method of recording the interview will depend on location, time available and the English level of the participant.

3.3.4 Narrative Analysis of Interview Data

Data analysis involves the drawing of inferences from raw data. This can include using multi methods that are applied sequentially such as quantitative and qualitative data collection in a methodological triangulation (Patton 2002). As this study utilises a qualitative data collection methodology and is primarily text based, the data management process involves three aspects: data storage, transcribing audio sources and cleaning the data. Data in this study were stored in transcription folders, then coded and stored into NVivo 10. The data from the pre-interview questionnaires and semi-structured interviews are analysed and coded under either a parent node or child node in NVivo 10. The initial transcribing of data can be seen as the initial step in data analysis (Miles and Huberman 1994; Kvale and Brinkman 2009). In this study, data that were collected from the case study families that are illustrated in Chapter 4 (*Individual Case Analysis*) and Chapter 5 (*Thematic Analysis*) are not identified by name but given alphabetical titles. In NVivo 10, the family identity is replaced with code.

The collected qualitative data was subsequently dismantled, segmented and reassembled to form meaningful findings and inferences (Boeije 2010). Figure 22, below, illustrates the data analysis process.

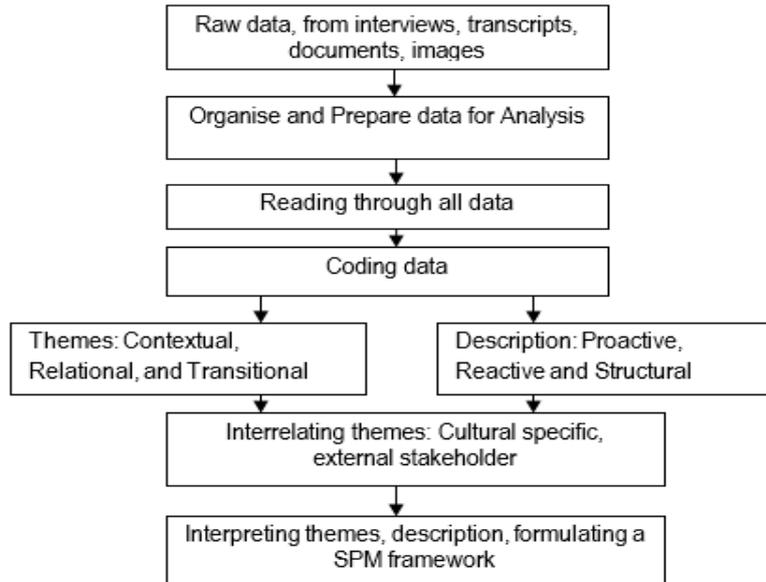


Figure 22: Data Analysis Process (Source: Creswell 2014)

3.3.5 NVivo

The data collected in this study were analysed initially by writing up case study descriptions. This practice is similar to the case study methodology of Yin (1994), Eisenhardt (1989) and Miles and Huberman (1994). From those case study descriptions, a further case study analysis was completed that included information arrays, flowcharts and a breakdown of data displays as suggested by Miles and Huberman (1994). The data that were collected included, recorded interviews, transcribed interviews and questionnaires and these documents were uploaded into NVivo 10 for coding. Strauss and Corbin (1998) suggest that coding in qualitative research involves the segmenting of data into units and rearranging them into categories to facilitate insight, comparison and the development of theory. Codes serve as a retrieval and organising device that allows for the rapid retrieval and clustering of all the segments related to a particular question, concept or theme. Thematic codes were identified according to analytical categories derived from the literature. Using NVivo, patterns across cases were explored and investigated as to whether they could be attributed to the reviewed literature. A systematic comparison of the emerging theory with the evidence from each case was used to construct a SPM transition framework.

Cases which confirmed emergent factors, or divergent factors, are used to refine or extend existent theory (Eisenhardt 1989). Recurring patterns found across cases were attributed to predicted associations or propositions and positioned into a theoretical framework.

3.3.6 Data Analysis (using NVivo 10)

NVivo 10 is developed, manufactured and distributed by QSR International Pty Ltd. It is a qualitative software, not only used for business studies but also utilised by researchers of sociology, psychology and anthropology. In qualitative research, NVivo 10 has been recognised as acceptable for data analysis (Bazeley and Richards 2000). It allows users to store original records in full texts through project documents, can assist in organising thoughts and ideas through the creation of nodes, setting up document attributes or node attributes, adding memos, building up models, tables or data bites, editing codes and finding links between them or with background information and literature library. Although QSR's NVivo 10 software assists in data recording and analysis, it is not designed as a *thinking* mechanism that can automatically produce research outcomes. The onus is on the researcher who inputs the information to identify outputs that indicate relationships with or contradictions with the data.

Convenient text editing tools in NVivo 10 make the formation of relationships or contradictions possible. Tapes and audio materials also can be used as resource materials in NVivo 10 (Bazeley and Jackson 2014). When an NVivo 10 project is created, you can import diverse sources into the data base. Sources can include articles, interviews, survey results, audio / visual recordings, pictures, web pages or social media content. You can then create, edit, explore or browse your sources by nodes. These data sources can be *rich text files* or *proxy representing files* (QSR 2014). For example, the full record of a conversation that was recorded in an interview format from an audio recording is stored as an independent document. The source can be reviewed, edited or changed by browsing the document. The content of the source can then be coded into a node.

In NVivo, nodes are created for each topic or concept to be stored. A node is a container for a collection of references about a specific theme, place or other topic of interest. NVivo stores references to data in the nodes, not actual segments of data. The references are the exact location of the text that are coded into the source document. For this study, three parent nodes were created, business transition, contextual and relational.

These three parent nodes were created in order to address the specific research questions in this study. From these case nodes, a node hierarchy was created to move from the parent node to child nodes. The child nodes represent more specific criteria that are related to the parent node (QSR 2014).

Figure 23 below illustrates the contextual parent nodes and hierarchy of child nodes developed for this study.

Name	Sources	References	Created On	Created By
Business Transition	0	0	25/05/2015 10:15 AM	IT
Contextual	0	0	25/05/2015 10:11 AM	IT
Environment	0	0	25/05/2015 10:13 AM	IT
Cultural Pride	2	3	1/06/2015 11:48 AM	IT
Industry Sector	1	1	1/06/2015 11:56 AM	IT
Structure	0	0	1/06/2015 11:52 AM	IT
Business Size	0	0	1/06/2015 11:53 AM	IT
Gender	3	3	1/06/2015 11:55 AM	IT
Technology	7	8	1/06/2015 11:54 AM	IT
Founder	0	0	25/05/2015 10:12 AM	IT
Business Performance after Success	9	13	25/05/2015 10:35 AM	IT
Business Remain in Family	8	8	25/05/2015 10:34 AM	IT
Choice of Successor	2	2	25/05/2015 10:32 AM	IT
Female Successor	2	2	25/05/2015 10:36 AM	IT
Male Successor	3	3	25/05/2015 10:36 AM	IT
Cultural Influence on Succession	1	1	25/05/2015 10:37 AM	IT
Australian Culture	4	4	25/05/2015 10:37 AM	IT
Vietnamese Culture	3	3	25/05/2015 10:37 AM	IT
Founder remain in business after su	1	1	25/05/2015 10:33 AM	IT
Knowledge Transfer	1	1	25/05/2015 10:30 AM	IT
Not Structured	4	4	25/05/2015 10:43 AM	IT
Structured	1	1	25/05/2015 10:42 AM	IT
Sell the Business	3	3	25/05/2015 10:35 AM	IT
Social and Community Recognition	4	4	25/05/2015 10:34 AM	IT
Successor	0	0	25/05/2015 10:12 AM	IT
Relational	0	0	25/05/2015 10:14 AM	IT

Figure 23: Example of Parent and Child nodes in NVivo 10

Coding is the key process of analysis through NVivo. Coding is an abstract representation of an object or phenomenon or of more specifically identifying themes in a text (Bernard and Ryan 2010).

Coding is one of several methods of working with and building knowledge about data, to use it in conjunction with annotating, memoing, linking and modelling (Bazeley and Jackson 2014). Coding enables you to quickly find all the relevant data to answer research questions and to obtain or refine clues from your materials (QSR 2014). Coding enables the source and participant to be identified. For example, a query of founder quotes in the parent node of business transition is illustrated in Figure 24 below.

The screenshot displays the NVivo 10 interface. On the left is a 'Sources' tree with categories: Internals, Externals, Memos, and Framework Matrices. Below this is a navigation pane with 'Sources' selected. At the top, there is a search bar with 'Internals' selected in the 'Search In' dropdown, and buttons for 'Find Now', 'Clear', and 'Advanced Find'. The main area shows a table of internal sources:

Name	Nodes	References	Created On
Bac - Cong Nghieu	2	2	21/05/2015 9:46 AM
Interview Format	0	0	21/05/2015 9:46 AM
Interview with Hoang Le	14	22	21/05/2015 9:46 AM
Interview with Hung VO	15	24	21/05/2015 9:46 AM
Interview with Huong Pham	15	26	21/05/2015 9:46 AM
Interview with Jasmine Nguyen	12	16	7/06/2015 3:25 PM
Interview with Kym Le	15	15	21/05/2015 9:46 AM
Interview with Michael Thai	12	17	21/05/2015 9:46 AM
Interview with Mr Dung Le	12	17	21/05/2015 9:46 AM

Below the table, a 'Coding Query - Results Preview' window is open, showing the following results:

- Query:** <Internals\Interview with Kym Le> - \$ 1 reference coded [2.31% Coverage]
- Reference 1 - 2.31% Coverage:** Start work on this early and work hard, don't think about money first but take time to teach business and just keep going
- Query:** <Internals\Interview with Mr Tony Ling> - \$ 5 references coded [12.32% Coverage]
- Reference 1 - 2.77% Coverage:** It was important not only passing on my business by my life experience and knowledge not only in a commercial sense but my business cultural knowledge.
- Reference 2 - 0.82% Coverage:** I wanted to do it before getting old or sick.
- Reference 3 - 2.81% Coverage:** wanting to be in the business and the financial aspect as you are your own boss, you decide your own strategy and take the business in your own direction.

Figure 24: Example of Coding in NVivo 10

Attributes in NVivo provide information about people, sites or other items that are represented in the sources contained in the nodes of the project. An attribute can specify a value such as male or female, place or specific group. Attributes can be used to filter and search data.

If a source has been coded and assigned a certain attribute, a query search could provide information as to whether there had been a gendered response or an event took place at a certain time or place (QSR 2014). For example, a matrix coding query on founder quotes illustrates that founder quotes have been coded within a source document and have been assigned an attribute of male or female. Figure 25 below illustrates a coded attribute.

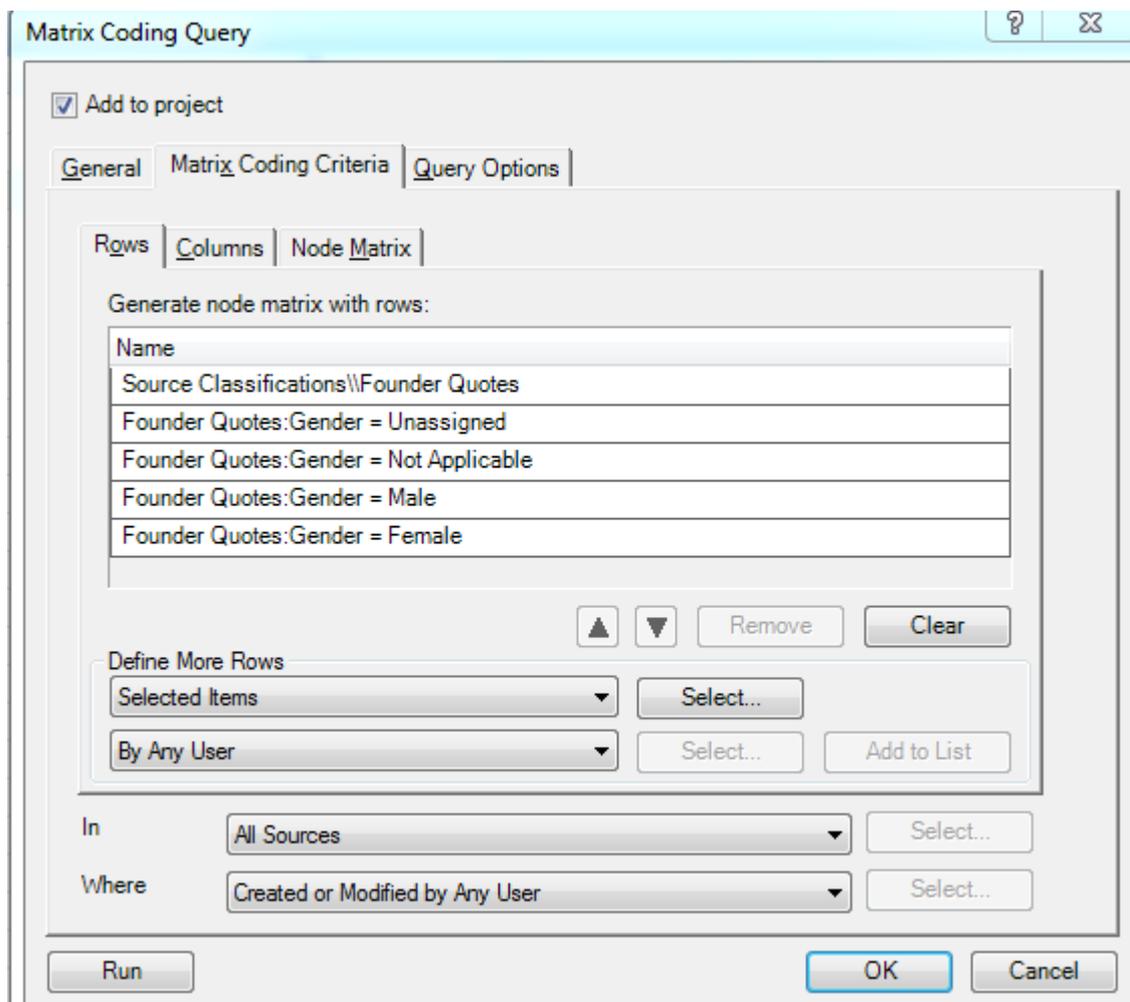


Figure 25: Example of an Attribute in NVivo 10

Media sources in NVivo can include audio recordings, You Tube videos and electronic and non-electronic images. They can be listened to via media player or used to create a transcript. For this study, a number of interviews were voice recorded and uploaded as a source (QSR 2014). Some interviews were recorded in field notes due to language limitations and later transcribed into typed transcripts.

3.3.7 NVivo Audit Trail

Lincoln and Guba (1985) suggest that the trustworthiness of research data is important in the evaluation of its worth. In this context, trustworthiness consists of credibility (confidence in the ‘truth’ of the findings), transferability (showing the findings have applicability in other contexts), dependability (showing the findings are consistent and could be repeated) and confirmability (a degree of neutrality or the extent to which the findings of a study are shaped by the respondents and not researcher bias, motivation or interest).

Maxwell (1996) suggests the concept of validity is defined as ‘the correctness or credibility of a description, conclusion, explanation, interpretation or other sort of account’. Validity is considered a goal rather than a product and it provides an avenue for the reader of the research to judge both the process and outcomes of the study (Lincoln and Guba 2003). Moreover, credibility can be enhanced with triangulation that utilises several methods to study a phenomenon (Polit et al 2001, Holloway and Wheeler 2002 and Burns and Grove 2005). The two main purposes of triangulation are to confirm data and to ensure data are complete (Begley 1996, Shih 1998, Casey and Murphy 2009). Richards (1999), Bringer et al (2004) and Silverman (2010) suggest that NVivo can enhance the rigour of research by providing a comprehensive ‘trail’ of decisions made during data collection and analysis. The ‘truth’ of findings is enabled in the use of NVivo, by providing an audit trail that links with data uploaded into NVivo 10. Merriam (1998) suggests that audit trails are one strategy for ensuring greater consistency between the results of a study and the collected data. For this study *data source triangulation* was utilised. For example, more than one data source or collecting the same data at different locations (Stake 1995). For qualitative research, Lincoln and Guba (1985) suggested six elements were required to add rigour to case study research. See Table 4 below.

Table 4: NVivo Audit Trail (Source: Lincoln and Guba 1985)		
Sources	Suggested Evidence	Evidence relating to this study
Raw data	Transcripts, audio data, videos, documents, photographic data, field notes, survey results	Transcripts, Audio data, Survey Results
Data reduction and analysis products	Condensed notes and summaries, transcript notes, emerging concepts, quantitative summaries.	Condensed Notes Transcript Notes
Data reconstruction and synthesis products	Structure of categories (themes, definition and relationships), findings and conclusions (interpretations)	Structure of Categories (Nodes), Themes, relationships, Findings and Conclusions

	and inferences) a final report with connections to the existing literature (on concepts and interpretations)	
Process notes	Methodological notes (procedure, design, rationale) criteria of rigour notes (authenticity and trustworthiness)	Methodology Notes. Authentic recording of notes and Trustworthiness through validity and triangulation
Materials relating to intentions and dispositions	Inquiry proposal, reflexivity and personal notes and expectations	Personal Notes through document analysis
Instrument development	Pilot work, interview and survey development of questions, report drafts or feedback notes	Survey Development and Formal questions via face to face interview

3.3.8 Research Validity, Reliability and Evidence (vs proof)

Although there is ongoing discussion about the use of quantitative versus qualitative research methodologies, Parker (2012) suggests that qualitative research operates in a completely different domain with different missions and agendas. Qualitative research seeks to produce credible knowledge of interpretations on organisation and management processes and understandings with an emphasis more on uniqueness and context. Kalof et al (2008) and Bryman (2012) note, reliability and validity per se cannot be used to assess qualitative research.

Lincoln and Guba (1985) and Guba and Lincoln (1989) suggest there are four criteria of research trustworthiness. These are, credibility that parallels internal validity, transferability that resembles external validity, dependability that parallels reliability and conformability that resembles objectivity. Credibility is concerned with whether the study actually measures or tests what is intended. Transferability refers to the level of applicability into other settings or situations. Dependability concerns taking into account all the changes that occur in a setting and how these affect the way research is being conducted. Conformability refers to the extent to which others can confirm the findings, in order to ensure that the results reflect the understandings and experiences of observed participants rather than researchers preferences. To demonstrate rigour and trustworthiness in qualitative research, Table 5, below illustrates the quality criterion relating to credibility, transferability, dependability and conformability.

Table 5: Criteria to address Guba’s (1989) trustworthiness (Source: Shenton 2004)

Quality Criterion	Possible Provisions made by Researcher
Credibility	<ul style="list-style-type: none">• Adoption of appropriate, well recognised research methods• Development of early familiarity with culture of participating organisations• Triangulation via use of different methods, different types of informants with different sites and the use of reflective commentary and detailed description of phenomenon under scrutiny
Transferability	<ul style="list-style-type: none">• Provision of background data to establish context of study and detailed description of phenomenon in question to allow comparisons to be made
Dependability	<ul style="list-style-type: none">• Employment of overlapping methods and in depth methodological description to allow study to be repeated
Conformability	<ul style="list-style-type: none">• Triangulation to reduce effect of researcher bias and in-depth methodological description to allow integrity of research results to be scrutinised• Use of diagrams to demonstrate ‘audit trail’

3.3.9 Summary

The research epistemology for this study is constructivism that focuses on the subjective meaning of social phenomena and the reality behind the qualitative data supplied by the participants. The axiology is emic in nature as it allows for close interaction with research participants and, in particular, a culturally specific group. The research methodology was the presentation of eight Vietnamese FOB case studies from different geographical locations and differing business environments. The qualitative data provided by the business founder, business successor and a third source (triangulation) is presented in a case study format that narrates the personal family and business stories through a narrative analysis. The qualitative data in the case studies is obtained through a pre-interview questionnaire and then a semi structured interview consisting of open-ended questions. These data formed the primary data source for this study, with secondary data being obtained through the viewing of personal FOB documentation. A third source of data for triangulation purposes was collected through close business associates, long time work colleagues or employees and customer interaction. The qualitative data was further analysed using the qualitative analysis software NVivo 10. The qualitative data was stored under the three parent nodes of contextual, relational and business transition. These parent nodes relate directly to the research questions and research objectives.

Child nodes were created under the respective parent nodes to categorise participant responses from the pre-interview questionnaire and semi structured interviews. Lincoln and Guba (1985) suggest that an *inquiry audit* enhances conformability.

An NVivo audit trail illustrates how the qualitative data collected in this study meets the required standards of research rigour of trustworthiness, transferability, dependability and confirmability (Lincoln and Guba 1985).

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CHAPTER 4 -SUMMARY ANALYSIS: EMERGING SPM THEMES

4.1 Introduction

This chapter provides a summary analysis of SPM themes emerging from the eight Vietnamese family owned businesses that form the basis of this study. These businesses are located in Perth (x 1), Melbourne (x 5) and Sydney (x 2). A summary of the respective responses by the founder, successor and if available, an employee or other family member participating in the FOB, to a pre-interview questionnaire is presented first. The questionnaire formed the basis for the follow-up face-to-face interviews that were recorded. These responses illustrate emerging characteristics related to the research objectives of contextual, relational and other influences on SPM in Vietnamese FOB. SPM in FOB's is clearly influenced by cultural and demographic nuances, such as the differences between founder and successor to a Vietnamese mindset, business practices and generational knowledge. The founder and successor narratives are checked against confidential business records such as profit and loss statements, customer orders and strategy documents. As these documents were provided on a goodwill basis, specifics and the identity of the documents are not disclosed. Figure 26, below, illustrates the flow of Chapter 4.

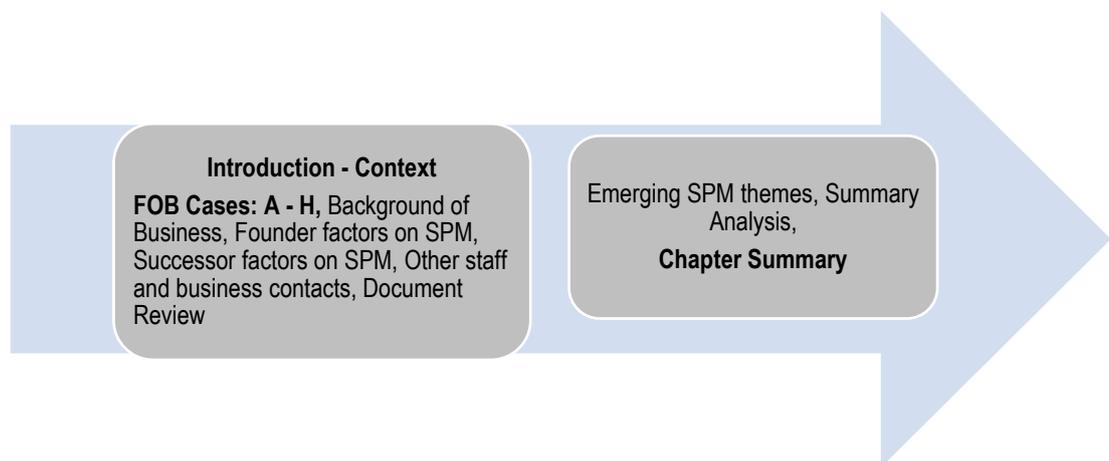


Figure 26: Chapter 4 Overview

4.1.2 Context

Dey (2001) identifies context as any information that can be used to characterise the situation of an entity, while Rosemann et al (2006) says the combination of all implicit and explicit circumstances that impact the situation in which a business process is embedded, or a business process, can be termed the context. Conversely, relational factors reflect the many differences in family values and relationships. Venter et al (2003), for example, suggests that for succession management to be successful five human relational variables must exist: namely the willingness of the successor to take over, maintaining family harmony, the nature of the relationship between the founder and successor, the founders outside interests and trust in the successor's abilities and intentions.

4.2 FOB Case: A (Melbourne – Beauty Products)

4.2.1 Background of Business

DL arrived in Australia in 1984, via a refugee camp in the Philippines. Upon arrival in Australia, DL worked in the clothing manufacturing business. This work impacted on his wife and small children as it was physically demanding, involved working long hours and reduced the hours that he could spend with his family in a stable family environment. Further impacting on the family unit was the low return in money, because of the competitiveness within the Vietnamese community of similar FOB's and the fact that the process of manufacturing clothing in Australia was not compatible with Vietnamese culture. The regulation of the clothing industry sector in Australia, the cost of material and overheads differed from the Vietnamese manufacturing environment of low overheads, no regulation and minimal tax payments. In early 1999, DL visited a friend in the United States, who was operating a FOB in the beauty industry, and identified a similar business opportunity that he could adapt to the Australian market. Upon his return to Melbourne later that year, DL established a Melbourne based beauty business. In 2000 DL obtained a qualification as a Registered Training Organisation (RTO) and opened a training school to complement his business. DL saw this school as an opportunity to assist the Vietnamese community, by providing alternate skills and employment opportunities to clothing manufacture that would assist other Vietnamese to integrate into Australian society. When the school was opened, DL's wife operated the school and his daughter looked after the marketing of the business.

Today, both have reduced their involvement in the business and take no part in its daily operation, but alternatively DL's brother works in the business assisting with operations and supports HL who is the successor. The business prospered and today has 70 beauty salons, a product distribution arm to the business and employs over 40 people. These employees are mainly Vietnamese with a small percentage of Australians who work in some of the salons.

4.2.2 Founder Related Considerations

In 2005 DL recognised that his business had grown to a point where he could not competently manage all aspects of the FOB. The business consisted of the training school, nail salons and the sales and distribution of nail care products. DL only wanted his son to take over from him, as this was within traditional Vietnamese cultural requirements. DL saw the preparation of his son HL for succession as a business strategy. The aim was to ensure that he could initially assume some of the business responsibilities, with the eventual aim of having his son complete the transition process and be responsible for all management decisions. DL did not consider his daughter for succession as she is married and has children. During the transition period between DL and his son, DL required his son to show passion for the business, creativity and have the ability to build a strong relationship with internal employees, external suppliers, the Vietnamese community and more importantly the father – son relationship. These were essential criteria that DL was looking for in his successor. DL stated that his son was able to learn the FOB skills from his father but also able to adapt these skills into his own business and management style. DL was satisfied with the transition process between him and his son stating, *'Our business now has improved sales and management process'* DL considers that the successful transition between him and his son has also been acknowledged by his external customers stating, *'I have all good feedback, that's how we built the brand name, everybody knows us'*

DL was not aware of the term succession planning, but saw his succession process as part of ensuring that he would not lose the hard work of establishing himself in a new country. DL wanted the business to continue providing for the family and his success would maintain his social standing in both the Vietnamese and Australian community. In 2004, the business was becoming too big so his son took over from him. During the transition process DL and his son had a good working relationship, while they generally worked in different parts of the business.

DL stated, *'my son is related to me but not under me. He is independent and runs a different part of the business.* The founder preference for his son as the successor and not the daughter would complete the transition process, as the son also eventually becomes the head of the family.

This practice highlights the cultural dynamics of the Vietnamese family unit and importance of the male heir. The quote from DL identified an understanding between founder and successor to avoid conflict that allowed for independence in decision making and management. DL intends to maintain some influence in the business even though he has stepped back from complete control. He utilises his name within the Vietnamese community to promote the business, maintain community ties and business connections with external suppliers and managers of the salons. DL provides employment for Vietnamese students and Australians who wish to work in the beauty industry. DL did not state a cultural preference in employees, and he originally viewed the establishment of his beauty (RTO) as a way of bringing both Vietnamese and Australian people together. DL happily shares business information with other Vietnamese businesses stating, *'they are my friends and if they are successful, then I am successful, so that is why I am behind them in everything'*.

4.2.3 Successor Factors on SPM

HL is DL's only son and was born in the Philippines. He came to Australia as a young child. Although he is Vietnamese he appeared to identify more as an Australian and does not hold his father's strong attachment to the Vietnamese community stating, *'my Vietnamese culture is terrible'*. HL was educated in Australia but holds no current business qualifications. His father imparted his knowledge of the business to him and he learnt other skills by working in the business. HL stated, *'with (the) Vietnamese mentality, if it works, who cares about refining it. It doesn't matter how it runs as long as it runs'*. In a general sense, HL identified a utilitarian view to his father's business that may reflect his father's mindset *'if it works, leave it alone'*. This view eventually changes when HL realised that for the business to grow under his management, continuous improvement was an essential business capability in a competitive environment. HL was not interested in the family business for some years, preferring to pursue his own career stating, *'being a guy sitting behind a nail table filing people's nails for the rest of my life was not appealing'*.

HL has a long-term plan for the salon side of the business that includes improving management efficiency, improving the English skills of some of the workers and possibly franchising arrangements but noted that the business environment is a changing (and competitive) landscape. Business realities include, the cost of operations that include wages, overheads, shopping centre shops leases and increasing competition in the beauty industry. It's for these reasons that HL stated he would consider the sale of the business in the future while noting that his father had envisaged that the business would stay in the family for generations.

These different views highlight how each person (father and son) considers the value of the FOB for the survival of the family and the generational view on community respect. For the founder community respect consists of a number of facets. The founders want to be seen within the Vietnamese community as being successful, having conquered the setbacks leaving Vietnam, helping other Vietnamese and more importantly gaining respect in their new country. This stems from the emotional legacy of the Vietnam War and all of the founders in this study made reference to that event. DL enjoys considerable respect in the Vietnamese community due to his success and his willingness to assist other Vietnamese of the same generation.

Alternatively, HL (the successor) does not consider that he is incumbent to the Vietnamese community and is only focused on whether the FOB can remain profitable and if he has a desire to continue in the current business category. The successor's weak ties to Vietnamese culture are also evident in his choice of successor. Unlike his father's preference that only considered a male successor. HL, expressed no gender preference for his own succession in the FOB. If he had children he would be open to either gender but would also strongly consider the sale of the FOB should he not identify a suitable successor for himself? HL does not have any transition plans for his succession.

4.2.4 Other Staff – Business Contacts

MV was born in Australia and has been with the business for over ten years. She started as a student in the beauty school before becoming an employee and later on a Salon Manager. MV has worked under both DL and HL. MV has noticed a number of differences working for both DL and HL stating, *'DL is a very kind man and likes to look after Vietnamese people and western people who study at the school. He has given me a lot of opportunity. HL is more confident and a good leader and I have learnt more from him'*.

A staff member working in the wholesale product distribution area stated, ‘*HL has simplified a lot of the administration processes by introducing new computer systems. This has helped our customers to order online and for us to dispatch the products to them the same day. DL did not know how to do that*’. In an SPM context, the changes in management and business process that have been implemented by HL have improved the business performance and simplified internal business practices.

4.2.5 Document Review

A review of supply chain and logistics documents and the use of technology demonstrated an improved approach to business practice that has allowed the business to grow each year in both the salon and supply sections. The documentary evidence revealed consistency with ordering and delivery, external customer buying and account maintenance that included correct invoicing and payment tracking.

In the context of business operations these improvements were made possible under the management of HL, but were not achievable under the founder DL due to the relative difference in education and particularly their respective understanding of computerised programs. In an SPM context, the document review supported the business improvements evident under HL, and the overall clear impression is that the successor had developed the FOB in a direction that the founder could not. The improved management practices would appear to have strengthened the father son relationship and confirmed to the founder that the transition between him and HL had been successful.

As the transition process, has been completed (over a ten-year period), HL stated that he has a long term strategic plan that includes staff development in basic business practice and improvements in business operations in the salon locations. In a business context, this would include improvements in basic accounting, an understanding of basic marketing principles and customer service. A summary of emerging SPM themes from Case A is set out (Table 6) below.

4.2.6 Emerging SPM Themes

Table 6: Case A – SPM Themes	
RO1: Contextual Factors	<ul style="list-style-type: none"> • FOB operated a business model outside of the traditional Vietnamese clothing industry • Chose son instead of daughter as successor. Son originally not interested in FOB.
DL (Founder)	<ul style="list-style-type: none"> • Vietnamese cultural alignment with strong ties to community social recognition.

	<ul style="list-style-type: none"> • Very strong view of keeping business in family. • Would only consider male successor. Did not understand SPM.
HL (Successor)	<ul style="list-style-type: none"> • Strong Vietnamese connection but shaped more towards a structured business approach. • A delineation culturally towards Australian ideologies. • Would consider sale of the business if he was offered a significant amount of money, he no longer wanted to run the FOB, he did not have a successor from the family or he no longer had a passion to run the business.
Other Sources	<ul style="list-style-type: none"> • Improved management practices because of use of technology and education.
RO2: Relational Factors	<ul style="list-style-type: none"> • Founder was very satisfied with his business relationship with his son. • External stakeholders acknowledged that the relationship with the successor was as strong as it was with the founder.
DL (Founder)	<ul style="list-style-type: none"> • Strong sense of familiness within family and extended family. • Ready to share information with networks for betterment of Vietnamese community. Sought to employ non-Vietnamese to build community ties to Australia
HL (Successor)	<ul style="list-style-type: none"> • Strong sense of familiness with his family and extended family. • Loyal to his father, but reluctant to share information with networks or Vietnamese community, views this as loss of competitive advantage.
RO3: Transition Factors	<ul style="list-style-type: none"> • Founder satisfied with results of transition. • Successor successfully operating the business. • The FOB has demonstrated business improvement in management practices that are supported by document review.
DL (Founder)	<ul style="list-style-type: none"> • Proactive in grooming son for succession and did not want to wait until he was too old or sick to commence the transition process. Saw this as a strategic business decision to move his business forward. The founder realised his business limitations and relied on his son to make the required improvements
HL (Successor)	<ul style="list-style-type: none"> • Proactive mindset in that he realises the need to prepare a successor but stated that he would do transition process different to his father. His father only wanted him as the successor but HL would consider either male or female if he had children. • No preference for successor as long as the son or daughter was suitable and had passion for the role.
Business Process Factors	<ul style="list-style-type: none"> • Improvements in technology. • Supply chain and operations
DL (Founder)	<ul style="list-style-type: none"> • Business process from non-technology era and more communal structured than corporate.
HL (Successor)	<ul style="list-style-type: none"> • Business process is corporate aligned. • Has bought management structure and modern business process to the business.

4.2.7 Summary Analysis (Case A)

Case A highlights the founder's diversification away from one of the traditional Vietnamese FOB of clothing manufacture and towards developing a Nail Shop which was a relatively new industry in Australia at the time. Thus, opportunism and not tradition is a contextual factor that sits behind this succession. It is notable in that the founder stepped away from a traditional industry into a feminine industry (Nails), yet held to the cultural preference for a male successor.

The founder's decision to establish a non-traditional Vietnamese FOB enabled him to integrate into Australian society, by employing staff other than Vietnamese in both the salons and beauty school. In addition, it allowed the founder to build the FOB outside of the competitive Vietnamese FOB's of restaurants, clothing manufacture and Asian grocery stores. Although the FOB would eventually become successful, it was shaped by Vietnamese cultural values of building and maintaining strong relationships, family values and traditions.

The founder was using a business model from a friend in the United States that still utilised his limited business acumen, which consisted mainly of hard work and possibly an innate ability to be successful in business. It is evident that he also relied on the family unit, the wider Vietnamese community networks, hard work and knowing that if he did not succeed his family would not remain financially stable. This approach is consistent with what Nugyen (2015) noted - that in respect to management and control, in a Vietnamese FOB, the founders manage for convenience sake, relying on the talent they are endowed with and their experience. This case is consistent also with earlier work by Ram (1993), who noted that family and community lie at the heart of ethnic businesses social networks. The founder is traditional Vietnamese and exhibits the classic Confucian set of values such as sense of community and the drive to build strong relationships.

He maintains strong community and family ties and is concerned about maintaining his reputation within the Vietnamese community and social networks. The founder DL, achieves this by using his name to build community relationships between Vietnamese and Australians such as arranging donations for the Good Friday (Children's Charity) Appeal and being seen as an influential elder in the Vietnamese Community. As well, Case A demonstrates a change in approach that is quite fundamental. Johannisson (2000) noted that family and personal networks are important for providing information with access to physical, financial resources, human and social capital.

The willingness of the founder DL, to share information with external networks such as friends and other Vietnamese business people was supportive of this view and consistent with the collectivist Vietnamese mindset. However, the successor is more individualistic and less committed to traditional Vietnamese cultural requirements such as only employing or sharing information within the Vietnamese community and external networks.

The emerging relational SPM factors in Case A highlighted that both the founder and successor had to maintain a strong business and family relationship for the FOB to remain sustainable. Both the founder and the successor to a lesser degree, noted that it was very important that the business remain in family ownership and that a family member manages the business. As well, both highlight the importance for the business knowledge to be shared within the family and by having a long-term plan for the business. This has been enabled initially by the succession process itself and by the successor in the improvement of business practices, improving customer and stakeholder satisfaction and the possibility of increasing store locations and supply of nail products into retail stores.

However, there was a difference in approach between the founder and successor in sharing business knowledge with networks, maintaining culture specific employment for Vietnamese and community recognition for the family. The founder DL, views these three SPM factors as an essential part of building and maintaining a Vietnamese FOB that would provide *face* and status in the Vietnamese and Australian community. However, the successor HL, views the sharing of business knowledge with networks as a way of losing the family business secrets or know how to competitors and would not consider this option. As the successor, does not hold a strong connection to the Vietnamese community he would employ people who would bring skill and knowledge to the FOB that would contribute to business growth. The successor considers that the recognition of his father for a successful transition process is of more importance than a broader community recognition. Most notable was that the founder would never consider the sale of the business, whereas the successor would consider that prospect if he no longer wanted to continue in the business, it had become unprofitable or he did not have an identified successor for himself. The successor (HL) noted that his knowledge of the business was gained by observing and quickly adapting to the family business process. This was achieved by working with his father, being introduced into his father's business and social networks and by being involved in business decision making.

It allowed HL to build on his successes and learn from his mistakes. Ready adaption is important, as is having a transition plan, as described in the following quote by HL, the successor.

'When I started, I was this 19-year-old kid dressed in a suit trying to drum up business with 40-year-old men, it didn't quite work out well'.

The main transition SPM factor evident in Case A highlighted for it to be successful, is that HL the successor has to gain the approval of his father's business networks and more importantly the Vietnamese community. The ability of the successor to maintain the success of the FOB would have been assessed against the founder's business practice. External suppliers, customers and employees of the FOB also would have compared management ability, communication and knowledge of both the founder and successor. As HL stated, bridging the age gap in business knowledge was a difficult task but he was eventually able to earn the 'respect' of his father's business network and internal employees, because of his ability to maintain the business and stakeholder relationships that had been built by his father.

This evident gap in business knowledge by the founder seems to be magnified by the contrasting formal business qualifications of the successor, this despite his initial reluctance to be involved in the FOB. That aside, and perhaps, of greater immediate relevance for the successor is the practical implications of age and associated perceptions when working with older members of the community. This cultural factor (relative age) suggest succession plans in ethnic FOB must include an extended transition to allow the younger family member and successor to be introduced to the wider business network in order to establish himself / herself. Both the founder and successor viewed their transition as part of maintaining the continuity of their family business. However, DL and HL did not agree that a formal succession planning process had occurred. Rather, as HL the successor stated, *'succession planning is not really a word for Vietnamese people'*. Succession is viewed as a natural FOB process where continuity is a given and transition planning takes on a greater level of importance. For example, transition occurs as a natural process of grooming or preparing the successor who is entrusted with sustaining the FOB. The founder possessed an entrepreneurial mindset that was focused on: providing income for his family, gaining respect in his adopted land and maintaining his pride in the Vietnamese community. The successor also has developed his own entrepreneurial mindset with ongoing plans to modernise the FOB and implement improved management practices to support the growth of the FOB.

Observations of both DL and HL demonstrated that they have a common business aim and evident respect for each other's opinions and judgement. The founder did not provide any coaching to the successor but his knowledge of the business was gained by doing and reflecting on successes and failures. Subsequent observations of the salon environment suggest an improvement in business practice following succession.

Most notable in this case study was that the founder attempted to maintain a strong connection with the Vietnamese community by assisting other Vietnamese in employment, charity events and helping friends to become successful in their FOB's, whereas the successor was more focused on being seen as an Australian of Vietnamese heritage who was part of the broader Australian community. The case study noted the different views of the founder and successor in maintaining ownership of the business. The founder was adamant that the FOB would always remain in family control but the successor was not as fixed on maintaining ownership of the FOB. In terms of finding a successor, while the founder was adamant he wanted his son to succeed him, the son initially did not want to work in a beauty business.

4.3 FOB Case B (Melbourne – Clothing Manufacture)

4.3.1 Background of Business

KL left her parents in Vietnam and made her way to Australia in 1982 via a refugee camp in Indonesia. Upon arrival in Australia KL settled in Adelaide and began making women's clothing, utilising her previous skills in the dressmaking industry. Prior to the Vietnam War, KL's parents had business interests in the hotel and restaurant trade and she developed basic business skills from working in her parent's business. KL worked in the clothing manufacturing business due to her poor English and lack of other job skills. Her choice of occupation was further shaped by a perceived *loss of face* (reputation and social standing) at having to accept Australian Government welfare payments. KL stated that she is forever indebted to Australia for saving her life from an existence in a refugee camp and providing her with a safe country to live in. KL founded her business in 1984, and currently employs approximately eighty people part time and full time. This employment base consists of mainly Vietnamese people with a few Australian women who are sales people. KL employs as many people as she can, both Vietnamese and Australian so they can also feel the security of employment. KL has a philanthropic approach to business, providing funds to charities and community organisations.

Her youngest son SN works with her in the business and he has taken over much of the operation of the business. SN was KL's choice of successor as he had shown most interest.

KL has a strong sense of commitment to her work and to the Australian community stating, *'my hand is like my business and my fingers are my workers. I need my fingers to work my hand, so treat them well'*. KL is the recipient of the Australian Centenary Medal and has numerous acknowledgements from both the Federal Government and Government of Victoria.

4.3.2 Founder Related Considerations

Although KL had been successful in business, it was her immediate family that influenced the SPM process. She had three children who were all looking for employment and she wanted the business to remain profitable to sustain the family unit for the future. KL did not want her children to have to look for a job but rather learn the family business so they had employment and could employ other people. KL stated, *'I worked very hard to build the business and I wanted time to teach them the business. I would have been very sad if they did not want to be in the family business'* I had a choice of three people to take over from me. My eldest son had just started working for Victoria University and was not interested in the family business. My daughter only had a minor interest by my youngest son liked fashion and design so he was the obvious choice. He had the passion to grow the business and look after my staff and suppliers. My youngest son SN was 25 when he took over. He liked the business but it took me a long time to teach him the how the business ran and how to work with the guests, garment makers and fabric suppliers.

From those early days, all of my children perform some role in the family business. They are young, have bought modern technology to the family business and this has resulted in my business becoming even more successful. My youngest son has come a long way. KL considers that the transition process has been successful because the business is managed by the family for the family and assists the Vietnamese community in providing employment. KL has received positive feedback from suppliers, customers and her selling representatives who are satisfied with the direction that SN has taken the business. The family business is producing women's fashion that is recording high sales volumes and is now looking to the future to remain a strong influence in the Australian fashion industry.

Although KL is loyal to the Vietnamese community she stated, *'If my children did not take over the business I would have someone else manage the business. I like Australian people as they help me and I would like to be good to the country that helped me'*.

4.3.3 Successor Factors on SPM

SN was born and educated in Australia and although he has a Vietnamese heritage, blends both Australian and Vietnamese culture in his private and business life. He holds no current business qualifications, but has developed his knowledge of the business through interaction with his mother and learning on the job. He commenced work in the family business due his interest in fashion and the rapid growth in its sales. My mother asked me to help her out as the business was expanding.

I did not really have any idea when I started and found that a lot of things that were done in the business were old fashioned. We needed to update our processes, to do things faster and get over some issues such as poor production processes, ordering of materials and dealing with suppliers. SN stated, *'in this business things are constantly changing. We need to adapt and work with systems and technology that can keep the business competitive. Also, my English is better than my mother and this has helped to improve communication across our business'*.

He perceives himself as a conduit between Australian business culture and Vietnamese business culture. SN has a greater understanding of technology and business process than his mother and works closely with her to bridge language issues and modern business process. SN stated, *'in Vietnamese culture we always have to live by the family and we are a physical extension of our parents'*. SN's long term plan is to improve business strategy, addressing difficulties in the manufacturing sector in Australia. SN stated, *'it is vital to continue the family business, we depend and live upon it'*. SN would not consider the sale of the business and has thought about the continuance of the business with no specific gender choice of successor for his children. Although SN manages the business he appreciates any advice or input from his mother stating, *'we do whatever we can to make our parents happy, I would always like my mother having some input in the business until she is no longer around, I have a lot of respect for what she has achieved'*. In an SPM context, this statement by SN highlights the strong relational connection between him and his mother.

Although the transition process has been completed he still values the opinions of the founder and views her input as a means of maintaining some connection to the FOB.

4.3.4 Other Staff – Business Contacts

The Sales Manager is an Australian (female) and has been employed by the family for a number of years, working under both the founder and the successor. The sales manager stated, *'there is a distinct difference between KL and SN. KL is very traditional Vietnamese and SN is Australian. They both have very different views of the business and how it should run'*. The sales manager noted that KL likes to be involved in every decision and views the business as the glue that holds the family together. SN is very modern in his methods and if there is a disagreement, SN usually agrees with me. Both KL and SN work well together and he has implemented a modern business approach in structure and systems. KL though is good with the consultants and customers as they trust her. She places great importance on the issue of looking after her workers and consultants.

4.3.5 Document Review

The document review demonstrated that improvements in technology, for financial processes and business practice, have enabled the FOB to maintain profitability. The improvements were in the accounting and processing of invoices and procurement. In an SPM context, the successor was able to utilise his skills in computer-related software to ensure that cash flow was correctly accounted for and tax requirements were met. These were business issues that the founder KL had struggled with, due to limited computer knowledge. In addition to the improvements in accounting, the successor was also able to improve the procurement of materials due to his good English capability. The founder KL, has a moderate level of English skill and acknowledged that the successor was able negotiate with suppliers at a high-level due to his English skills. In addition to a document analysis, observations were made of the founder and successor at a trade show and their interactions with consultants and buyers. Both the founder and successor interacted seamlessly with the consultants and buyers and all were high in praise for the founder who had designed some of the clothing. The sales documentation outlined significant sales and it appears that the business is maintaining prominence in the Australian clothing industry. A summary of the main SPM themes from Case B is set out (Table 7) below.

4.3.6 Emerging SPM Themes

Table 7: Case B – SPM Themes	
RO1: Contextual Factors	<ul style="list-style-type: none"> • FOB in the clothing industry implementing Vietnamese business practice in an Australian market. • Although founder is Vietnamese has a strong Australian community connection • Employs an even concentration of Vietnamese and Australian workers. All the factory workers were Vietnamese and all of the consultants were Australian.
KL (Founder)	<ul style="list-style-type: none"> • Vietnamese cultural alignment with a strong sense of both Vietnamese and Australian community and social recognition. • Has strong views of maintaining a good name in both the Vietnamese and Australian community • Very strong view of keeping business in family but may have considered outside successor rather than lose business. • Would have considered an outside manager if no successor from within the family The FOB is the sole source of income for the family and its success is crucial for financial security.
SN (Successor)	<ul style="list-style-type: none"> • Strong Vietnamese connection but considers himself as an Australia • Blends both cultural ideologies effectively. Would not consider sale of the business as views his transition as carrying on the hard work that his mother has done to establish the FOB
Other Sources	<ul style="list-style-type: none"> • Improvements in technology have been applied to financial processes and accounting resulting in sustained profitability.
RO2: Relational Factors	<ul style="list-style-type: none"> • Successor has a strong relationship with the founder • Was willing to succeed his mother to continue the FOB ensuring the financial stability of the family • Interacts well with Australian employees and has the ability to bridge any English language difficulties the founder may have
KL (Founder)	<ul style="list-style-type: none"> • Strong sense of familiness within family and workers. Ready to share information with networks for betterment of Vietnamese community.
SN (Successor)	<ul style="list-style-type: none"> • Strong sense of familiness with his family and workers. Loyal to his mother, but neutral in view of sharing information with networks or Vietnamese community.
RO3: Transition Factors	<ul style="list-style-type: none"> • Founder supported the continued development of the successor in the role • The time period of development commenced early as the whole family assisted but became more focused when successor identified • The transition has been able to maintain the family's financial income in a very competitive market
KL (Founder)	<ul style="list-style-type: none"> • The founder was proactive in identifying a successor from within the family so she had time to train and nurture the successor. • Took this approach to improve business as she had identified her weaknesses in technology and modern business practice. Did not want to get to old to prepare the

	successor. Integrated youngest son into business for succession
SN (Successor)	<ul style="list-style-type: none"> Proactive view on SPM but stated that he would do transition different to his mother preparing the successor earlier. <p>No preference for successor as long as the son or daughter was suitable and had passion for the role.</p>
Business Process Factors	<ul style="list-style-type: none"> Improvements in technology relating to financial accounting and tax requirements English skills have improved procurement practices
KL (Founder)	<ul style="list-style-type: none"> Business process from non-technology era and more communal structured than corporate
SN (Successor)	<ul style="list-style-type: none"> Business process is corporate aligned <p>Bought management structure and modern business process to the business, especially in financing practice</p>

4.3.7 Summary Analysis (Case B)

The emerging contextual SPM factors in Case B highlighted that this FOB operated in the clothing manufacturing industry in Australia, which is a very competitive, due to local and international manufacturers and retail outlets. The Case B FOB manufactures in Australia and uses sales consultants to supply some retail outlets, but the main sales occur from women who host selling activities similar to Tupperware parties. The FOB sales model is based on direct selling from manufacture to customer to reduce overheads. Of note, in the operational context of the family business, is that all designs of the clothing are still completed by the founder or in some cases the founder will approve designs by one other Vietnamese employee. Observations of the factory site noted that all of the employees were Vietnamese and aged over 30 years of age. This highlighted the founder's strong connection to the Vietnamese community in providing employment for other Vietnamese.

However, the observations on the external side of the FOB highlighted the founders desire to return her goodwill to the Australian community by employing all Australian sales consultants. The sales consultants were all women, aged in their late 30's and appeared to be married and have children. The different segments for the FOB workforce suggested that the founder may view her external workforce as a way of ensuring that her clothing would be best consumed in the Australian market if modelled and sold by Australians rather than by Vietnamese. Although the founder KL has maintained involvement in the marketing and design side of the business, her ability to influence the business was waning due to her minimal understanding of technology and the operations side of the business.

As the cost of clothing manufacture in Australia is expensive, due to high costs of materials, wages and tax, the successor SN disclosed that he is considering moving the manufacturing side of the business off – shore. This would add an additional layer of complexity to the FOB model and would require a higher level of management that SN or KL would not be able to implement. As the clothing industry in Australia is constantly restructuring due to economic factors, the escalation in management expertise may require the FOB to engage management professionals. In the event that the FOB wishes to maintain cultural business practices this may mean the complete re - location away from Australia. Both the founder and successor noted that it was very important for the business to remain in family ownership, that a family member manages the business, business knowledge is shared within the family and having a long-term plan for the business.

The founder views the business as her life's work and a vehicle for helping people from within the Vietnamese and Australian communities. Both the founder and the successor would not consider the sale of the business. The emerging relational SPM factors in Case B highlighted the strong Vietnamese and Australian connections of the founder KL who stated, *'I like Australian people as they help me and I like to help a country that was good to me'*. The successor enjoys a strong relationship with his mother in both a personal and business capacity. He was motivated to succeed his mother as a way of ensuring his mother's hard work of establishing the business would be maintained. The level of trust that his mother showed in him to provide a successful transition made the process easier as it reduced the possibilities of conflict due to poor communication.

The relationship with other members of the family were also strong as the potential for sibling rivalry or conflict was minimised because they had other careers but still helped in the FOB where they could. The successor has a good understanding of succession and views this as an ongoing process, stating;

'It requires a plan, a lot of patience and good communication. If I was to hand the business over to my children I would be there the same way as my mum would be, keeping a watchful eye and helping them'.

This quote by the successor SN, illustrates that succession planning was a gradual process with continual oversight provided by the founder to the successor. This process ensures that there is support and encouragement to learn the business process and is further supported with good communication and space to learn even in the event of mistakes or bad decision making.

The emerging transition SPM factors in Case B highlighted that the founder uses her good reputation in both business and the community to maintain sales performance stating, *'people trust KL, and if I am not good then I cannot help people'*. The founder and successor view their transition as maintaining a good name for their family and providing financial security. Observations of both KL and SN demonstrated that they work with a common business aim and respect each other's opinions and judgement. SN stated, *'in a family business you work the hard yards and have no choice but to succeed, you bring the good and bad home, you have to work together always'*. Of note, SN stated that his lack of academic management qualifications could become an issue for implementing further modern business requirements such as strategy, financial accountability and governance.

This lack of formal business qualifications would become more of a focal point, because the successor may lack the ability to analyse business issues or formulate and implement strategic management decisions should the successor decide to move manufacturing overseas. The successor would consider relocation of the FOB to Vietnam to maintain profitability and to reduce the impact of the regulatory environment on the FOB, such as tax issues and worker's compensation and awards. The successor stated that he is considering completing tertiary business studies to ensure he can meet the business level of knowledge that is required to maintain the success of the FOB's transition process.

4.4 FOB Case C (Melbourne – Catering / Wedding Functions)

4.4.1 Background of Business

TL arrived in Australia in 1979 via a Malaysian refugee camp following the fall of Saigon in 1975. He had little money, poor English language skills and his wife and a one and half year-old son to support. They resided in a hostel in Maribyrnong in the early days and found that this was a very hard time in their life due to the loss of their homeland, change in lifestyle and financial stability. TL had come from a wealthy family in Saigon with his father being in the grocery business. TL did not want a job in the Vietnamese community as he wanted to integrate quickly into the culture of his new country and build his language and business knowledge skills. His father had taught him to always think business and in doing so remember, *'when you go to another country you must know before you do'*. TL managed to get work in a Melbourne based Chinese restaurant and worked hard for little money.

TL saw the benefit of learning Australian business processes and all aspects of the restaurant trade. He gained respect for his hard work and this supported one of his culturally based beliefs, *'If you want respect, first respect other people'*.

Through a mutual friend, he gained employment in a family business (Chinese Restaurant) and soon became treated like an adopted son. The family head taught him all aspects of the restaurant business from operations to management. He opened his own restaurant business in 1981 and built this business on one of his father's business ideologies, *'money is not the main capital in business, your reputation is. Customers and workers ensure your good name; if you have this first then money will follow'*. TL wanted to reduce his business overheads, such as rent and staff wages, so he sold his restaurant but maintained his business name and commenced a catering business.

The change in his business model enabled him to employ staff on a casual basis when he had large catering contracts but, most importantly, utilise his home as his business office. His business became very successful and grew rapidly due to reduced overheads and his external business networks as he had established a good personal and business name within the Vietnamese community. His only son now runs the business, although he maintains some face and presence. TL views the transition to his son as part of maintaining his life's work and acknowledging his limitations in technology, modern business practice and tertiary qualifications that would enable him to undertake business processes such as franchising or expanding the FOB in other business areas. Unlike other families in this study where the founders still provide some advice or direction, TL's involvement in the FOB is minimal with the successor responsible for all business decisions. TL stated, *'in one jungle there cannot be two tigers'*. TL acknowledged the need for the successor to manage and develop the FOB in his own direction and with no conflict. While Dyer (1986) suggests that it is the natural desire of a child to grow independent of his or her parents, Jonovic (1982) noted that a constant struggle between founder and successor will remain until the successor is given a chance to prove themselves. As the successor (PL) had proven to the founder that he was capable of managing the FOB, TL decided to *'leave only one tiger in the jungle'* to minimise the chance of any conflict. Lea (1991) concludes that for a successful transition process a 'clean' no conflict transfer of power is a requisite.

4.4.2 Founder Related Considerations

The choice of successor for TL was limited as he only had one child. The main factor that influenced his decision to commence SPM was that he not only wanted to pass on his business but also his commercial experience and knowledge of working in restaurants and, more importantly, his cultural business knowledge that included Vietnamese and Australian business connections. TL wanted to commence the SPM process before he became too old or sick and ensure that the transition was gradual with a little bit at a time so as the successor would be fully prepared. For TL, it was important for his son PL to want to be in the business and have the ability to decide his own strategy and take the business in a new direction that would ensure growth. TL stated, *'I really wanted PL to have the passion to do that otherwise it would have failed'*. When PL decided that he wanted to succeed his father in the FOB, the hardest part of the transition process was communication. TL stated, *'We had some communication problems due to different generations'*. These problems were gradually overcome due to compromise between both TL and PL.

TL stated, *'PL has now become successful and continues to grow the business'*. TL is satisfied with the transition stating, *'All my customers and suppliers are very happy with PL. He is more detailed than I am and has introduced many good business processes'*. For TL, the Vietnamese culture did not influence the SPM process stating, *'Vietnamese culture shaped our business but in Australia we must understand Australian customers'*

4.4.3 Successor Factors on SPM

PL arrived in Australia when he was one and a half, University educated and became a successful Corporate Lawyer. Although he was employed outside of the FOB, he was always involved in his father's business, helping out when needed and developing his knowledge of the business from an early age. As the FOB had grown so rapidly he had to decide between a career in law or taking over the running of his father's business. PL told his father, *'you planted a seed and the tree grew. Now the tree has fruit on it so why don't we keep the fruit growing'*. PL had recognised that without his involvement the business would not have been able to grow. PL stated, *'the business has grown five or six times since I took over and without that change we would not have experienced this success'*.

PL stated, *'When I look back the business systems we had would not have lasted. The technology I introduced has helped a lot and we have better communication across each level of the business'*. PL has a long-term plan to grow the business into new ventures that utilises the catering business as a base. PL sees the future direction of the FOB branching out into other areas of catering, building on the prospect of doing catering for home delivery and branching into different business categories using the same branding. Although PL is focused on ensuring that the FOB is profitable and constantly growing, he does not hold the emotional attachment to the business that his father does.

PL stated, *'if the next generation does not want the business then we don't have that much of an emotional attachment to it, we are happy to sell it and let someone else run it*. PL suggests that the term succession planning is a very formal word, *'you see a lot of Vietnamese and other ethnic businesses just do it, they don't say hey we are doing succession planning, they are just grooming the next generation'*. On his own succession PL stated, *'if the business is still around I would start my children at an early age. Even if they decided not to take over the business, the business and cultural knowledge of my father and I would help them in life'*

4.4.4 Other Staff – Business Contacts

- We are so happy we hired CP as our caterer. The food was fantastic and all of our guests still continue to rave about how delicious every dish was. The staff are friendly and attentive and PL ensured everything ran smoothly on the day. JL (2013).
- Absolutely amazing service not just as caterers but as wedding / venue planners. Has all grounds covered where you may forget. Stress – free and lovely to deal with. TC (2014).
- PL and the team were amazing. The food was great and the service is unparalleled. Not just on the wedding day itself but also on the hectic last-minute sprint leading up to the wedding day. CF (2014).

4.4.5 Document Review

The document review in Case C demonstrated that the FOB has continually grown under the management of PL and won the Australian Bridal Industry Award 2014 for the best catering company.

A review of customer bookings, order forms and observations of interactions between the founder, successor and customers in business negotiations illustrated continued business continuity and strong market share in the Melbourne catering environment. In an SPM process, I observed the interaction of the successor with clients while I sat with the founder. The founder stated, *'PL is so much better talking to the customers than I ever was'* Online analysis of *Facebook* comments and postings and *YouTube* clips illustrated a strong customer base and patronage in the Melbourne wedding reception business (<https://www.youtube.com/watch?v=wALcBwYYT4o>). Staff interaction that involved assisting customers with choosing menu items, planning for seating, transport and bar service provided supporting evidence of the continued strength of the family business model following succession. (<https://www.youtube.com/watch?v=wALcBwYYT4o>) A summary of the main SPM themes from Case C is set out (Table 8) below.

4.4.6 Emerging SPM Themes

Table 8: Case C – SPM Themes	
RO1: Contextual Factors	<ul style="list-style-type: none"> Commenced FOB in restaurants but evolved business model into catering, breaking away from a traditional Vietnamese FOB Employs all Vietnamese in kitchen operations, mainly students in waiting and bar duties on the function day (reduce overheads) The FOB mainly caters for large Chinese and Vietnamese weddings which is outside corporate or business catering models.
TL (Founder)	<ul style="list-style-type: none"> Strong Vietnamese cultural connection with a strong sense of obtaining social recognition. Very strong view of keeping business in family and would not consider outside successor.
PL (Successor)	<ul style="list-style-type: none"> Weak Vietnamese connection and more Australian in business approach Would consider sale of the business and does not hold an emotional attachment.
Other Sources	<ul style="list-style-type: none"> Improved management capability has increased the effectiveness of business processes with the results being noted by customers, suppliers and staff
RO2: Relational Factors	<ul style="list-style-type: none"> Had a single choice of successor and if no children may have sold the FOB Acknowledged initial generational differences with successor in communications, this influenced his decision to limit his involvement after transition
TL (Founder)	<ul style="list-style-type: none"> Strong sense of familiness within family and workers. Ready to share information with networks for betterment of Vietnamese community. Initial communication and generational differences with successor.
PL (Successor)	<ul style="list-style-type: none"> Strong sense of familiness with his family and workers. Loyal to his father, but does not consider the sharing of information with networks or Vietnamese community as necessary
RO3: Transition Factors	<ul style="list-style-type: none"> Founder realised his limitations early in growing his business, prepared his son for transition at an early age

	<ul style="list-style-type: none"> • Did not insist his son to take over the FOB but instead allowed his son to decide
TL (Founder)	<ul style="list-style-type: none"> • Proactive approach to business growth and integrated only son into business for succession. • Wanted a gradual transition process to teach and prepare successor fully to take over
PL (Successor)	<ul style="list-style-type: none"> • Would adopt a proactive SPM process and stated that he would do transition different to his father and only if children were interested or showed business acumen. • No gender preference for successor
Business Process Factors	<ul style="list-style-type: none"> • Besides technology, the successor demonstrated a strong management ability with staff, knowledge of large scale coordination, ordering and event management. • Founder admitted he could not have achieved this • Transition considered successful as it has allowed the business to grow rapidly and on a professional basis
TL (Founder)	<ul style="list-style-type: none"> • Business process from non-technology era and structured more towards an older Vietnamese FOB than Corporate
PL (Successor)	<ul style="list-style-type: none"> • Business process is structured towards a corporate model, has bought modern management and process to the FOB.

4.4.7 Summary Analysis (Case C)

The emerging contextual SPM factors in Case C highlighted the first example of a founder, who was operating a Vietnamese Restaurant, evolving the FOB into a different segment of the food service industry. The founder utilised his strong work ethic, the knowledge of operating a food business in Australia and his strong community connections to break out into a business model that no other Vietnamese were doing at the time. The success of the FOB may not have been possible in Vietnam, but became successful in Australia as he was operating in a niche business area of catering exclusively for Chinese and Vietnamese weddings. He was able to apply his cultural knowledge of the customers and address their needs utilising the business expertise he had learnt from working in an Australian environment. The founder utilised his connections from within the Vietnamese community to recruit his initial staff who work in the kitchen to meet the strong customer requirements of traditional foods that fit within the wedding formats. The founder's kitchen staff have worked for him for many years with some having stayed with him from the initial concept of the FOB.

The recruiting of all Vietnamese kitchen staff illustrates the founder's strong cultural ties with the Vietnamese community whereas the successor PL, who grew up and was educated in Australia, identifies more with Australian culture and does not see himself as very Vietnamese orientated. This was an interesting observation as PL's customers are mainly from the Chinese and Vietnamese communities.

Although there was a difference in the strength of community connection between the founder and the successor, they both have a shared vision for the FOB to remain profitable and maintain a good reputation with customers and suppliers. The successor noted his father's wish to maintain ownership of the FOB, but he did not share that belief and may consider the option of retaining ownership while engaging external management.

The emerging relational SPM factors in Case C highlighted that both the founder and successor considered that relationships were not only an important element of business success but, more importantly, the method on which a successful transition process is based. The ability to build a strong relationship between the founder and successor was more of a focal point in this Case, as the founder only had one choice for his successor. To build their relationship both the founder TL and the successor PL had to negate communication difficulties, that were caused by generational differences and differing points of view, shaped by varying levels of knowledge and business practice. The successor stated that he had many disagreements with the founder over poor communication with the founder stating,

'I give my son freedom to do his own thing; if there is a hole in the ground I cannot keep telling him to look out for the hole. He needs to find the hole and make sure he can walk around it'.

Besides the communication issue, both the founder and successor agreed that they have a good relationship and respect each other's opinions. The successor has brought a more professional business process and structure to the business. The founder stated, *'he has been right on many occasions'*. Of note in Case C, was the difference in personality between the founder and successor. The founder was a very relaxed person, with a collective mindset regarding business interactions and community connection. In contrast, the successor was very clinical in personality and entirely business focused. This may have been due, in part, to his previous occupation in law or that the business was extremely busy with client bookings. It was evident that the difference in personality between the two was influenced by generational factors, but also due to a divergence in cultural mindset. Although there was an identifiable difference in personality types between the founder and the successor, the founder has a strong degree of trust in the successor's business decisions and practices. In the initial stages of transition, the level of trust grew between the founder and successor due to the successor's commitment and ability to manage the FOB to a standard which the founder could not have achieved.

The emerging transition SPM factors in Case C highlighted that the founder built his business on the ability to learn quickly and adapt this knowledge into a new business environment. In an SPM context, the identified lack of knowledge, technology and business practice was the catalyst for the founder to begin the transition process. In a business context, Marosi and Van (2014) suggest that knowledge is power and it is the key of success and survival in an economy. The ease of the transition process for this FOB illustrated the different situation where the successor, initially working outside the FOB, had the choice of whether or not to pursue an individual career or commit to the family business. Although the successor had been a successful lawyer, Sharma et al (2000) note that the willingness to take over the family business may be influenced by how well the successor's career interests and other personal needs are aligned with opportunities in the business. The successor identified opportunities for the FOB to grow and for him to help his father continue to *'put fruit on the tree'*.

4.5 FOB Case D (Melbourne – Restaurants)

4.5.1 Background of Business

YC is of Vietnamese ethnicity but was living in Laos at the time of the Vietnam War. YC's family owned and operated a binding warehouse and food business in the local market. YC and her family fled Vietnam in 1976 and she was a refugee in Thailand at the Nong Khoi refugee camp. When she left Vietnam, YC lost all of her belongings, business and house. The loss of all of her possessions made life extremely hard and this was compounded with the circumstance of having to adapt to a poorer lifestyle with no home and no country to live in. In 1978, YC arrived in Australia after being sponsored by her brother who had arrived in Australia in 1975. YC stated that she was very happy that Australia allowed her and her family to live here. Over the years YC lost her husband and one of her daughters, leaving her a widow. In order to support her family, YC opened the first Pho (Vietnamese soup) shop in the main street of Box Hill, Melbourne. YC stated that she did not want to get Government money as she viewed this as a great shame. *'I do not want widow money, great shame, I work hard for my children'*. YC operated Box Hill Pho for one and half years and then sold the business.

Following the sale of Box Hill Pho, YC opened Tien Dat Restaurant which she operated for ten years before opening her second restaurant, Indochine. Her daughter HP and YC now operate both restaurants. YC is 72 years of age and has been in business in Australia for over thirty years.

YC maintains an active role in the business mainly in the area of customer service as she enjoys the interaction with her customers of numerous nationalities. YC does not perform any management or operational duties. YC stated, *'Australia is a very good country and Vietnamese people have to work very hard for Australia and Vietnamese communities so people know that the Vietnamese are good people'*. YC was quite emotional during the interview recounting the hardships of her life. YC had no business model to start her business in Australia, other than her family's business of hard work and maintaining good relationships with customers and staff. YC wanted to integrate into Australian society as soon as possible, to provide stability in her life and for her family. This integration was impacted by the difficulties of learning English, which she saw as an essential skill, to build business relationships with customers and external networks.

4.5.2 Founder Related Considerations

YC worked extremely hard to establish her business and provide financial stability for her family. For YC, SPM grew out of a need for her daughters to assist her with the long hours and physically hard work in the kitchen. YC did not have a son but if she did he would have been the automatic choice of successor. YC stated, *'If I had a son he would have taken over, as the son always takes over for Vietnamese people'*. Although YC had three daughters, one passed away, one was not interested and that left daughter HP, who became the successor. YC wanted to teach HP the business so she could take over and keep the FOB in the family for the next generation. YC began to teach HP the FOB from an early age. The transition was made easy by the fact that HP had a passion for the business and both the founder and successor had a very good mother-daughter relationship. Although Vietnamese and Lao culture shaped the transition process to some extent, YC acknowledged that having the ability to understand Australian culture influenced her choice of HP due to her business knowledge gained from working in the banking sector. YC considers the transition to be successful as the family has been in business for over thirty years. YC stated, *'HP very successful, many customers come back all the time, Chinese, Thai, Vietnamese and Australian'*. YC stated that her staff and suppliers were also happy with the transition. YC stated, *'Some staff and suppliers stay with us for over ten years, they very happy how business has grown; and Bigger business more sales and jobs'*.

4.5.3 Successor Factors on SPM

HP, like a number of other successors was born overseas in a refugee camp and arrived in Australia as a young child. HP is one of three sisters with no brothers, was educated in Australia and graduated from University as an Accountant. HP had a successful career as a Corporate Analyst in the banking sector prior to taking over the family business. HP was always involved in her mother's business helping out in the kitchen, front of house and the process of ordering and managing staff. Her knowledge transfer was a process of learn on the job and learn as you go. HP's involvement in the family business was part of her mother's plan for one of her daughters to take over the business. HP was chosen by her mother as one of her sisters is involved in another business venture and her other sister had passed away. More importantly, as HP had been involved in the financial management process for large corporations as an employee of the bank, she was viewed as the logical choice to take over the family business.

In a deciding factor to leave her corporate role, HP stated, *'I did not want to see the business sold, I wanted to see it modernised, blend in new changes and see it bigger'*. HP plans to retire early and is in the process of grooming her son in all parts of the business to take over from her as the third generation. HP stated, *'My son has the opportunity to follow his own career but if that does not work out he always has the family business'*. HP and her mother want the next generation to work smarter and enjoy a better lifestyle than they had. HP stated, *'My mum's generation and mine has already sacrificed so much in the way of lifestyle, I don't want that for my children'*. HP suggests that the term succession planning is, *'not a plan but a natural process, a continuity process, it is not appropriate for a family business as the family is always involved in the business, maybe it is good for big companies, but in the family the takeover is a natural stage if the next person really wants it'*.

4.5.4 Other Staff – Business Contacts

SD was born in Vietnam and has lived in Australia for over ten years. He has been a long-term employee of the family restaurant business, working in different roles for both the founder and successor. SD found that working in this FOB provided him with a secure income due to his moderate English language skills which created employment barriers in Australian businesses. SD is very appreciative of the opportunities and lifestyle that he has enjoyed working for the family and is loyal to both the founder and successor. When interviewed, SD commented that both the founder and successor have very different management styles.

The founder has a strong Vietnamese cultural identity with a strong work ethic and is driven to build the business at every opportunity. The founder is extremely loyal to her workers and thinks of them as a big family. The founder cannot leave the job though; she likes to maintain some involvement in the business and look after the customers. In contrast to the founder's management style, SD stated that the successor is more relaxed and allocates jobs to individuals, gives them freedom to do a good job, let's us be independent, that is why we stay working here. Both of them are very good people, with different styles. When asked what style was better SD stated, '*Daughter, better management*'.

4.5.5 Document Review

The two restaurants are within close proximity and observations were made at both locations during opening hours. The document review consisted of customer bookings, order forms and observations of interactions between the founder, successor and customers.

In an SPM context, although the founder would be seen talking to different customers at tables, the successor was the person who was operating the business. HP was managing the staff, incoming telephone orders and ensuring that food was coming from the kitchen to the tables in a prompt manner. There was no doubt that HP was managing both of the restaurants. HP demonstrated the technical improvements that she had made to the restaurants with the installation of an electronic ordering system 'Order Mate' and explained the improvements she had made in the ordering of wholesale foods. These improvements consisted of an electronic account and ordering system and payments linked to the business bank accounts. Prior to this occurring the founder would do all the ordering and payments of accounts by hand and paper. Reviews of the restaurant website Urban Spoon showed numerous favourable reviews and some customers were regular clients both for lunchtime meals and social gatherings. A summary of the main SPM themes from Case D is set out (Table 9) below.

4.5.6 Emerging SPM Themes

Table 9 Case D – SPM Themes	
RO1: Contextual Factors	<ul style="list-style-type: none"> Operated a distinct Vietnamese style restaurant that would have required time to build Australian patronage Founder operated Fob as a means of survival for a small family unit Choice of successor limited but logical due to business qualifications

YC (Founder)	<ul style="list-style-type: none"> • Very proud of Vietnamese ethnicity but also integrates with Australian culture. • Started business with long-term plan to maintain ownership and future succession from within the family. • If she had son, he would have been a natural successor but has passed business onto one of her daughters. • A strong sense of social and community recognition both for business and the image of Vietnamese people in Australia. • Views business success as promoting the value and contribution of the Vietnamese people to Australia.
HP (Successor)	<ul style="list-style-type: none"> • Although Vietnamese by birth HP raised and educated in Australia and has significant business acumen. • This business acumen reflected in a strong view of an effective governance system and that the business remain in family control. • Had a proactive view on generational change and as her mother groomed her for succession she is grooming her son who is the next generation of successor
Other Sources	<ul style="list-style-type: none"> • The business acumen gained by the successor working in the banking sector was bought back to the FOB and has enabled the implementation of improved management, business systems and customer service
RO2: Relational Factors	<ul style="list-style-type: none"> • Strong relationship between founder and successor • Successor motivated and committed to FOB after deciding to leave Corporate environment • Strong relationships with customers and staff (Vietnamese) who have been employed long term
YC (Founder)	<ul style="list-style-type: none"> • Firm view that the business must stay in family control and never be sold, regardless of how hard the work is. • Actively promotes the building of relationships with customers, staff and external networks.
HP (Successor)	<ul style="list-style-type: none"> • Expressed a strong view of establishing good relationships with networks and the sharing of business information within the family. • Although HP maintained that the successor came from within the family, she was open in her view of the successor being of Vietnamese background
RO3: Transition Factors	<ul style="list-style-type: none"> • Founder was proactive in identifying and grooming successor • Current successor has identified and grooming her son for the next generation of succession • Transition successful, aided by successors tertiary qualifications and external business experience
YC (Founder)	<ul style="list-style-type: none"> • Was proactive in transition as the business had grown to a point where she could no longer manage and had groomed her successor from an early age
HP (Successor)	<ul style="list-style-type: none"> • Has a proactive mindset on business process and transition due to her education and employment history in Australia. • Maintained a strong view on the development of leadership and knowledge transfer to the younger generation as part of the preparation for succession
Business Process Factors	<ul style="list-style-type: none"> • Successor improved management capability • Improvements in business process for electronic ordering of wholesale foods, accounts payable and restaurant meal ordering
YC (Founder)	<ul style="list-style-type: none"> • Business process based on traditional Vietnamese business practice in Vietnam and then adapted to suit Australian environment. Relied on successor to bring improved business process and management style.
HP (Successor)	<ul style="list-style-type: none"> • Business process is corporate aligned, has bought management structure and modern process

4.5.7 Summary Analysis (Case D)

The emerging contextual SPM factors in Case D highlighted that the founder YC started her business in Australia to provide an income for her young children and to enable integration into the culture of a new country. This process assisted in the recovery of the lifestyle that she lost when fleeing Vietnam. The founder worked extremely hard to support her three young daughters and the difficulty of running the business, day-to-day living and being a widow compounded parenting. The successor (youngest daughter) HP and one of her other sisters assisted their mother where they could. Both had their own career paths until the successor decided to leave her corporate career and take over the business from her mother. The decision by the successor, to change careers, is consistent with other successors who have worked in different business environments prior to returning to the family business. They returned with improved business and management processes that have enabled the family business to grow and provide a sound commercial business structure. This knowledge may be crucial when the family business is operating in more than one domain, for example franchised or multiple business sites. Both the founder and successor have strong views of maintaining family ownership of the business.

Of cultural importance for both, was that the family business provides financial security for future generations, respect and recognition from both the Vietnamese and Australian communities as well as the opportunity to be self-employed. The point of financial security for generations was highlighted in the grooming of the successor's son to eventually succeed her as the owner manager of the businesses that his grandmother started. The emerging relational SPM factors in Case D highlighted that the family has a strong view on relationships within the family, staff, external suppliers and for the wider community with the successor stating,

'A person who takes up a position of successor in a family business must have an appreciation of his background and heritage and treat people with respect'.

The founder and successor have strong views that the business remain in family control for generations with the successor stating, *'the children have an option and freedom to pursue their own careers elsewhere and the family business will be here for them should their careers not work out'.* When the founder YC started her business, she leveraged off her Vietnamese community networks to employ staff to operate the business.

English language was not only a barrier to the founder in being able to make her Australian customers aware of her product (Vietnamese Soup – Pho), but also to other Vietnamese seeking employment. The founder had a desire to help her immediate and extended family and other Vietnamese through the provision of employment. As Pye (2000) suggests this practice is consistent with the interdependent nature of individuals in collectivist Asian cultures.

Similar to other Vietnamese family business founders in other cases, the founder viewed the establishment of business in her new host country as a way of rapid integration into her new society and the re - establishment of *face* that was lost when she fled Vietnam. As her family held some social status in Vietnam due to her family's business operations, *face* is lost when an individual does not satisfy the essential requirements that correspond with his or her social position (Chung and Pysarchik 2000).

The emerging transition SPM factors in Case D highlighted that the founder integrated her daughters into the FOB from an early age. Low et al (2005) suggests that early socialisation of the children into the FOB by parents plays a crucial role in the adolescent's career development by allowing them to learn the family business practices and by also providing them with career choice. Career choice of the successor and parental involvement in the transition process can affect the willingness of the successor to assume control of the FOB.

Von Schlippe and Groth (2006) noted that on one hand the founders often feel uncomfortable in wanting to see their life's work continued, through their children, but do not want to be seen to influence their children's career and life planning. In a Vietnamese cultural context, it is traditional for the first son to assume control of the FOB at the required time, but in this Case the founder only had daughters and only one was suitable to be the successor. The successor HP bought significant business experience back to the FOB following her career in the banking sector.

Santiago (2000) describes a successful transition process as one that does not disrupt the family or the business. The transition process in this Case was seamless, due to the early integration of the successor into the FOB by the founder. This allowed for the successor to be known to both internal and external networks and be conversant with the business practices of operating two restaurants. Venter et al (2003) describes a successful transition process as one that ensures all different stakeholders involved in the process such as the founder, family, network and suppliers are satisfied with the outcomes.

Importantly, the successor has been able to satisfy all the stakeholders during the transition process and this has enabled the FOB to achieve sustainability and financial security.

4.6 FOB Case E (Melbourne – Restaurant)

4.6.1 Background of Business

TV was born in Saigon and came to Australia with his wife HV in 1981 via the Bidong refugee camp in Malaysia. The family have three children who were all born and educated in Australia. Upon arrival in Australia TV worked at the Dunlop factory in Footscray for 21 years as a machine operator. After Dunlop closed the Footscray factory, TV moved to the Somerton factory until he was made redundant. In 2001, in response to advice from his wife, they opened their first Vietnamese soup shop (Pho) in Victoria Street Richmond. TV stated, *'in Vietnamese culture, it is for the parents to work hard to give the children a good life. When I got a redundancy, my wife suggested we start a business as we needed a job to support the family'*. TV and his wife though had little to no business management experience but were good at the basics of restaurant operations. TV stated, *'my wife and I were only good at cooking as our English is not good and we did not have an education or good business manner'*. Their knowledge of restaurant operations had been obtained by HV (TV's wife) as she had worked in numerous restaurants during the time her husband had been employed at Dunlop.

HV's business experience consisted only of some basic business management processes (account keeping and customer service) that she had learnt from her father who had operated a bus line in Saigon. TV and his wife impressed upon their children the value of education, viewing these professional attributes as essential in helping to establish themselves in the community, providing them with a career and for providing financial security to look after the parents in their elderly years. At the time, they did not realise that their insistence for their children to achieve a good education would be invaluable to the commencement and transition of their FOB at a later date. TV stated, *'for our business to be better we needed our children who are Australian born to help'*. As the family business began to grow TV and his wife realised that to maintain the family's income from the FOB it had to become modernised.

4.6.2 Founder Related Considerations

Their eldest son HV2 was working in the finance industry at the time and was interested in returning to the family business due to the stressful nature of his job. Traditionally, in Vietnamese culture, *the number one son* must be ready to take over the management and operations of the family business. TV stated, *'number one son, I trained him to take over the business so he is less stressed. He was really interested in the business and he had ideas to make it better, so he good choice'*. TV structured the transition process in a gradual manner to teach HV2 all aspects of the business. TV stated, *'I wanted him to have experience in all parts of the business and I gradually step back and give him all the control'*. This was part of TV's business strategy to build a good business platform. TV stated, *'You have to build a good business base otherwise it is very risky and if it goes bad you could lose everything'*. TV is very happy with the transition process as his business was modernised by his eldest son, with the business growing rapidly to include three shops with a fourth shop about to be opened.

The initial feedback from customers and suppliers on the transition process was not positive. Some were worried about only selling Vietnamese soup, but when the customers and suppliers could see the FOB was profitable the feedback was extremely positive. TV stated, *'Our friends in the Vietnamese community very positive, HV talks to them a lot. He is very good at communication'*. This case highlights the traditional Vietnamese cultural practice of the eldest son assuming the mantle of head of the family from his father. In this family, although TV is the head of the family, his wife HV1 is the instigator and driver of the family business due to her knowledge of the restaurant business. TV and his wife HV1 are Vietnamese born but they identify strongly with Australian culture and the opportunities that Australia has provided for their family. TV stated, *'my wife and I give ideas to our children and they turn these into business opportunities because of their good English and business knowledge. When I was in Vietnam my mum and dad told me to follow them and do what they do, but here in Australia very different so we follow Australian way'*.

4.6.3 Successor Factors on SPM

HV2 was born and educated in Australia and although he has a Vietnamese heritage he has an Australian cultural mindset. HV2 is the eldest of four children and his parents had a strong desire that all the children gained a good education and enter professional careers such as a doctor, lawyer or accountant.

HV2's parents wanted all of their children to have an easy life and not one that had been affected by the hardship of being a refugee. HV2 graduated from University with a Bachelor of Commerce and Accounting and worked in part time jobs until he took over the management and operation of the family business.

HV2 stated, *"As I was the eldest son and the business needed more people it was a natural progression to jump in"*. Working in the family business though had not always been an interest for HV2. HV2 stated, *"Although my parents had the business, I was still studying and education was a big priority in my parent's eyes. I always wanted to be with friends and I still had the responsibility to help my mum and dad. It was more of an expectation that I took over the business when the time came"*. There was no formal knowledge transfer process and I just learnt along the way. Dad does not have any formal business qualifications. In the infant stages of HV2 taking over the family business HV2 found it hard to *prove himself* to his father.

HV2 stated, *"I was responsible for all the management and operations of the business. I was still like a subordinate, a worker instead of being able to take my own initiative. I had to show them the things I did, take risks and show them the outcome"*. HV2's long-term plan is for the business to remain in family control and views the future direction of the business as being one of diversification and education. HV2 stated, *"The rapid growth of our business was because we were able to reach out to the community and educate them on Vietnamese food. I would like to diversify a little and look at other business opportunities that may come from that diversification"*. HV2 stated, *"I would like to start my children's education in the family business as early as possible as part of their overall education. I would like them to take over the business and bring new and improved ideas to it"*.

HV2 does not see succession planning as a plan. *"It is just something that happens as part of a process and if it was planned there would be dates and a formal structure. It is just something that has to happen as part of the renewal process of a business"*.

4.6.4 Other Staff – Business Contacts

HV1 is the wife of the founder and maintains a passive role in the FOB. HV1 was born in Vietnam and her parents operated a small bus company. Her father taught her the basics of customer service as these were the basics of Vietnamese business practice. After arriving in Australia HV1 worked in several different restaurants that included fish and chip shops and a range of Vietnamese restaurants.

When her husband TV was retrenched, she suggested that they start a business in the Vietnamese national dish Pho. At the time, she had been working in a Pho shop in Victoria Street Richmond as a waitress but knew all parts of the business operation. HV1 stated, *'the shop was very quiet so I bought it from the owner. It was our first shop'*. It was her knowledge of this business that was to form the basis for knowledge transfer to her son.

When the family started their first business they wanted to build a very strong base for the business but both knew their limitations in regards to education, technology and more importantly English. It was their insistence that all of the children get a good education because it is important, in Vietnamese culture, to provide for the children. This strong cultural aspect has contributed to their success as a family. HV1 feels most at ease in the traditional role of working in the kitchen and the manual hands on role of the business. HV1 was strong in her acceptance of her son HV2 taking over the family business as he is *'Number One Son'*. HV1 stated, *'he has the passion to run the business and his good English and business knowledge has enabled the family business to grow rapidly. He is good son and is supporting the family'*.

HV2's sister KV, who was a quality control assessor with the clothing firm Yakka, is now also working in the business. KV is responsible for making sure all of the products the shops sell meets the food regulation standards and she controls the ordering and buying of stock. The stock and food prep is done in the Victoria Street shops and then distributed to the other stores. KV is accepting of her eldest brother's role in the family and she works to support him. Although all operations and business management has now passed to the eldest son the parents TV and HV1 still help out in the business, but take a minor role.

4.6.5 Document Review

Two of the restaurants are in a traditional Vietnamese suburb in Melbourne with their third store in a prestige shopping complex within the city. The fourth shop is about to open in another large shopping complex in the west of Melbourne. Observations were made of the trading volumes of the FOB's three existing restaurants. These observations showed considerable patronage with the third shop that is located in a busy Melbourne shopping complex serving many customers. This shop became profitable very rapidly due to the location in a busy food court, but also the quality of the food. The rent in this shopping complex is very high so the turnover of food has to be considerable.

The document review of a current business plan and construction details of the fourth shop suggest that the family business is very profitable and growing rapidly. The interactions between the founder, successor and customers showed that the business was operating effectively. A review of websites and online advertising show that the successor has generated a considerable public following and has been successful in educating Australian culture in Vietnamese food. Other document reviews show a projection for opening further stores and the possibility of franchising in the near future. A summary of the main SPM themes from Case E is set out (Table 10) below.

4.6.6 Emerging SPM Themes

Table 10: Case E – SPM Themes	
RO1: Contextual Factors	<ul style="list-style-type: none"> • FOB commenced after founder retrenched and unlike other Vietnamese did not start FOB as a result of arriving in Australia as a refugee • Commenced Pho (soup) business due to limited business and language skills • Pho business is very competitive in Melbourne and had to utilise eldest son to add business management and English skills to grow the business
TV (Founder)	<ul style="list-style-type: none"> • Although Vietnamese born TV has worked most of his adult life in Australia and is well aligned with Australian culture and work practices. • Has strong views of working hard in the family business and has developed a good knowledge of business practice. • Expressed strong views on maintaining family management of the business and having highly skilled staff. • Identified business success with social and community recognition for the family • Expressed a view that the founder of the business maintains some control of the business after succession.
HV2 (Successor)	<ul style="list-style-type: none"> • Australian born and educated with strong knowledge of business commerce and accounting. • Expressed strong views in regards to effective business management with governance, reporting and compliance framework. • Strong views on having highly skilled staff and a long-term plan for the business. • Was not concerned as to the gender of his successor, a view that contrasted with his Vietnamese heritage of the eldest son accepting succession
Other Sources	<ul style="list-style-type: none"> • Improvements in management practice and in particular knowledge of both Australian and Vietnamese customer base has benefited business. • Knowledge of social media by successor a strong business skill • Seeking to begin franchising process
RO2: Relational Factors	<ul style="list-style-type: none"> • Traditional view of founder that eldest son must be successor • Building of trust between founder and successor took considerable effort • Successor was willing to accept his role as the FOB head to maintain the strength of the family unit

	<ul style="list-style-type: none"> The founder's wife prominent in the commencement of the FOB and support for the successor
TV (Founder)	<ul style="list-style-type: none"> Firm view that the business must always stay in family control and that a family business should never be sold, regardless of how hard the work is. <p>Actively promotes the building of relationships with customers, staff and external networks.</p>
HV2 (Successor)	<ul style="list-style-type: none"> Expressed a strong view of establishing good relationships with networks and the sharing of business information within the family. HV2 maintained that the successor came from within the family, he was open in the view of the successor being of Vietnamese background.
RO3: Transition Factors	<ul style="list-style-type: none"> Transition process was gradual and founder would not step back until he trusted the successor Transition commenced when founder identified his limitations and realised for the FOB to grow the successor must control the business Initial feedback on transition from stakeholders was not positive until successor demonstrated business growth and stability
TV (Founder)	<ul style="list-style-type: none"> TV did not relate to either a proactive or reactive ideology but the succession of his business as part of the need to maintain the primary income source for the family. <p>Transition is not a formal practice in Vietnamese family business but a requirement to maintain business continuity</p>
HV2 (Successor)	<ul style="list-style-type: none"> Has a proactive mindset on business process and transition due mainly to his education and employment history in Australia. Maintained a strong view on the development of leadership and knowledge transfer to the younger generation as part of the preparation for succession
Business Process Factors	<ul style="list-style-type: none"> Successor modernised business in regards to marketing Successor was entrepreneurial and rapidly grew FOB utilising a number of different shop locations to increase sales volume Was an important strategic action when only selling one product (soup)
TV (Founder)	<ul style="list-style-type: none"> Initially the business process was Vietnamese but when the business could not develop due to a lack of business knowledge and communication skills the founder identified the need for succession. Once the successor was identified the founder initiated knowledge transfer to the successor
HV2 (Successor)	<ul style="list-style-type: none"> Business process is Australian influenced in regards to management structure and he bought modern business practice to the family business.

4.6.7 Summary Analysis (Case E)

The emerging contextual SPM factors in Case E highlighted an element of uniqueness in that the founder did not come to Australia with the intention of starting a family business, or utilising any previous business skills, that had been learnt from family in Vietnam. The family business was born out of the need to support the family in Australia after the founder received a redundancy and it was at the suggestion of the founder's wife that they start a food business.

The founder TV, was supported by his wife's knowledge of restaurants and skills that she had learnt working in the hospitality industry in Australia. The founder and his wife quickly integrated into Australian society and shared the belief that they did not want to work in traditional Vietnamese community businesses. The founder was a machine operator and neither he nor his wife had a business education. They both believed in a strong work ethic that would provide income for the family and also that their children should work hard and get the best possible education. When the founder commenced the business, he realised his limitations in regards to English and modern business management practices. These limitations were further magnified as the FOB was operating a business that sold only one product (soup). This business was very competitive within the Vietnamese community so the profit margins were low. For the business to grow the FOB had to operate outside the Vietnamese community and make the broader Australian customer market aware of Pho. This realisation made him turn to his eldest son HV2, who was University educated, to begin the gradual processes of succession.

If HV2 was not capable of growing the FOB in a competitive environment the financial stability of the family unit would have been at risk. The context of the business environment that the FOB was operating in made the success of the transition process even more important, and the building of a strong working relationship between the founder and successor a critical factor of success.

The emerging relational SPM factors in Case E highlighted that the successor was chosen by the founder not only in accordance with traditional Vietnamese family values, but as Santiago (2000) noted that the founder and the successor shared the same commitment to the family and business. That said, it took considerable effort for the successor to gain his father's approval on the business processes that he wanted to implement. His father was more cautious whereas he wanted to be more entrepreneurial. The successor accepted this transition as he was the *eldest son* but still had to earn his father's approval. As the successor stated,

'In terms of relationship it was very difficult at the start because he still does some things in the business but I am responsible for all the management and operations of the business. At the end of the day I really had to prove myself.'

The desire of the successor to *prove* himself to his father added a degree of stress to their relationship and the successor may have perceived that the founder did not trust him.

This perceived mis-understanding may have also occurred as the successor was University educated and had been working in an Australian business environment as an Accountant, whereas his father had been working in a factory performing process work. It is possible that poor communication regarding the differences in knowledge and generational ideas may have contributed to a longer process of gaining founder approval.

The emerging transition SPM factors in Case E highlighted that for this family, it was not a concept of a formal and structured succession but a need for business continuity and ongoing business improvement. In relation to the transition process, the founder stated, *'my son now understands why I wanted slowly. You must build a good business base otherwise very risky. My son has done a good job, the business is growing and the family is secure'*. The transition approach adopted by TV is supported by the study of Sharma et al (2001) who suggest that well developed succession plans increase the likelihood of cooperation between business stakeholders, which facilitates a smooth transition process. A smooth transition process occurs when successors are better prepared and supported by high levels of trust and strong relationships with family members and friends (Ghee et al 2015).

The family have four stores in their business portfolio. The successor has utilised his business knowledge and knowledge of the Australian demographic to build customer knowledge of Vietnamese food. The founder is extremely happy with the way his son has built the business. The founder stated, *'my wife and I give ideas to my children and they turn them into business because their English and business knowledge very good. For things, my wife and I don't know, my son train us. He brings modern practice to the family business'*. Of note in this case study the founder utilised the traditional hard work ethic of the Vietnamese people to establish his business. He invested in his children's education and saw this as an external way of building knowledge to support the family.

4.7 FOB Case F (Sydney – Air – Conditioning Manufacture)

4.7.1 Background of Business

In this case the founder, the successor and the additional source have the same initials. For ease of identification the founder will be identified as TT1, the successor as TT2 and the additional source as TT3. TT1 was born in Saigon and was the youngest son of a South Vietnamese Police Officer who was imprisoned for six years after the fall of Saigon.

When TT1 fled Vietnam, he spent several years living in refugee camps in the Philippines before finally obtaining a visa to enter Australia. TT1 arrived in Australia in 1992 with his four brothers and found living in Cabramatta very hard due to a change in culture and language difficulties.

He had little education but eventually found work as a plumber and factory worker. TT1 found manual labour easy as he did not have to rely on education and struggle with his grasp of the English language. He later obtained work with an air – conditioning company and worked for them for eleven years. He learnt all parts of the business and at the same time was learning parts of a number of other building trades. In 2007, as TT1's knowledge of various building trades grew, he decided to commence his own business with one of his brothers. This was a significant step for the brother's due to having no formal education and limited business acumen. Currently, TT1 has three factories that manufacture all sections of industrial air – conditioning systems, as well as on-site installation and design. All his other brothers are employed in the business as well as a number of other Vietnamese who work as sheet metal workers. With all the brothers working in the business, maintaining family harmony has been difficult,

TT1 stated, *'I am the youngest son and I employ my older brothers, they always think they know better but I am paying the bills and carry the risk of the business going bad if we don't build good units. The construction business is hard, in fact it is ruthless so I tell them we must work together'*. TT1 has no children and his successor is the son of one of his brothers. TT1 realised the limitations of his management knowledge and personally groomed his nephew for succession. He enjoys a good business relationship with his nephew and continues to mentor him in day-to-day issues regarding the business. TT1 stated, *'without my nephew all that is left is to sell the business and this is a big waste. All my family work in the business, so without my nephew the whole family has no money and they must find other jobs. I promised my mother before she died I would look after the family. I even sacked one of my own brothers once'*.

4.7.2 Founder Related Considerations

For TT1, two factors initiated the SPM process. Firstly, age was an issue but the most important factor was keeping the business in the family for as long as possible. TT1 stated, *'I wanted to be proactive, I did not want to be too old or sick'*. TT1 did not want to sell the business due to the financial stability it bought to the extended family.

TT1 wanted to ensure that his nephew was ready to take over and have the ability to work both within the business and externally with clients and other contractors. In the construction industry possessing the ability to build strong relationships is essential to winning contracts.

TT1 found that the transition process was made easier due to TT2 wanting to be in the business. TT1 stated, *'TT2 has a passion for the business and he wants the family to remain strong'*. TT1 has received positive feedback from customers, staff and suppliers. TT1 stated, *'I have received good feedback from my family, friends and my trusted Aussie project manager, my nephew is very good'* TT1 was satisfied with the new direction of the FOB that TT2 has provided. TT1 stated, *'He is much better than me, he has good management and much more energetic'*

4.7.3 Successor Factors on SPM

TT2 was born and educated in Australia and is the eldest son of the founder's middle brother. He was at University studying his bachelor of performing arts and was struggling with the theoretical side of his study, as he is more aligned to practical application. Due to the difficulties with his study, his father suggested that he work for his uncle until he decided what he wanted to do with his future.

This was a good choice for the successor, as he was close to his uncle and felt that he could always talk to his uncle about things he could not discuss with his father. The succession process started very quickly as his uncle informed him that he wanted the successor to take over the whole business. The succession process occurred everyday through mentorship, on the job discussions and asking opinions. The successor found that he was more aligned with the family business than tertiary music studies. The successor stated, *'the family comes first, I am driven by the family and for our workers. It is very important for the future and our family that the business continues and gets bigger'*. The successor intends to return to study to learn more about modern management practices, but now is too busy with managing all the on – site operations and customer interactions.

He believes that knowledge gained from management studies will assist the family business into the future, as there are plans to expand into other construction areas. The successor stated, *'I want to see the business stay in the family because it gives us stability and work for others in the community'*.

4.7.4 Other Staff – Business Contacts

TT3 is the middle brother of the founder and is a sheet metal worker. He is the father of the successor and the successor is his eldest son. The successor did part time work in the factory when he left school in between attending the Australian Institute of Music. When the music studies did not work out his father suggested that he come and work in the family business full time.

The successor is now the on – site operations manager and handles all installation and customer operations. TT3 is happy that his eldest son is taking over control of more of the family business and is also happy to see that the family business and his brother's work will survive well into the future. TT3 stated, *'the business is growing so rapidly that my son's management skills will be important in the future for the business to continue. It is important for the whole family'*.

4.7.5 Document Review

The document review consisted of viewing customer orders and contracts, viewing online quotations for multi-million dollar constructions and observing business operations. TT1 took me on-site where I observed him speaking with his staff and sub-contractors. The success of his business was in the equipping of his factories with modern sheet metal working machines and presses that can make all the components for commercial air – conditioning. The employees who were working in the factory at the time were all Vietnamese. Feedback was sought from employees who were not family members. All had been employed for a number of years with some completing their apprenticeships. The common feedback from the employees consisted of the founder being a good person to work for, who provided a community atmosphere and where the successor was able to relate to all employee's due to the age comparison. The numerous customer contracts for large scale air – conditioning construction and fit out, illustrates a Vietnamese family business that sees its employees as an extended family and this family unit is continuing to rapidly build a successful large-scale air – conditioning business. A summary of the main SPM themes from Case F is set out (Table 11) below.

4.7.6 Emerging SPM Themes

Table 11: Case F – SPM Themes	
RO1: Contextual Factors	<ul style="list-style-type: none"> • FOB operating outside of traditional Vietnamese FOB and in heavy regulated Australian Construction Industry • Industry heavily dominated by Australian culture • Noticeable no Australian's working in factories and only onsite constructions
TT1 (Founder)	<ul style="list-style-type: none"> • Vietnamese born TT1 has worked in Australia and is well aligned with Australian construction work practices and culture. • Has strong views of working hard in the family business and with both the Vietnamese and Australian community. • Expressed strong views on maintaining honesty in the business that led to a good name for Vietnamese people. • Viewed the success of the business as leaving the family healthy and helping the people by employment
TT2 (Successor)	<ul style="list-style-type: none"> • Australian born and educated with limited business management knowledge but trade qualified. • Expressed strong views that the business not be sold and that the success of the business was essential in maintaining a good family and business name. • This was an essential criteria in the construction industry where contracts are won on reliability and a good family, work and quality manufacturing reputation is required.
Other Sources	<ul style="list-style-type: none"> • Improved management capability • Positive ability to interact with customers, staff and suppliers • The ability to hold family unit together and avoid conflict
RO2: Relational Factors	<ul style="list-style-type: none"> • Founder had no children and built strong relationship with nephew • Successor strong desire to be part of maintaining family unity and well being • As successor born in Australia can relate to internal Vietnamese employees as well as managing Australian contractors and other trades in on site constructions
TT1 (Founder)	<ul style="list-style-type: none"> • Expressed strong views for the family ownership of the business, the successor coming from the family and maintaining good relationships both internally and externally. • Strongly viewed that business information should be shared within the family so as good decisions can be made for the good of all.
TT2 (Successor)	<ul style="list-style-type: none"> • Expressed strong views that the successor came from the family and that the founder stay on in the business in some capacity. • Had strong views that the business continues to be successful so that is supports all of the family in employment.
RO3: Transition Factors	<ul style="list-style-type: none"> • Founder adopted a hands-on approach to grooming the successor • For a successful transition, the successor had to be able to be accepted by both internal and external stakeholders from different cultural backgrounds • Internally the choice of successor had to be accepted by all brothers in the family without disagreement
TT1 (Founder)	<ul style="list-style-type: none"> • In the construction industry, you cannot leave the transition process too late as there is so much to learn and you can lose customers and skills. This can cause huge money losses. • Stated that it was very important to transfer all skills and knowledge and all roles within the business must be learnt, stating; even picking rubbish up off the floor

TT2 (Successor)	<ul style="list-style-type: none"> • Stated that for the transition to be successful that you must have passion to be in the business and learn all parts of the business. • This in part is to keep a continual flow of technical expertise and customer relationship knowledge from his uncle to him to assist in building the business.
Business Process Factors	<ul style="list-style-type: none"> • In this FOB, the successor does not bring new business process factors to the business but maintains the knowledge and stakeholder management ability of the founder • Successor to undertake management studies to improve his skills in this area
TT1 (Founder)	<ul style="list-style-type: none"> • The business process was traditionally Vietnamese that was based on hard manual work and family ideologies. • As more knowledge of the Australian construction industry was gained the operational structure and process was aligned with Anglo work processes externally but Vietnamese business processes were maintained internally.
TT2 (Successor)	<ul style="list-style-type: none"> • Business process is Australian influenced in management structure, has strong stakeholder management ability

4.7.7 Summary Analysis (Case F)

The emerging contextual SPM factors in Case F highlighted a Vietnamese FOB business operating outside the traditional food or clothing industries and into large scale construction of air – conditioning units for commercial buildings. The family business was not founded on previous business knowledge and skill, but was born out of the labour knowledge of a trade and factory worker. The ability to learn and quickly adapt to different environments assisted the family business to pool their skills and work ethic to build the business and win customer contracts. This was a significant contextual factor given that the Australian Construction Industry is heavily regulated and unionised. For non-Australians operating in this business environment the building of stakeholder relationships would have been paramount in achieving financial stability. The building of three factories with expensive metal working machines and presses signifies that the business is profitable and sustainable.

One of the strengths in this family business is that the whole family have a shared business vision to ensure the long term financial security of the family and to ensure that the business remains in the family for generations. The founder stated,

‘I don’t have any children so it was hard at first trying to think about the business I built up and if I was going to sell it or not. If I sold it my brothers and family would not have financial income. It is better to know the hands that you have got, than the hands that you don’t. I know family better’.

The emerging relational SPM factors in Case F highlighted a unique factor where the successor was not the son or daughter of the founder. As Sharma and Salvato (2013) explain, a components based view of the FOB for some families can allow different family members to be owners or managers in the business and in an essence based view features such as shared history or a commitment to a future together can influence the successor choice. The founder and successor's long-term vision for the business is intent on growing beyond just air - conditioning. The founder stated, *'I want to make the company successful and strong with good customer relationship and respect for Vietnamese people'*.

The successor stated, *'expansion definitely, we are getting more customers all the time and we are not short of work. The family business is important to me and family always comes first. Everything I do I have the family in mind, my role is to make sure that keeps happening and now that my uncle has completely stepped back all the responsibilities will be on me'*. Of note in this case study was the ability of the family to be successful without obtaining formal qualifications. The traditional work ethic of the Vietnamese has been transferable into Australia culture due to the difference in industry environment from other Vietnamese FOB. The strength of the family unit working in the same business appears to have insulated it from industrial disputes and employee issues. As the successor is the nephew of the founder, it will be reliant upon him to maintain family harmony to ensure the longevity of the FOB.

The emerging transition SPM factors in Case F highlighted that the founder personally groomed his nephew TT2 for succession with the consent of his father and all the founder's other brothers. For transition to be successful the successor must be willing to accept working in the family business and to not seek external opportunities or career paths. As TT2 had decided that he did not like formal education and was more suited to a practical application career, the chance to work with his uncle was enticing. To further compound the chances of a successful transition, the successor had to gain acceptance from both internal stakeholders such as a large number of Vietnamese employees and the onsite construction workers who are mainly Australian, differing age groups and the competing interests of trade workers to maintaining their skills in installation. In this Case, the transition did not succeed because the successor bought new or improved management or process skills to the FOB, but because he was able to maintain continuity of management, communication and the stakeholder management skills of the founder.

The successful transition practices of the successor maintain the good family name and have allowed the FOB to not only maintain customers but grow by attracting new construction projects.

4.8 FOB Case G (Sydney – Restaurants)

4.8.1 Background of Business

BC was born and raised in Vietnam and grew up with the smell of fermenting fish around her grandfather's fish sauce manufacturing business. When she was, older BC owned, and operated a small business bottling and wholesaling fish sauce in the local market in Saigon. BC arrived in Sydney in 1990 via the refugee camps in Indonesia after one of her sons and daughters sponsored her. The son and daughter had arrived in Australia by direct entry 1983. With no formal restaurant or business training and deficient in English skills, BC began working as a cook at a Vietnamese Restaurant in Cabramatta. In 1995, BC determined to succeed in her new country mortgaged the family home and borrowed money from relatives in the United States to buy the restaurant she had worked in.

With the assistance of the eventual successor and his sister, BC commenced the family business in Australia. Today, BC continues to work in the background of the family business. The business has progressed from one restaurant to four restaurants, with a staff of over sixty. The family business has been in existence for 20 years. BC, expressed her gratitude that Australia provided the family with so much opportunity and a safe place to live. Her four children all have university degrees and are prominent in business and health care. The work ethic of BC in commencing the family business and her drive to see it being successful is one of the key elements in her business success. The success of the family business allowed the family to have financial security and a good name in the Vietnamese community. The founder stated, *'can never line up for Government money, big shame'*.

4.8.2 Founder Related Considerations

The SPM process was initiated by BC because she thought she was getting too old and the business had grown too large to manage with her limited business knowledge. The choice of successor was split between two of her children with the successor MT assuming control of all main business operations and his sister assuming control of restaurant operations. The main successor though is MT.

This has worked well and the different business skills bought by each person have complemented the businesses operational effectiveness. The founder realised the limits of her business management skill and was happy for the succession process to occur. The founder stated, *'MT wanted to take over the business and he had the interest, I did not want to sell the business and I want it to stay in the family for the next generation'*.

BC wanted the transition process to be managed from within the family so that the family could control its own destiny. BC considers the transition process to have been successful as the FOB has remained strong for over 20 years and has continually made profit. The feedback from customers, suppliers and staff following transition has been positive. BC stated, *'Our suppliers and staff have been very loyal for a long time, our business continues to grow'*.

4.8.3 Successor Factors on SPM

The successor MT was born and educated in Australia and worked in his mother's business as a waiter prior to going to University. He is a mathematician, holds an MBA in International Marketing and had previously worked in corporate telecommunications prior to taking over the family business. The successor had decided he wanted to leave the corporate arena and had been asked to go to Singapore to open a restaurant but this venture was not successful.

As his mother was getting older the successor decided that he would like to see his mother's business grow in Australia. When the successor took over the business there was some initial friction in that his mother was very traditional and he wanted to modernise the business. He wanted to align Vietnamese food and culture with main stream Australia. The successor stated, *'normally when there is a big project like opening a new restaurant, I want to move it to the next level by merging our food for the next generation, whereas my mum is more traditional, so there is some clash there'*. The continued growth and success of the business has been built on family values such as looking to maintain family harmony and happiness and not any specific business values.

The successor stated, *'relationship has always been the main focus of the business, from employees, to customers and suppliers. The success of the business is intimately attached to our family name'*. As the successor was born in Australia he has more of an Australian business perspective.

The successor stated, *'my mum's business concept is more like a Vietnamese business and if you look around all Vietnamese businesses look the same, I am trying to include the traditional but move it more towards modern Australia'*. The successor's long-term plan for the business is to maintain its current success with no plans for expansion. The successor stated, *'we have come to a point where we have passed through the hardships of having to try and earn a living and we have passed through the times where mum wanted her children to have a proper future. We have all done that and we are at a time where we wanted good family time'*.

4.8.4 Other Staff – Business Contacts

LT was a registered nurse working in the health sector until she joined her brother in the family business in 2013. A number of personal circumstances affected her ability to remain in the health sector and it was the founder's suggestion that she assist the successor in the family business. LT is responsible for all the HR operations of the family business and includes the engagement and training of new staff and restaurant operations. She works in conjunction with the successor to ensure that business continuity is achieved. The successor is responsible for the marketing, corporate and business communications and the operation of the Marrickville Restaurant. LT stated that she works well with her brother and they possess skills that complement each other. If an issue occurs, then they call each other to resolve the issue and sometimes assist each other in their respective areas of operations.

LT would like to see the business remain in the family but this depends on continued customer support and the sustainability of the family brand. LT stated, *'I would not like to see my son continue in the business as it is very hard work and he is particularly talented in music. I would like to see him pursue his dream'*. LT stated, *'it is ironic that you ask me that question as my son asked me the other day if I would like him to take over the business one day'*. LT does not consider the term succession planning as an appropriate term for her family's transition. LT stated, *'It was a different process and not structured, we just learnt as we went and honestly, I was not business orientated and neither was my mum. She did not want to work for someone else and wanted her own business, it grew from that'*.

4.8.5 Document Review

The document review for this case includes confidential profit and loss information, a review of media reports, culinary reviews and customer reviews.

The family business has been the subject of many good food guide reviews, prominent Sydney newspaper reviews and media reports outlining the transformation of Cabramatta and the success of the Vietnamese Community in Australia. A review by Durack (2012) in the Sydney Morning Herald stated, *‘playing it safe always ends in disaster, according to guerrilla philosopher and graffiti activist Banksy. Full marks to BC and her family for the risky move of taking Vietnamese food upmarket at their latest venture, following on from their Canley Heights and Cabramatta Restaurants’*. This review complimented the culinary skills of the founder and the business management skills of the successor. A Taste of the Town review by Matheson (2012) noted that BC is an example of the dogged determination of Vietnamese refugees to succeed.

A customer review by Bonzo (2015) stated, *‘superb, superb, superb, the restaurant in the heart of one of Sydney’s most multi-cultural suburbs Marrickville, did not disappoint on all counts. Besides being unexpectedly being treated to free champagne and dessert (Valentine’s Day) the rich pickings from its extensive but consistently innovative menu were a treat to behold.* A summary of the main SPM themes from Case G is set out (Table 12) below.

4.8.6 Emerging SPM Themes

Table 12 Case G – SPM Themes	
RO1: Contextual Factors	<ul style="list-style-type: none"> • Original location of FOB in Cabramatta Sydney, main suburb for Vietnamese refugees settling in Australia • Main customers at time of FOB establishment were Vietnamese as many Australians did not visit Cabramatta • Had to work hard and open other restaurant outlets to bring Vietnamese food to everyday Australians to become successful
BC (Founder)	<ul style="list-style-type: none"> • Expressed strong views in regards to looking after staff and having both a good business name and family name. • Aligned strongly with a collectivist nature in regards to looking after community and social recognition. • The founder aligned with maintaining some control of the business after succession and has achieved this. • The successor views the continued input of the founder as part of a successful transition.
MT (Successor)	<ul style="list-style-type: none"> • Australian born and educated with broad business management knowledge. • Realised that the context of serving Vietnamese food only to Vietnamese in a Vietnamese suburb would not sustain the FOB • Sought to modernise Vietnamese food with Australian food to expand customer base • Utilised his business skill to change the operating context of a Vietnamese FOB to more like an Australian business. Did this by marketing and opening other branches in more ‘Australian’ suburbs.
Other Sources	<ul style="list-style-type: none"> • Improved management practices gained from both education and working in a previous corporate role • Able to provide strategic management to the FOB

RO2: Relational Factors	<ul style="list-style-type: none"> • Family wanted to maintain family and community harmony first then business success • Founder and successor had minor conflict in wanting to alter business image from a 'Vietnamese' business to a modern 'Vietnamese / Australian' business • Succession split between the main successor MT and his sister LT
BC (Founder)	<ul style="list-style-type: none"> • Expressed strong views for the continued family ownership of the business, the successor coming from the family and maintaining good relationships both internally and externally. • Strongly viewed that business information should be shared within the family so that the family is happy and works together
MT (Successor)	<ul style="list-style-type: none"> • Expressed strong views that the maintenance of relationships with established customers and suppliers as a significant element in succession • The successor is of a Vietnamese background
RO3: Transition Factors	<ul style="list-style-type: none"> • Successor noted that businesses success of passing on the business to him and his sister tended to be more of a progression and not a formal process. It just seemed to happen. • Noted the importance of having highly skilled staff during the change process as a critical element during succession.
BC (Founder)	<ul style="list-style-type: none"> • The founder aligned with choosing a successor that really wanted to be in the business • Ensure that the successor is taught the business slowly to ensure that all of the knowledge is transferred • Suggested that knowledge transfer is not a one-off event but a continual process.
MT (Successor)	<ul style="list-style-type: none"> • The successor aligned with having a good time frame for the transfer of business skills and knowledge and possessing a desire to succeed once the succession process had been completed.
Business Process Factors	<ul style="list-style-type: none"> • FOB benefited greatly from the high business qualifications of the successor • The implementation of good business and accounting practice has enabled the FOB to successfully operate over four different locations for over 20 years
BC (Founder)	<ul style="list-style-type: none"> • The business process is traditionally Vietnamese that was based on hard manual work and family ideologies. • The business process changed only due to the succession process and the modern Australian management skills of the successor.
MT (Successor)	<ul style="list-style-type: none"> • Business process is Australian influenced in regards to management structure and has installed modern business practice into the family business.

4.8.7 Summary Analysis (Case G)

The emerging contextual SPM factors in Case G highlights the transition of the business founder from a subsistence existence in Vietnam to the operation of a multi structured business in Australia. The founder had no formal business education, little English language skills and no knowledge of the Australian business environment. In contrast, though, the founder had an entrepreneurial attitude, a strong work ethic and a desire to be successful in her new country. Hitchcock and Wesner (2009) explain that Vietnamese entrepreneurs never give up, aim to succeed and take all the existing business chances. This was the case when the founder mortgaged the family home and borrowed money from relatives overseas to buy the restaurant that she had been working in. Although the founder had some small amount of business skill from operating her wholesale fish sauce business in Vietnam, she wanted her children to be successful in their new country. She worked long hours to support her children's education and this has paid dividends later as they could bring high business acumen to her business. This enabled the family business to have modern business structures and processes. The result of this was the expansion from a single business location to multiple business locations.

The strategy of having restaurants outside a heavily populated Vietnamese suburb in Western Sydney was an important move, in establishing a different customer base and bringing Vietnamese food to modern Australia. The successor has resisted the founder's desire for him to learn the commercial kitchen side of the business and has preferred to concentrate purely on the marketing, corporate communications and customer interaction of the business. The commercial kitchen and restaurant operations side of the business is the domain of the successor's sister. Although the successor declined to accept the knowledge transfer of kitchen operations, the next generation of successors would be required to have a broad knowledge of all parts of the FOB to ensure that the transition process was successful. That said, Zheng and Zhong (2011) also suggest that Vietnamese cultural factors will influence the knowledge transfer process due to family values and *filial piety*. The knowledge transfer process would include tertiary business qualifications as well as the family business values, operational requirements and value of the internal and external business relationships. Case G highlighted the strong relational factors of the family that have permeated into their business values.

Donnelley (1998) suggests that family relationships influence succession by either facilitating or hindering succession planning and in a later study, Friedman (1991) noted that if the choice of successor among the siblings is interpreted as parental favouritism, dysfunctional rivalries can occur between the brothers and sisters. In this instance this did not occur. The founder (BC's) choice of successor was her son but as the business grew, the successor's sister left her existing employment to work with her brother in a joint transition process managing one side of the business. The strong family bond has enabled the FOB to be profitable for many years and maintain long term staff and customers. The family noted the long hours and hard work that it had taken to sustain the family business and were reluctant to talk about the next generation of successors. The successor (MT) does not have children and his sister (LT) has a son who is a talented musician. LT would like to see her son develop more in his music career than in the FOB.

In Case G, for transition to be successful for the next generation, a more structured process should be adopted. The succession process should commence from an early age when the future successor flags his or her interest in the FOB. For this family, the transition process was not structured or designed to be a formal process. It occurred within the family structure and was shaped by their values. It may be suggested though that the success of the transition was facilitated by the strong business acumen and qualifications of the successor MT.

The ability of the successor to build the business in a different direction, other than relying on a strong Vietnamese clientele in a Vietnamese suburb, was also an essential element in the success of the FOB. Sharma (1997) and Stempler (1998) noted that the personal experiences of the founder, successor and other family members indicate the level of satisfaction with the transition process. In addition, Hume (1992) describes that not only is the level of satisfaction of the various stakeholders an indicator of successful transition but also the successors ability to keep the family healthy by means of sustained growth and continued profitability. In this Case, the successor has been able to achieve that over a long period for the FOB.

4.9. FOB Case H (Perth - Cafés)

4.9.1 Business Background

TN came to Australia as a seventeen-year-old in 1983 with his mother and brother via a refugee camp in Malaysia. He attended high school in Western Australia between 1983 and 1987. In 1988, he went to Curtin University to study Mathematics Computing but dropped out in 1991 and married a Vietnamese / Chinese woman. He has owned and operated a number of small businesses over the years that included a delicatessen, a Nail Shop and for the last four years has owned and operated a coffee shop. TN left the Nail Shop as this industry had become too competitive and provided low financial returns. The owner / operator of a Nail Shop is similar to other early Vietnamese family business in Australia, the United States and the United Kingdom and were established by Vietnamese refugees leaving Vietnam.

TN is not active in the Vietnamese Community in Perth and lives south of the Swan River. The Swan River in Perth is seen by the locals as a natural border between rich and poor and cultural and social geographic orientation. Most of the Vietnamese Community live north of the Swan River. TN operates a coffee shop as the work is simple and does not require complex job skills. He employs two Vietnamese staff who are family friends, but has tried employing white Australians. TN stated, *'Aussies don't like hard work and do not work as hard as Vietnamese'*. TN's daughter has succeeded him in most of the business operations at present but he still maintains an interest in the business and is looking to build the family business by adding an additional shop. He and his daughter have spoken about employing external management as his daughter is also interested in exploring work in the health sector.

TN stated, *'I want my children to have a better life than me and my wife. I want them to use their degrees and have a career that does not involve the hard work that I have had to do. We will keep the business as it is our income and maybe look at hiring managers. If not, we will sell the business.'* TN spoke about his appreciation for the opportunities and the lifestyle that Australia had given him and his children. In one way, he lamented the cultural divergence of his children away from their Vietnamese heritage but was thankful that his children have been lucky to grow up in Australia.

TN stated, *'the younger generation are not in touch with the Vietnamese Community and most of them don't speak Vietnamese, only English. They only come into contact with the community through family, work or school. They don't even want to go to Vietnam, they have a 'who cares' attitude.'*

4.9.2 Founder Related Considerations

For TN, the SPM process was about looking to the future. Although he has been operating a family business for many years, the expansion of his businesses and with his daughter working with him, he viewed this as the ideal time to prepare her to take over completely from him. TN would have preferred his eldest son to succeed him in accordance with traditional Vietnamese culture, but his son is finishing his University degree. TN is satisfied with the transition process with his daughter. As JN was already working with her parents in the FOB, the knowledge transfer had occurred both during the working hours and at home during family discussions. TN stated, *'We have a good business model and we have been successful. Both shops are doing well and the transition is successful because my daughter is good for business as well'*. TN was satisfied that the family could manage the transition process from within the family and staff, customers and suppliers noticed the seamless transition. TN stated, *'My many loyal customers are very happy with our business and the service that my daughter provides. We have had many good reviews on Urban Spoon. My suppliers are happy because as our business grows so do our stock orders'*.

4.9.3 Successor Factors on SPM

JN was born and educated in Australia and holds a degree in Health Sciences. JN is the only daughter of the founder and is the middle child. JN has plans to develop her career in the health sector but at present spreads her time between the family business and her other career interests. She has become the face of the business and handles all operations with her father and mother taking a lesser role in the family business. The founder and his wife mainly handle the business relationships with suppliers and governance duties. The impending addition of another café will see the successor spread her time between the two businesses to ensure that they are both successful. JN had been working with her father in the family business since the age of eleven as her older brother was never interested in the business and her younger brother is studying.

JN acknowledged that in Vietnamese culture it was the duty of the eldest son to take over the family business from the parents to ensure the financial sustainability of the family unit. JN stated, *'my oldest brother always wanted to be an engineer and Dad supported this decision. As I was the next eldest I have always tried to help my parents as they work so hard. Although our family is close, we kids are not really that Vietnamese'*.

JN would like to see the family business remain successful as her father has been a very good business man and does not want to see his years of hard work wasted. JN views the success of the second café as being an avenue of income for her parents in retirement and has been discussing the long-term plans for managing the family business with her father.

The founder would like JN at one time to explore a career outside the family business but at the same time keep the business in the family and ensure sustainability of the business. JN and her father have discussed the employment of external managers to manage the two different business locations but are concerned at the possibility of the business not remaining profitable due to poor management. JN stated, *'the family business must always be managed by a family member as family is more trustworthy'*. JN had no preference as to the cultural orientation of an external manager but noted that the work is hard. JN stated, *'my dad has hired Aussie's before but they don't last, so maybe one of our current staff will become site managers. They are Vietnamese and are hard workers'*.

4.9.4 Other Staff – Business Contacts

The founder's eldest son CN is currently studying engineering at University and culturally would have been destined to take over the family business but this was not what he wanted to do. CN was supported by his father to become well educated and not to endure the hardship of the hospitality sector and the long hours required to run the family business. Vietnamese culture views academic success as both contributing to a family's success and social standing and more importantly as in this family's case, yet another example of contribution and integration into Australian society.

CN stated, *'dad always pushed me to do my best and follow my dreams, I saw how hard he and mum worked and I did not want to do that and my parents did not want me to do that'*. My parents support me and I am working hard to make them proud. My dad and mum have been very successful in business as they are well liked in the business that they work in and the customers really like them also.

Maybe one day after I have achieved my engineering degree I may consider some type of business with the family but now I am not focused on that.

4.9.5 Document Review

The document review for this case consisted of online reviews of the family's current business on Urban Spoon and research of the business that the family is buying.

Details of income were provided but in strict confidence. In an SPM context, the revenue from the other shops did not reduce due to the transition process but remained consistent with normal takings. The document analysis noted many reviews from customers relating to the quality of food. The café is located in a large industrial sector north of Perth and the Vietnamese / Australian fusion menu is extremely popular. The quality of food and customer service has drawn a very large customer base that generates significant income.

This successful business model is the basis for expanding the family business into a similar geographic location in another part of Perth to grow the business. A consistent theme of reviews on Urban Spoon stated, *'coffee is great, service is exceptional. They always smile and give you their full attention. Nice little place to have a break'*. A summary of the main SPM themes from Case H is set out (Table 13) below.

4.9.6 Emerging SPM Themes

Table 13: Case H - SPM Themes	
RO1: Contextual Factors	<ul style="list-style-type: none"> • Founder has an entrepreneurial mindset and has operated a number of small businesses before settling in Cafes. Has no formal business qualifications but built up business knowledge from previous businesses. • Operates FOB on Australian business practice and not Vietnamese • Arrived in Australia in 1983 some 8 years after first Vietnamese arrivals • FOB about to expand to 4 different locations which require a high degree of management skill for staff, supply chain and daily operations
TN (Founder)	<ul style="list-style-type: none"> • Expressed strong views about maintaining family ownership of the business but was open to an external management professional which was divergent from cultural norms. • Aligned strongly with an Australian business model in relation to governance and having a structured succession or transition process. • Would have liked a male successor but his sons not interested in the business, so chose his daughter. Will continue to have input into the family business even though succession has taken place.
JN (Successor)	<ul style="list-style-type: none"> • Has little connection to Vietnamese culture and expressed an Australian based view of SPM. • Expressed strong views about not selling the business but maintaining ownership even in the event that it was not managed by the family. • Made comment on the requirement for strong governance processes and business planning for the future. • Did not express strong views about recognition for the community but expressed a strong view about maintaining a good family and business name.
Other Sources	<ul style="list-style-type: none"> • Basic business model with a good knowledge of Australian customer base • Successor competent in the role

	<ul style="list-style-type: none"> • Business building with multiple business locations
RO2: Relational Factors	<ul style="list-style-type: none"> • Does not have strong connection to the Vietnamese community • Although no strong connection to Vietnamese community employs only Vietnamese due to 'work ethic' • As with Vietnamese tradition has strong relationship with staff and family unit • Has been able to integrate well into Australian society and relate to Australian customers. Most of his customers are 'blue collar' workers in industrial areas where the cafes are situated
TN (Founder)	<ul style="list-style-type: none"> • Expressed strong views about maintaining good relationships with customers, staff and suppliers as this is a must for the hospitality industry. • In a traditional sense, would like to have a successor of Vietnamese background and in part has achieved that, but is open to the Australian perspective of external management. • If external management engaged the founder will still have input into the direction and management of the business
JN (Successor)	<ul style="list-style-type: none"> • The relational views of the successor were entirely family orientated and not aligned with Vietnamese culture or community. • Expressed strong views on maintaining good relationships with customers and suppliers to maintain business continuity. • It was the successor who suggested external management to the founder but stated the family would always maintain ownership and management of the family business due to trustworthiness.
RO3: Transition Factors	<ul style="list-style-type: none"> • Daughter chosen as successor instead of sons. This is a break in traditional values. Founder wanted sons to follow their own career • Structured transition process that stemmed from daughter helping parents in the business • Transition made easier by daughter wanting to work in the business. As transition, successful the successor looking to explore opportunities outside of the FOB and would consider external management
TN (Founder)	<ul style="list-style-type: none"> • The transition process was consistent with Vietnamese family values in that the successor was engaged in the business from a very early age and a timeframe has been set for the transition process to occur. Knowledge transfer was on the job and unstructured with reliance on obtaining business acumen from the successors external work life and tertiary studies.
JN (Successor)	<ul style="list-style-type: none"> • The transition process was managed by the founder and the successor was at ease with this process so as to maintain family harmony. • The successor took up the mantle due to the sons not being interested in the business. • Expressed strong views that the transition process must be planned and gradual so as to learn all parts of the business. This then makes the transition process seamless to external stakeholders.
Business Process Factors	<ul style="list-style-type: none"> • The FOB's business process is modelled completely on Australian business practice • Has relied on daughter to improve and maintain management practices to compensate for founder's deficiencies
TN (Founder)	<ul style="list-style-type: none"> • The business process is entirely Australian based as the founder aligns more with Australian society than Vietnamese society. • The founder's business skills are basic but enhanced by his tertiary educated children

JN (Successor)	<ul style="list-style-type: none"> • The business process is entirely Australian and the successor has introduced modern management practices to the business via tertiary education and external diverse work environments. • Noted that holistic business experience provides advantage to the family business.
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4.9.7 Summary Analysis (Case H)

The emerging contextual SPM factors in Case H highlights not only the first transition cycle from founder to successor but also the dilution of having a dual identity of Vietnamese / Australian and the movement towards a single Australian identity. The founder came to Australia at an early age and integrated into Australian society through both work and education. Although he did not complete tertiary studies he was drawn towards business and more particularly towards an emerging Vietnamese business type at the time (Nail Shops). This was not successful and the founder operated a delicatessen for a short time before moving into the café business. The founder established successful cafes in industrial areas where mainly Australian blue-collar workers would frequent. This required the founder to understand and integrate with Australian culture to build a strong business. Not only did the founder establish a successful business selling a selection of Vietnamese food (Pho, Vietnamese pork rolls and hot dishes) but he refined his business model to venture into other café locations. This may have been the catalyst for the founder (TN) to begin to disassociate himself with the Vietnamese community. This may have had some flow on effects to the non-alignment with Vietnamese culture and identity of his children. The children have completed or are completing tertiary education and the founder views this as a more important family aspect than ensuring that the family business remains successful even though it is the main source of family income.

The successor (JN) has completed a bachelor degree in Health Sciences and is contemplating expanding her tertiary qualifications whilst maintaining the family business. This may become too difficult to manage for the successor and in contrast to other successors would contemplate the possibility of engaging external management. This would ensure that the family business remains as a financial asset, continues to provide income for the founder and ensures that the business remains sustainable for the future. The founder was not readily accepting of external management but the successor is more progressive in business processes and this may be contributed to by generational differences, tertiary qualifications and cultural alignment with an Australian mindset. Case H identified two prominent relational factors that shaped the SPM process.

Firstly, the choice of successor was the daughter instead of either of her two brothers. The eldest brother had already made a career choice and was not interested in the FOB and the younger brother was still at school. The founder had actively encouraged his eldest son to explore his career options.

This was a significant divergence away from traditional Vietnamese culture of eldest son assuming the head of the family via the FOB. The successor (JN) also has other career options that she would like to pursue but at this time she is managing the FOB. The founder has actively encouraged his children to explore both careers in the FOB and also outside the FOB. Schroder and Schmitt – Rodermund (2013) suggest that parents should encourage the exploration of several career options so that the next generation can make decisions based on their personal career interests. As the successor was working in the family business from a younger age, she was able to develop relationships both internally and externally that would have assisted in the transition process. Fahed – Sreih and Djoundourian (2006) explain the need for two-way communication as an important factor for potential female successors to minimise cultural or tradition based opposition to their ascendancy. This also allows other employees to provide the successor with a well-rounded perception of the FOB, so they can make an informed decision on the desirability of succession (Vera and Dean 2005).

The other significant relational factor identified the divergence of the family away from the Vietnamese community and openly identify more with Australian culture. This was in the areas of language, community involvement and identity. The founder is not active in the Vietnamese community but employs other Vietnamese in preference to Australians due to a perceived work ethic.

His children do not speak Vietnamese and do not identify as Vietnamese, only as Australians. Non-alignment with Vietnamese culture allowed the founder to not place great importance for his eldest son to succeed him in the family business and allow his daughter to accept succession. The founder and the successor's ability to relate strongly with Australian culture has been a success factor in the FOB. This has facilitated the building of strong customer and stakeholder relationships and acceptance of the founder's daughter as the successor. Case H illustrated a transition process that was structured over a period of time (5 years) that allowed the successor to work both in the family business and outside in different employment. This allowed for the successor to make an informed decision as to whether or not to work in the FOB.

Landsberg (1983) notes that next generation family members make career decisions based on their experiences within the family business while Murphy and Lambrechts (2015) explain that the involvement of successors in the FOB from a young age creates a natural behaviour that shapes continuity of business process and transition within the FOB.

The transition process was facilitated by a strong family unit, identifying a successor who was willing to take over the FOB from the founder and the acceptance by other family members of the choice of successor. Greffeth et al (2006) described a successful transition when the choice of successor is a family member who is committed to the business and can build strong relationships with loyal non-family members such as employees and other external stakeholders. In Case H, the successor has been able to achieve this. The SPM factors identified in this case study may have provided a snapshot of future Vietnamese family business in Australia that will continue to evolve as generational change occurs.

4.10 Case Study Characteristics

Appendix A illustrates the broad characteristics of the respective FOB's in this study. Also shown are the personal and business attributes that are related to the origins, structure and future direction of the Vietnamese family owned businesses. The FOB cases show a variation from the traditional Vietnamese family business of clothing and food to beauty and a non-traditional business category. This diversion from the traditional clothing and food business was described as *break – out* in a study by Bagwell (2007), where Vietnamese refugees in London began opening Nail and Beauty bars that had been developed in the United States by other relatives. This occurred in one FOB case in this study after the founder who was originally working in clothing manufacturing visited relatives in the United States.

One FOB case in this study identified a *break - out* from the traditional Vietnamese FOB industries to construction and metal work that has possibly been influenced by the integration of the Vietnamese family into an Australian business environment. As Marosi and Van (2014) suggest this may be influenced by the family member's personal attributes and their ability to rapidly integrate into a new environment. The FOB cases identified both male and female founders and male and female successors. In some instances, the successor was a male and is consistent with the cultural practice of *number one son* assuming the mantle of being responsible for and ensuring the future sustainability of the family's business.

In some instances, a female successor was chosen due to the family not having sons and in one instance a nephew was chosen as the successor due to the founder not having his own children. The characteristics in some FOB cases identified a simplistic knowledge transfer process of learning on the job and this was in part due to the limited skills of the founder in relation to business process and more related to manual operations. This could be explained by the limited formal education of the founder but for the new generation the knowledge transfer process may require a framework that contains both operational and business management skills.

4.11 Pre-Interview Questionnaire – Contextual Responses

Prior to an interview of open-ended questions, the founder and successor completed a short questionnaire that identified key contextual questions for this study. These questions also formed part of the parent and child nodes in the NVivo 10 software. Respondents were asked to evaluate whether the family business had achieved these questions on a Likert scale of 1 = Not at All to 5 = completely. A copy of the questionnaire can be found at Appendix B. The key business founder and successor contextual responses are provided in (Table 14) below.

Table 14: Key Founder and Successor Contextual Responses		
FOB Cases	Founder	Successor
Case A	<ul style="list-style-type: none"> Next generation have new ideas to upgrade the business 	<ul style="list-style-type: none"> Must have good business management
Case B	<ul style="list-style-type: none"> Must keep control of the business 	<ul style="list-style-type: none"> The owner is still providing input once the changeover happens
Case C	<ul style="list-style-type: none"> Must have a long-term plan 	<ul style="list-style-type: none"> Having highly skilled successor take over
Case D	<ul style="list-style-type: none"> Must treat staff well and have a good business name 	<ul style="list-style-type: none"> Having strong management system for reporting, financial control and customer relationships
Case E	<ul style="list-style-type: none"> The successor must know how to be the boss and manage all parts of the business 	<ul style="list-style-type: none"> There must be training and practice in the business systems with ongoing support of the founder
Case F	<ul style="list-style-type: none"> That the original owner still maintains some role in the business 	<ul style="list-style-type: none"> You must keep good staff to maintain quality manufacturing
Case G	<ul style="list-style-type: none"> Plan for the future at an early stage to make sure the business has a chance to be successful 	<ul style="list-style-type: none"> The passing of the business to me and my sister was more of a progression than an event
Case H	<ul style="list-style-type: none"> Family management instead of outsiders and if possible the eldest son to take over 	<ul style="list-style-type: none"> It doesn't matter if the successor is male or female as long as the person is interested in the business
Notable Quote	<ul style="list-style-type: none"> <i>'You must manage the business as a family, as family know the business and Vietnamese people'.</i> 	<ul style="list-style-type: none"> <i>'It is vital to continue the family business, we depend and live upon it'</i>

For the founders, three broad common responses are identified: maintaining ownership of the family business, having a long-term plan and upgrading the business. For the founders, the process of transition addressed these points with the successors having the ability to upgrade the FOB with the application of technology, improvement management practices and English skills. These founder responses were reflective in three broad common responses of the successors: strong management systems, training and development of staff in the implementation of good business systems. These responses illustrate the acceptance of the founders in not being able to grow the business into the future without the skills of the successors.

4.12 Emerging Contextual SPM Themes

The contextual themes that are evident in the eight FOB cases identify that prior to the Vietnam War the founders mainly came from South Vietnamese families who were engaged in various business enterprises located around Saigon in South Vietnam. Some of the founders came from families who were operating businesses at the time they left Vietnam. They had not acquired formal business qualifications but utilised their family's business model to establish FOB's in Australia.

These business models were effective within the Vietnamese community but when more refugees were settled in Australia the competition within the traditional Vietnamese industries became too competitive with minimal return. The founder's children were mainly born and educated in Australia and with education being a high priority within the family, the founders were to eventually use their knowledge of technology and modern business practices to consolidate the cornerstone of the family unit, the FOB.

Five of the founder's children who became the FOB successors acquired tertiary qualifications in a business-related field. The other three successors recognise that their ability to manage the FOB in a competitive business environment will require a high level of business related qualifications. Four of the successors had worked in various professions prior to coming into the family business. Some of the successors entered the family business as they no longer had the desire to continue in their chosen profession, whilst others viewed their transition into the family business as part of their duty to the family. The education of the successors, coupled with the founder's strength of community relationships, has enabled their family business to grow rapidly. The successors provided various responses as to maintaining ownership of the FOB or selling it in the future. This contrasted with the founders who unanimously stated that selling the FOB was not an option.

Although recognising the cultural importance of the FOB to the family unit, the financial viability of maintaining these businesses will not always be possible due to the changing industrial and economic environment in Australia. FOB case F, highlighted the *'break out'* or business evolution approach of the founder from traditional Vietnamese food and clothing industry and into the air – conditioning manufacture industry.

The tertiary business-related qualifications and knowledge of technology and improved management practices that have been introduced by the successors will enable the Vietnamese FOB to remain sustainable and may allow for the venturing into other business demographics. One notable observation is that, regardless of the business environment that the FOB operates in, the concept of engaging external management was not an option for either the founders or successors. One of the founders stated, *'nobody looks after the family business better than family'*. This may be true in some aspects but it could also be viewed as preserving the cultural element of the Vietnamese FOB. The emerging cultural theme highlighted the mindset of the founders to acknowledge their Vietnamese ethnicity, but also to be seen as contributors to Australian society.

In contrast to the founder's mindset, the cultural mindset of the successors was to be viewed as Australians first but with a Vietnamese cultural background. In FOB case H, the successor stated, *'I talk Vietnamese and go to temples but I was born here and my brothers and I are Aussie, not really Vietnamese, plus our business deals with everyday Aussies so no real need for Vietnamese'*.

The responses of both the founder and successor to contextual factors provide a snapshot of where the Vietnamese family business has come from and where it is going. The founder responses are strongly *collectivist* in nature. A study by Hofstede (1991) suggests that Confucian cultures are among the most collectivist in the world, with Australia being ranked the second most individualistic country in the world behind the United States of America. Although the second generation has Vietnamese ethnicity, their Confucian mindset is being diluted with their orientation and integration into an individualistic society. The business founders aligned their responses with strong family connectedness or familiness. They related strongly to the welfare and appreciation of their staff and perceived this relationship as an extended family link.

Although the founders commenced their respective business in Australia with little to no formal business management acumen, they view their business as a tangible reflection of their triumph over hardship and the continuation of the business as being a continued source of income and stability for the immediate and extended family. The successor responses were individualistic in nature and reflective of long term continuity of the business in regards to strong management, good governance and ensuring that the business was operated in a manner that was sustainable. Their long-term orientation for the business was to prepare the next generation for management through education.

This was by providing not only the transfer of knowledge about the family business but encouraging their children to pursue their own career and, if that did not work out, by providing an avenue to come back to the family business. This would enable the provision of other business management ideas and procedures to be integrated into the family business model. The successor aligned more with a strategic management view of understanding their customer base, the business category that they operate in and their competitors. The successors believe that by improving their internal resources through education and the application of technology to their business systems that they will remain competitive in their respective business environments.

4.13 Pre-Interview Questionnaire – Relational Responses

Prior to an interview of open-ended questions, the founder and successor completed a short questionnaire that identified key relational questions for this study. These questions also formed part of the parent and child nodes in the NVivo 10 software.

Respondents were asked to evaluate whether the family business had achieved these questions on a Likert scale of 1 = Not at All to 5 = completely. A copy of the questionnaire can be found at Appendix B. The key business founder and successor relational responses are provided in (Table 15) below.

Table 15: Key Founder and Successor Relational Responses		
FOB Cases	Founder	Successor
Case A	<ul style="list-style-type: none"> Family business must have a family member to control their own system 	<ul style="list-style-type: none"> Have someone who is interested in the business take over
Case B	<ul style="list-style-type: none"> The business must stay in the family, help everyone and each other not only Vietnamese 	<ul style="list-style-type: none"> Trust, teaching and guidance

Case C	<ul style="list-style-type: none"> A family member must manage the business and be from a Vietnamese background 	<ul style="list-style-type: none"> Connection and transparency
Case D	<ul style="list-style-type: none"> The successor must be from the family to keep the business for the children and grandchildren 	<ul style="list-style-type: none"> Must be a family member who takes over and they must appreciate the background of the business and their heritage
Case E	<ul style="list-style-type: none"> There must be trust between the two people, with listening to each other and accepting responsibility 	<ul style="list-style-type: none"> There must be trust and confidence between the founder and successor and that is followed up with support
Case F	<ul style="list-style-type: none"> The successor must come from the family and be of Vietnamese background, especially when the whole family work in the business 	<ul style="list-style-type: none"> That my uncle stays on in the business in some form
Case G	<ul style="list-style-type: none"> The successor must be Vietnamese and from the family 	<ul style="list-style-type: none"> There is always a sense of community responsibility at the back of my mind
Case H	<ul style="list-style-type: none"> The family continues to manage the business because family always have family interests in mind 	<ul style="list-style-type: none"> You must have someone from the family takeover as family is more trustworthy
Notable Quote	<ul style="list-style-type: none"> <i>What I do, I do for my friends. If they are successful, then I am successful, so that is why I am behind them in everything'</i> 	<ul style="list-style-type: none"> <i>The family comes first, I am driven by the family and for our workers. It is very important for the future and our family that the business continues and gets bigger'.</i>

For owners, two broad common responses are identified: traditional emphasis on family members (by all founders) and Vietnamese background (C, F and G). This contrasts with successors, where only one (H) identifies family as a primary concern. This response may stem from the experience of the founder employing Australians into the FOB and not having the same work ethic as Vietnamese. The successor views the strength of the family unit as the backbone of the FOB and a family member will always place the interests of the family and the business foremost.

For successors, four broad responses are identified: some coincide with the founder (community, responsibility, family) while others highlight qualitative aspects in relationship (transparency, trust, confidence) not highlighted in earlier ownership.

4.14 Emerging Relational SPM Themes

The relational themes that are evident in the eight FOB cases identify that for the founders maintaining control and harmony of the family business and having a successor of Vietnamese heritage is paramount. The successor's relational factors focused more on the building and maintaining positive relationships with the founder and having a successor who is interested in taking over the family business.

The business founder relational responses to having access to trusted business advisors and the sharing of business information with family and business networks varied. In FOB case A, the founder stated, *'what I do, I do for my friends and if they are successful, then I am successful, so that is why I am behind them in everything'*.

In FOB case B, the founder stated, *'you must manage the business as a family, as family know the business and Vietnamese people'*. The relational responses rated the sharing of business information with external family networks differently as they regarded their family business strategy as their *secret recipe to success* and confidential in a competitive business environment. The relational factors of the Vietnamese family and business environment allow the family to share money, material resources and have the social capacity to create employment for family, friends, and non-Vietnamese people as well as providing care and financial stability for elderly family members. The business founder responses to relationship factors in the questionnaire suggest that the family business is the carriage in which the family maintains its social standing and respect in both the Vietnamese and wider Australian community. What the data from the SPM relational themes indicate is that the Vietnamese family extends beyond the walls of a particular household and includes an extended family of friends, business advisors, staff, customers and even family that is still residing in Vietnam.

In FOB case B, the successor was considering moving the FOB operations back to Vietnam as family was there and the cost of production would be lower than in Australia. Outside of the family the Vietnamese community is an arena of moral responsibility, with conditions and calculations on who should be helped and in what way. In a relational perspective, competition and co-operation are two sides of the same coin.

Competition and co-operation is one of interdependence rather than independence, where the sense of community and cooperation amongst the Vietnamese was crucial for ensuring that they were all successful in their new country (Chen 2008). For example, FOB case C describes how the founder came to Australia and did not know the local restaurant trade.

This founder obtained a job from a local Vietnamese Chinese who taught him all aspects of operating a restaurant in Australia (cooperation). Eventually, the founder left and opened his own restaurant as a competitor (competition). This practice highlights how the Vietnamese community assisted each other in their new country.

This practice is illustrated in the study of Chen and Miller (2011) where they describe a divergence between Anglo and Vietnamese culture. The Anglo family is made up of contrasting and possibly exclusive parts, whereas the Vietnamese family is a single unit that is extended to include relatives and employees. This aspect explains the loyalty and dedication to the employees of the FOB in this study.

The interpersonal orientation in an Anglo family emphasises the individual whereas in the Vietnamese family there is a stronger orientation within the older Vietnamese but a stronger orientation towards an Anglo perspective of the Australian born generation. This perspective is convergent for both groups with the Anglo family being future orientated and the Vietnamese family unit displaying a sense of diminishing history and tradition with the newer generation being future orientated. The founder relational themes reinforced the desire to have another Vietnamese from within the family unit assume a succession role in the FOB whereas some of the successors were not as rigid in their view of a Vietnamese successor. These views related to the possibility of their children wanting to work in the FOB, or if the FOB was to remain sustainable into the future.

4.15 Emerging Transition SPM Themes

The transition process between founder and successor was implemented over a period of time and on most occasions, was a smooth process that mainly occurred without conflict. The consistent transition theme identified that the process of succession was not a direct one-off occurrence but where the successor was groomed and prepared for accepting the position of head of the FOB.

This was highlighted in FOB case D where the successor stated, *'succession planning is not a plan but a natural process, a continuity process, it is not appropriate for a family business as the family is always involved in the business, maybe it is good for big companies, but in the family the takeover is a natural stage if the next person really wants it'*. Consistent with this mindset the current successor (HP) is already preparing her son to assume the head of the FOB. In six Cases, the successor was a male and in two Cases the successor was a female. The data identified that successors were chosen in accordance with the traditional Vietnamese culture of having the eldest son succeed the founder. In two Cases, daughters were chosen as there were either no sons in the family, or the daughter was identified as the most appropriate successor as the sons were interested in the family business. In one Case, as the founder had no children one of his nephews was chosen as the successor. All of the successors though had two consistent values.

They all considered the ongoing financial stability of the family and the maintenance of the immediate and extended family unit and their desire to build on the work of the founder as foremost in their decision to become the successor. Santiago (2000) found that a smooth transition was not entirely based on SPM, but rather on the transition process being consistent with family values. To facilitate a smooth transition Adler and Kwon (2002) noted that the founder would choose a successor that demonstrates a strong sense of obligation to the business and family.

If you were to view SPM in Vietnamese FOB's within the social capital dimensions of structural, cognitive and relational the transition process would be consistent with their cultural values. The structural dimension considers strong family ties that characterise family members and bind them together. The cognitive dimension comprises of the groups shared vision, purpose, language, stories and collective culture (Pearson et al 2008). Nahapiet and Ghoshal (1998) describe the relational dimension as consisting of trust, norms, obligations and identity. In this study, all the founders had trust in the successors, they held strong family values and identity and felt obligation to ensuring the founder's business success was carried onto the next generation. The key business founder and successor transition responses are provided in (Table 16) below.

Table 16: Key Founder and Successor Transition Responses		
Cases	Founder	Successor
Case A	<ul style="list-style-type: none"> Maintain a good brand name and family name (A, C D); make sure management is good during the process and support and train the successor and staff in new procedures. 	<ul style="list-style-type: none"> I have not even considered a successor for me as I don't know if I will still have the business. If I did I would do it different to my father and choose someone who is interested in the business.
Case B	<ul style="list-style-type: none"> I would like my son to look after the business, consultants, makers and suppliers. 	<ul style="list-style-type: none"> I think that the founder or the person who has handed over the business to the next person should still be there to mentor the new successor.
Case C	<ul style="list-style-type: none"> Maintaining family harmony during the process, keep good relations with customers and business friends and ensure a long term financial stability. 	<ul style="list-style-type: none"> I don't have a gender preference only someone who is interested in being in the business.
Case D	<ul style="list-style-type: none"> Have a time frame and don't leave it too late, there must be good leadership of the successor to take the business forward. 	<ul style="list-style-type: none"> Groom the successor from an early age but let them choose their career path. The family business is always here for them.
Case E	<ul style="list-style-type: none"> Have someone who wants to be in the business because children don't want to work hard now. 	<ul style="list-style-type: none"> I would start my children's education in the family business as soon as possible.
Case F	<ul style="list-style-type: none"> A time frame and the timing must be right, you have to know if the successor 	<ul style="list-style-type: none"> I would do what my uncle has done with me and prepare the next person well. We need the family

	is ready or not and the business is financial sound during the changeover.	business to stay strong for the whole family.
Case G	<ul style="list-style-type: none"> Teach children the business and do slowly so the children learn, have a person take over the business who really wants to. 	<ul style="list-style-type: none"> I have not thought about it as I have no children, my nephew is a talented musician so I would like him to follow his dream. It is about good family time for us now.
Case H	<ul style="list-style-type: none"> Very important in transferring of skills, knowledge in engineering as you must learn all the roles, don't leave the transition too late. 	<ul style="list-style-type: none"> I am interested in a career in health but I also enjoy the family business. I will see how it goes but you can always hire managers.
Notable Quote	<ul style="list-style-type: none"> <i>'I wanted him to have experience in all parts of the business and I gradually step back and give him all the control'.</i> 	<ul style="list-style-type: none"> <i>Succession planning is, 'not a plan but a natural process, a continuity process, it is not appropriate for a family business as the family is always involved in the business, maybe it is good for big companies, but in the family the takeover is a natural stage if the next person really wants it'.</i>

For owners, two broad common responses are identified: identifying a successor who wants to be in the family business and having a time frame for succession where the successors are taught all aspects of the family business.

Only one founder (C) identified maintaining family harmony and relationships as being of importance during transition. This may have been due to the early communication issues he had with his son that caused disharmony between them both. Among successors two broad common responses are identified: grooming the successor for transition by education within and externally of the FOB and no gender preference for the successor. This desire to have the eldest son take over as the successor identifies a change in mindset of the successors, away from the traditional Vietnamese mindset requiring that the number one son must step up and accept the responsibilities and financial security of the family.

4.16 Summary Analysis of all Cases

The eight individual case studies outline the contextual and relational responses that influence SPM in Vietnamese FOB in Australia. The contextual influences identify a strong desire of the founders to maintain ownership and management of the family business, developing the successor from an early age by providing skills and knowledge and viewing succession planning management as a fluid process of maintaining business continuity rather than a formal event.

The relational influences highlighted a strong Vietnamese community bond by the founders, acknowledgement of Australian society and providing work and social security for workers and business connections. The successors in some instances described a dilution of attachment to the Vietnamese community, but acknowledged the hard work of their parents with a desire that they maintain some involvement in the family business. In the first transition cycle of Vietnamese FOB in Australia, there were some significant changes noted regarding business practice, cultural identity and community alignment from business founder to successor. The dominant factors that highlight the improvement in business practice include formal tertiary qualifications and knowledge of modern technology.

The formal business qualifications of some of the successors but, more so, the successor's knowledge of technology has been used to improve business processes across the business both internally and externally. This also enabled the FOB owner to diversify their business away from the traditional Vietnamese industries of food and clothing, towards a more complex business model that facilitates operations in multiple business locations that is progressing towards franchising. This factor identifies the contextual factors of ensuring that the new generation update the business and implement competent management practice.

Importantly, for this to occur the relational factor identifies the building of trust between founder and successor to provide connection, transparency and good communication that offers a career in the FOB rather than externally. Although the cultural identity of the Vietnamese FOB founders has remained strong the cultural identity of the successors appears to be changing rapidly. In some FOB cases, the successors align with an Australian identity and in some cases rejecting the values of their parents. For example, In FOB case A, the successor stated, *'I may be Vietnamese but I have a western mentality'* and in FOB case H the successor stated, *'my brothers and I are born here, we are Aussies not Vietnamese'*. These two statements are significant as the successors are the next generation of Australian born Vietnamese. The change in cultural mindset has seen the successors adopt Australian behaviours, social norms and the acceptance of an Australian identity in preference to the Vietnamese values of their parents. A constant comment of the successors was that they knew nothing of the Vietnam War and had grown tired of hearing the stories of their parents. The successor and her brothers in Case H, cannot speak Vietnamese and do not want to visit Vietnam. These changes plus the difference in education and language skills have enabled the successors to grow the FOB in directions that the founders could not.

This was because the founders had taken the FOB under Vietnamese behaviours and social norms to a point where they could not grow further without the injection of the Australian values, behaviours and social norms of their children.

The changes in cultural identity have caused implications for Vietnamese community alignment with the younger generation, providing responses of not being able to speak Vietnamese or being involved in community interaction. The Vietnamese cultural and community divergence of the successors may impact further with the next generations of FOB successors who may not want to remain in the family business. This may be caused by the successors wanting to pursue careers in other industries, or diversify away from the traditional Vietnamese FOB's of food, clothing manufacture and beauty services. This may have severe consequences for SPM in Vietnamese FOB in that the family business may not transition to the next generation; the FOB may be sold and the cultural business practices of the founder lost.

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CHAPTER 5 - THEMATIC ANALYSIS: STUDY FINDINGS

5.1 Introduction

This chapter presents the study findings based on a thematic analysis of the respective responses by the founder, successor and employees or other family members participating in the study. Three parent nodes are identified: contextual, relational and business transition. These 'parent' nodes align with the initial study design that identified the three categories as primary areas for investigation. Under each of these parent nodes, child nodes were created to drill downwards and investigate more fully the research objectives related to SPM in Vietnamese FOB in Australia. The responses included a pre - interview questionnaire, following face - to - face interviews and hand-written observations taken during site visits. The chapter is presented in parts that relate directly to the research objectives. Parts 1, 2 and 3 relate to: the contextual (RO1), relational (RO2) and business transition (RO3) factors influencing succession planning. Part 4 presents a SPM framework for Vietnamese family owned business in Australia (RO4). Figure 27, below, illustrates the flow of Chapter 5.

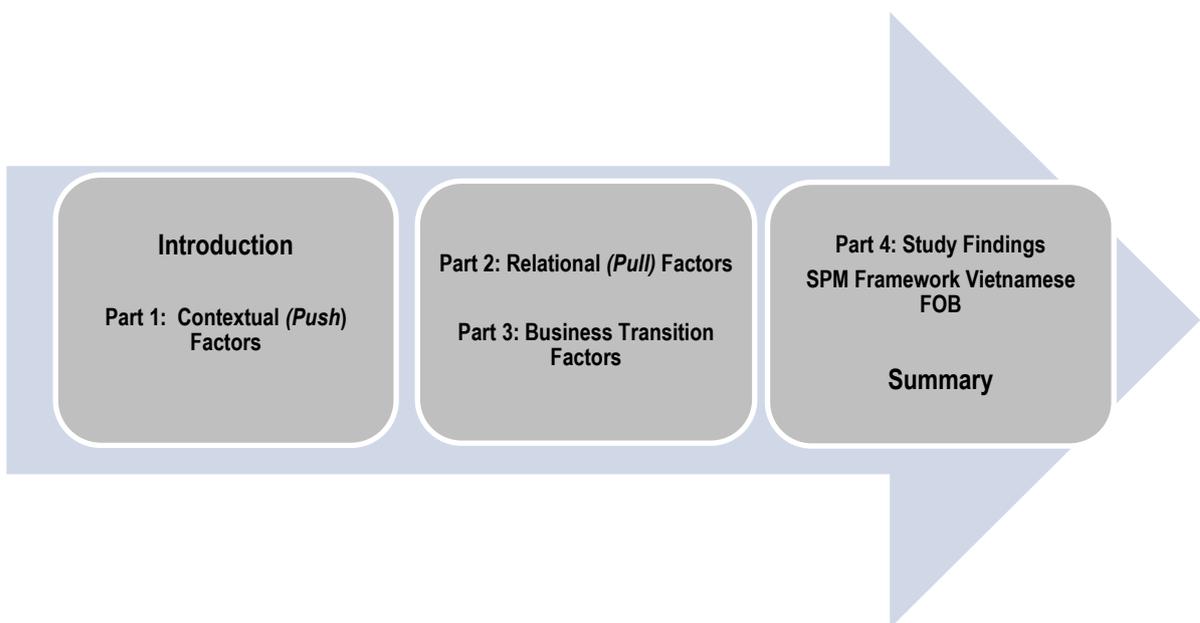


Figure 27: Chapter 5 Overview

5.2. Contextual Factors

While there are a wide range of factors identified in NVivo 10 contextual percentage responses (see Appendix B), these factors are reorganised into three action – orientated themes: to control, to survive and to thrive (see Figure 28). These themes capture the motivation behind the identified factors. The *push* motive is extrinsically driven and is a motivating factor for the FOB to remain competitive in the business environment. The *pull* motive is intrinsic and the driving force (and more sustaining) for the Vietnamese in gaining acceptance by both the Vietnamese and Australian community.

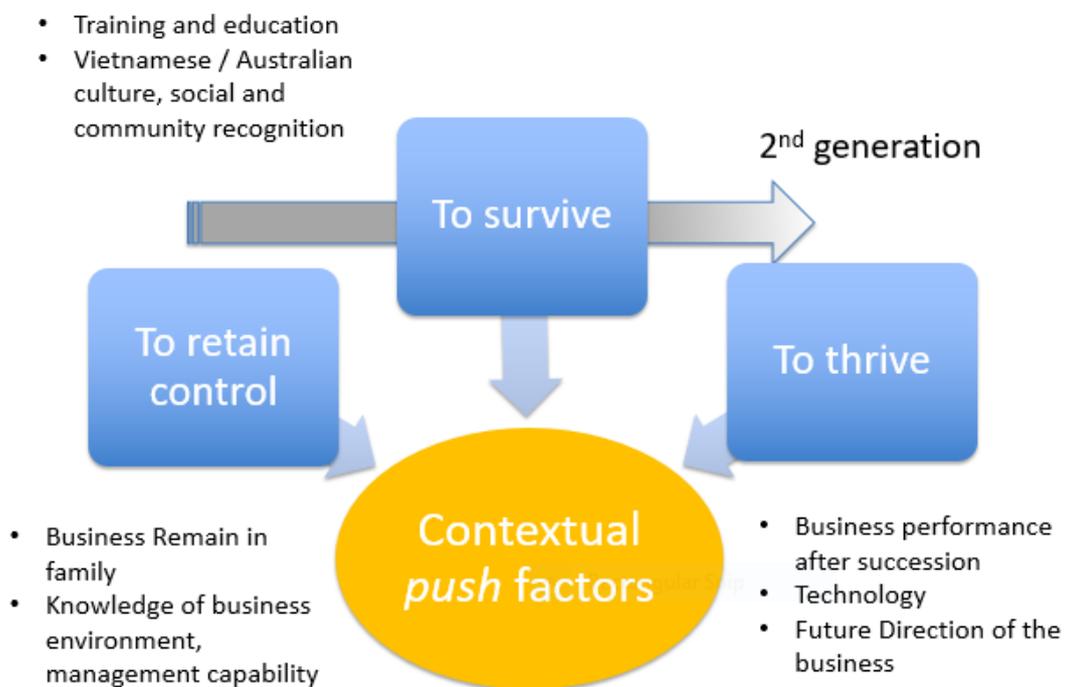


Figure 28: Contextual Factors

Seen within these broad imperatives, it is clear that the principal contextual factors that drive SPM for both the founder and successor in Australian owned Vietnamese FOB's are: that the business remain in the family (*control*). For the FOB to remain in control of the family, the successors must commit to both the family and the business. The Vietnamese FOB's operate in different business demographics and the successors must have a strong understanding of their customer base, the product or service they provide and any of the regulatory requirements relating to their business such as food safety, health regulations or building and construction codes.

In addition to business knowledge, perhaps the greatest emphasis is on the successor's having a strong commitment to the family as it is under their stewardship that the fortunes of the FOB rest. For the successors to lead the FOB into the future it is clear too that the use of technology, to improve or develop business systems (*survive*), is critical. It is also clear that the successors have without exception used technology to improve ordering systems, market their businesses using social media and expedite the production or delivery. The use of technology for FOB in Australia is an important business tool as it helps reduce manufacturing costs, improve production and develop new products and services. This allows the FOB to remain competitive in Australia and to negate the possibility of losing business to overseas suppliers and companies. That said, the most important contextual factor in SPM for both founders and successors is the importance of business performance after succession (*thrive*). For many FOB's business performance was enhanced by the successors utilising experience gained from employment outside the family business, as well as their tertiary education and training. The ability of the successors to increase the profitability of the FOB under their stewardship provides a twofold endorsement of their elevation to successor in the FOB. Firstly it justifies the founder's choice of successor and secondly it quantifies their own ability to not only lead the FOB, but to be seen as the new family Patriarch who has the family's interests at hand. For the founders, a successful transition illustrates their abiding concern with business longevity and so in securing a source of family income, preserving a sense of independence and sustaining family status.

As one example illustrates, (Case Study A), an important contextual factor for the successor was to be accepted by the founders external suppliers and business associates. To establish trust and confidence within his fathers business networks the successor had to display the same level of product knowledge, customer service and communication skills that his father used to make the FOB successful. The successor was able to build his level of trust and confidence with his fathers business network, by listening to the concerns of customers and accepting feedback to improve the business processes of the FOB.

He was reportedly able to reassure the business network that he not only had the business ability of his father but that he was also capable of strengthening his own business networks through improvements in, for example, supplier ordering systems and prompt dispatch of ordered goods.

The Vietnamese founders place great value on ensuring that their children receive a good education and are able to utilise this education to the advantage of the family in building the FOB for the future. Of seemingly greater value to the FOB, was the business acumen that some brought with them when accepting the role of successor. This business acumen came from work in environments such as finance or accounting knowledge (Case Study D and E), as well as international marketing skills that enabled the FOB to advertise and attract customers using social media in a local context and by attracting tour groups utilising overseas contacts (Case Study G). These Vietnamese FOB's were able to utilise these skills as a risk management tool, to better understand their own business environment and allowed the family to have internal sources of knowledge instead of relying on external resources. In summary, the key SPM concern of the founders is the maintenance of business performance after succession. This was achieved by the greater skills in sales and marketing, and in the use of technology. As a result, as the founder in Case A said, '*business has improved five or six times since my son took over*'.

For successors the contextual factor that drives SPM was sustained business performance. This was influenced by the desire to grow the business both within the current business model and also break out into new business categories outside the relatively simple and modest skills required by businesses such as retail clothing or food. For example, one FOB moved into air conditioning manufacture (Case Study F), while another business expansion was achieved via franchising what would have once been considered a single business entity offering Vietnamese food, such as a Pho Soup (Case Study E).

To prepare the FOB for the future (*thrive*), one founder (in Case Study F) invested in modernising all metal working machines and provided the mainly Vietnamese workforce with training and development needed to operate these machines. The founder and successor both actively encouraged employee input into developing improved airconditioning parts and installation techniques that would allow the FOB to be competitive in this market. This participatory aspect of continuous improvement is consistent with the use of quality circles and what is known as kaizen (Gunersekaran and Kobu 2002), that emphasises company staff working together to improve product incrementally. Another example of preparing the FOB for the future is (Case Study B) where the successor discussed the option of franchising away from his current business activity of wedding receptions and into home delivery of meals to improve the efficiency of his kitchen and catering expertise.

This shift not only allowed the FOB to remain sustainable in face of a downturn in the wedding reception business, but it also opened up an alternative customer demographic and enabled the FOB to expand into a different business category. Of great importance to the founders in any succession was their desire to maintain (*control*) of the FOB. The response of one founder illustrates this key SPM consideration, *'I want the FOB to stay in the family for the next generation and the grandchildren'*. For the founders any suggestion of selling the business would not be considered and as one founder highlighted, *'I did not want to sell the business, if I had to I would look at the extended family but I would not sell'*. For most of the successors the sale of the FOB was seen as a last resort as highlighted by the comment of one successor, *'my father would probably like me to pass it over to my kids who will pass it over to their kids but the business must stay in the family'*. Of equal importance, to maintaining family-based control of the FOB, is the issue of the founder continuing to play some (active) role in the business post-succession. As one successor stated, *'I would always like my mother there to provide some guidance if I ever need it'*. For the Vietnamese group, operating a successful FOB is not only a source of income for the family but provides the founder and family recognition in the community and provides employment for Vietnamese (*survive*), who may have limited language or other skills. One founder comment illustrates this issue, *'I can provide work for others in the community and try to help my friends. If they are successful then I am successful and that is why I am behind them in everything they do. I mainly employ Vietnamese people, but I don't really mind where they are from'*

In addition to family recognition and status of the founder, in the Vietnamese community, the FOB may also be considered a bridge that helped to connect them and their families with Australian society. Being involved in the business also allowed their children to be Australians but stay connected with their Vietnamese heritage. A founder stated, *'my wife and I have been here so long that we are more Aussie than Vietnamese and we know our customers well'*.

This quote was supported by the successor who stated, *'I speak Vietnamese and I go to temples but I was born here and my brothers and I are Aussies, not really Vietnamese'*. Table 16 below illustrates a summary of key SPM contextual factors identified as being central to both the founder and successor.

Table 17: Contextual Factors - Summary	
Founder Males x 5	<ul style="list-style-type: none"> • You must always look to have better management, better customer service, better skills and quality control. • Family management instead of outsiders, a male manages the business and the founder continues to help in the business after handover. • You must have highly skilled staff and a long-term plan for the business. • Good training and good business practice and the successor must know how to be the boss. • It must be a male successor for an engineering role as industry is too harsh for a female.
Founder Females x 3	<ul style="list-style-type: none"> • Do well for the community, keep control of the business and make sure the family business lasts a long time. • Good staff and treat the staff well. A good business and a good name for Vietnamese people. • Look after the staff and have a good business name and a good name for the family, you must also plan.
Successor Males x 6	<ul style="list-style-type: none"> • Good training and good business practice and the successor must have the support of the founder. • You must have a desire to continue the business. • You must have good business management skills • Having highly skilled staff and a competent successor to take over. Honest and straight business practices. • The owner is still around once the changeover has happened, report to the original owner and the performance of the business and any other change is spoken about openly. • Not sell the business, keep good staff to maintain quality in manufacturing and have social and community well-being.
Successor Females x 2	<ul style="list-style-type: none"> • You must also have strong family management or leader, the support of external staff for delegation and an effective system in place for reporting. • Male or female doesn't matter as long as they are interested, must plan well, have a good name for the family in business rather than the community

5.3 Relational Factors

While there are a wide range of factors identified in NVivo 10 relational percentage responses (see Appendix B), these can be reorganised into the same three action – orientated themes: to control, to survive and to thrive (see Figure 29). These themes capture the motivation behind the identified relational factors.

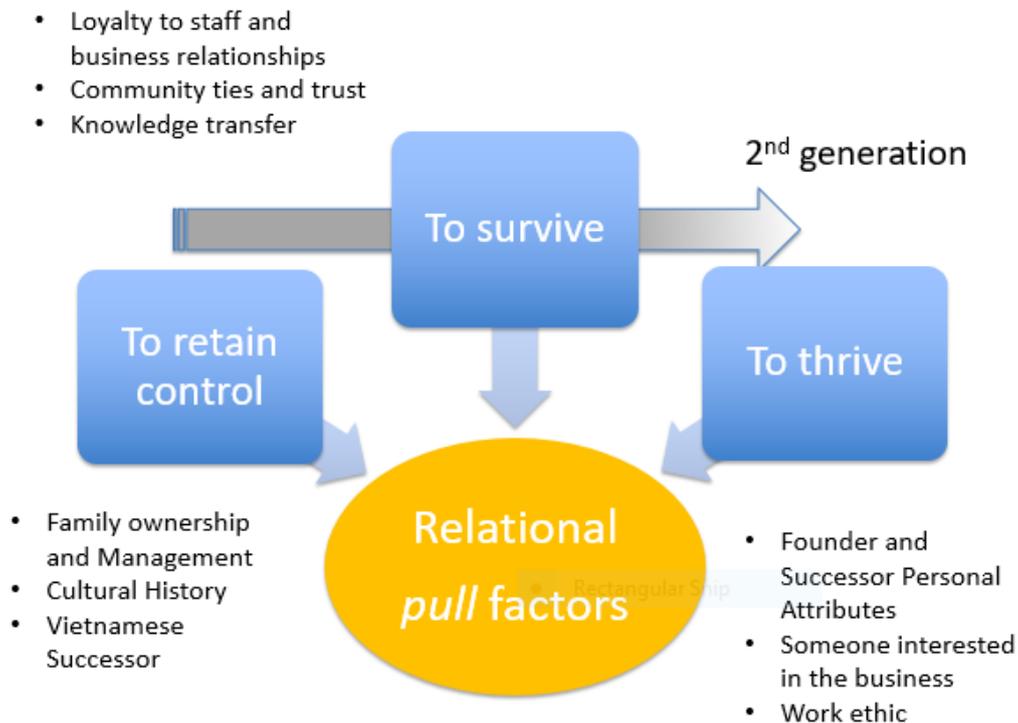


Figure 29: Relational Factors

The principal relational factors that underpin SPM for both the founder and successor in Australian owned Vietnamese FOB's are: that the business maintains family ownership and management (*control*). To maintain family ownership and management the contributing factors are shaped by the successor typically being from a Vietnamese background with the choice of successor being the eldest son or daughter (if available). This choice of successor though was influenced in some cases by cultural background, where Vietnamese tradition determines that the eldest son must be the one (Case A and Case E) to head the family business or to lead the family. In many other cases the choice of successor was influenced by the fact that there were only daughters (Case D) available, while in (Case F) the founder had no children and so chose his nephew. The long standing tradition of choosing the eldest son as the successor had seemingly dissipated in one case (Case H), where the founder and the successor appeared to align more as being Australian than Vietnamese. While it is difficult to assume a trend based on a single example, from various conversations with the younger generation in business it would appear that in the next generational cycle of transition the choice of successor will likely be more focused on the best person for the position rather than determined entirely by birth right.

The relational factors highlighted are strongly associated with *control* in order to retain family management and maintain strong relationships, both within the family and externally (*in order to survive*). The element of *filial piety* provides the basis of maintaining respect between parents and siblings, while cultural family structures ensure that there is respect between siblings and acceptance of the family responsibilities expected of the eldest son. To *survive* in business, the strength of relationships is paramount in building trust, on having a good family name and on building strong community ties. The element of trust was more of an innate family element that had permeated into business and community relationships. Trust is an element related to the Confucian ideology of *guanxi*, which is an important cultural consideration concerning the building and maintaining of personal and business relationships. Similarly, for the older generation of Vietnamese (founders) the cultural element known as *quan he* (relationships and contacts) appears as an important factor in building relational capital. This *quan he* helps to foster business networks, credibility and social status within their community.

The strength of relationships and trust is of such high importance that one founder said, '*some customers have been with me for over ten years and we have been using the same supplier for many years*'. Although cultural trust and respect may have been a crucial element for the founders in establishing the FOB, the successors have operated the FOB both within and outside the Vietnamese community. To build trust and business relationships has not always been an easy process for the successors. One successor stated, '*My business relationship style is face -to- face and trust is always a hard trying to achieve in business. I built my relationship with my Dad's contacts as I have always been in and around the business*'. For the successors it may not be a case of building trust on a personal level, but the building of trust through the demonstration of business competence. This would be supported by mutual profitability between the FOB and suppliers on the back of a strong customer base.

The knowledge transfer process of the founders is generally an unstructured process based on what can be described as a process of assimilation. In the first cycle of transition knowledge transfer may be seen as a *survive* factor, but in the next generation knowledge transfer is required on a daily basis to ensure that the business *thrives*. In the first cycle of knowledge transfer from founder to current successor the transfer appeared to commence from an early age, where the children would learn on the job by helping their parents or by participating in family discussions. A founder said, '*you must teach the children the business and do it slowly so the children learn, I taught my daughter from a very early age*'.

A successor's comment illustrates the knowledge transfer process of his father, '*some of the practical stuff was on the job and some of the business process he taught me by talking me through it, there was no formal process it was informal and on the job*'. In the future, an unstructured knowledge transfer process would likely continue to be preferred as the younger generation learn more from social media and the ability to demonstrate competency through autonomy. Although knowledge transfer in SPM is considered the domain between founder and successor, for the FOB to be successful in a competitive business environment the successor understands that they will have to ensure knowledge transfer includes staff, suppliers and other business associates who may be connected with and central to the FOB.

For an FOB to *thrive* in the current business environment, the successors personal attributes in working with staff and suppliers will be a determining factor in the survival of the business. For example, if the successor does not display the same work ethic, the business savvy and interpersonal skills of the founder, the family business will not maintain the business performance of the founder. It will be difficult then for the successor to make his mark on the business, due to a possible loss of confidence by both the family and external stakeholders. Therefore, one of the most crucial influences on SPM is the choice of successor, where the eventual choice has to have the drive and interest in the family business to build upon the initial success of the founder. A second crucial influence is a strong work ethic, to ensure that the family business is progressive and achieves sustained business performance. Table 17 below illustrates key relational factors associated with SPM as identified by the founder and successor.

Table 18: Relational Factors - Summary	
Founder Males x 5	<ul style="list-style-type: none"> • Family business must have a family member to control your own system • The successor must be a family member with loyal staff and good team work. • Maintain family ownership of the business and the successor is Vietnamese because the family always have family interests at heart. • That a family member manages the business and is of Vietnamese background, • Keep the business in the family and the successor must be from a Vietnamese background and share information with the family
Founder Females x 3	<ul style="list-style-type: none"> • Good to suppliers and consultants and have someone who is interested in the business take over. • Successor is from the family and keep the business for the children and grandchildren. • Not sell the business and keep management of the business and make sure all the family is happy and work together.
Successor Males x 6	<ul style="list-style-type: none"> • Trust, confidence and support. Staff management and a sense of community. • Communication and Transparency. Trust, be open to learning and teaching and accept guidance. • Having a successor from the family and that my uncle stays on in the business in some form, that the business supports all the family.

	<ul style="list-style-type: none"> • The business relationship with my father is ok I guess, most things we talk about is business related. • At the end of the day I really had to prove myself, I had to show my parents different things and different ways. They were not willing to take risks but I did and I showed them the outcome. • Succession planning is not really a term for Vietnamese family business.
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5.4 Business Transition

While there are a wide range of factors identified in business transition for the percentage responses in the NVivo analysis (see Appendix B), these factors can be reorganised similarly into three action-orientated themes: to control, to survive and to thrive (Figure 30). These themes capture the motivation behind the identified factors.

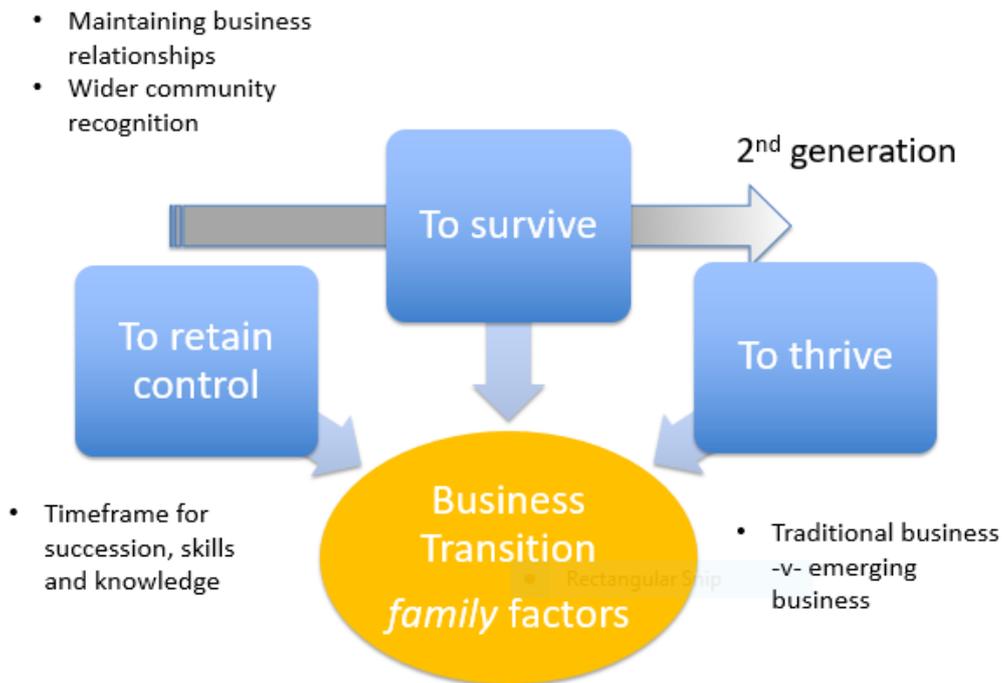


Figure 30: Business Transition Factors

The principal business transition (*control*) factor that influences SPM for both the founder and successor in Australian owned Vietnamese FOB's is having an extended timeframe for succession that enables a fluid transfer of knowledge and skills over time. The founders and successors did not view SPM in Vietnamese FOB's as being the formal or structured process as it appears to be in an Anglo business context.

Rather, for the Vietnamese, transition is seen more as ensuring business continuity and occurs naturally over time, seemingly driven by a desire to maintain the success of the business **and** financial security of the family unit. A founder noted the importance of an extended time frame for succession stating, *'I wanted to do it but did not sit down and do it all at once, I wanted to do a little bit every day to be prepared and not to leave it too late'*. While noting the importance of an extended time frame for succession, the Vietnamese founders not only pass on business skills and knowledge but also highlight to successors the importance of maintaining strong relationships with staff and other Vietnamese business associates. For the Vietnamese, a SPM timeframe for succession is different for each family as it involves the particular context of family dynamics, the choice of successor and how the founder prepares the successor. For example, the founder in (Case A) was well known and held in high social regard in the Vietnamese community. The founder would only consider his son for succession and had to wait for quite some time before he could commence the succession process as his son was not originally interested in the FOB. In turn, the successor also has to develop credibility within his father's business network and so approval by his father's network before assuming control.

Alternatively, in (Case H) the transition process began earlier as the successor continually assisted her parents in the FOB and was interested in helping her parents as much as she could. This family held what might be described as weak ties to the Vietnamese community and the founder did not emphasise Vietnamese cultural knowledge to ensure a successful transition. Although these two cases illustrate a different SPM approach, all founders highlighted the need to achieve business continuity and a smooth transition process. A founder said, *'it should be a natural progression. I wanted to do it before I got too old, it was important to not only pass on my business but my life experience and knowledge and not only in a commercial sense but my business cultural knowledge'*. The successors preference for an unstructured succession process over a long period of time illustrates a more fluid process to business continuity rather than a rigid succession process.

As a successor said, *'succession planning is not really a term for Vietnamese family businesses. For the Vietnamese, it just occurs naturally as part of the family process. I do not see it as a plan it is just something that happens as part of an (organic) process and if it was planned there would be dates and a formal structure, 'it may have been for some families but for us it has never been a formal process it was a process that just happened like a natural progression'*.

The principal business transition (*survive*) factor is shaped by the founder's desire to maintain community recognition, measured nominally by contribution to both the Vietnamese community and the broader Australian community. Founders established their respective FOB's in order to become self-sufficient upon arrival in Australia and as a desire to appear as good citizens in the adopted community and, subsequently, in later mature transition to contribute to Australia by sharing their cultural food, knowledge and history. The establishment of the FOB not only extended the motivating element of *survive* to other Vietnamese community members who might otherwise not have found employment due to language or skill barriers, but more immediately for the founder's children should they need a job. A founder said, '*I wanted to build my business and teach my children to take over as I worked very hard for my children. We are very lucky to be in Australia and I wanted to have a business for my children so they did not have to look for a job*'. The successors reciprocated by acknowledging the hard work of their parents, and also their desire to be seen as part of the wider community. A successor said, '*We want to stand out and we want to be part of the traditional systems, but we also want to move away from traditional systems and more towards modern Australia*'.

Upon arrival in Australia the founders used the establishment of their FOB to provide an income (*survive*) and then gain financial security (*thrive*) in their new country. These FOB's were modest in that they were based on low-skill traditional businesses of food, clothing or other types of retail shops such as groceries or hardware. To highlight the desire to *thrive* in their new country a founder said, '*my grandfather had a small wholesale business selling grocery items such as fish sauce. I adopted his business skills and opened my first restaurant*'. This comment illustrates the modest business skills that were learned by family in Vietnam and that helped to commence FOB's in Australia. These limited business skills were further handicapped by a lack of tertiary qualifications and language barriers.

For the successors to *thrive* in the economic environment of their adopted country, they recognised the importance of evolving the family business to more sophisticated enterprises where modern manufacturing, franchising and complex business models could be used to gain a competitive advantage in their chosen business demographic. Contributing to the improvement in business management practices of the successors was education, with five of the eight successors having tertiary qualifications in various academic fields. All successors in the selected FOB's in this study have highlighted English language skills, knowledge and use of technology and deeper understanding of the Australian community to further develop the FOB.

The impact has been to enable the respective FOB's to develop and grow, but more importantly from an SPM sense, it has seen the founders access the better education and local familiarity of their children, to ensure the continuity and business performance of the FOB. As a successor said, *'I have a western mentality and customer service is really important to me. I would also like to diversify a little and maybe look at other business opportunities that would come from that diversification and maybe move the business towards franchising'*. The broader business perspective of the new generation leaders (and successors) has encouraged one FOB to look at overseas opportunities, *'We were asked to go overseas to Singapore to open a restaurant there, so my focus is to see if we could actually bring our family branding to the next level and become a multi-national'*.

As Vietnamese FOB's in Australia move towards more sophisticated business models, the regulatory environment that determines business practice requires the successors to have a strong governance framework for the FOB. The term 'governance' was largely an alien concept for founders, but it is well understood by the successors. In fact, it is the successors who have educated the founders in compliance and reporting issues. One successor stated, *'I have learnt a lot about human resource (management) and (about) compliance and along the way more about council regulations and health check-ups. I have learnt how to incorporate technologies and have a system in place where people could follow the systems'*. That said, both the founders and successors are seemingly relatively unaware of the impact that a poor SPM process can have on governance of the FOB. For example, the lack of leadership and poor decision making for the family and business that may result in poor strategy and business practice. This would have further ramifications for accountability to regulators and stakeholders who may have financial investment in the FOB but more importantly for the stewardship of the FOB from one generation to the next.

Table 18 below illustrates key business transition factors associated with SPM as identified by the founder and successor.

Table 19: Business Transition Factors - Summary	
Founder Males x 5	<ul style="list-style-type: none"> • Working with passion and follow up with good behaviour • This is a hard question as my children and I basically grew up here and we don't have much connection with the Vietnamese community so we are very Australian now. • It is good thought that Vietnamese people are good in the wider community and making sure that Vietnamese people were successful in their new country. • Keep the business going and to provide a place that has Vietnamese food. It is also important to provide an income for the family.

	<ul style="list-style-type: none"> Working with the community and having honesty in business. You must keep good name for the Vietnamese people.
Founder Females x 3	<ul style="list-style-type: none"> The business stay in the family, help everyone and each other not just Vietnamese. Keep the business in the family as it provides an income for the family. Employ Vietnamese people but I don't mind. Have business in the family to support family lifestyle and reputation of the family.
Successor Males x 6	<ul style="list-style-type: none"> Building of the business and have the Vietnamese legacy and program to move on as Australians Open minded, education for the kids is important in that we set up a proper framework for the next generation of our family to have a better life I assume it is like finding a good successor, intelligence, hardworking and people skills Be open to and can adapt to change That the business stays in the family because it gives us stability and work for others in the community You must keep the business in the family
Successor Females x 2	<ul style="list-style-type: none"> Maintain family harmony throughout and have someone who wants to be in the business take over Financial security for the future generations, respect and recognition and being self employed

5.5 Study Findings – Summary of the relative contextual, relational and other influences on SPM in Vietnamese FOBs in Australia?

The three systems model of family business (Tagiuri and Davis 1992) is a functional description of a western family business structure that suggests all FOB's are made up of three components; family, business and ownership. The authors also argue and suggest that for a family business to be successful the family must effectively manage the behaviours and business practices of all family members and external stakeholders. Each person who is associated with the FOB has a unique role, and how effective they are in those roles will have a positive or negative affect on the component that they are associated with.

In essence, the model could be considered as a reporting system or governance structure that provides a framework for family and family business. However, while the 3-circles model may be useful for family businesses in Western countries, it appears somewhat static and unhelpful when applied managing or enabling effective SPM in a different cultural context. Tagiuri and Davis (1992) suggest that the three circles model is a base structure for all FOB's but does not explain how the different cultural factors of a Vietnamese FOB operating in Australia would fit into the model. For example, if the model is a basic governance structure for FOB's and governance is considered a rules based system of business (generally assumed in western countries), the concept of governance in a Vietnamese FOB is non-existent.

As SPM is a subset of governance, in a Vietnamese FOB the concept of succession planning and of its subsequent management (SPM) is also a foreign term. Additionally, the model appears to focus on individual's actions within the FOB. In contrast, in a Vietnamese FOB, the success of the FOB is reflective of collective actions by people in the business.

Therefore, it may be concluded that this three systems model is of limited use when examining the factors that influence SPM in Vietnamese FOB in Australia. As there are a variety of circumstances in which family businesses are embedded, it is recognised that there may not be one way to think and act within family business succession decisions (Boyd and Royer 2012). The founders of Vietnamese FOB's in this study, all made different succession decisions and adopted different transition practices, based on their family dynamics and the different industries that they operated in. Further, rather than a structured transition process, they secured business continuity in a more organic way by preparing a successor from an early age or by appointing a successor to the FOB, who has external (not FOB) employment to fulfil a family duty.

Dunemann and Barrett (2004) explain that relationships, personal and social dynamics and the overall context of family business can influence SPM. For Vietnamese FOB's in this study the context of which their family business operates has changed, but it is the continuing strength of family relationships and social dynamics of interaction with staff, customers, suppliers and the wider community that enables a successful SPM transition and business continuity. As the context in which family business operates in has changed, Smith (2008) noted that country – focused FOB studies are an emerging field in literature. Further, what emerges from this and other studies is that industry or cross-national differences may be more important than whether they are family owned or not.

This study sought to address issues within these emerging fields in literature. The study included 8 case studies (5 x Melbourne, 2 x Sydney and 1 x Perth) with FOB's operating in four different industry types to provide a cross national and different business perspective. For SPM in an Australian context, successful transition is important as FOB's are a major contributor to the country's social and economic environment. As the Vietnamese FOB's are in their first cycle of transition in Australia, this study helps close the gap in knowledge by identifying contextual, relational and other influences (transition) on SPM in Australia.

5.5.1 Contextual factors that influence SPM (RQ1)

Central to the motivation to *control* is the family. How the family synchronise the mechanics of family and business has a major influence on business performance. Zachary (2011) suggests that most family business studies overlook the family system, and assume that the business alone is sufficient to understand the influence and effect of the family. In fact, the the family business is most often the manifestation of the associated family system. For example, securing a future and a source of income for the family provided family recognition in the community and employment for Vietnamese (*all survive type motivations*), despite limited language and business skills. The founders commenced the family business with minimal business skills but were able to utilise available contextual (and relational) strength of the immediate and extended family to shape and build the family business. Cultural features in the Vietnamese community can be seen to have helped maintain internal harmony and provided structure to the family system, that permeated into the family business. This enabled the founders to build successful businesses that were based on the family system rather than a business system. The founders established modest type businesses (retail, clothing and food) that enabled them to utilise the family system that suited the contextual business environment and that they had been used to in Vietnam. With the onset of the first cycle of transition, a parallel concern for the founders was linked to ensuring that the business remains in the family (*control*). For the FOB to remain under family control the successors must commit to both family and the business. As most Vietnamese FOB's operate in different and highly competitive business contexts, the task for successors was to develop a strong understanding of their customer base, the product or service they provide and especially the regulatory requirements relating to their business. As the earlier business founders had limited formal business skills, the priority was to build a successful family structure and utilise the connectedness of the Vietnamese community to support the business.

The family is a natural social structure and when the family works together to accomplish tasks they could be considered a community of practice (Wenger 1998). The Vietnamese family, as a community of practice, is characterised by no (formal) reporting structures or accountabilities and one where the group share a passion for something that they know how to do and where they regularly to learn how to do it better (Cross et al 2006).

A motive to *survive* identifies how many founders leveraged off friends, family and other business connections to improve their skills and knowledge of operating a FOB in Australia, as well as gain access to business opportunity through connections. For the founders, community and the ability to be seen as trustworthy and a contributor is an underpinning factor of operating a Vietnamese FOB in Australia.

For the Vietnamese FOB to be successful in Australia, the whole family and in some instances the extended family had to contribute. Heck and Mishra (2008) noted that the role of family in family business and the effectiveness of their entrepreneurial activities are paramount to success. The main contextual concerns relate to initially surviving and then to maintaining *control*; these two imperatives can be seen as powerful pull (intrinsically motivating) factors – that the family had to have a way to support themselves and then to maintain ownership of the family business – these are core enabling considerations that are similarly reflected in SPM. Pieper (2007) suggests that consistent family values and a synthesis between family and business values are crucial for maintaining family ownership in the long term. The preparation of the successors by the founders, from an early age, and the importance of *family* was illustrated by both the founders and successors when describing their long-term plans for the business. The FOB performance after succession in this study was successful in all of the reviewed cases. The performance of the business did not stall during the process, and it would appear that unstructured and informal processes, typically extended over time, enabled business continuity.

The successors were largely prepared from an early age in the intricacies of the family business and were closely aligned with family values and their individual family systems. To supplement the preparation of successors from an early age, most successors had also experienced working in other businesses, as well as completing tertiary education prior to coming into the FOB. Thus, these successors brought external business knowledge and skills into the family business that, in turn, allowed the business to capture fresh ideas that helped rapid growth and modernisation.

For the family business to remain sustainable and competitive the clear imperative is to be proactive (pull orientated) in succession planning rather than reactive (pushed forward by unforeseen events or even regulations). This study has highlighted that in a Vietnamese FOB the succession process is more about continuity than a Western structured (linear) process. As one successor stated, '*succession planning is not really a term for Vietnamese family business (Case A)*'.

Tucker (2011) suggests that succession in family business only succeeds when it has been prepared in an atmosphere of joint commitment, when that process is viewed as a confirmation of success. To facilitate joint commitment and achieve successful transition, a process of training and education is crucial. While the process of training from founder to successor was unstructured and basic in content, the injection of formal (learned) business acumen and experience into the family business allowed the founder to also learn. That said, it was the introduction of technology and improved business process that enabled the family business to expand rapidly into multiple business sites, and for the FOB to *thrive*. In addition, tech savvy successors marketed the business through social media and opened up other marketing avenues that were not fully understood by the earlier founders. These concepts were originally outside the realm of the founder business skills.

Social and community recognition for Vietnamese Australians is an ongoing consideration, but more associated with the founders than successors. The founders still carry the burden of the circumstances of their arrival in Australia. Founding business owners continue to have a strong sense of their Vietnamese identity; the successors are less connected to their Vietnamese heritage, being born and raised in Australia. The successors in most cases realise (and respect) the importance of community to their parents and seem to share their desire to continue to provide employment for other Vietnamese, as well as Australians. In some cases, it is apparent that successors are detached from the Vietnamese community and view the future operations of the business more in an Australian perspective than from a Vietnamese-centric perspective. These considerations *push* the future generational change and this will likely see a further change in the structure and operation of the Vietnamese FOB and dilution of exclusive attachment to the Vietnamese community.

The data have highlighted the founders' and the successors' views about the future direction of the family business and maintaining it for financial stability, employment for cultural similarity and the wider Australian community. Of relevance for SPM, successors have noted the importance of the family business to the founders and, generally, like to see the business remain in family hands and successfully transitioned to the next generation.

5.5.2 Relational factors that influence SPM (RQ2)

Ashkanasy (2002) noted in the GLOBE study that the Confucian Asia cluster societies are defined by strong business performance, family orientation and strong institutional collectivism. Zachary (2011) suggests that the family unit is an integral part of ensuring the sustainability of the family business, in that it creates entrepreneurial behaviour. In the short term, the family provides business success and in the long term it ensures sustainability (Danes et al 2008). A primary relational factor identified in this study, as influencing SPM, is family ownership and management of the FOB and the successor being of Vietnamese background. Family ownership and management ensures that the family maintains *control* of the FOB resources and helps protect the family asset, that provides the main source of income and financial stability.

The relational *control* factors in Vietnamese FOB in Australia suggest that the strength and cohesiveness of the family unit and family orientation are pivotal factors to sustained business performance. An emphasis on collectivism, such as wanting to maintain strong ties to extended family, friends, business associates, staff and suppliers was the driving concern (push) for the founders when establishing the family business. In contrast, for successors, this strong collectivist influence only extended to the immediate family unit. The aim to *survive* by successors identified that the sharing of business information with friends was not the same as the founders. The successors did not identify the need to maintain strong ties with the Vietnamese community as an important element of ensuring that the FOB was successful. This illustrates a weakened collective sense that had earlier been a strong cultural influence on the founders. Gupta et al (2009) suggest that while there are no boundaries between family and business in Confucian clusters, the family maintains strong control of the resources of the family, since the business is considered to be an asset of the family. This internal focus in family businesses is also evident in this study and includes taking care of family members in times of need and offering them funding and access through their connections to business networks.

This family-centric focus is well illustrated in one (Case Study F) family where both immediate and extended family work in the business. In total seven brothers operated the business and the successor was the nephew of one brother. To maintain the continuity of the business the founder had to identify a successor or sell the business. His sense of collective responsibility to the other brothers influenced his mindset to look after the family and business and prepare his nephew as successor.

For this family to *thrive* as a family unit, the priority was a successor who was interested in the family business and had the same work ethic as the founder. In this instance, the founder identified his nephew who would hold the family unit together, but in doing so the founder displayed his need to still *control* by ensuring that the successor was of Vietnamese background. This was also an important consideration for maintaining good relationships with staff, customers and suppliers. In most families, the staff and suppliers were Vietnamese and these networks were established by the founders - consistent with the collectivist nature of the Confucian ideology. These networks initially provided work and business opportunities for other Vietnamese refugee families, while bypassing language and cultural barriers otherwise facing founders when establishing their businesses. The business networks operated on trust (*survive motive*), as this was an element of establishing a good business and family name within the Vietnamese community. Lowe (1998) suggests that Confucian societies are defined by their reliance upon networks which are coordinated by the mechanism of trust.

The reputation of the family business and the strength of the family's social capital formed the basis of the FOB's community disposition. For the founders, there were strong ties to the Vietnamese community. However, for the successors the data show a divergence away from a Vietnamese (only) community focus, that mirrors their reduced community disposition. The relational factors provide a *pull* factor, in that the family has a Vietnamese culture but FOB culture is being pulled more towards an Australian business practice and to integrating into the wider Australian community. That said, children continue to help in the family business and so are seemingly being prepared to work in or become part of the succession process in the next generation. Chung and Yuen (2003) note that founders seek to prepare the successors through education and the introduction to their network of social connections, organising family meetings and providing them with relevant experiences.

The relational factors influencing Vietnamese FOB in Australia were largely consistent between founders and successors, although there is a difference in strength of alignment with the Vietnamese community in the second generation. For future generations, the divergence in culture and community alignment is expected to grow due to deeper integration of the Australian born Vietnamese into Australian society and further dilution of their cultural connections.

5.5.3 Business Transition factors that influence SPM (RQ3)

Business transition factors that were evident in the data illustrate the trend away from an emphasis on community recognition and a focus on low-skill 'traditional' Vietnamese types business (retail, food), towards more complex business types (franchising) and expansion into non-traditional Vietnamese FOB. The focus on community recognition suggests that community disposition is an underpinning factor for relational and contextual factors. The founders still value the support and interaction within the Vietnamese community, whereas the successor appear to value recognition from the wider (Australian) community and may even want to be seen more as Australian than Vietnamese. These two different views on community interaction are linked to whether family businesses remain in the modest Vietnamese family business category or diversify into emerging new business sectors.

One strong pull attribute that successors appear to have inherited from their parent's is an entrepreneurial ability, that is perhaps trained into them by involvement in the family business system from an early age. As the succession process has been completed and financial stability assured, the new leaders seem to have accepted they are now charged with achieving long-term sustainability of the family business. To grow the FOB into new markets, (*thrive*) the successors will need to adopt the entrepreneurial style of their parents and evolve it during their custodianship of the family business. Hougaz (2015) suggests that entrepreneurship overlaps with family business and in particular the founder. The changing conditions in their personal life and context, due to refugee and migration status, *pushed* them initially towards innovating and identifying opportunities to establish a new enterprise that was supported by their family. Subsequently, while successors do not have to contend with refugee and migrant status, the changing context of business relationships and business environment has seen the family business *pulled towards* innovation and the need to identify and exploit new business opportunities.

The strong *pull* motive of maintaining management of the family business is expected to have a cause and effect reaction, given the pressure to ensure the business remains financially viable in order to support the family. The data illustrated both founders and successors identified that there must be a timeframe for succession, but that the process of transfer of business knowledge and skills is passed on gradually. The Vietnamese family system has highlighted a proactive approach to succession where the timeline is not structured and tangible, but tacit and embedded in the day-to-day mechanics of family and business.

For example, the data findings suggest families prepare the children by involving them in the family business from an early age - by helping at the shop after school. As a result, the children and successors are privy to business discussions within the family and are also introduced to their parent's business partners and suppliers. This approach to transition has already prepared the prospective successor, and then it only remains to be seen whether the identified successor wants to be part of the family business.

Another interesting feature of SPM in Vietnamese FOB is consistent with post-transition commentary in literature. Steier (2001), for example, noted that family business was characterised by both the founder and successor continuing to work together over the transition process, rather than a progression through distinct and sequential phases. Transition is thus, more of a continuous process of socialisation where ownership, knowledge and entrepreneurial capabilities such as networking are transitioned from the incumbent to successor. This continuous process was illustrated by successor comments stating how they were introduced into business relationships with suppliers, staff and customers over a period of time. This gradual process enabled the successors to continue to sustain the *trust* factor of the founder and understand the value of these relationships to the family and the business. This outcome also illustrates the importance of including the extended family - spouses, siblings and children in the succession process and viewing succession, as one study suggests, as a family team effort (Sharma et al 2001).

The importance of knowledge transfer is foremost for the survival of other Vietnamese FOB as they approach the first cycle of succession. If the successor has not gained the necessary business acumen from external experience in family businesses, then sustainability concerns may arise.

For example, in two of the case study families, the lack of formal business management skills has seen the successors embark on business courses to fill that void as the family business expands. Some of the business skills identified as necessary relate to governance, staff management and the understanding of strategies to diversify into different business categories and geographic locations. For future succession, knowledge transfer could not be entirely structured as an *on-the-job process* that was once applicable for modest Vietnamese business models. The future Vietnamese family business is likely to build successor knowledge by tertiary qualification, work experience gained externally to the family and through due diligence when seeking to diversify or expand the family business.

A founder stated a Vietnamese proverb, '*hoc mot hieu muoi*' (you learn one thing you understand ten). Alternatively, by gaining business knowledge of one process you understand how it relates to other business practices. Marosi and Van (2015) suggested that knowledge transfer of Vietnamese family business consists of knowledge-based aspects (via entrepreneurship and tertiary education), skills such as networking and risk evaluation, governance, and behaviours, such as open mindedness. The knowledge transfer process for future Vietnamese family business will need to encompass these elements to remain sustainable in the Australian business environment.

In all the case studies the participants identified community and social recognition for the family and business as an important part of the family businesses existence. It is the motives of survive, control and thrive that encapsulate the systems in Vietnamese FOB, that are practically quite divergent from the general model earlier devised by Tagiuri and Davis (1992). The family business model in a Vietnamese family business in 2017, will likely also continue to evolve with the dilution of the strong Vietnamese cultural aspect of the founder and integration of the successors into the Australian community.

5.6 Suggested Framework for Vietnamese FOB in Australia (RO4)

Habbershon et al (2003) suggest that in FOB's the interaction of the family, the business and the individual family members create unique systemic conditions and constituencies that impact on the performance of the business. In this study, the data have highlighted the primary contextual, relational and other factors that influence SPM in Vietnamese FOB.

The degree to which a Vietnamese family business is able to manage these factors will impact on the success or failure of an effective SPM process, and determine the effectiveness of business performance both during and after the succession process. The Vietnamese who arrived in Australia as refugees had only basic education and business knowledge to commence their new existence.

Their business strategy was simple: work hard, look after your staff and customers and utilise the resources of the immediate and extended family for manpower and the generation of cash. Although they possessed only basic elements to support their strategy, what they did have and would prove to be crucial factor in their success, was the strength of family and the relational capital of the Vietnamese community.

The overall framework that might be used to characterise SPM practices in a Vietnamese FOB is illustrated in Figure 34 and explained in the following series of discussion points.

5.6.1 Business Strategy (*Push and Pull motives*)

All businesses, whether they are family or non-family businesses, have a business strategy. Typically, business strategy is shaped by the business environment that the company operates in and by the market that they serve. As Shapiro (1989) explains, one of the themes of business strategy is that *strategic* decisions are long lasting commitments and *tactical* decisions are short-term responses to the current environment. In an SPM context, as it is a long-term decision, the linking of succession planning into the strategy of a family business is a critical element in maintaining the continuity of business performance and the sustainability of the both the family and the business.

In a Resource Based View perspective, the Vietnamese FOB is unique in that it is complex, dynamic and rich in intangible resources while the family's internal characteristics and processes shape its performance outcomes. Although the Vietnamese FOB's, in this study, had a paucity of physical capital resources (plant, cash, and intellectual capital) there are strong internal push and pull motives evident in strategy that enabled businesses to effectively utilise training and relationships (human capital), culture (organisational capital) and personal disposition. They also use communication (process capital) to their benefit to commence the FOB and to see it develop into a successful business. As the study findings also suggest the familiness, or sum of the resources and capabilities available (Habbershon et al 2003), enabled the Vietnamese FOB's to become highly successful.

Summarising, initial strong cultural ties, an emphasis on relationships and simple disposition (an admirable work ethic) within the Vietnamese community exemplified Vietnamese FOB: later successors brought know-how via education, technological knowledge and external business experience / skills into the FOB. These collectively enabled the family business to sustain a strategy focused on continuity in performance, leadership and subsequently the full acceptance of successors within the Vietnamese and wider business community.

5.6.2 Business Remain in the Family (Contextual, Pull motive)

In the Vietnamese community in Australia, as in other East Asian countries, it is evident that interpersonal relationships are strongly influenced by a Confucianism tradition, by filial piety and strong community ties that collectively provide stability for the immediate and extended family. This stability of relationships flows from superior to subordinate, parent to child, husband and wife, older brother to younger brother and friend to friend.

The Vietnamese view the family as a prototype and the core of society that produces reciprocal behaviour and self-improvement (Hofstede and Bond 1988; Whitcomb et al 1998; Chuang 2007). These attitudes exert strong pull motives in as far as keeping the business in the family. The founders of the Vietnamese FOB in this study used *family* member's personal abilities to integrate into their new environment and this in turn, allied with hard work, enabled business to flourish and expand beyond the traditional retail businesses, into the broader business community and Australian economy. The founder's business lives contributed directly to the family in providing financial stability, community recognition and employment for family and extended family members. The younger generation are somewhat indoctrinated into the family business system from an early age and begin their contribution to the family business. This early indoctrination enables an organic SPM and knowledge transfer process in terms of business skills, knowledge, and introduction to suppliers as well as business associates.

All Vietnamese family businesses in this study have progressed from small business, commenced by the founder to sustain the family and seen as successful in the Vietnamese community, to multi-million dollar businesses in Australia that employ Vietnamese, Australians and other nationalities. In this study, the family is the business and the business would not have been sustainable without the family. As such, the family is at the heart of the SPM framework to which all of the other elements are related.

The family and associated relational factors evident in the structure of family and their practices, their business values all ensure their businesses remain competitive. The successors in this study identified that they were considering diversification into other business categories, franchising and different geographical locations to remain competitive in manufacturing. This entrepreneurial activity will generate the area for knowledge acquisition in order to understand the new business environments and may see, in some circumstances, the introduction of external management to fill voids in internal competencies.

The first cycle of transition in Vietnamese family business in Australia has seen businesses that commenced as traditional restaurants or food outlets and minor home-based clothing manufacturing operations to multi location businesses that employ large numbers of staff with significant monetary turnover. The related *push* consideration of maintaining the family business model will be a significant issue in family businesses survival and ability to transition to the next generation of current successor children.

5.6.3 Connection between Founder and Successor

Although the overwhelming concern in SPM, emerging from this study, is that the family business remains in the family for future generations, this would not be achievable without a harmonious relationship between founder and successor. This was illustrated in founder responses wanting to see their life work and contribution to the family being sustained through generational change. The successors also noted the value of their parent's sacrifices and wanted to ensure that even if their children do not have successful careers then the family business is always there for them. Both founders and successors were keen on maintaining family management of the business, as the family has their own interests at heart and felt that outsiders would not appreciate the family history, or feel that ineffective external management could be detrimental to their long-term sustainability as in the Miss Chu (*Vietnamese Restaurant*) business example. Knowledge transfer from the elder owner / founder to the successor is a gradual process towards working independently and understanding all facets of the family business system. Given this emphasis, it is easy to see why an outsider might not easily fit into the family business (Marosi and Van 2015). Similarly, as Garcia – Marza (2005) suggests trust is crucial in a business as it enables cooperation, encourages relationships and facilitates effective responses in a crisis.

Trust is a vital element for maintaining harmonious relationships and improved employee relations are associated with higher levels of trust (Douglas and Zivnuska 2008). Consistent with this emphasis, all families in this study provided responses ensuring that there was loyalty to and between staff and business suppliers. This attribute (trust) was also evident in the personal attitudes of both the founder and successor. Equally, the contribution of employees in developing successful businesses was valued greatly, with owners noting that some of their employees had worked for them for many years. From a business perspective, when the father can no longer lead the family, it is the duty of the eldest son to take over.

In a family where there are no sons, it is not the eldest daughter who is chosen but rather the daughter who is most suitable. Of note in this study, none of the founders discussed an age where they thought that the successor should be chosen, although one family (Case Study D) the current successor is preparing her choice of successor (male in high school) by teaching him all aspects of the business. Nevertheless, the most significant relational factor was that the successor should be of Vietnamese heritage and from within the family. This was the response that most families viewed as paramount, in order to ensure that the successor acted in the family's interest.

5.6.4 Preparing the Business for the Future (Contextual)

In this study, the data have illustrated the Vietnamese FOB's determination that the business stay within the family and that future generations of successors are prepared in a time frame that allows them not only to learn the business, but also decide if they want to be in the family business. Alternatively, if they have a career outside the family business to provide an avenue for them to return if they so decide. A key factor in the success of the FOB's in this study was the respect for the tradition and culture of the founders, and the acknowledgement of successors towards their father's hard work, family commitment and, in some cases, the honouring of Vietnamese culture with the eldest son becoming the FOB successor. Alternatively, it was the support of the founder enabled the successor to be entrepreneurial and achieve growth and improved business performance. Figure 31 below illustrates a framework for SPM in Vietnamese FOB in Australia. The framework provides a guide for the FOB's governance structure in that SPM is a key element of ensuring the sustainability of the business. For a FOB to remain sustainable it must seek new markets and customer bases to generate revenue.

Equally important as maintaining the financial strategy of FOB, SPM is a key strategic consideration for ensuring that leadership, FOB business processes and culture is maintained to retain both family and external stakeholder engagement. Therefore, SPM is a crucial element in maintaining the continuity of the FOB from founder to successor and from the current successor to a future successor. The framework illustrates the key contextual (*control*) push motive of a successful transition process is ensuring that the business remains in the family. To maintain ownership of the FOB the connection between the founder and successor is a key relational (*thrive*) pull motive that highlights the choice of successor, interest of the identified successor to enter the FOB and the ability of the founder to manage the knowledge transfer process as the key elements that build a strong connection between founder and successor.

Although this framework provides a number of suggested steps, the FOB may choose to either adopt each or skip stages depending on the individual management plan. This may depend on the business structure of the family or stage of preparedness of the successor to undertake a successful transition. The mindset factors (work ethic, no handouts, collectivism and recognition), that shaped the founders SPM process, will transfer to the preparedness descriptors that shape the choice of future successors.

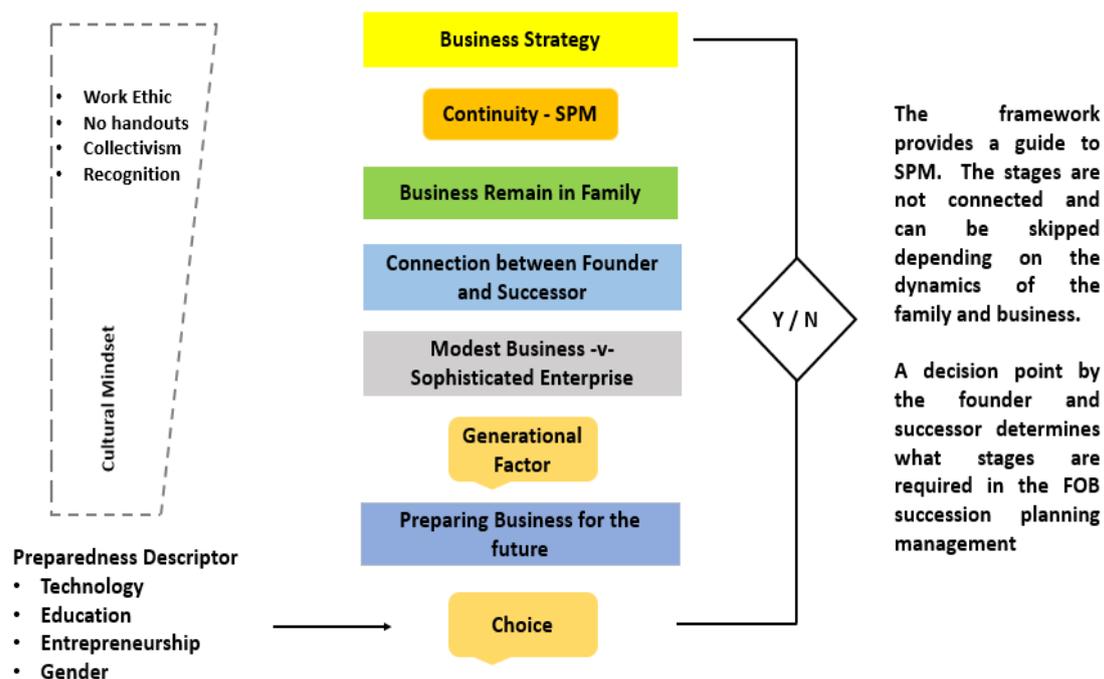


Figure 31: Suggested SPM framework for Vietnamese FOB in Australia

5.6.5 Summary

The chapter highlights the contextual, relational and transition factors that influence SPM in Vietnamese FOB in Australia (RQ). Arranged into three broad themes (motives) – control, survive and thrive - the data reveal contextual factors (RQ1) that emphasise remaining in the family, performance after succession, value of training, and education and technology, as well as the importance of social and community recognition as primary factors influencing SPM. The relational factors (RQ2) reveal an emphasis on family management, having a Vietnamese successor, loyalty to staff, cultural ethic of hard work and respect, as well as an enduring connection between founder and successor as primary relational factors influencing SPM. The business transition factors (RO3) highlight a concern with community recognition, continuity rather than succession and an evolution from traditional business to emerging businesses as the primary factors influencing SPM.

Collectively, these considerations have helped to compile a SPM framework for Vietnamese FOB in Australia (*Figure 31*). This framework summarises key stages that a Vietnamese FOB might consider, in support of SPM, with a focus on continuity of business performance and with key preparedness indicators highlighted.

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CHAPTER 6 - CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

This closing chapter presents the conclusions (and recommendations) flowing from a study that examined factors that influence succession planning and subsequently succession planning management (SPM) in Vietnamese FOB in Australia. The chapter is presented in four parts. Part one discusses the main SPM factors and, in particular, the issue of age and gender in Vietnamese FOB. Part two presents the limitations of this research, part three provides a summary of key lessons and findings that identify future areas of research for SPM in Vietnamese FOB (part four). Figure 32, below, illustrates the flow of Chapter 6.

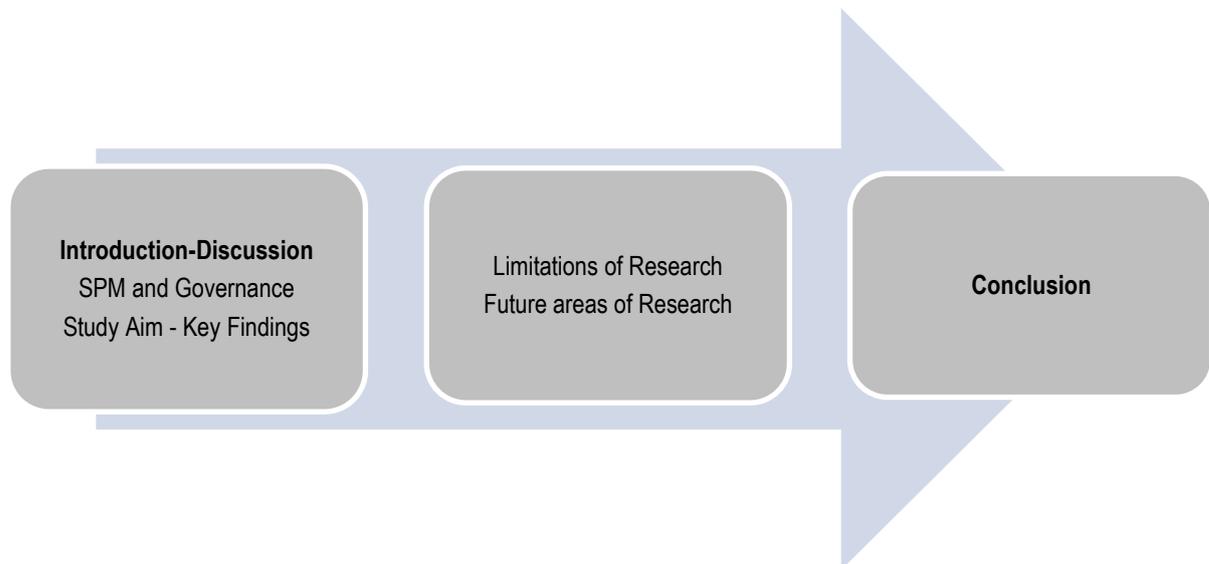


Figure 32: Chapter 6 Overview

6.2 Discussion

Succession planning is the overall process of management ownership and leadership transition from incumbent to successor. For the incumbent to achieve a successful transition to the successor, succession planning management (SPM), involves the incumbent identifying and preparing potential successors to assume leadership roles of a business (Garman and Glawe 2004). SPM and continuity planning are directly related to governance for family owned (small to medium sized) businesses (FOBs) and are highlighted in the family governance framework (Marrone and Armstrong 2013).

Family Business Australia (2013) highlight that FOBs are a major contributor to Australia's social and economic environment and employ some fifty percent of the total workforce. This, in turn, makes succession planning a vital element of governance to ensure business continuity. Further, the importance of SPM within a family governance framework is acknowledged by Chang and Wei (2011), who noted that the consequence of poor SPM is a reduction in company wealth due to poor governance strength. The contribution of FOB's to the Australian economy and the importance of governance and SPM to sustaining family business, emphasises the significance of this study to succession planning management literature and knowledge.

Governance and succession planning though is a western corporate business concept that is not easily adapted into family business. Miller et al (2013) report, succession planning may be too rigid a process and does not appear to align readily with Vietnamese (and perhaps Asian) culture, which is more concerned with ensuring the continuity and stability of the family business. Research in the Australian business community suggests that there is rising interest in SPM, due to the age of business owners and the imminent need for ownership or management transfer (Dunemann and Barrett 2004). Literature has identified that most succession studies appear to focus more on individuals rather than organisational or contextual dynamics. As a result, there are some predictable gaps in knowledge about the way relationships, personal and social dynamics, and the overall context surrounding family businesses can influence SPM (Dunemann and Barrett 2004). As no similar study of SPM in Vietnamese FOB has been completed, coupled with the importance of FOB's to the Australian economy and the Vietnamese being a major Asian culture in Australia commencing their first SPM transition cycle, this study has sought to answer the research question (RQ) and subsequent research objectives (RO):

What are the relative contextual, relational and other influences on SPM in Vietnamese FOBs in Australia? (RQ)

- identify contextual factors that influence Vietnamese FOB;
- identify relational factors that influence Vietnamese FOB;
- investigate convergent (common) and divergent (different) SPM practices in Vietnamese FOB in Australia;
- develop a framework based on proactive or reactive SPM practice in Vietnamese FOB in Australia.

The Vietnamese were the first large scale group of Asian immigrants to arrive in Australia and are considered to be a success story, in terms of social and economic integration. That said, the first arrivals had to overcome the difficulties of cross cultural integration before being able to achieve self-sufficiency in terms of social and economic stability. Many of the Vietnamese immigrants, had either worked in family businesses with their parents or had owned family businesses prior to their arrival in Australia. For many of the new Vietnamese arrivals, establishing a family business was seen as a vehicle to expedite their integration into Australia and more importantly enable the family to achieve social and economic stability. Additionally, the FOB would allow the family (and other Vietnamese) to obtain employment in a familiar cultural environment that would not be hindered by language barriers or other difficulties associated with unfamiliar cultural surroundings. The founders of the family businesses utilised their existing business skills and complimented strengths or weaknesses by establishing business networks with other Vietnamese or the wider community. These business networks provided the Vietnamese FOB with opportunities to establish their business, either within the Vietnamese community or break out of the modest business types of retail (clothing, food, beauty), into sophisticated business types (manufacturing, construction).

Since the arrival of the first Vietnamese migrants, they have established themselves in business, politics, education and the wider community. The Vietnamese FOB has provided employment, income, training and development in business skills and has become an important SME contributor to the overall Australian economy. Hugo (2011) noted that besides employment and skills, business networks can be an indicator of economic performance, while social and civic contributions also represent an intangible, less quantifiable value.

Parsons (2013) highlighted the strong business and community representation of the Vietnamese to society and SME's as significant contributors to the Australian economy. This study identified SPM as being a rigid process that did not easily align with the Vietnamese culture. SPM, in a Vietnamese context is a more fluid process of continuity that is designed to ensure the stability of the family unit and the profitability of the business. Dunemann and Barret (2004) suggested that SPM tends to focus more on the organisational and contextual dynamics of succession planning and less on how relationships, personal and social dynamics can influence SPM.

This study has highlighted how SPM has been influenced by a Confucianism based ideology that has direct implications on relationships, choice of successor and family involvement in the business, the family's external network of suppliers, business associates and the wider Australian and Vietnamese community. It was the Confucianism mindset of the founders that shaped not only their family but also their business dealings. The differences in mindset of the Vietnamese to that of an Australian owned FOB have highlighted the limitations of the Tagiuri and Davis (1992) three systems of family business, when compared to the contextual, relational and business transition themes of a Vietnamese FOB shaped by three motives described as: to control, to survive and to thrive. The relational factors of familiness such as (process resources) relationships and networks and reputation and experience (human resources) were significant distinguishing factors between the Tagiuri and Davis (1992) model of family business and a Vietnamese family business.

The cultural preference of choosing the eldest son as the successor was a notable point of discussion in this study. Founders provided explanation as to their choice, with some successors chosen because they were the eldest son or the only son. Other founders who had no sons chose the most suitable daughter, whereas one founder who had no children of his own chose a member of the extended family – a nephew. In all discussions with the founders the issue of a suitable age, where the successor should take over the family business, remained unstated. Although the choice of successor was organic in approach, the data highlighted that being of Vietnamese ethnicity was a key element. As the makeup of the Vietnamese family changes from the founders to the second generation of Vietnamese Australians, the issue of being of Vietnamese ethnicity may be challenged, if a possible successor contributes a significant skill or ability to enable the Vietnamese FOB to compete in a complex business environment. For example, a founder family has no sons but a daughter is married to a white Australian who has the business acumen to become successor and so is *adopted* into the family.

This is similar to the Japanese practice of *omiai*, where a promising manager marries the founder's daughter and is adopted into the family (Mehrotra et al 2007). In summary, the research question in this study (*What are the relative contextual, relational and other influences on SPM in Vietnamese FOBs in Australia?*) has been answered by the formulation of an SPM framework (Figure 31) for Vietnamese FOB in Australia (RO4).

The SPM framework was formulated utilising the respective responses of the founder, successor, employees and other family members to contextual (*push factors*), relational (*pull factors*) and business transition (*family factors*) pre - interview questionnaires, face - to - face interviews and hand-written observations taken during site visits. The relative contextual, relational and other influences were reorganised within the factors to illustrate three themes: to control, to survive and to thrive. These three themes highlighted three key findings and how these key findings contribute to literature:

Table 20: Key Findings related to Literature	
<p><i>Contextual – Business remain in the Family.</i></p> <p>This study contributed to literature by enhancing the understanding of how Vietnamese FOB in Australia developed from inception to succession, the ownership practices of the founders, their understanding of governance and their perspective of succession planning management. The key contextual factor was the business remaining in the family. The leadership and ownership practices of the founders highlighted the linkage between governance and SPM</p>	<p><i>Wong (2011).</i> <i>‘Further studies are required to enhance the understanding of and knowledge about the strategic development of family firms, their strategic leadership, management and ownership practices and how they are inter-related and linked to governance, change management practices and SPM’.</i></p>
<p><i>Relational - Successor of Vietnamese ethnicity.</i></p> <p>This study contributed to literature by focusing on the relationships and the personal and social factors that can influence SPM. The relationship between founder and successor, ethnicity of the successor and acceptance of the successor in the extended family and business networks in Vietnamese FOB were the dynamics that can influence SPM.</p>	<p><i>Dunemann and Barret (2004).</i> <i>‘SPM tends to focus more on the organisational and contextual dynamics of succession planning and less on how relationships, personal and social dynamics can influence SPM’.</i></p>
<p><i>Business Transition – Timeframe for succession and knowledge transfer.</i></p> <p>This study contributed to literature by illustrating that succession planning for Vietnamese FOB was not a recognisable practice whereas succession was seen more as a process of continuity that must be addressed within an acceptable timeframe, that included knowledge transfer. This was different for every FOB with some FOB knowledge learnt from an early age in the business, or from verbal instruction and conversation at the family dinner table or home. This business transition practice was one that maintained stability in the family home, aligned with Vietnamese cultural practices of choice of eldest son allowed for whether the identified successor wanted to work in the FOB.</p>	<p><i>Miller et al (2013).</i> <i>‘Succession planning may be too rigid a process and does not appear to align readily with Vietnamese (and perhaps Asian) culture which is more concerned with ensuring the continuity and stability of the family business’.</i></p>

Three key findings are identifiable in the SPM framework for Vietnamese FOB in Australia, and contribute to gaps in existing SPM literature. The adoption of each stage of the framework is optional depending on the FOB management plan, or business structure of the family. Additionally, the three key findings are linked to the preparedness descriptors of technology, education, entrepreneurship and gender. These descriptors contribute to gaps in existing literature as they influence the strategic development of family businesses (*technology*), influence the relationships, personal and social dynamics of SPM (*gender*) and align with the Vietnamese view of continuity perspective of SPM (*education, entrepreneurship*).

In a relatively brief period in Australia the Vietnamese family has already experienced a dilution of the founder’s strong Vietnamese cultural identity, with their children identifying more and more as Australians and the family unit becoming less guided by Confucianism. For the successors to develop the family business and to remain sustainable into the future, the need to innovate and be entrepreneurial will be a key factor in ensuring that the FOB will see the second cycle of transition to their children. Table 21 below illustrates the mindset progression between the first-generation founders to the second-generation successors.

Table 21: Vietnamese FOB Generational Mindset transition	
1st Generation – Modest Business	2nd Generation – Sophisticated Business
Self-Reliance (No handouts)	Self-Reliant
Integration (Acceptance - Good Name)	Integrated (Australian Identity)
Gratitude (Thank you Australia)	Contributing to Australian economic growth
Social Entrepreneurs (low end)	Entrepreneurial (Commercial)
Hard Working (Industrious) - limited business skills, hence relationships and networks important (mainly within the Vietnamese community).	Working Smarter (Industrious - education and technology) - expanded business networks with relationships to the wider business community.

The Vietnamese FOB *Rolld* (a franchised Vietnamese restaurant) is a good example of the changing makeup of Vietnamese businesses, with a non-Vietnamese part of the business and the break out of Vietnamese from modest business to sophisticated regional businesses.

This trend is likely to continue with this generation and the next, using technology and the dynamics of a constantly changing global business environment to spread their already existing business through franchising, regional expansion or the development of new businesses not envisaged at present. Figure 33 below illustrates a possible SPM transition cycle from the 1st generation of Vietnamese FOB to the 3rd generation of Australian / Vietnamese FOB.

SUCCESSION PLANNING MANAGEMENT: TRANSITION - GENERATIONS

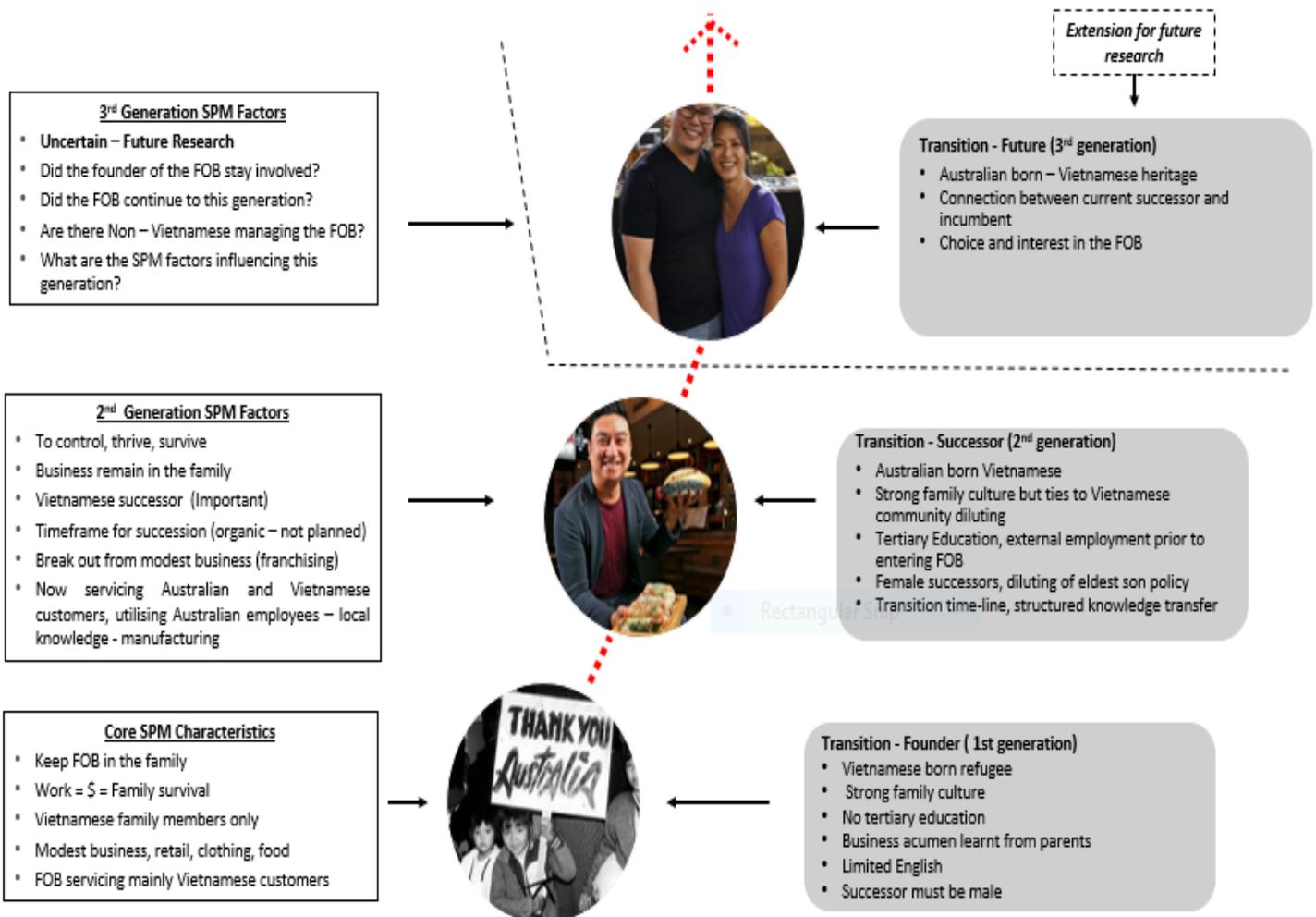


Figure 33: Succession Planning Management: Transition - Generations

6.3 Limitations of Research

The limitations for this study are threefold: first, Vietnamese FOB’s in Australia have not undergone a previous transition cycle so the data collection was exploratory in nature, with the founders not having a full understanding of SPM or-- how it is a critical factor in facilitating business continuity.

Therefore, the SPM framework for Vietnamese FOB in Australia developed in this study may be a useful guideline for current SPM practice, but may need refinement in future. Second, the requirement for a Vietnamese FOB to be considered for this study was that it must have recently undertaken a transition cycle or was in the process of transition.

As SPM is not a concept that is understood by the Vietnamese, locating FOB's for this study was restricted to referral from within the Vietnamese business community in Melbourne. It was not possible to speak with the founders and successors of a Vietnamese FOB without that previous referral. The researcher was however able to locate eight different FOB's from different geographical locations, as it was deemed important to get a broad distribution.

The broad distribution identified that not all Vietnamese FOB's were the same with differences highlighted in contextual business environment, relational factors relating to the family engagement with the Vietnamese community and wider community and successor identification and transition practices. Third, the founders of the FOB's had established modest businesses such as food, clothing manufacture and retail and were largely confined to those business types. It was opportunistic for the FOB involved in air-conditioning manufacture to take part in the study. This family business illustrated the break out of a modest Vietnamese FOB into a more structured and sophisticated FOB.

6.4 Future areas of Research

As SPM is an important part of family governance, the SPM framework for Vietnamese FOB in Australia presented in this study (Figure 34) should be the base for further research and its application to the second FOB transition cycle. The areas of research may focus on the preparedness descriptors of technology, education, entrepreneurship and gender. Gender may be an area of focus if it is a determining factor and if the choice was shaped by the break out from modest to more sophisticated Vietnamese FOB's. Whether future Vietnamese FOB's in Australia are modest or sophisticated businesses, strong family governance and an effective SPM process will contribute to the sustainability of the FOB and the Australian economic and social stability.

6.5 Conclusion

The eight Vietnamese FOB's in this study share some common features: all the founders were born overseas, came to Australia as refugees, with limited business skills and education and utilised the strength of relationships and networks to establish the FOB. The founders used the FOB to obtain financial stability for the family and to gain social connection within the Vietnamese and wider community. The founders all had different philosophies as to choice of successor and transition processes for the FOB from founder to successor. As this study has identified, the contextual, relational and transition factors vary from family to family and with FOB type. The domestic business environment in Australia is changing at a rapid rate with decline in various manufacturing industries and the continued influence of globalisation. But the requirement for good governance mechanisms in family business is increasingly important.

As SPM is a sub-set of governance, SPM is a critical consideration in every Vietnamese FOB's business plan to ensure that there is continuity of business and performance. However, the effectiveness of SPM in family business depends greatly on the dynamics of the family, the tacit knowledge of both the founder and successor and how it is applied to the environment that the business operates in. More importantly in a Vietnamese context, the relational factors (*pull*) that influence relationships and culture will impact on identifying a suitable successor who is of a Vietnamese background and who wants to become the successor in the FOB. That said, in future it will not be the sole responsibility of the parent or founder to identify a suitable successor. The immediate or extended family, who have investment in the FOB, may wish to either maintain or improve the performance and social status of the FOB.

Another approach to SPM may be to prepare and nurture two potential successors, who can operate various parts of the FOB together (as in Case G). Alternatively, the outsourcing of management teams, who can support and provide technical expertise to complement the skill gaps of the successor may be considered. Another alternative practice of some Vietnamese FOB's is that the founder continues to have some interaction with the business to either fill skill gaps, maintain relationships and networks or provide guidance and advice to the successor. The concept of duality of successor's though is a strong SPM element in Vietnamese FOB and contrasts with the SPM of an Anglo FOB.

With the increase in complexity of the Australian business environment, the concept of dual successors with complementing business skills should be a consideration in the wider SPM practice. Sharing the role of successor and utilising two skill sets may provide a competitive advantage to *control* (business remain in the family) to *survive* (knowledge transfer and work ethic) and *thrive* by building sophisticated Vietnamese FOB's that operate not only domestically but regionally.

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FOB Case Characteristics – Appendix 1

Cases	Case A	Case B	Case C	Case D	Case E	Case F	Case G	Case H
Contextual Factors (RO 1)								
Founder	DL, Male born in Vietnam Father in Military	KL, Female born in Vietnam Parents in business in Vietnam	TL, Male born in Vietnam, Parents in business in Vietnam	YC, Female born in Laos, Parents in business in Vietnam	TV, Male, born in Saigon. Parents not in business in Vietnam	TT, Male born in Saigon. Parents not in business in Vietnam	BC, Female born in Saigon. Parents and grandparent in business in Saigon	TN, Male, born in Saigon. Parents not in business in Vietnam,
<ul style="list-style-type: none"> • 5 x Male founders and 3 x Female founders • 4x founder's parents in business in Vietnam and 4 founder's parents not in business in Vietnam • All founders arrived in Australia as refugees with 6 of the founders coming via refugee camps 								
Education	No Tertiary Education	No Tertiary Education	No Tertiary Education	No Tertiary Education	No Tertiary Education	No Tertiary Education	No Tertiary Education	No Tertiary Education
<ul style="list-style-type: none"> • All the founders had a basic education in Vietnam • No founders hold university degrees or formal business qualifications, business acumen learnt from parents, other business people who they worked for or innate skills • Limited / basic English language and understanding culture a barrier to commencing FOB 								
Successor	HL, Male born in Philippines educated and raised in Australia No business background	SN, Male born, raised and educated in Australia no business background	PL, Male, born overseas, educated and raised in Australia, Corporate background	HP, Female born overseas, educated and raised in Australia worked in the banking and Corporate sector	HV, Male, born and educated in Australia, was an Accountant	TT, Male born and educated in Australia. Originally started tertiary studies in music but discontinued about to commence business studies	MT, Male, born and educated in Australia. Background in International Marketing and Corporate Communications.	JN, Female, born and educated in Australia, worked in the health sector
<ul style="list-style-type: none"> • 5 x Successors born, raised and completed primary, secondary studies in Australia • 5 x Successors completed university degrees in Australia • 2 x Successors have no formal business qualifications • 2 x Successors chosen as they are the number one son (FOB case A, E) • 1 x Successor chosen as he is the only child (FOB case C) • 1 x Successor is the youngest son but considered most appropriate due to interest (FOB case B) • 2 x Successors are female (FOB case D as only family of daughters) and (FOB case H, as sons not interested in FOB) • Choice of successor and SPM transition considered to be successful by all FOB founders • All FOB founders stated that successors have implemented improved business management processes, technology that has assisted in communication and stakeholder management <p>Although two sons were chosen as successors because they were the number one son, this Vietnamese cultural practice has always been followed in Australia. Successors are chosen on availability, interest that is shown on the FOB, a mindset of seeing the family unit remain financially stable and non-gender specific. Australian culture has influenced family decision making that has seen the Vietnamese family maintain some cultural aspects but also adopt cultural behaviours and Australian business practices.</p>								
Education	Educated in Australia, no Tertiary	Educated in Australia, no Tertiary	Educated in Australia, Tertiary qualification	Educated in Australia, Tertiary qualification	Educated in Australia, Bachelor of Accounting	No Tertiary Business Qualification	Tertiary Qualification in Master of	Tertiary Qualification in Health Sciences

	Business Qualification	Business Qualification	in Business Law	in Commerce	and Economics		International Marketing	
Business Founded	Melbourne 1999	Melbourne 1984	Melbourne 1981	Melbourne 1976	Melbourne 2001	Sydney 2007	Sydney 1995	Perth 1991
	<ul style="list-style-type: none"> All the FOB founders established businesses in the city of arrival 6 of the FOB founders established business to provide financial security for family and integrate into Australian society asap All the FOB founders worked in other FOB's or different business categories prior to starting their own FOB In (FOB case E) the founder established the FOB 21 years after arrival in Australia due to being retrenched from Dunlop 							
Family members in workforce	5	2	2	2	6	6	3	3
Workforce FT / PT	40 +	80 +	40 + contract staff	40 +	40+	40 +	60 +	5+
	<ul style="list-style-type: none"> In FOB, case A the workforce is mainly Vietnamese with some Australians working in the salon areas In FOB case B, the workforce is mainly Vietnamese in the manufacturing side but mainly Australian in the sales representative side In FOB case C, the workforce is mixed of Vietnamese, Australian and many other cultures in the catering and waiter category In FOB case D, E, F, G and H the workforce is entirely Vietnamese 							
Growth in last 5 years	Significant	Significant	Significant	Consistent customer base at both business locations	Significant and rapidly expanding	Significant and rapidly growing	Significant and sustainable	Maintaining consistent customer base
Control of the business	Founder strong in maintaining business in family, Successor would consider sale	Both founder and Successor would not consider sale of the business	Founder would not consider sale of the business but Successor would	Both founder and successor would not consider the sale of the business	Both founder and successor would not consider the sale of the business	Both founder and successor would not consider the sale of the business	Founder would not consider the sale of the business and successor would not insist on next generation to take over the business	Both the founder and the successor will either sell the business or bring in external management to achieve work / life balance
External Manager	No	No	No	No	No	No	No	No
Important Contextual issue	Keep in family, next generation has bought technology and management skill to business	Founder maintain some interest in the business keep business for next generation	Highly skilled staff, long term plan and honest, straight business practice	Having strong family management or leader with the support of external staff for delegation	The founder maintains some interest in the business following succession	That the successor was of male gender as the construction industry was too onerous for a female	That the successor has a desire to continue the business	The founder continues to help in the business after succession

Relational Factors (RO 2)								
Knowledge Transfer	On the job had been involved in the business but originally had own career path	On the job had been involved in the business but originally had own career path	On the job but had been involved in the business for a long period	On the job from an early age but built additional business acumen as an Accountant and Business Analyst	On the job and taught by father but mother had previous business acumen	On the job knowledge and skills transfer commenced from an early age	On the job knowledge and skills transfer commenced at an early age	On the job knowledge and skills transfer commenced at an early age
External Manager	No	No	No	No	No	No	No	No
	<ul style="list-style-type: none"> • FOB case C successor consider the sale of the business if no longer interested or not profitable • FOB case D already grooming next successor • FOB case E successor committed to ensure longevity of FOB • FOB case F strong family unit where all family work in the business and only consider family management • FOB case G successor may consider sale of business if no successor identified • FOB case H want to maintain family management but the possibility was discussed at one stage 							
Sharing FOB information with networks	No	No	No	No	No	No	No	No
	<ul style="list-style-type: none"> • All the successors stated that they would not share FOB information with Vietnamese external stakeholders and community networks. • This was in divergence to the founders where they had a strong attachment to the Vietnamese community and helping other Vietnamese 							
Level of communication with founder	Average	Strong	Poor to Average	Strong	Average	Strong	Strong	Strong
	<ul style="list-style-type: none"> • In FOB, case A the successor initially had problems with his father in being persuaded to enter the FOB, suggested his sister as she was more suited to beauty industry • In FOB case B, the successor and founder have good communications between them, the successor wants the founder to continue with some input into the FOB. In SPM terms, the ability of the founder and successor to have effective communication between them, minimises the possibility of conflict, allows the successor to make decisions and enhances their relationship by providing the founder with a sense of guiding the successor and not being completely isolated from the business they commenced. • In FOB case C, the biggest hurdle to transition was communication between founder and successor. Both acknowledged this point, resolved by founder giving latitude to successor to run FOB • In FOB cases D, F, G and H both founders and successor enjoy good communications between them • In FOB case E, the communications between founder and successor were initially strained due to the successor wanting to change the business model from a Vietnamese perspective to an Australian perspective. • Founder wanted slow transition and successor faster. Both acknowledged the benefit of both views with the founder extremely happy with the transition. 							
Important Relational issue	Founder strong on successor from Vietnamese background	Trust, guidance and maintaining good business networks	Communication, transparency and family member manages the business	Successor must be children or family member before the consideration of a relative as successor	The successor must come from a Vietnamese background	That a family member manages the business	Staff management and a sense of community	Maintain family ownership of the business even if managed by external manager

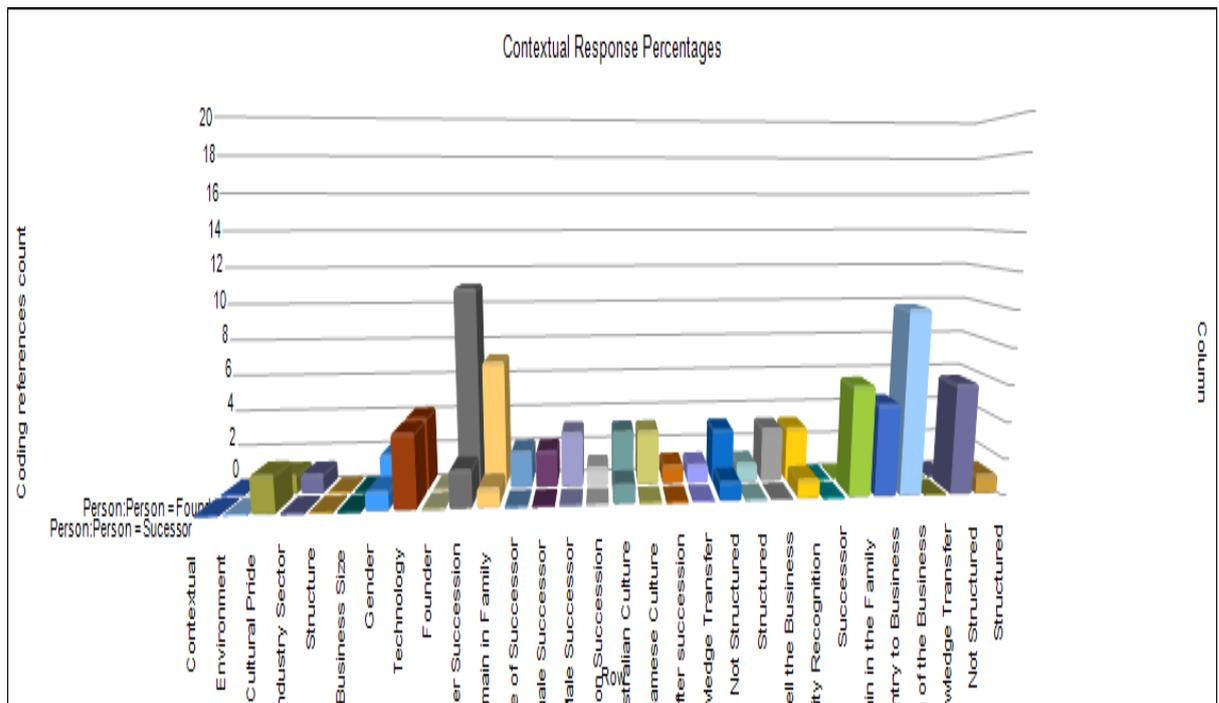
Transition Factors (RO3)

Important Transition issue	Management and Communication	Business development and for successor to maintain same passion in business as founder	Set a timeframe ensuring that successor can competently take over the business	Successor shows interest and has the correct management skills, business acumen and strong work ethic	Taking proactive steps to identify the right successor who has passion for the role	Do not leave the transition process too long as there is so much knowledge and skills to transfer	Luck has got a lot to do with a successful business, right time, place and mindset	You must maintain family harmony during the transition process
Important Cultural issue	<p>Maintaining a strong attitude towards the FOB being sustainable</p> <p>Passion for the job the employees and customers</p> <p>Maintaining trust with staff and suppliers</p>	Business stay in family, help both Vietnamese and Australian people with employment, be open to change	Ensuring Vietnamese people were successful in the new country, good people skills	Being self-employed, financial security, respect and recognition	<p>For the founder, it is a place to provide Vietnamese food</p> <p>The successor wants to maintain his mother's Vietnamese heritage but he wants to move forward as an Australian</p>	Maintaining a good name for the family and for Vietnamese people	Education for the children in that we set up a proper framework for the next generation	It is important that the Vietnamese people have a good name in the community

APPENDIX 2

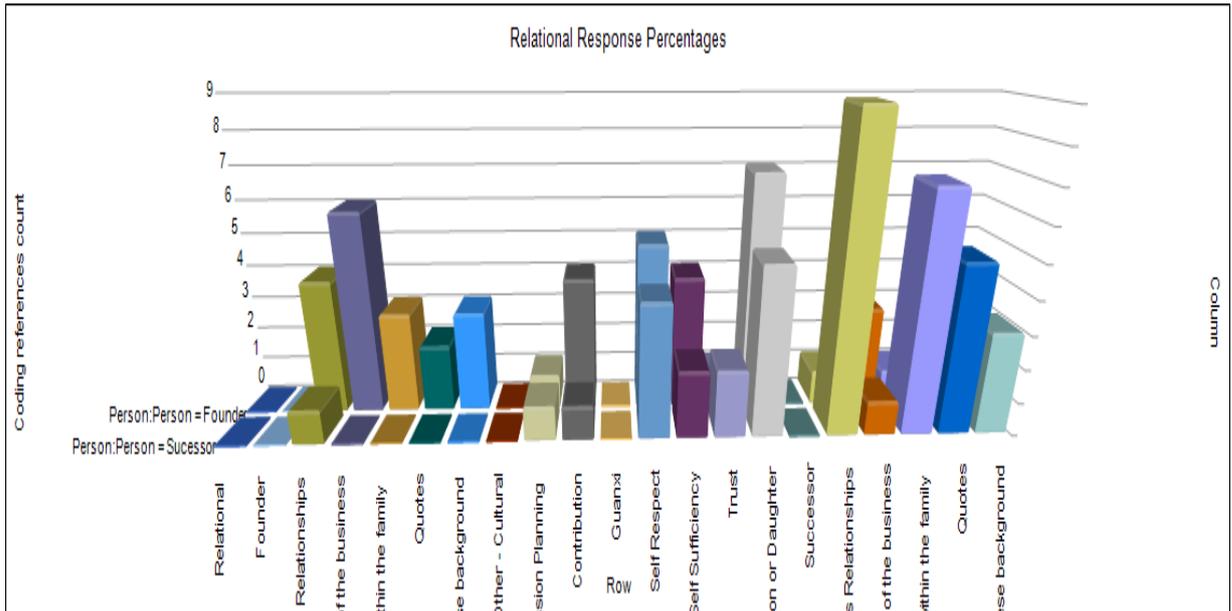
Contextual Factors - NVivo 10

The contextual responses displayed in broad percentage terms for the founders and successors respectively are shown below. The bar graph provides the founder response percentages to the rear and the successor response percentages to the front. The bar graph utilises the parent node of contextual and the response percentages utilise the data entered into NVivo10 under the contextual child nodes.



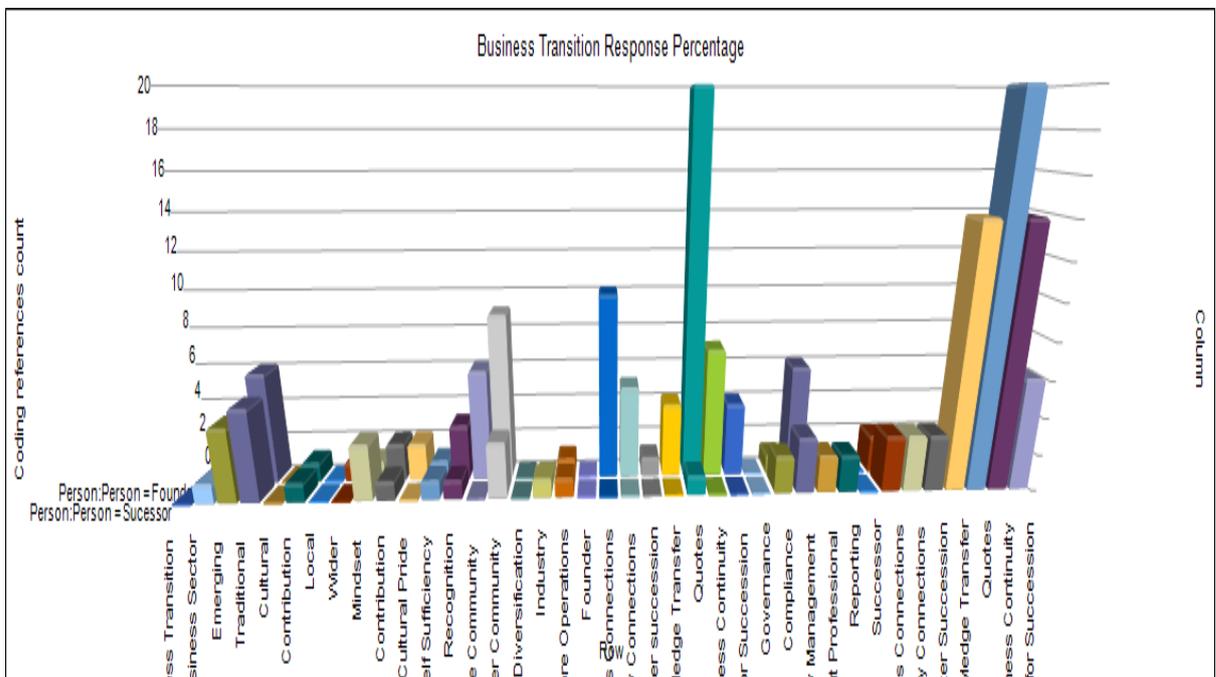
Contextual Responses - Percentage

The relational response percentages of the founders and successors are shown below. The bar graph provides the founder response percentages to the rear and the successor response percentages to the front. The bar graph utilises the parent node of relational and the response percentages utilise the data entered into NVivo10 under the relational child nodes.



Relational Response Percentage

The business transition response percentages of the founders and successors are shown below. The bar graph provides the founder response percentages to the rear and the successor response percentages to the front. The bar graph utilises the parent node of relational and the response percentages utilise the data entered into NVivo10 under the relational child nodes.



Business Transition Response Percentage

APPENDIX 3



Questionnaire

Study of contemporary influences on Succession Planning Management in Vietnamese family owned business in Australia

Dear Business Owner,

As we discussed, I am studying succession planning management practices within Vietnamese SME. The data collected will enable the development of a succession planning management model that may be integrated into Vietnamese family owned business practice. This questionnaire is part of a doctoral thesis and your input is critical to the validity of the research

Your Name: (optional) -----

Gender: (circle one) male / female

Your position in Company: (Founder, Successor or Family member)

Time in Australia: Are you

1	2	3	4	5
Not born here	Born here	Parents Born Here	1 st Generation	2 nd Generation

Instructions: (Please read this section before answering the questionnaire)

Section 1:

The questions identify items related to succession planning management in family owned business. A leading statement will prompt your response; please indicate how important that item is to you (the individual). Mark (√) to show the importance on the item in question.

SAMPLE ACTIVITY:

Sample Activity	A						B				
	How Important is:						Have you achieved this in practice?				
	1	2	3	4	5		1	2	3	4	5
The family must be involved in the business			√							√	
Succession management transition is necessary					√				√		

Column A

Very Unimportant	Un-important	Neutral	Important	Very Important
1	2	3	4	5

Column B

Not at all	some progress	Half-way	Mostly	Completely
1	2	3	4	5

PART 1: QUESTIONS ABOUT RELATIONSHIPS AND CONTEXT

Relationships	A						B				
	How Important is:						Have you achieved this in practice?				
	1	2	3	4	5		1	2	3	4	5
Family ownership for the business											
That a family member manages the business											
Maintaining relationships with established customers and suppliers											
That the successor comes from within the family											
That the successor is of Vietnamese background											
Family consensus on keeping business continuity											
Access to trusted business advisors											
Sharing business information with the family											
Sharing information with business networks											

Q1. Any comments on the above questions?

Context	A How Important is:						B Have you achieved this in practice				
	1	2	3	4	5		1	2	3	4	5
Readiness for generational change in succession											
Having highly skilled staff during the change process											
Having enough time to plan for future succession											
Gender (male or female) in succession											
The business not be sold but kept in family control											
Family management (vs) using and external management professional											
That the founder maintain some control of the business following succession											
A long term plan for the business											
An effective governance (compliance, reporting and leadership) framework											
Social and community recognition for the family											

Q2. Any comments on the above questions?

PART 2: BUSINESS NETWORKS

	A How Important is						B Have you achieved this in practice				
	1	2	3	4	5		1	2	3	4	5
Supporting.....											
.....connections with family members											
.....connections with long time business partners											
.....connections with current business partners											
Business Reputation											
.....the business staying in the family											
.....employment for our children											
.....employment for our family members											
.....employment for cultural similarity											
.....long term financial stability of the business											

Q3. Any comments on the above questions?

PART 3: SUCCESSION TRANSITION

Q4. Any comments on the above questions?

	A How Important is:						B Have you achieved this in practice				
	1	2	3	4	5		1	2	3	4	5
Taking steps to identify a successor											
Establishing a timeframe for succession											
Establishing a timeframe to shift responsibility to a new CEO											
Determining how long the past CEO will remain active in the business											
Developing leadership and management skills for the successor (Knowledge Transfer)											

PART 4:

Q1. What culturally is important for Vietnamese people in succession planning?

Q2. What are three (3) important relationship issues for you in succession planning?

Q3. What are three (3) important contextual issues in succession planning?

Q4. What are three (3) important transition (change) considerations in succession planning?

Q5. Have you any general comments on your experience with succession planning?