ANTECEDENTS OF FAMILY BUSINESS SUCCESSOR COMMITMENT: A PRELIMINARY TEST

Family business successors’ commitment is considered a key desirable attribute. However, the literature has treated commitment as a one-dimensional construct. Using the organizational commitment literature, we propose four bases of successor commitment and present antecedent factors for each. Preliminary tests using five cases are shared, as are research and practical implications.

Commitment to their family business has been repeatedly identified as a key desirable attribute in next generation family members (e.g., Chrisman, Chua, & Sharma, 1998; Handler, 1989). Research has revealed that committed family members are more likely to pursue a career in their family firm, be cooperative in performing their role in the leadership transition, and be satisfied with the succession process (Handler, 1989; Sharma, 1997). Based on these findings, it has been suggested that family business owners who wish to retain the business in their family should assess and foster the commitment of next-generation family members towards their firm, and encourage them to pursue a career in these firms, to ensure positive outcomes (Gilding, 2000).

Despite its recognized importance, there is a dearth of systematic research on next-generation family members’ commitment towards their family firms. The family business literature has treated commitment as a one-dimensional construct. Many questions remain unaddressed. For example: Are there different mind-sets that prompt next generation family members to pursue a career in their family firms? If so, what underlying factors influence the different mind-sets? These two questions are addressed in this paper.

The construct of commitment has received significant research attention in the organizational behavior literature (e.g., McGee & Ford, 1987; Meyer & Allen, 1991). Commitment has been defined as a force experienced as a frame of mind or psychological state that compels an individual towards a course of action of relevance to one or more targets (Meyer & Herscovitch, 2001). Meyer and Herscovitch (2001) identified three bases of commitment rooted in the mind-sets of desire, obligation, and opportunity costs.

Although the organizational commitment literature has made significant progress towards distinguishing the mind-sets guiding commitment, it continues to struggle with the following issues: (i) meaningfully distinguishing between commitment based on the mind-sets of desire and

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1 Earlier versions of the theoretical basis of this paper have been presented at the 2003 Academy of Management Conference, and received 2002 Best Unpublished Research Paper Award from the Family Firm Institute. An expanded version of the theoretical model tested in this article is forthcoming in Entrepreneurship Theory and Practice. We are grateful for the helpful comments of Jim Chrisman, Patricia Frishkoff, Dennis Jaffe, John Meyer, Scott Turner on the ideas expressed herein. We also appreciate the funding support received from Social Sciences and Humanities Research Council of Canada (SSHRC) for this project.
obligation, (ii) determining whether commitment based on the mind-set of opportunity costs is a uni- or multi-dimensional construct, and (iii) investigating the antecedent factors of each base of commitment (Meyer & Herscovitch, 2001). In order to gain an understanding of these issues, scholars suggest a need to focus on the nature of the organization in studies on commitment (e.g., Reichers, 1985). In response to such calls, we focus on the family firm in order to understand what compels next-generation members of family-owned businesses to pursue a career in their family firms.

Drawing on previous research directed towards understanding successors’ perceptions on the succession process in family firms (e.g., Handler, 1989; Sharma 1997), we next present statements of four family members who pursue careers in their family firms. These quotes, indicative of the different mind-sets that form the basis of their commitment to join their family firms, enable us to distinguish between four bases of commitment. Next, we develop hypotheses of antecedents for each base of commitment. Then, we present results of our preliminary testing of these hypotheses based on experiences of five family firms. The concluding section discusses the contributions, research and practical implications of these ideas.

Four shades of successor commitment

In the case of family firm successors, the target of their action is the family business. The course of action or ‘focal behavior’ that these family members feel compelled to engage in is to pursue a career in their family business. Despite sharing a common focal behavior, their reasons for joining their family firms can vary (e.g., Dumas et al., 1995). The following statements made by four family firm successors during interviews directed towards understanding their perspectives on the succession process in their firms, provide a glimpse of the differing mind-sets leading to their decision to take up a career in their family firms (Handler, 1989; Sharma, 1997).

I’m one of the luckiest guys to come out of the University because I haven’t been slotted into a specific job. We have an item that we manufacture from scratch, we warehouse it, we wholesale it, and we retail it. I see the business from every angle and I’m involved in it from every angle. It’s kind of neat to be able to do that....I love being part of my family business. (Tim in Sharma, 1997: 130).

I felt touched; I felt needed, but I felt uncertain that this (moving to the family business) was a good move...He (my father) said that the most important thing right now is for you is to be visible here because your sister is out...we need another family member here. And so with that kind of plea I had no choice in my mind. I couldn’t let the family down. So I dropped everything I was doing and...I just went the next day and started working. (Polly in Handler 1989: 117).

At that point we really didn’t know what her (wife’s) involvement was from a shareholders standpoint. And what we found out was she was heavily involved to the point where it dwarfed what we were doing personally and all of a sudden it did change our perspective…….It sort of changed our outlook on it (their family business)….. that is when we decided we cannot pass this up. (Rob in Sharma, 1997: 131).

I was always afraid of change (working outside of family business). I’ll stick it out..... I really think, in a way, being so cowardly. I’ve really been lucky; I’ve done as well as I have so far .... It could have been a lot worse. (Bob in Handler 1989: 114).

Although all these next-generation family members decided to pursue careers with their respective family businesses, the mind-sets that shaped the behavior of each individual are quite
distinct. Based on these varying mind-sets, the organizational commitment literature distinguishes between the following types of commitment (Meyer & Allen, 1991):

**AFFECTIVE COMMITMENT** is based on an individual’s ‘emotional attachment to, identification with, and involvement in the organization’ (Meyer & Allen, 1991). This form of commitment is characterized by a desire to follow a course of action of relevance to the target. An individual with a high level of affective commitment to an organization portrays a strong belief in, acceptance of and an excitement about the organization’s goals.

Of the successors whose statements were shared above, only Tim joined his family business out of desire, thereby exhibiting affective commitment to pursuing a career in his family’s business. He seems to value the diversity of tasks and experiences that a career in his family business offers and clearly identifies with the business. The typical usage of the term ‘commitment’ in the family business literature is consistent with the definition of affective commitment as used in the organizational commitment literature. For example, Handler (1989) stated that commitment to family business perpetuation occurs when the family values the business and is willing to work together to ensure its future. This family value translates into the family’s operating norms and is practiced through the family members’ sharing, helping, and contributing within the context of the business.

**NORMATIVE COMMITMENT** is based on an individual’s feeling of obligation to pursue a course of action of relevance to one or more targets (Meyer & Herscovitch, 2001). These individuals feel obligated to remain with the organization (cf. Meyer & Allen, 1991). Polly’s statement reflects normative commitment as she joined the business at the request of her father and her inability to let her family down, even though she was not convinced that it was a good decision for herself.

Although the organizational commitment literature struggles with whether affective and normative are truly distinguishable forms of commitment (Meyer & Herscovitch, 2001), the close interaction of kinship ties in family firms provides a ripe context for making this distinction (Stewart, 2003). Although the sense of obligation indicative of normative commitment may be relatively difficult to find in non-blood related employer-employee relationships, it is quite prevalent in family firms as a sense of duty or obligation towards the family plays a key role in the career decisions of family members.

**CONTINUANCE COMMITMENT** is based on an individual’s awareness of the costs associated with leaving an organization (Meyer & Allen, 1991). In the organizational commitment literature, there is some disagreement concerning whether this is a uni- or bi-dimensional construct (McGee & Ford, 1987; Meyer & Herscovitch, 2001). One dimension reflects perceived sacrifices or costs associated with leaving, whereas the other reflects recognition of the lack of alternative employment opportunities. Whereas some studies (e.g., Dunham, Grube, & Castenada, 1994; Ko, Price, & Mueller, 1997) suggest one dimension, others suggest presence of two dimensions (e.g., McGee & Ford, 1987; Meyer, Allen, & Gellatly, 1990).

The statements of Rob and Bob suggest that both dimensions of continuance commitment influence successors’ decision to pursue careers in their family firms. Rob and his wife decided to pursue careers in his in-laws’ firm after realizing the significant opportunity cost involved in not pursuing this course of action. Such **calculative commitment** is based on perceptions of the cost involved with not engaging in a particular behavior (Meyer & Herscovitch, 2001). That is, individuals exhibiting this form of commitment feel they ‘have to’ pursue this course of action.
Conversely, Bob’s decision to pursue a career in his family firm was based on his perceived dependence on the firm and lack of confidence in his ability to pursue a career outside this firm. He perceived the family firm as a safe career haven. His comment suggests that he felt a ‘need to’ pursue a career in his family business. The doubts of next-generation family members in their ability to work outside the family environment have been observed in previous research (Handler, 1989). These individuals wonder whether they could succeed outside the protected family business environment (Vinton, 1998). In order to clearly distinguish this type of commitment from that based on the mind-set of cost avoidance, we label this dependence-based commitment as imperative commitment.

In summary, successors’ decision to pursue careers in their family business can be influenced by four distinct mind-sets, revealing the following four shades of commitment:

Affective commitment is based on a strong belief in and acceptance of the organization’s goals, combined with a desire to contribute to these goals, and the confidence in one’s ability to do so. In essence, the successor ‘wants to’ pursue such a career.

Normative commitment is based on feelings of obligation to pursue a career in the family business. Successors with high levels of normative commitment feel that they ‘ought to’ pursue such a career.

Calculative commitment is based on successors’ perceptions of substantial opportunity costs and threatened loss of investments or value if they do not pursue a career in the family business. Successors with high levels of calculative commitment feel that they ‘have to’ pursue such a career.

Imperative commitment is based on a feeling of self-doubt and uncertainty of the ability to successfully pursue a career outside the family business. Individuals with high levels of imperative commitment perceive that they lack alternatives to a career in the family business. The underlying mind-set in this case is a ‘need to’ pursue such a career.

Antecedents of the four types of successor commitment

After establishing that there are four different mind-sets or reasons that prompt next-generation family members to pursue a career in their family firms, we move onto our next research question: what underlying factors influence the different mind-sets? We now present our hypotheses concerning the antecedents of each base of commitment (see Figure 1).
Figure 1. Antecedents of four bases of family business successor commitment

- **Affective Commitment**
  - Desire Based
  - Antecedents:
    - Identity alignment
    - Career interest alignment

- **Normative Commitment**
  - Obligation Based
  - Antecedents:
    - Familial norms wrt gender & birth-order
    - Institutionalization of norms

- **Calculative Commitment**
  - Opportunity cost based
  - Antecedents:
    - Financial costs
    - Social costs

- **Imperative Commitment**
  - Need based
  - Antecedents:
    - Exposure to alternate career paths
    - Perceived lack of marketable skills

- **Focal Behavior**
  - Next-generation’s decision to pursue career in family business
Affective commitment: The underlying mind-set in the case of affective commitment is a desire to pursue a focal behavior. Individuals can experience this mind-set when they perceive an alignment between: (a) identity of self and the organization, and (b) career interests and opportunities available in the organization.

a. Identity alignment: Social identity theory (Tajfel & Turner, 1985) suggests that individuals classify themselves and others into social categories, and have multiple identities (e.g., brother, manager, church member). When there is an alignment of two or more identities, a strong pull towards the focal entity is experienced. Conversely, if the multiple identities or values associated with each are sufficiently distinct, feelings of ‘cognitive dissonance’ or anxiety are experienced as the identities clash (cf. Festinger, 1957).

In the context of family firms, many family members have been found to derive their sense of self from their firms (Rosenblatt, de Mik, Anderson, & Johnson, 1985). The family business constitutes an important center of activity in the lives of family members, many of whom use the firm to define their place in their community and the world at large (McGivern, 1978). Conversely, if members of the next generation identify more strongly with an institution other than their family or family firm, they are likely to experience a lack of convergence of work and family roles (Lobel, 1991) and not have the desire to pursue a career in their family firm. Thus, to the extent the next-generations’ sense of self is aligned with their family firms, we can expect them to exhibit higher levels of affective commitment. It follows that,

P1a. Family business successors will exhibit higher levels of affective commitment to pursuing a career within the family business when their individual identity is strongly aligned with their family firm.

(b) Career interest alignment: The theory underlying the multiple commitments literature suggests that an individual may simultaneously feel attached to different entities (e.g., Morrow, 1983; Reichers, 1985). Thus, next-generation family members’ career interests and values may either be aligned with or discrepant from their family firms. When family business successors perceive a fit between their career interests and opportunities available in their family firm, these individuals exhibit a keen desire to pursue a career in these firms and devote their energies to making a positive contribution to it (e.g., Handler, 1989; Sharma, 1997). It follows that,

P1b. Family business successors will exhibit higher levels of affective commitment to pursuing a career within the family business when their career interests are aligned with opportunities afforded to them by their family business.

Normative commitment: This form of commitment is based on a mind-set of obligation or a feeling that an individual ‘ought to’ pursue a particular course of action. According to Meyer and Herscovitch (2001), this mind-set develops as a result of the internalization of norms through socialization. In family firms, socialization processes are guided by the prevailing family norms regarding the expected roles of family members, particularly with respect to gender and birth-order, within their firm (Todd, 1985). These processes, in turn, influence the extent of obligation that next-generation family members may feel toward their family firm. Two factors that might be antecedents to normative commitment are: (a) familial norms related to gender and birth-order, and (b) institutionalization of norms.

(a) Familial norms related to gender and birth-order: The significant influence of the prevailing family beliefs on an individual’s attitudes, values, and behaviors considered acceptable or unacceptable has received extensive research attention (e.g., Asakawa, 2001). When there is
widespread familial acceptance of the expected role of family members in a family business based on their gender and birth-order, such practices come to be accepted as ‘right’ or ‘acceptable’ way of doing things. These norms may require one or more members of the next generation to pursue a career in the family firm and assume its leadership. They strongly influence the socialization processes in family firms and the career choice made by next-generation family members. It follows that,

**P2a.** Family business successors will exhibit high levels of normative commitment to pursuing a career within the family business when doing so is consistent with the prevailing familial norms regarding their expected role in the business based on their gender and/or birth-order.

**(b) Institutionalization of norms:** Although some family members may unquestioningly accept the prevailing norms, others may find them frustrating and unfair, especially if they are relegated to positions they dislike. This could occur in the case of either a ‘chosen heir’ who may be uninterested in taking over the leadership of the firm, or younger offspring who seek leadership roles that are determined by the prevailing norms of primogeniture (cf. Barnes, 1988).

Although next-generation family members may feel a need to ‘disembed’ from the prevailing cultural norms, there are heavy costs in lost legitimation and risks of nonconformity (Stewart, 2003). If the business has been in the family for generations, and the practice of who takes over in each generational transition is well established, it becomes even more difficult to go against the established traditions. In these instances, the next-generation family members are likely to feel obliged and succumb to the pressures of the prevailing familial norms when making career decisions related to the family firm. It follows that,

**P2b.** Family business successors will exhibit high levels of normative commitment to pursuing a career within the family business when the expected role in the business based on gender and/or birth-order has been followed for generations in their family business.

**Calculative commitment** develops when individuals perceive that they will lose a valued investment or specific rewards if they do not pursue a particular course of action (cf. Meyer & Herscovitch, 2001). Next-generation family members are certainly not bereft of self-serving behaviors (Schulze, Lubatkin, Dino, & Buchholtz, 2001). For some, the decision to pursue a career in their family firm may be guided by their perceptions of the financial and/or social opportunity costs involved for not doing so.

**(a) Financial costs:** Research in the behavioral economics literature has revealed that, in comparison to an opportunity to acquire an object, people value dearly what they already possess (Kahneman, Knetsch, & Thaler, 1990). In family firms, family members often have property rights accorded to them based on their position within the family (Schulze et al., 2001). As the junior-generation family members are born into these rights to the family business, many of these members would perceive the business to be a valuable asset due to the duration of ownership and the family’s sunk costs it. It is quite possible that these individuals would perceive losing their status and/or the value of their investment if they did not pursue employment in the family business. Thus,

**P3a.** Family business successors will exhibit higher levels of calculative commitment to pursuing a career within the family business when they perceive the family business to be of significant financial value.
(b) **Social costs**: Of course, it is not only economic investments in the business that may be lost by not pursuing a career in the family business. Successful family firms can have significant accumulated wealth and potential for providing non-pecuniary benefits to family members, such as participation in and ability to influence social, political, and cultural events (Burkart, et al., 2003). Next-generation family members, therefore, may also fear the loss of investments that are social in nature. One of the key benefits of family firms is the possibility of the transfer of social capital and networks across generations (Steier, 2001). As this capital is important for the successful operation of existing firms or the creation of new ventures, pursuing a career in the family firm may be perceived as an important step to ensure continued support from the social networks of the previous generation and built-up social capital. Thus,

P3b. Family business successors will exhibit higher levels of calculative commitment to pursuing a career within the family business when they perceive significant social costs of not doing so.

**Imperative commitment** develops when a next-generation family member feels bound to the business by the perception of a lack of career alternatives. In family firms, the perception of not having career options available for them outside their family firm can be caused by their: (a) limited exposure to alternate career paths, and/or (b) perceived lack of marketable skills.

(a) **Limited exposure to alternate career paths.** Social learning theory (Bandura, 1977) suggests that parents’ employment has a strong influence on the occupational choices of their children (e.g., Barling, 1990). If next-generation family members have only been exposed to career paths within their family firms, they will find it easier to adopt such a career as it lies within their zone of comfort. In contrast, careers outside the business may appear rife with uncertainties involving extensive ‘liabilities of newness’ (Stinchcombe, 1965). To the extent that family members have limited exposure to alternate careers and believe that they have few alternatives outside of the family business, one would expect these individuals to feel a need to retain employment with the family business.

P4a. Family business successors with a limited exposure to alternate career paths outside their family business will exhibit higher levels of imperative commitment to pursuing a career within the family business.

(b) **Perceived lack of marketable skills.** Family businesses act as convenient summer or part-time employment locations for younger family members in their formative years. Although family business leaders report that involving family members in their business complicates their jobs (Ford & McLaughlin, 1986), they encourage this participation (Mass Mutual, 1995), as it allows them to ‘keep an eye on their youngsters’ while simultaneously satisfying their offspring’s desire to take up employment. Although initiated by convenience, these opportunities introduce junior-generation family members to the prevailing culture of their family firms (Dyer, 1986). Moreover, they gain firm-specific knowledge (Cannella, Jr. & Shen, 2001). Over time, their learning curves shorten and familiarity with the business increases. As their experience with the firm increases, these family members may come to believe that the family firm is the only feasible outlet for their particular skill sets. Thus, although the skills possessed by next-generation family members may be transferable outside the context of family firms, if they do not perceive this to be the case, they will perceive that alternative careers are not available to them and find themselves bound to the firm by imperative commitment.

P4b. Family business successors who perceive they lack externally marketable skills will exhibit higher levels of imperative commitment to pursuing a career within the family business.
Preliminary testing of the hypotheses

The model developed in the previous section was subjected to preliminary empirical tests using next-generation family members’ experiences in five family firms. Our aim in conducting these exploratory tests was to refine our hypotheses and test the questionnaire\(^2\) for its appropriateness for use in a large sample study that is to follow in the near future. We share our findings in this section, starting with a brief description of each of the five family firms studied. Highlights of each case are presented in Table 1.

Table 1: Summary of cases used in the preliminary testing

<table>
<thead>
<tr>
<th>CASE</th>
<th>Generation of participant</th>
<th>Gender</th>
<th>Relation to 1(^{\text{st}}) generation</th>
<th>Age (approx)</th>
<th>Position in family business</th>
<th>Size of business (# of employees)</th>
<th>Years to / from leadership transition</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>2(^{\text{nd}}) Female</td>
<td>Daughter</td>
<td>35-40</td>
<td>General Manager</td>
<td>Less than 50</td>
<td>- 10</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>3(^{\text{rd}}) Male</td>
<td>Grandson</td>
<td>40-45</td>
<td>Manager</td>
<td>Over 1000</td>
<td>+ 5-6</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>2(^{\text{nd}}) Male</td>
<td>Son-in law</td>
<td>35</td>
<td>Employee</td>
<td>Less than 50</td>
<td>+ 10</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>2(^{\text{nd}}) Female</td>
<td>Daughter-in law</td>
<td>40-45</td>
<td>Owner</td>
<td>Less than 10</td>
<td>- 8</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>2(^{\text{nd}}) Male</td>
<td>Son</td>
<td>35-40</td>
<td>Manager</td>
<td>Less than 50</td>
<td>- 5</td>
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Case A: A second-generation female family member is currently the general manager of this business with less than 50 employees. Her mother established the business. While the management was passed to the daughter 10 years ago, the first generation has controlling ownership.

Case B: A third-generation male family member is currently the manager of a business with over 1000 employees. It is expected that the leadership will be passed on to this family member in the next five to six years.

Case C: A second-generation son-in-law is an employee in this business of less than 50 employees. He relocated a few years ago to take a position in the family business, thereby taking on a completely different career than his past experiences. Leadership transition to this family member is expected within the next decade.

Case D: A second-generation couple (son and daughter-in-law) assumed ownership of her in-laws small business (w. less than 10 employees) eight years ago.

Case E: A second-generation male who has assumed the position of general manager from his father five years ago.

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\(^2\) The questionnaire items are derived mainly from three sources: (a) the organizational commitment scale (Allen & Meyer, 1990), (b) the F-PEC scale (Astrachan, Klein, & Smyrnios, 2002), (c) organizational identification studies (Mael & Ashforth, 1995). Where prevailing literature did not provide items to test our propositions, we developed questions specifically for this study.
### Table 2: Preliminary testing of hypotheses

<table>
<thead>
<tr>
<th></th>
<th>Case A</th>
<th>Case B</th>
<th>Case C</th>
<th>Case D</th>
<th>Case E</th>
<th>Extent of support</th>
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<tbody>
<tr>
<td>Affective commitment</td>
<td>3.8* (M**)</td>
<td>4.2 (H)</td>
<td>2.8 (M)</td>
<td>3.6 (M)</td>
<td>3.6 (M)</td>
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<tr>
<td>Identity alignment (H1a)</td>
<td>4.73 (H)</td>
<td>4.64 (H)</td>
<td>3.09 (M)</td>
<td>3.36 (M)</td>
<td>4.36 (H)</td>
<td>WS – 2 SS – 3</td>
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<td></td>
<td>WS ***</td>
<td>SS</td>
<td>SS</td>
<td>SS</td>
<td>WS</td>
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</tr>
<tr>
<td>Career Interest alignment (H1b)</td>
<td>3.5 (M)</td>
<td>3 (M)</td>
<td>2.75 (M)</td>
<td>3.75 (M)</td>
<td>2.75 (M)</td>
<td>WS – 1 SS – 4</td>
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<td></td>
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<td>WS</td>
<td>SS</td>
<td>SS</td>
<td>WS</td>
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<tr>
<td>Normative commitment</td>
<td>3.75 (M)</td>
<td>3.75 (M)</td>
<td>2.25 (L)</td>
<td>2.625 (M)</td>
<td>4.25 (H)</td>
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<tr>
<td>Familial norms (H2a)</td>
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<tr>
<td>Institutional of norms (H2b)</td>
<td>3.6 (M)</td>
<td>3.2 (M)</td>
<td>3.4 (M)</td>
<td>3.6 (M)</td>
<td>2.6 (M)</td>
<td>WS – 3 SS -2</td>
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<td></td>
<td>SS</td>
<td>SS</td>
<td>WS</td>
<td>SS</td>
<td>WS</td>
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<tr>
<td>Calculative commitment</td>
<td>3.5 (M)</td>
<td>3.25 (M)</td>
<td>2.75 (M)</td>
<td>2.5 (L)</td>
<td>4.25 (H)</td>
<td></td>
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<tr>
<td>Financial costs (H3a)</td>
<td>3 (M)</td>
<td>3 (M)</td>
<td>3.33 (M)</td>
<td>3.33 (M)</td>
<td>2.67 (M)</td>
<td>WS – 2 SS -3</td>
</tr>
<tr>
<td>Social costs (H3b)</td>
<td>4 (H)</td>
<td>3.5 (M)</td>
<td>3 (M)</td>
<td>3 (M)</td>
<td>3.75 (M)</td>
<td>WS – 3 SS- 2</td>
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<td>SS</td>
<td>SS</td>
<td>WS</td>
<td>WS</td>
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<tr>
<td>Imperative commitment</td>
<td>3 (M)</td>
<td>3 (M)</td>
<td>2 (L)</td>
<td>2 (L)</td>
<td>1 (L)</td>
<td></td>
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<tr>
<td>Alternate career paths (H4a)</td>
<td>1.67 (L)</td>
<td>3 (M)</td>
<td>1 (L)</td>
<td>2 (L)</td>
<td>2 (L)</td>
<td>WS – 1 SS – 4</td>
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<td></td>
<td>WS</td>
<td>SS</td>
<td>SS</td>
<td>SS</td>
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<tr>
<td>Marketable skills (H4b)</td>
<td>3.5 (M)</td>
<td>3 (M)</td>
<td>1.5 (L)</td>
<td>3 (M)</td>
<td>1 (L)</td>
<td>WS – 1 SS -4</td>
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<td></td>
<td>SS</td>
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<td>WS</td>
<td>SS</td>
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</tbody>
</table>

Total data points: 35
Weak Support (WS): 12 (34%)
Strong Support (SS): 23 (66%)

* Values for all items for each variable were totaled and worked out of 5

** Low (L) <=2.5; Medium (M) 2.6 – 3.9; High (H) >=4.00

*** No Support (NS) for a hypothesis: L-H
Weak Support (WS) for a hypothesis: L-M; M-H
Strong Support (SS) for a hypothesis: L-L; M-M; H-H

- The questions asked did not enable us to determine the extent of support for this variable.

Most variables (except ‘familial norms’) were measured using multiple indicators. Appendix A presents the list of items used for this study. A five point likert scale was used to ascertain the extent of prevalence of each indicator. Data was collected through personal or phone interview and the respondents were asked to fill the questionnaire. The value of each variable was calculated by using average of item scales for each case. For example, five indicators were used to measure the extent of affective commitment giving a total possible of 25 points (5 per indicator). For Case A, the total points for these indicators were 19. This variable received the value of 3.8 (19 / 5). Similar conversions were done for all variables to enable ease of comparison (listed in Table 2).

In order to ascertain the extent of support for each hypothesis, the value of the variable was categorized as low (if value was less than 2.5 on a 5 point scale), medium (values 2.6 –3.9), or high (values of 4+). The support for hypothesis was considered strong if the respondent reported at the same level on both dependent and independent variables (low-low, medium-medium, or high-high). It was reported as weak support if the respondent reported low-medium or
medium-high on the two variables. No support meant respondents reported low on one variable but high on the other variable under consideration.

We could not test the hypotheses related to the familial norms influencing the normative commitment as we neglected to include questions to determine the position of the respondent in terms of birth-order. These questions need further revision before engaging into the large sample study.

Case B was found high on affective commitment (4.2), while case E simultaneously displayed high amounts of normative and calculative forms of commitment (4.25 for each). Case A was on the higher end of medium both for affective (3.8) and normative (3.75) commitments. We did not find any case that displayed high amounts of imperative commitment, as the highest value reported was a three on a five-point scale. Although it is possible that the few respondents in this study were not driven by imperative commitment, we experienced some strong reactions from the respondents for some of the wordings in these items. This suggests a need to modify and rethink the items used for imperative commitment and its antecedent variables. Four of the five cases evidenced medium to high commitment of two forms suggesting simultaneous prevalence of multiple forms of commitment.

Overall, out of the 35 possible testing points, strong support was found for 23 points (66%), while a weak support was found for the remaining 12 points (34%), suggesting that the model is supported in this preliminary tests.

**Conclusion: Contributions and Implications**

In this article, we set out to understand the different mind-sets that prompted next generation family members to pursue a career in their family firms and the antecedent factors influencing these mind-sets. Research conducted to understand the perspectives of these family members with regard to their succession experiences suggests that successors join their family firms for a multitude of reasons (Handler, 1989; Sharma, 1997). Organizational commitment research helped us to identify four different mind-sets that drive the commitment of successors’. These are: affective (based on desire), normative (based on obligation), calculative (based on opportunity costs), and imperative (based on need). We proposed a model outlining the antecedents of the different bases of successor commitment (Figure 1) and tested the model using experiences of five family firms (Tables 1 and 2). Overall, a good support for the model was found to provide us confidence of proceeding to the next step in this research project – a large sample survey to test the extent of generalizability of our hypothesized relationships.

**Contributions:** This article contributes both to the organizational commitment and family business literatures. The organizational commitment literature has struggled to find ways to meaningfully distinguish between affective and normative commitment, and to understand the dimensionality of continuance commitment. The close alignment between kinship- and market-based contracts in family firms allows for the development of greater understanding of the differentiation between affective and normative commitment, and also highlights the two dimensions of continuance commitment, labeled here as calculative and imperative. Whereas the organizational commitment literature has largely been directed towards non-kinship based organizations wherein organizational membership is nearly always voluntary (cf. Morrow, 1994), family firms are a context in which the norms of kinship may dominate the market principles of relational exchanges (cf. Stewart, 2003). Thus, this context aids in developing clarity with respect
to the dimensional issues that have continued to confound organizational commitment researchers.

Our contributions to the family business literature are even more significant. This literature has treated ‘commitment’ as a uni-dimensional construct with no effort devoted to understanding the antecedents of different bases of commitment. This article takes the first step toward untangling the shades of successor commitment by proposing that different mind-sets can guide next-generation family members’ decisions to pursue a career in their family firms with each mind-set being guided by different antecedent factors.

**Research Implications:** The propositions in this article suggest five areas for future research. First, there is clearly a need to conduct empirical studies to understand the prevalence of each basis of successor commitment, thereby testing the proposed model. With minor modifications, the questionnaire developed for this study can be used for conducting a large sample study.

Second, in this article we discuss and test only pure cases of commitment by proposing bivariate relations between four forms of commitment and the influencing variables. As evidenced through our preliminary analysis, different bases of commitment exist simultaneously in next generation family members. For example, the mind-sets of desire and obligation were found to coexist in four of the five cases, while one case displayed simultaneous existence of the mind-sets of obligation and opportunity costs. This suggests a need to extend the proposed model to understand the interactive effects of the different bases of commitment.

Third, commitment can change over time and there is a need to develop mechanisms to understand the effects of temporal changes in the levels of the different bases of commitment experienced by an individual.

Fourth, although we have focused here on understanding the mind-sets underlying successors’ commitment to their family firms, variations of this model from the perspective of other family members joining existing and new ventures should be undertaken. Such efforts will reveal the extent to which the ideas presented in this article are generalizable and help to make the model more robust.

Finally, we need to understand the performance implications in successors joining their family firms based on different mind-sets. Research in organizational commitment literature suggests that affectively committed individuals are more likely to display higher levels of discretionary behaviors, thereby leading to superior performance. On the other hand, those who join the organizations based on continuance commitment (i.e., calculative and imperative in our terms) are likely to perform poorly (e.g., Meyer, Stanley, Herscovitch, and Topolnytsky, 2002). Extension of this model to include the implications of bases of commitment is a fruitful avenue for future research.

**Practical implications:** There are both short- and long-term practical implications of the ideas we have presented in this article. They provide an immediate challenge to the widely held belief that successor commitment is always good for family businesses. Instead, it is suggested that whether successors’ commitment to family business is good or not really depends on what mind-set underlies the commitment and why this family member decided to pursue a career in family firm.
In the longer term, once the model presented in this article is empirically tested and further developed, we can move toward developing a commitment profile or index for all family members. This will aid in making career decisions for next-generation family members, succession decisions for senior-generation family members, and decisions concerning the extent to which entrepreneurs decide to involve other family members in their ventures.

REFERENCES


Appendix A: Questionnaire items used

Definitions shared with participants: A family business is the one that is governed by and/or managed on a sustainable potentially cross generational basis, to shape and/or pursue the formal or implicit vision of the business held by members of the same family or small number of families (Chua, Chrisman, & Sharma, 1999)

*Family* is defined as a group of persons including those who are either offspring of a couple (no matter what generation) and their in-laws as well as their legally adopted children.

*Ownership* means ownership of stock or company capital. When the percentage of voting rights differs from percentage of ownership, please indicate voting rights.

*General Management* refers to the individual(s) that manage or run an entity(ies)

1st generation is defined as the founding generation.

Part 1: Questions aimed to understand the timing related to transfer of leadership in the business (derived largely from F-PEC scale (Astrachan, Klein, Smyrnios, 2002).

1. Please indicate the proportion of share ownership held by family members.  
   
<table>
<thead>
<tr>
<th>1st generation</th>
<th>2nd generation</th>
<th>3rd generation</th>
<th>4th generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>______%</td>
<td>______%</td>
<td>______%</td>
<td>______%</td>
</tr>
</tbody>
</table>

2. Which generation generally manages the family business now  
   
<table>
<thead>
<tr>
<th>1st generation</th>
<th>2nd generation</th>
<th>3rd generation</th>
<th>4th generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>______%</td>
<td>______%</td>
<td>______%</td>
<td>______%</td>
</tr>
</tbody>
</table>

3. 5 years from now what generation is expected to assume general management of the family business  
   
<table>
<thead>
<tr>
<th>1st generation</th>
<th>2nd generation</th>
<th>3rd generation</th>
<th>4th generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>______%</td>
<td>______%</td>
<td>______%</td>
<td>______%</td>
</tr>
</tbody>
</table>

4. Has management control of your family business been transferred to a successor in the past 5 years?  
   
   YES _____ NO _____  
   
   If yes, please indicate the year(s) in which such control was transferred.  
   
   If no, please indicate whether the current leader is likely to transfer the leadership of the firm to a successor in the next 5 years.  
   
   YES _____ NO _____

5. If you answered YES above please complete the remainder of the questionnaire. If you answered NO to both the above questions PLEASE STOP HERE and RETURN THIS QUESTIONNAIRE IN THE ENCLOSED ENVELOPE.
Part 2: Questions aimed to understand the type of commitment\(^3\) of next generation family members towards their business. A five-point scale followed each question. (1=strongly disagree and 5=strongly agree).

**Affective Commitment (mind-set of desire)**
- * I feel as if my family business' problems are my own.
- * I do not feel a sense of belonging to my family business.
- * I would be very happy to spend the rest of my career with my family business.
- * I do not feel "emotionally" attached to my family business.
- * My family business has great personal meaning for me.

**Normative commitment (mind-set of obligation)**
- * It would be very hard for me to leave my family business right now, even if I wanted to.
- * I do not feel any obligation to pursue a career with my family business.
- My family business deserves my loyalty.
- * It would be very hard for me not to pursue a career with my family business right now, even if I wanted to.
- * Even if it were to my advantage, I do not feel it would be right to leave my family business right now.
- * I would feel guilty if I did not pursue a career with my family business right now.
- I would pursue a career with my family business, because I have a sense of obligation to my family.
- I owe a great deal to my family business.

**Calculative commitment (mind-set of cost avoidance)**
- * Right now, pursuing a career in my family business is a matter of necessity as much as desire.
- * Too much of my life would be disrupted if I decided I did not want to pursue a career with my family business right now.
- * It would be costly for me to leave my family business now.
- * If I had not already put so much of myself into my family business, I might consider working elsewhere.

**Imperative commitment (mind-set of dependence)**
- * I feel that I have too few options to consider a career outside my family business.
- * One of the few negative consequences of leaving my family business would be the scarcity of available resources.

**Part 3:** Used to determine the antecedent factors in the model. A five-point scale followed each question. (1=strongly disagree and 5=strongly agree)

**Identity alignment** (Individual identity is strongly aligned with their family firm)
- ** I support the family business in discussions with friends, employees and other family members.
- ** I find that my values are compatible with those of the family business.

\(^3\) Items modified from Allen & Meyer scale (1991) are marked with one asterisk (*); those from the F-PEC scale (Astrachan, Klein, Smyrnios, 2002) are marked with two asterisks (**); while those from organizational identification studies (Mael & Ashforth, 1995) are marked with three asterisks (***) at the start of the bullet.
• ** I am proud to tell others that I am a part of the family business.
• ** I really care about the fate of the family business.
• ** Deciding to be involved with the family business has a positive influence on my life.
• The family business is an important center of activity in the lives of my family members
• Most of my friends and associates identify me with my family’s business.
• Our family has been associated with this business for a long time.
• *** When someone criticizes the family business I take it as a personal insult.
• *** When I talk about the family business I usually say “we” not “they”.
• *** When someone praises the family business I take it as a personal compliment.

Career interest alignment (career interests are aligned with opportunities afforded to them by their family business)
• Working in the family business allows me to contribute to its success through my personal expertise.
• I have always wanted to have a career in this business.
• The family business offers me the chance to do what I’ve always wanted to do.
• Ever since I was a child I aspired to just such a career that I can have in my family’s business.

Familial norms wrt gender and birth-order culture
• In our family ________ is expected to pursue a career in the family business
  Please fill the blank in this sentence with the most accurate selection from below:
  a. the eldest son
  b. all the sons
  c. some of the children
  d. all the children
  e. no child

Institutionalization of familial norms
• By continuing our family business important cultural norms will be continued.
• Sustaining the family business is seen as being very important in our family.
• In my family, it is important to support one another.
• The family business will ensure the family stays together/close.
• Turning your back on the family business is like betraying the family itself.

Financial costs associated with not pursuing a career in the family business
• Pursuing a career in the family business would provide financial security.
• The family has invested too much money and work in our business, to hand it over to an outsider.
• Selling the business to an outsider would not get us what this business is really worth.

Social costs associated with not pursuing a career within the family business
• My place in the community is defined by my family’s business.
• Keeping the business in the family will ensure that the many community/business relationships that have developed over the years will not be lost.
• The family business has built a great reputation.
• We have a certain status in the community, which must be upheld through the family business.
Exposure to alternate career paths
- If I did not pursue a career in the family business, I do not know what else I would do.
- Career opportunities are not out there for me, like there are here in my family’s business.
- I’m not sure I’d find as good a career outside the family business.

Perceived lack of marketable skills
- If I had some other skills, maybe I could be successful outside the family business.
- I feel that I have skills that are marketable elsewhere.