

**Gordon Institute
of Business Science**
University of Pretoria

**The effect of contextual business attributes on the transfer of
tacit knowledge in family firms**

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A research proposal submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Business Administration.

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Abstract

The research paper investigated contemporary issues in the knowledge transfer landscape within family businesses. The paper set out to determine the influence of contextual business factors on the transfer of tacit knowledge dimensions; namely idiosyncratic, subject-related and network-related tacit knowledge.

A case study methodology was adopted due to the early stage nature of the study from a literary perspective. Three South African family businesses were investigated across multiple generations. It is argued that the stability of business operations influence the focus of family business management, resulting in learning environments that are naturally inclined toward specific tacit knowledge transfer environments. A model is proposed that highlights the propensity toward tacit knowledge dimensions based on the stability of the business environment.

The findings show that within a stable business environment, management focus primarily lay on core business operations hence a subject-related and network-related tacit knowledge transfer environment is created. Alternately, in a turbulent business environment, management focus is centred on strategic management issues, resulting in an idiosyncratic tacit knowledge transfer environment, hence learning emphasis.

Key Words

family business, knowledge transfer, tacit knowledge, business context

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Sashin Moodley

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Please note that the Turnitin report is contained as the final insert of this document.

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Chapter 1: Introduction to the Research Problem

Family businesses are often the backbone of most economies, playing the role of key employer of the workforce and providing stability through long standing business institutions (Cabrera-Suarez & Martin-Santana, 2012; Cabrera-Suarez, Saa-Perez & Garcia-Almeida, 2001). Family businesses are complex in nature, dealing with common business issues of succession, remuneration and ownership with the added complexity of family relationships and emotional bonds (De Massis, Chirico, Kotlar & Naldi, 2014; Gomez-Mejia, Cruz, Berrone & De Castro, 2011; Le Brenton-Miller & Miller, 2013). Key business decisions are interwoven with deep-rooted emotional bonds and expectations that cloud logic, however the same emotional link to the family business or leadership can provide the foundation for a competitive advantage as a family firm.

Family businesses escalate the development of socioeconomic wealth to a key goal that defines success for the organisation (Gomez-Mejia et al. 2011; Le Brenton-Miller & Miller, 2013). This drive to socioeconomic wealth often manifests itself through management decisions to forsake short term benefit in order to build long term sustainability within the organisation. A defining characteristic of family businesses are majority family shareholding, which limits external shareholder pressure to drive toward short term financial return (Le Brenton-Miller & Miller, 2013).

Additionally, the focus on socioeconomic wealth often results in long tenures of founders and succeeding generations. This long term exposure allows family member leaders to gain a deep understanding of both the explicit, operational knowledge required to run the business, as well as tacit knowledge of the industry and how to effectively operate within it (Cabrera-Suarez & Martin-Santana, 2012; Harvey, 2012). The competitive advantage that superior knowledge and knowledge transfer creates within family businesses are imperative in a South African efficiency driven economy where business moves away from competing on access to resources and toward competing on skills and information (Boyd & Royer, 2012; World Economic Forum, 2015). Resultantly, the current study focused on understanding the family business knowledge transfer landscape and the factors that influence it, in an effort to improve core family business competitive advantage.

The current body of knowledge regarding knowledge transfer in family businesses have greatly been centred on the internal business factor of the relationship between successor and predecessor or between generations that pass on business knowledge (Chirico & Laurier, 2008; Trevinyo-Rodriguez & Bontis, 2010; Sharma, 2004). This can be expected due to the marked influence of succession planning on the continued success of family businesses, however literature does fall short with respect to identifying the influence of contextual business factors on the effectiveness of knowledge transfer.

The influence of contextual business factors on knowledge transfer can be reasoned to be more prevalent in a South African context than other nations due to significant shifts to the social, political and economic landscape within the last century. The election of the National Party in 1948 and the institution of the Group Areas Act in 1950 that resulted in land dispossession and separation provides rich context that has the ability to influence business and knowledge transfer. The trade embargoes instituted by South Africa's largest trading partners of the USA, Britain and Japan instituted in 1986 further result in shifts to the economic makeup of South Africa. Finally, the rise of the African National Congress in 1994 and the subsequent institution of empowerment regulation allow for additional influence on the business landscape within long running South African family firms. Further, as family firms typically demonstrate long tenure (Al-Dajani, Bika, Collins & Swail, 2014), it can be argued that family businesses currently in operation have been exposed to many drastic shifts to their business context.

Due to the importance of knowledge and knowledge transfer within family businesses, the evident influence of contextual business factors on knowledge transfer and the rich history that South Africa has experienced has raised the following general questions on the knowledge transfer landscape:

1. Do contextual business factors influence knowledge transfer in family businesses; and if so, what type of contextual shifts effect knowledge transfer?
2. Which contextual business factors influence the transfer of tacit knowledge, with tacit knowledge identified as the primary knowledge competitive advantage?
3. Are the business context environments that lead to specific knowledge being transferred?

The primary objective of the study was then granulated in order to further understand the family business knowledge transfer environment. Granularity was gained through the more detailed analysis of the effect of business contextual factors on the transfer of knowledge within family businesses. The objective aimed to uncover the variables at play within the sphere of the knowledge transfer landscape. Following which, research was conducted to identify whether the contextual business factors that were identified either impeded or enhanced effective knowledge transfer.

The approach of the research study was initially to review available literature in order to identify relevant themes in the area of family business studies. The literature review investigates the distinctiveness of family business, the importance of knowledge and tacit knowledge transfer as a means to create value, the impact of succession on knowledge transfer and the gap in the existing body of knowledge with respect to the influence of knowledge transfer. A primary research question was then posed, born from the general questions on the knowledge transfer environment aforementioned. The research question was posed in order to determine the influence of contextual business factors on knowledge transfer, as well as three subordinated research questions that aimed to determine impeding and enhancing factors.

Research questions were posed due to the lack of comprehensive literature specific to the influence of business context on the transfer of tacit knowledge, which was then investigated through three case studies of South African family businesses. Additionally, the research questions were posed in order to create a more efficient and effective knowledge transfer environment within family businesses. Family businesses maintain competitive advantage through superior knowledge transfer in comparison to nonfamily businesses (Chirico & Laurier, 2008; Trevinyo-Rodriguez & Bontis, 2010; Sharma, 2004) in an ever growing knowledge based economy (Khalifa, 2015), hence every knowledge transfer advantage must be taken.

The case studies were selected in a manner to provide a diverse view through exposure to different industries and ethnicity. Additionally, cases were selected based on the tenure of the business, in an attempt to increase the likelihood of exposure to drastic business context shifts. Resultantly, third (or later) generation business were selected as data sources for the research study. Primary data was collected through eight semi-structured interviews with a

focus on gaining information from multiple generations within each case. The interviews delved into the history of the business with a keen focus on contextual business occurrences. A knowledge transfer lens was then overlaid onto the shifts in the business landscape to uncover likely knowledge transfer impeding and enhancing factors. The interview transcripts, together with secondary data to support historical shifts to the social and economic landscape were coded and analysed in order to identify themes and reoccurrences. The findings have been interrogated against the available literature base and presented within the research report. Further, the research report details a discussion of the implications of the findings on family business as well as outlines areas for future research.

Further, as the respondents experienced greatly similar shifts to the social and economic landscape due to operation within the same geographical location, the study has been limited to drastic shifts to the South African business environment. With that said, the cases exhibited micro shifts to the industry, shifts due to ethnicity or specific business context that were unique to the individual case, which is discussed in depth within the report.

It is hoped that the study has shed light on a field of study that has yet to be explored in great detail thus far. Sharma (2004) highlights the current literary gap, noting that the existing body of knowledge has effectively identified internal factors and causality, however further understanding of the impact of contextual factors are still required in order to better understand the landscape of intergenerational knowledge transfer. Within the study, variables that influence knowledge transfer were identified, with the study being extended to identify causality and develop models that govern the field of study.

Additionally, it is hoped that with an improved understanding of the contextual factors that influence tacit knowledge transfer, family businesses could predict instances of impeded knowledge transfer due to the business context and intentionally change their approach to business operations and intentional family leader development. Conversely, family businesses and business managers would be able to take advantage of positive knowledge transfer scenarios to further focus knowledge transfer and upskilling activities. Theories that govern the knowledge transfer process could be extended to included factors of tacit knowledge, as well as allow for descriptive and explanatory studies of the effect of business externalities on knowledge transfer.

Owing to the importance of knowledge and specifically tacit knowledge within family business, improved knowledge transfer would further cement the competitive advantages that allow family businesses to compete (Boyd et al., 2008; Cabrera-Suarez et al., 2001). Family business managers should intentionally build the competitive advantage of the business through focused intergenerational knowledge transfer, modified to suit the internal business factors (such as the strength of the family relationships within the business), as well as contextual business factors as identified in the research study.

Finally, family businesses greatly define success through the protection of socioeconomic value and the generation of sustainable financial return. Tacit knowledge plays a key role in both of the dimensions of family business success. It is fair to assume that improved tacit knowledge transfer would result in further development of the knowledge resource that is vital to competing in the modern economy and ultimately a superior ability to increase socioeconomic value and generate sustainable financial performance.

Chapter 2: Literature Review

2.1 Introduction

The primary objective of the research paper was to identify the manner in which contextual business factors influence the transfer of tacit knowledge in family businesses. In order to do so, the current body of literature was surveyed regarding contemporary issues in family business and knowledge transfer. Knowledge is generally assumed to be a fundamental component of the manner in which businesses operate and create value. Could knowledge within a family business be as critical as assumed, or even be used as a tool to create competitive advantage? How is knowledge transfer influenced, be it internally or externally to the family business?

In light of the limited literature uncovered on the influence of business context on the transfer of tacit knowledge, as evidenced within Chapter 1, the researcher assessed the current body of literary knowledge on the distinctiveness of family businesses, contemporary issues that family businesses face such as succession and succession planning, as well as knowledge as a means to create competitive advantage. Furthermore, knowledge transfer and the dimensions of tacit knowledge were examined in order to build a foundation to investigate the research questions.

2.2 The distinctiveness of family business

Family businesses are a vital component of the structural makeup of most economies, with conservative estimates stating that family owned or managed firms as the most prevalent form of businesses across the world (Cabrera-Suarez & Martin-Santana, 2012; Cabrera-Suarez, Saa-Perez & Garcia-Almeida, 2001). Developed countries typically exhibit family business participation of over 50 percent, with economic superpowers such as the United States of America estimated at between 80 and 90 percent (Al-Dajani, Bika, Collins & Swail, 2014). Regardless of the geographical location of interest, it can be reasoned that family businesses are imperative to the success and growth of an economy. Family businesses typically exist at a small scale in comparison to nonfamily owned and managed businesses, however operate within a complex internal and external business context that results in a focused field of study (Sharma, 2004).

Family businesses are distinct, differentiating themselves from nonfamily businesses through multiple factors within management decision making (De Massis, Chirico, Kotlar & Naldi, 2014; Gomez-Mejia, Cruz, Berrone & De Castro, 2011; Le Brenton-Miller & Miller, 2013). Primarily, family businesses differ from nonfamily businesses through the protection of socioeconomic value over financial gain: granulated by Gomez-Mejia et al. (2011) to speak to factors such as emotional attachment, sibling involvement and protection of business legacy amongst others. Gomez-Mejia et al. (2011) further details the leadership preference to utilitarian decision making, shielding family interests over the financial performance of the business at times (Berrone, Cruz & Gomez-Mejia, 2012).

The topic of family succession and generational motivation adds to the distinctiveness of family businesses (Cabrera-Suarez et al., 2001; Cabrera-Suarez & Martin-Santana, 2012; De Massis, Chua & Chrisman, 2008; Boyd, 2008; Handler, 1994; Le Brenton-Miller & Miller, 2013). Le Brenton-Miller and Miller (2013) highlight the complexity of succession within the family firm, identifying the different stages of leadership focus. Founder entrepreneurial management styles often lead to management decisions being driven by the ability to pass on a healthy firm to later generations. Where post founder and 'cousin consortia' family firm phases result in a migration from deep rooted firm legacy to a vehicle to generate financial return.

Additionally, the way in which knowledge is transferred between family members within a family business is noticeably different to nonfamily businesses (Chirico & Laurier, 2008; Cabrera-Suarez & Martin-Santana, 2012), where long periods of involvement of predecessors and successors can be expected, often resulting in superior transfer of business knowledge in comparison to nonfamily businesses. The expected contact between family business leadership within and outside of a business can lead to more effective transfer of explicit, and especially tacit knowledge within the industry in question (Boyd & Royer, 2012).

2.3 Knowledge as a driver of competitive advantage

The Global Competitiveness Report (World Economic Forum, 2015) ranks South Africa as an efficiency-driven economy, graduating from a factor-driven economy. Factor driven economies indicate fundamental components of competition as access to resources and the development of infrastructure in order to attain it. Within an efficiency-driven economy

however, the core characteristics that determine the performance of an economy moves away from natural resources and toward a knowledge based environment where companies compete on the tacit and explicit knowledge that has been developed through the business' tenure (Boyd & Royer, 2012, Sharma, 2004).

'Efficiency Enhancers', described as characteristics of an economy that enhance the ability to compete, speak greatly to (amongst others) goods and labour market efficiency (World Economic Forum, 2015), which can be argued to have a strong component of knowledge, hence knowledge transfer and acquisition. South Africa ranks lower than the local market, being Sub-Saharan Africa, in labour market efficiency – whilst lagging the developed world substantially (World Economic Forum, 2015).

Moving forward, the natural progression from an efficiency-driven economy to an innovation-driven economy; factors of business sophistication and innovation are vital to compete. These factors require mature industries and business, which may generate competitive advantage through the acquisition of knowledge. In order to improve lagging factors such as labour market efficiency and build innovation-driven economy efficiency factors, knowledge transfer and specifically the development of tacit knowledge (Boyd & Royer, 2012) will be a fundamental building block moving into the future.

Taking a resource-based view of a firm (Henderson & Cockburn, 1994), the currency of competition within a knowledge based economy will be competencies and capabilities developed through knowledge transfer and acquisition. Khalifa (2015) argues that the foundation of long term growth, job creation and economic development is the ability to increase knowledge and the ability to adapt and innovate. Additionally, Khalifa (2015) highlights the importance of knowledge gathering in moving up the value chain from resource harvesting activities to beneficiation of raw material. It can be understood that the economic diversity of beneficiation in addition to harvesting of raw materials creates a more stable economy that exhibits added resilience to externalities such as commodity price crashes. Beneficiation industries are considered to have high added-value, productivity and income that results in economic growth and greater demand for qualified-jobs, hence a benefit to the economic makeup of a country.

The ability to move an economy toward an innovation-driven economy and migrate the economy or an industry up the value chain will be underpinned by the resource of knowledge, wherein lies the competitive advantage of family businesses (Khalifa, 2015).

2.4 How family businesses create competitive advantage

Family firms are typically defined as organisations where family members are vital in determining the vision and mission of the firm as well as exhibit a degree of control over managing decisions; the result of which is the creation of resources and capabilities of value in the chosen industry (Sharma, 2004). Chirico and Laurier (2008) argue that this unique knowledge is an asset fundamental to a firm, which must amongst other things, be transferred in order to create a higher value of performance over time.

Gomez-Mejia et al. (2011) and Le Brenton-Miller & Miller (2013) speak to the focus of socioeconomic wealth as a primary driver of family businesses, most particularly noted within the first phase of the family business: founder managed. This focus on long term wealth creation as opposed to short term financial benefit can produce a competitive advantage, particularly when there is little pressure from external shareholders to do so. The ability to focus on developing a healthy organisation for future family generations typically lead to a dynastic view of the business, where long term stability is a primary focus (Le Brenton-Miller & Miller, 2013). Further to the long term focus of founder leadership, family successors are typically exposed to the business for extended periods of time, where deep understanding of the inner operation of the business is gained, as well as the philosophy of the founder and preceding leadership generations (Cabrera-Suarez & Martin-Santana, 2012).

De Massis et al. (2014) highlights the high level of entrepreneurial focus of family firms, particularly within the founding phase. Management goals are focused on the development of business ideas into functional, healthy business where high levels of altruism exist within the founder manager. The goals, explicit or socially understood, are vital in the operation of the business and can be expected to shift between generations of family leadership (Kotlar & De Massis, 2013; Le Brenton-Miller & Miller, 2013) however can be understood to remain strongly entrepreneurial. Schjoet, Monsen, Pearson, Barnett & Chrisman (2012) argue that the effectiveness of entrepreneurial teams is greatly based on the relationship between team

members, whereby altruistic relationships between family members within the team can lead to effective entrepreneurial behaviour.

Family businesses create value across areas of effective knowledge transfer, a long term focus on business success at the expense of short term performance and an inherent entrepreneurial business trait (Berrone, Cruz & Gomez-Mejia, 2012), however do find risks (and the potential for further competitive advantage) in areas of succession and intergenerational knowledge transfer (Le Brenton-Miller & Miller, 2013).

2.5 The impact of succession on the health of the family business

Succession planning and execution is a fundamental topic of family business studies due to the inherent impact of generational leadership on business operation (Cabrera-Suarez et al., 2001; Cabrera-Suarez & Martin-Santana, 2012; De Massis et al., 2008; Boyd, 2008; Handler, 1994; Le Brenton-Miller & Miller, 2013).

Le Brenton-Miller & Miller (2013) and De Massis et al. (2014) highlight the natural phases of family businesses and the likely impact of intergenerational change in leadership on management decisions. Natural tendencies exist where the legacy of the family business and the focus on socioeconomic wealth dilutes from founder to second or third generation leadership, where financial return is often favoured. Due to the impact of the family firm evolution, it can be argued that successor selection is vital to the protection of the business values and the maintenance of socioeconomic wealth.

Additional succession complexity exist due to the attitude of the successor toward the business and the existing family leadership (De Massis et al., 2008). Whereby the management performance of the future leader can be expected to be negatively affected by poor family relationships. The converse can be applied as well, where codependency between predecessor and successor can result in more effective knowledge transfer and stakeholder relationship handover (Handler, 1994; De Massis et al., 2008).

The decision to employ family or nonfamily management further add to the complexity of succession and knowledge transfer: outside of the internal and external business criteria, there are factors that will prevail within a family business structure. Primarily, the 'succession conspiracy', where the cloud of nepotism will hang over a family manager regardless of skills

or experiences (Handler, 1994). Further, a family member will be expected to juggle family issues and business issues concurrently within their role of leadership within a family firm (Mitchell, Morse & Sharma, 2003). It can then be understood that the decision to employ family member succession will influence the management landscape, hence the ability for the incoming generation to assimilate knowledge.

Boyd & Royer (2012) and Boyed et al. (2008) make reference to businesses that require a high level of tacit knowledge to operate typically perform more effectively with a family member successor due to the preferential tacit knowledge transfer environment stated previously. Alternatively, business environment that require a high degree of general and technical knowledge may perform more effectively with nonfamily succession due to exposure to business environments and thinking outside of the family firm (Cabrera-Suarez, 2012; Boyd & Royer, 2012; Boyd et al., 2008).

Further, industries that do not require a high level of general and technical knowledge, as well as tacit knowledge will gain no additional benefit from the hiring of a family or nonfamily member (Boyd et al., 2008). The opposite will be expected for industries of businesses that require high tacit and explicit competencies (Boyd et al., 2008). It can therefore be understood that within industries with a smaller geographical footprint, where relationships with stakeholder such as clients and suppliers are a necessity of doing business, it can be expected that a high degree of tacit knowledge would be preferential for leadership.

Alternatively, industries that are greatly geographically dispersed would likely not have the same level of personal interaction between managers and stakeholders and may not require the same level of tacit knowledge. Further, multi-market skills would be beneficial within geographically dispersed setting, lending more toward a favourable nonfamily leadership structure with a focus on experience external to the family environment. With a growing marketplace across many sectors, this begs the question of the effectiveness of family succession within the globalised business world.

Boyd (2012) also makes mention of shifts to the business structure through the tenure of a family firm where businesses last many generations. It is logical to assume that with distinctive market structures, preferred management, be it family or nonfamily, may change over time.

Due to the complexity of family business succession (Le Brenton-Miller & Miller, 2013), it can be argued that the selection and effective knowledge transfer of incoming leadership is of greater importance within a family business than a nonfamily business. Family businesses compete in a knowledge intensive fashion (Boyd & Royer, 2012), where advantage is gained through intergeneration flow of information.

2.5.1 The process of succession transition still remains key to sustainable value

A common theme within family firm succession or the transitioning in of family management is the notion of the succession process as opposed to the succession event (Cabrera-Suarez et al., 2001; Cabrera-Suarez & Martin-Santana, 2012; Handler 1994). As previously outlined, family businesses create value in knowledge based economies through effective knowledge transfer, with specific emphasis of tacit knowledge that is attained through close contact with knowledge holders over a long period of time (Cabrera-Suarez & Martin-Santana, 2012). It can be argued that particularly management expertise and stakeholder relationships can be more effectively passed to management levels with a management transition process as opposed to an event, resulting in both a more fluid transition and stronger internal and external relationships: an obvious business advantage.

This expectation that a founder gradually phase out of leadership and a successor progressively take on additional responsibility is expected to be more prevalent within a family business structure (Handler, 1994). This results in the hypothesis that in a knowledge based economy (Khalifa, 2015), family member management would allow for more effective leadership due to the expectation of a prolonged management transition.

2.6 Intergenerational knowledge transfer as a means to create value

Within an aging population (that is becoming more prevalent within developed nations), it is likely that retiring employees with extended industry or business knowledge will take with them information critical to the continued operation of the business (Harvey, 2012). Within developing economies, such as South Africa, it can be argued that experienced parties are more readily exploring business opportunities outside of typical corporate structures. Resultantly, developing economies are similarly at risk of losing key knowledge based assets (Khalifa, Henderson & Cockburn, 1994) with the departure of experienced employees. Within a knowledge based economy, where detailed tacit and explicit business information is the currency of competition, it can be argued that value can be created through

effective and efficient intergenerational knowledge transfer. Cabrera-Suarez and Martin-Santana (2012) and Harvey (2012) argue that firms that intentionally and systematically transfer knowledge across generations create sustainable knowledge assets and are better suited to compete within a knowledge based economy.

Intergenerational knowledge transfer within family firms is not limited to family members. As families businesses grow and diversify, the management competency of experience and understanding of additional business and industries must grow with it to compete. However, family businesses endeavour to maintain family control, hence the benefit of assistance and knowledge transfer from nonfamily advisors (Su & Dou, 2013). External business advisors bring the benefit of knowledge external to the family business, an independent view that is more likely not influenced by family politics (Mitchell et al., 2003) and do not threaten the family leadership structure within the organisation. The learning environments created by nonfamily business advisors allow incoming family management to further their understanding of the business environment.

2.7 Tacit knowledge is key to establishing sustainable competitive advantage

Exposure to multiple aspects of the operation of family firms aids in the transfer of tacit and explicit knowledge that ultimately results in skills that outsiders are not able to gain (Cabrera-Suarez & Martin-Santana, 2012). In a recent study, Boyd and Royer (2012) state that knowledge that can only be earned through growing up within a family business and being exposed to family networks manifest in an understanding of the idiosyncratic, subject and network related skills that are necessary to be competitive in a business environment. This transfer of knowledge can additionally be attributed to more effective communication and exchanging of ideas between family successors and predecessors as opposed to outsiders that results in more creative and innovative business operations (Chirico & Laurier, 2008; Cabrera-Suarez & Martin-Santana, 2012). It can then be postulated that the inherent understanding of the business landscape gained through family member knowledge transfer is the competitive advantage that sets family business apart from nonfamily owned and managed firms.

Idiosyncratic tacit knowledge speaks primarily to the knowledge of particular circumstances and the expected outcomes, often through previously experienced situations (Jensen &

Meckling, 1992). Idiosyncratic knowledge is independent of time and location (Boyd & Royer, 2012) and greatly speaks to the culture of a business or industry, the expected manner in which the industry operates as well as the strategic dimensions that govern trends and growth opportunities.

Subject-related tacit knowledge on the other hand refers to the manner in which value is created for the customer, be it through a service or product (Boyd & Royer, 2012). The knowledge is not operational in a fashion as codifiable value chain knowledge would be considered explicit knowledge (Jarvis, 2015), but rather the knowledge that speaks to the strategic manner in which value is created, that is specifically bound to a time and location (Boyd & Royer, 2012).

Finally, network-related tacit knowledge refers to the knowledge that governs the social networks that businesses operate within (Basly, 2005). Boyd and Royer (2012) build on the definition to highlight the informal rules that govern the social networks of individuals, businesses and communities. High network-related tacit knowledge, specifically within family businesses, can allow for higher trust between the family business and outside stakeholders through the expectation that the transfer of tacit knowledge will influence the leadership characteristics of the successor (Bjuggren & Sund, 2002).

Research in knowledge transfer (Boyd, Royer, Simons & Rafferty, 2008; Cabrera-Suarez & Martin-Santana, 2012, Cabrera-Suarez et al., 2001) reveals that the competitive advantage experienced by family business primarily lies in the transfer of tacit knowledge and less so in the transfer of explicit or subject related knowledge (Boyd & Royer, 2012). Tacit knowledge is embedded within the founder due to extended periods of leadership within the family firm and more effectively transferred across family generations than to outsiders; hence the literary focus amongst researchers (Cabrera-Suarez et al., 2001).

Boyd et al. (2008) go so far as to say that without the transfer of tacit knowledge between successor and predecessor, no advantage exists. Further, without the identification and intentional transfer of tacit knowledge, the firm is exposed to a real risk of failure. Beneficially, tacit knowledge is protected through the lack of codifiability as competitors cannot easily duplicate the competency (Ann, David, Ranucci & Souder, 2015). Hence, due to marked competitive advantage of tacit knowledge, the limitation of transfer to family members and

the lack of duplication tacit knowledge capabilities; family firms must focus on this knowledge transfer in order to sustainably compete.

Tacit knowledge and tacit knowledge transfer across generations within a family business is fundamental to the business characteristics that make these firms unique. The maintenances of an entrepreneurial orientation and protection of socioeconomic wealth within management decisions is driven in great part by the transfer of tacit information.

Zellweger and Sieger (2010) highlight the risk of innovation stagnation within the modern business environment, where product lifecycles are shortened due to the rapid rate of change. Long-lived family firms require a strong corporate entrepreneurial orientation in order to identify opportunities outside of their existing product lines in order to survive. Additionally, Zellweger and Sieger (2010) highlight a consistent pattern of entrepreneurship through family generations, which supports the long term existence of family businesses. Cruz and Nordqvist (2010) further highlight the increase in innovative focus from founder to the second generation, which in part does not support Le Brenton-Miller and Miller's (2013) and De Massis' et al. (2015) work on leadership orientation within multigenerational family firms. However, it can be argues that Cruz and Nordqvist (2010) speak to innovation and entrepreneurial orientation as the exploration of additional products and markets, where Le Brenton-Miller and Miller's (2013) and De Massis' et al. (2015) highlight the entrepreneurial drive of founders in the establishing of a single product or industry business. Regardless of the outlook on innovation, the existing body of work highlights the importance of an entrepreneurial orientation for family businesses to sustainably compete.

Family firms create and maintain their ability to execute on innovative opportunities through the development and effective dissemination of tacit knowledge throughout the organisation (Patel & Fiet, 2011; Sharma & Salvato, 2011). Long-lived family firms are well placed to maintain their philosophy of entrepreneurship, or dynastic innovation through the intergenerational tacit knowledge transfer. Sharma and Salvato (2011) argue that typically incremental innovation is left to nonfamily operational managers, with radical innovation identified and implemented by family management. Tacit knowledge plays a part in both types of innovation however: family member with large stocks of tacit knowledge developed through intergenerational knowledge transfer are well placed to share this tacit knowledge to nonfamily members such that incremental innovation can be executed. This incremental,

or progressive innovation is expected to involve similar product to the current offering, or entry into new markets with existing products. Whereas the radical innovation can be executed by family insiders, with strong understanding of the business environment and networks required in order to expand the resource base and execute radically innovative business ideas (Patel & Fiet, 2011; Sharma & Salvato, 2011). Patel and Fiet (2011) add to the body of knowledge by highlighting the ability of family members to convert their stocks of tacit knowledge into explicit knowledge such that the knowledge may be effectively disseminated across the organisation.

The superior ability of family businesses to accumulate, covert and disseminate tacit knowledge across a family business is key in the ability of long-lived family businesses to innovate, convert business ideas into entrepreneurial ventures and sustainably compete in a fast changing economic environment.

Moving away from purely financial success and sustainability as the measure of business success, family businesses often define their performance on the maintenance and development of socioeconomic wealth (Gomez-Mejia et al., 2011; LE Brenton-Miller & Miller, 2013). Family business socioeconomic wealth greatly speaks to nonfinancial metrics such as philosophy of operation, legacy of the business, maintaining family control and ensuring that the reputation of the family business is upheld. Berrone et al. (2012) highlight that family businesses will often act to protect or enhance socioeconomic wealth in a fashion that may not result in financial benefit. It can be argued that these family definitions of success are deeply rooted at a tacit knowledge level, as explicit knowledge will be more focused on the operational requirements to sustainably generate financial return. It cannot be expected that management readily act in a socioeconomic wealth protective fashion without the understanding on the unique manner in which family business define success.

Understanding both metrics of family success as sustainable financial performance and the protection of socioeconomic wealth, it can be argued that the dimensions of family business success are in great part delivered through high stocks of tacit knowledge. Overlaying the understanding of knowledge as the currency of competition within the current business environment, intergenerational knowledge transfer, the fashion in which family businesses compete and the definition of family success; tacit knowledge acquisition is vital to any definition of family business operation in the modern business world.

2.8 Dimensions of tacit knowledge transfer

Due to the popularity of tacit knowledge transfer topics within literary research (Boyd & Royer, 2012; Cabrera-Suarez et al., 2001), factors of tacit knowledge have been researched and identified. Tacit knowledge speaks less to explicit capabilities and more toward skillsets that are developed through exposure to varied facets of the organisation and learn-by-doing (Chirico & Laurier, 2008).

Cabrera-Suarez et al. (2001) identifies commitment to the operations and longevity of the family business, trust within the business network, family reputation and generational know-how as factors that create competitive advantage within a business context. Boyd and Royer (2012) approach the topic in a more generalist sense; identifying idiosyncratic, subject-related and network-related knowledge as the categories of tacit capabilities. Idiosyncratic skills speaking to the understanding of the business landscape and the resultant effect on family firm operations; subject-related capabilities refers to the technical understanding of the material or product and network-related knowledge refers to the social network that is required for the competitiveness of the business (Boyd & Royer, 2012). Both specific tacit skills and capabilities and categorical tacit knowledge highlights the dimensions of tacit knowledge that is vital to family firms.

It must be noted that Boyd and Royer (2012) prewise that these tacit skills are more effective as a competitive advantage within industries that tacit knowledge is vital. The example of mining is used to illustrate that business landscape, material and product and social network knowledge are clear competitive advantages in said field. However it can be argued that whilst other industries do not draw such clear advantageous lines as with mining, the categories of tacit knowledge are still beneficial, albeit to varying degrees.

2.9 Internal drivers of tacit knowledge transfer

Research on the factors influencing the transfer of tacit knowledge (Cabrera-Suarez et al., 2001; Chirico & Laurier, 2008; Trevinyo-Rodriguez & Bontis, 2010; Sharma, 2004) reveal drivers that focus on the relationship between successor and predecessor and the attitude of the successor toward the family firm.

Handler (2004) argues that without the correct relationships between successor and predecessor, internal succession cannot tap knowledge transfer opportunities that family firms build competitive advantage on. De Massis (2008) and Sharma (2004) speak to the motivation of the successor toward the business as a key factor in providing the foundation for knowledge transfer and the application of the successor's ability toward management. Researchers go so far as to suggest causal associations between family relationships and the effective transfer of tacit knowledge. Cabrera-Suarez et al. (2001) argue that relationships between successor and predecessor that go beyond the work environment aid in the transfer of tacit knowledge. Further, strong and supportive relationships that allow for more open communication, candid exchange of ideas and truthful feedback are a more effective means to impart tacit knowledge (Chirico & Laurier, 2008; Sharma, 2004).

It is likely that successors that have been forced into a leadership position within a family firm, with either little consideration for employment outside of the firm or little option to pursue outside careers will not fully embrace a management position. Conversely, it is understandable that a well-qualified, talented family member may consider options of management outside of the family business and either be forced into joining the family business or use the family business as a safety net of sorts. The family business being treated as a second choice or last resort employer in some cases can be understood to limit the motivation of the potential family manager to operate at his or her fully capability.

Trevinyo-Rodriguez and Bontis (2010) extend the bounds of relationships past just the successor and predecessor to the connectedness of the family as a whole. The research speaks to the tradition and emotion encapsulated within the family and the family firm. An attitude that invokes pride with respect to the family firm will drive succession commitment and improve the intergenerational knowledge transfer within the firm (Trevinyo-Rodriguez & Bontis, 2010). It can be argued that the more involved the successor is within the family, the higher level of social involvement within the firm, which ultimately leads to an effective conduit of tacit knowledge transfer (Cabrera-Suarez et al., 2001; Chirico & Laurier, 2008). Bjornberg and Nicholson (2012) describe the deep seated link between family leadership and the family organisation as 'emotional ownership', whereby the emotional connection between family leadership results in management decisions being typically long-term focused and sustainability driven. The emotional connection to the family business can be understood to be developed through long term exposure to the business, as well as a sense of self identity linked to the organisation. It can further be argued that the emotional link that

is developed is in part founded through the transfer of tacit knowledge to the incoming generation.

Whilst the research is extensive, it is noted that knowledge transfer drivers are centred on internal factors within the family or the firm, as opposed to contextual factors that may affect the transfer of tacit skills and capabilities. Current literature has intentionally delved into knowledge transfer within family settings with a focus on the impeding and enhancing factors (Trevinyo-Rodriguez & Bontis, 2010). It is then postulated that there may be factors that influence tacit knowledge transfer outside of the successor and predecessor psychological landscape that could aid in the understanding of the mechanics surrounding tacit knowledge transfer within the realm of family businesses.

2.10 Theoretical gaps

Further studies are required in order to determine the contextual variables that influence tacit knowledge. Sharma (2004) highlights the current literary gap, noting that the existing body of knowledge has effectively identified internal factors and causality, however further understanding of the impact of contextual factors are still required in order to better understand the landscape of intergenerational knowledge transfer. Current literature goes so far as questioning the causality of contextual factors and knowledge transfer, in the hope to identify factors that may impede or enhance the effective transfer of knowledge (Sharma, 2004).

In order to study the impact of contextual factors on the transfer of tacit knowledge, a literary link between external business factors and knowledge transition was identified.

It can be understood that contextual business factors impact the attitude of an employee toward an organisation; similarly, external business aspects of a firm may influence the propensity of a successor to commit to a family firm (Massis, Chua & Chrisman, 2008). Massis et al. (2008), outlines the impact of business performance, change to business scale and the change in key stakeholder contracts, with particular focus on client contracts. The academic work states that a negative change to the business performance, down-scaling of the firm and loss of key clients negatively impact family member attitude toward the firm. The negative attitude is driven by a negative outlook on future opportunities within the family

business environment and a psychological shift toward investigating outside opportunities (Massis, Chua & Chrisman, 2008).

Boyd et al. (2008) draws parallels between succession commitment and the effective transfer of tacit knowledge from founder to successor, hence it is understood that negative business externalities may inhibit the transfer of tacit skills and competencies. However, it is expected that the converse is also true, whereby positive contextual factors that would enhance successor commitment, such as a strong business climate or family business scale, would result in a positive attitude toward the business and superior knowledge transfer.

It is understood that overlaying the importance of tacit knowledge transfer on the competitive advantage of family firms, as well as the current gap in the academic body of knowledge with respect to the impact of external business factors on knowledge transfer (Sharma, 2004) highlights the importance of the proposed study. Further study is crucial in understanding the intergenerational knowledge transfer environment. Extending the existing academic work to grasping the impact of external factors outlined by Massis et al. (2008) on knowledge transfer and extending research to determine the correlation between external factors and intergenerational knowledge transfer would bring new light to the field of knowledge transfer.

It can be hypothesised that with an improved understanding of the contextual factors that influence tacit knowledge transfer, family businesses could modify their approach to knowledge transfer based on the contextual factors present within the business environment. Family businesses would be aware of business externalities that enhance tacit knowledge transfer and would be capable of intentionally managing these factors in order to create environments conducive to effective knowledge transfer. Further, family businesses and managers would have the ability to identify contextual business factors that impede the transfer of tacit knowledge and actively manage these factors out of the operation of the organisation.

Owing to the fact that there is a positive correlation between effective tacit knowledge transfer on developing competitive advantage and sustaining value (Boyd et al., 2008; Cabrera-Suarez et al., 2001), it can be argued that an improved understanding of contextual

knowledge transfer factors can ultimately deliver sustained family business value. Family businesses greatly define success through the protection of socioeconomic value and the generation of sustainable financial return. Tacit knowledge plays a key role in both of the dimensions of family business success. It is logical to assume that the improved tacit knowledge transfer would result in further development of the knowledge resource that is vital to competing in the modern economy and ultimately a superior ability to increase socioeconomic value and generate sustainable financial performance.

2.11 Conclusion

In summary, the current literary gap within the influence of contextual business factors on the transfer of tacit knowledge, linked the knowledge based manner that family businesses compete (Boyd & Royer, 2012, Sharma, 2004) suggest that there is both an academic and business need for research to further understand how tacit knowledge can be more effectively transferred.

Research questions based on the general questions on the knowledge transfer environment posed in Chapter 1 and the literary understanding of family business and the dimensions of tacit knowledge transfer developed in Chapter 2 have been posed in the following Chapter.

Chapter 3: Research Questions

3.1 Introduction to research questions

The review of the available theory within the literature review detailed in Chapter 2 has led the researcher to pose the following research questions. The research questions are modelled in a fashion to primarily investigate the landscape knowledge transfer landscape linked to contextual business factors; following which further detail has been extracted through subordinated research questions.

3.2 Research questions

One primary and three subordinated questions are posed as research questions.

3.2.1 Primary research question

The research questions are modelled to initially identify the business context variables that influence knowledge transfer by posing an intentionally unconstrained question. The question aims to identify the varying influencing components of knowledge transfer as the available theory within the literature review does not provide a unified, exhaustive list of independent contextual variables. The following primary question is posed.

In what way do contextual business factors influence the transfer of knowledge in family firms?

3.2.2 Subordinated research questions

Three research sub-questions have been proposed in order to delve deeper into the variables that govern the transfer of tacit knowledge.

A literature source fundamental to the research topic identifies components of contextual business factors that have been tested through data gathering. Boyd and Royer (2012) state that knowledge that can only be earned through growing up within a family business and being exposed to family networks manifest in an understanding of the idiosyncratic, subject and network related skills that are necessary to be competitive in a business environment.

Consequently, the following research question is posed.

What contextual factors influence idiosyncratic, subject-related and network-related tacit knowledge transfer?

Following the successful identification of the variables that influence the transfer of tacit knowledge, the study focused on the causal relationships between impeding and enhanced contextual attributes.

What contextual business factors impede knowledge transfer in family businesses?

What contextual business factors enhance knowledge transfer in family businesses?

The research questions have been empirically tested through semi-structured interviews as detailed in the following section.

Chapter 4: Research Methodology

4.1 Research method

There has been limited research on the effect of contextual business factors on knowledge transfer in family businesses; hence an inductive, exploratory research methodology has been proposed. Saunders and Lewis (2012) identify research topics that aim to discover new information about a topic or detailing new phenomenon as key research scenarios that would benefit from a qualitative, exploratory approach.

Due to the lack of similar studies, primary data has been utilised to draw conclusions on the research questions outlined in Chapter 3.

Additionally, qualitative, exploratory research lends itself to a research study that aims to listen to participants and build an understanding of the research landscape (Creswell, 2013). The research method has specifically proved useful for gathering data in line with the primary research question, which aimed to identify business context variables that influence knowledge transfer.

4.2 Case study methodology

In order to determine the variables of knowledge transfer linked to contextual business factors, both Phenomenology and Grounded Theory approaches were investigated (Creswell, 2013) as the methodologies lend themselves to the understanding of the effect of an experience. Phenomenology was considered as the primary methodology as it lends itself to early investigation and the identification of variables within a system linked to an event. However, the methodology was not selected as the process calls for a single event that has occurred and the resultant experience over a sample of the population (Creswell, 2013). To adopt a phenomenological approach would assume that the contextual business environment was similar to all participants within the study (Gill, 2014), which was determined to be an unrealistic expectation.

Whilst a grounded theory methodology was initially investigated as the methodology aligned to the intention of the study (Creswell, 2013), being to determine the effect of contextual

business factors to knowledge transfer and possibly determine causality; the methodology fell short in line with the reasoning for excluding phenomenology above.

A case study approach was then investigated, and ultimately chosen. The benefit of a case study methodology is that the process allowed for multiple contextual business factors to be identified. Following which, the resultant range of experiences were determined and analysed in more depth, as opposed to confining the investigation to a single phenomenon (Creswell, 2013). Further, with the variables of knowledge transfer not known at the initiation of the study, it was understood that an in-depth understanding of the context surrounding the business would be vital in mapping relationships and potentially causality, which was a key component of the case study methodology (Yin, 2012).

Yin (2012) argues that a case study research question can either be descriptive or explanatory in nature. A descriptive research question will attempt to identify the effect of contextual factors whilst an explanatory research question will attempt to further understand the circumstances surrounding a cause, in this case the contextual business environment; and an effect, being the effect on knowledge transfer. Creswell (2013) warns of determining theories based on case studies as the context of a specific environment usually have a marked influence between independent and dependant variables. Taking into account Creswell's (2013) concern and the lack of understanding of the possible outcomes of contextual business factors on knowledge transfer at the commencement of the study, a descriptive case study methodology has been followed.

The methodology aligns to Leppaaho, Plakoyiannaki and Dimitratos' (2016) Positivist Case Study definition, focusing on the identification of regularities between contextual business factors and the resultant effect on knowledge transfer rather than the reasons behind the link.

4.3 Aligning the research question to key case study characteristics

Both Creswell (2013) and Yin (2012) speak to a minimum criteria for case study methodology. The criteria are primarily centred on key themes of defining a case, the case study methodology based on the number of cases and nature of the unit of analysis and redefining or modifying the research question after collecting initial data and designing. Following which, the analysis of data to address the research question was conducted.

4.4 Case study approach

The definition of the case was based on the theoretical founding outlined in the literature review in Chapter 2. The case aimed to identify the effect of contextual business factors on the transfer of knowledge in family businesses.

4.4.1 Research population: the definition of the case

Pursuant to the research question, the population was determined to be South African family firms that were currently experiencing at least the third generation of leadership, or currently have an executive manager in their employ with a direct family connection to the founder.

A minimum of a third generation firm or leadership was proposed in order to determine the effectiveness of intergenerational knowledge transfer across multiple business context shifts. Within a third generational firm that is currently in operation in South Africa, it was assumed that the firm endured significant shifts to the South African social and economic makeup.

With respect to the population, the definition of family business has followed the current body of academic research (Sharma, 2004) by stating a minimum of either majority firm ownership by a family member or majority managerial control by a family member. The cases were bounded (Yin, 2012) on knowledge transfer within family firms due to the contextual business events that occurred throughout the successors' tenure with the business.

4.4.2 Unit of analysis

The unit of analysis was determined to be leaders within family owned or controlled South African businesses that are currently experiencing at least the third generation of leadership.

The decision to focus on senior leadership for the purpose of this study (as opposed to family employees across the hierarchy of the business) has been proposed due to the interest of tacit knowledge transfer to senior leadership. The intension of the study is to determine the impeding and enhancing factors to tacit knowledge transfer that will most likely result in a leadership competitive advantage.

4.4.3 Unit of observation

The unit of observation are the contextual drivers that influence the transfer of tacit knowledge. Noting the proposed research questions; understanding of the variables that impede and enhance tacit knowledge transfer is vital to determining methods for family businesses to improve their competitive advantage and sustained value (Boyd et al., 2008). Resultantly, contextual factors that influence tacit knowledge transfer have been determined through data gathering from South African executive leadership within family firms.

4.4.4 Sampling method and size: the design of the case study

The intention of the study was to determine the link between contextual business factors and knowledge transfer within family businesses, and potentially identify links between contextual business factors and knowledge transfer. In order to do so, an analysis of a homogenous group of businesses were suggested to allow for the greatest potential of identifying links and causality. Hence the case study population was intentionally similar in order to support the research question (Creswell, 2013). In order to develop the case study sample, convenience sampling was utilised:

Utilising the researcher's access to Johannesburg-based multigenerational South African family-owned businesses within the South African region due to existing social and business networks, a case study bound to Johannesburg-based multigenerational businesses currently in operation was conducted. The case studies were selected based on alignment to information required to address the research question, as well as access to contextual information that was vital in determining the effect of contextual business factors on knowledge transfer in family businesses.

A multi-case design was conducted in order to replicate the conditions under which similar findings may present (Yin, 2012), with the intention to draw causal links between variables in the family business knowledge transfer environment. Further, a single unit of analysis was utilised as the effect on knowledge transfer was limited to a specific population within the case study, namely third generation or more executive management; combining to create a multi-case, holistic case study design (Yin, 2012).

Three case studies were conducted on the following South African family businesses: Riverside Foods (Pty) Ltd, P Lalla Outfitter (Pty) Ltd and F H Chamberlins Trading (Pty) Ltd. The ability to sample across three cases allowed for the saturation of analysed data across contextual business factors. Further, a sample of three cases allowed for the researcher to delve into relative depth on the history of the firm and influence of contextual business factors whilst collecting a range of data that allowed for comparison.

The three businesses were founded, incorporated and managed at the time of the research paper by members of different ethnicities. Hence were selected for the diversity of information that may be uncovered, whilst still maintaining common contextual bounds of Johannesburg-based family owned businesses. This selection allowed for a diverse data pool with the highest likelihood of data convergence.

4.5 Case study data collection

Participant observations and physical artefacts (Yin, 2012) were used as the sources of data for the research study. Due to the specific focus on knowledge transfer to successors, the interviews and direct observations were leveraged extensively to determine the experienced knowledge transfer. Secondary data sources such as documents and archival records were used to support the understanding of the contextual business environment at instances of shift in the knowledge transfer landscape.

4.5.1 Research instrument: semi-structured, in-depth interviews

With the requirement of qualitative, exploratory research established, the research instrument was determined to be semi-structured, in-depth interviews. The data gathering technique was determined to be the most useful and adaptive with the relatively junior nature of the specific field of study identified in the literature review.

The semi-structured interview proved greatly beneficial with identifying the business context factors at play, in line with research question 1, as the researcher was able to more fully explore themes that were prevalent with specific cases or interviews (Saunders & Lewis, 2012). The researcher was unsure at the commencement of the interviews of the answers that interviewees would provide, hence the interview technique was utilised to identify potential influencing factors that literature had not yet identified. Further, it was possible for

the interviewer to not ask certain questions based on the interviewees previous responses or business contexts that did not affect the respondent (Saunders & Lewis, 2012; Yin, 2012).

A discussion guide was prepared in line with the research questions previously outlined. The discussion guide aimed to initially allow the interviewee to outline the contextual business factors that have shaped the business and the resultant influence on knowledge transfer. Additionally, the interview guide was useful in prompting the researcher to delve deeper into the influence of contextual factors on family business knowledge transfer outlined by Boyd and Royer (2012). The discussion guide additionally allowed for a strong element of consistency, hence comparability between the family business cases.

Table 3.1 indicates the order and date of interviews, the initials of the respondents and their position within the family business.

Order	Date	Respondent	Position
1	9 September 2016	MC	Vice President
2	9 September 2016	TC	Chief Operating Officer
3	9 September 2016	AC	Managing Director of Subsidiary
4	11 September 2016	AL	Managing Director
5	11 September 2016	BL	Chief Operating Officer
6	11 September 2016	PL	Ex- Managing Director
7	12 September 2016	CC	Suppliers Executive
8	17 September 2016	GC	Head of Buying

Table 3.1: Interview summary, date ordered

It should be noted that AC (initials outlined above) was reluctant to engage in a recorded interview, hence the researcher relied on interview notes for the analysis of collated data.

All interviews outside of AC were recorded using a digital voice recorder and transcribed using a transcription service. The transcripts were validated against the digital recordings to ensure that the quality of data was not corrupted through the transcription process, prior to data analysis.

4.6 Method of analysis of data

The method of data analysis differed with the differing sources of data mentioned above, namely participant observations and physical artefacts. However, the analysis of interviews were prioritised due to the focus of the research study on detailing the understanding of successor knowledge transfer.

In order to ensure systematic analysis of interviews that ultimately developed research findings with a high degree of veracity, interviews were audio recorded, converted to interview transcripts and analysed utilising ATLAS.ti. Through the interview process, tacit knowledge codes were identified in line with the tacit knowledge dimensions outlined in Chapter 2, as well as contextual drivers of knowledge transfer. The analysis of interview transcripts utilising computer assisted qualitative data analysis software (CAQDAS) provided a systematic and repeatable analysis technique to classify outcomes and determine research findings.

In order to develop research findings through CAQDAS methodology, a testable proposition (Saunders & Lewis, 2012) was developed in the form of research questions through the literature review, which was further developed by a detailed literature review. Following which, data contained in the interview transcripts were categorised in line with the relevant research question such that patterns and reoccurrences were identified.

The researcher identified patterns and themes within the data collated in line with a thematic qualitative data approach. A systematic approach suggested by Saunders and Lewis (2012) was used in order to analyse the data in a consistent fashion.

- i. Initially, meaningful codes were developed using data uncovered through the interview process and by use of key piece of literature (Creswell, 2013) such as Boyd and Royer's (2012) identification of idiosyncratic, subject and network related skills within family businesses.
- ii. Following which, appropriate units of data from the interview transcripts that categories may attach to were identified and coded.
- iii. Finally, primary themes and data points were extracted from the interview transcripts through identification of repetition and consistency, and discussed within Chapter 5.

4.7 Limitations

Limitations to the research study were identified across three metrics and discussed below.

4.7.1 Case study methodology limitations

Both Creswell (2013) and Yin (2012) warn against drawing conclusions from case study analysis due to the small sample size as well as the influence of the case study participant context on the outcomes observed, hence there is a material risk that links between contextual business factors and knowledge transfer may only apply for a small population within the greater business environment.

Further, the analysis may not identify consistent effects on knowledge transfer due to similar contextual business events as a result of the small sample group, however it is expected that a deeper understanding of the variables within the knowledge transfer field within family business has been gained regardless.

4.7.2 Researcher bias

Qualitative research and analysis, specifically making use of exploratory techniques, rely heavily on the perspectives of the researcher and hence has the potential of bias linked to the researcher's existing view of the research area (Creswell, 2013; Saunders & Lewis, 2012; Yin, 2012).

It is therefore stated that the researcher has worked within a family business prior to entering into the formal work sector upon completion of the researcher's undergraduate study. The family business was established by the father of the researcher and was in operation at the time of the study. It can be understood that the researcher has developed cognitive frames linked to family business through exposure to the family business, and resultantly may have unintentionally guided the interview toward areas of investigation that are prevalent to the researcher.

4.7.3 Sampling bias

The research study makes use of convenience sampling as the social and business networks of the researcher were required in order to gain the in-depth access required for

case study analysis (Creswell, 2013; Saunders & Lewis, 2012). Resultantly, the sample may not be representative of the population.

In an attempt to counteract the inherent bias within convenience sampling, the researcher identified businesses with differing ethnicity and industrial background. The result of which were ethnicity across Greek, English and Indian heritage and exposure to the confectionery, wholesale building product and clothing industries. The intentional diversity within the case study sample aimed to reduce the creating of a micro-population within the larger population, however may be assumed to potentially effect to data and outcomes.

Chapter 5: Results

5.1 Introduction

The methodology outlined in Chapter 4 was applied to the sample data collected through the semi-structured interviews. The codes were identified through review of the current body of knowledge (Creswell, 2013; Yin, 2014) and through interview notes taken by the researcher whilst conducting the interviews. The codes were applied to the sample data such that meaningful data inquiries could be generated. In order to analyse the interview data in line with the research questions outlined in Chapter 3, more meaningful data inquiries were generated by cross-analysis of specific codes. This analysis techniques primarily aimed to overlay information regarding knowledge transfer in either a positive enhancing fashion, or negative impeding fashion; and the contextual business factors at play.

The findings were extracted from the eight interviews conducted within three family businesses. The interviews were limited to senior manager level and above in order to ensure that the interviewee had experienced both significant knowledge transfer through tenure and potential exposure to multiple business context shifts. The interviews were conducted across generations. At times, in order to gain insight into earlier generations, non-participating family members that had since retired from the family firm were interviewed.

In order to build the requisite context for the sample data presented within Chapter 5, a brief overview of the family businesses are contained within Chapter 5, as well as further detail on significant business context shifts that the firm and specifically the current level of leadership were exposed to.

5.2 Method of analysis of data

The initial set of codes developed outlined the contextual business factors that were present at the time that the family member joined the family business, as well as at any significant shift to the contextual business factors through their tenure. Three primary themes were investigated, namely 'Business Performance', 'External Business Context' and 'Industry Context'. The categories and codes that aim to further detail the themes are stated in Table 5.1 below:

Theme	1 - Business Performance					
Categories	1.1	Financial Performance	1.2	Scale of Business	1.3	State of Key Contracts
Codes	1.1.1	Exponential growth	1.2.1	Potential for growth	1.3.1	New contracts
	1.1.2	Normal growth	1.2.2	Staff count	1.3.2	Diversification
	1.1.3	Declining performance	1.2.3	Floor space	1.3.3	Geographic contracts
					1.3.4	Large contracts

Theme	2 - External Business Context					
Categories	2.1	Economic Landscape	2.2	Political Landscape	2.3	Jobs of Friends
Codes	2.1.1	Economic downturn	2.2.1	Migration	2.3.1	Corporate
	2.1.2	Growing economy	2.2.2	Race	2.3.2	Further studies
	2.1.3	Stable economy	2.2.3	Threats	2.3.3	Family business
	2.1.4	Cyclical industry	2.2.4	History		
	2.1.5	Influence of regulation				

Theme	3 - Industry Context					
Categories	3.1	Industry Culture	3.2	Industry Competitiveness	3.3	Industry Makeup
Codes	3.1.1	Innovative	3.2.1	Competitor entry	3.3.1	Growth limited by access to finance
	3.1.2	Slow to change	3.2.2	Defend market position	3.3.2	Growing
	3.1.3	Changing business models	3.2.3	Consolidation of SMEs	3.3.3	Shrinking
			3.2.4	Barriers to entry	3.3.4	Changing customer structure

Table 5.1: Business context themes, categories and codes

In order to determine the link between business context and knowledge transfer within the family business, the interviews detailed two knowledge transfer themes, namely the characteristics of knowledge transfer and the type of knowledge that was transferred. Similarly to the business context, the themes and associated categories and codes are listed in Table 5.2 below:

Theme	4 - Knowledge Transfer Characteristics			
Categories	4.1	Source of Knowledge	4.2	Know. Transfer Location
Codes	4.1.1	Antecedent	4.2.1	Factory floor
	4.1.2	Sibling	4.2.2	Outside of business
	4.1.3	Non-family member	4.2.3	Customer locations
	4.1.4	Managing Director	4.2.4	Work shadowing

Theme	5 - Type of Knowledge Transfer					
Categories	5.1	Idiosyncratic	5.2	Subject-related	5.3	Network-related
Codes	5.1.1	Confidence and self-belief	5.2.1	Manufacturing process	5.3.1	Fairness
	5.1.2	Entrepreneur	5.2.2	Logistics	5.3.2	Negotiation
	5.1.3	Business values	5.2.3	Operational leadership	5.3.3	Managing non-performance
	5.1.4	Business pillars			5.3.4	Customer needs
	5.1.5	Future of the business			5.3.5	Trust

Table 5.2: Business context themes, categories and codes

5.3 The interviews

The interviews were conducted with eight participants from three family business. The participating interviewees held differing positions of either ex-Managing Director, Managing Director, Chief Operating Officer, Suppliers Executive or Head of Buying. The interviewees ranged in age from 36 to 84, exhibiting varying levels of both schooling and tertiary training. Higher levels of tertiary education within the sample typically indicated undergraduate study. The interviewees were from differing ethnicities, homogenous within individual cases. All family businesses were founded by immigrants, entering the country in either the 19th or 20th century from their ancestral land, being Greece, England or India.

5.4 Overview of the family business

In order to build the requisite family business understanding such that the results may be more fully interpreted, an overview of the businesses in their state at the time of the study, a brief history of the business and the primary contextual shifts that the businesses were exposed to are outlined below. External data sources were leveraged in order to further build on significant business shifts that were outlined within the interviews.

5.4.1 Riverside Foods (Pty) Ltd

Riverside Foods (Pty) Ltd (Riverside Foods) at the time of the research study produced and sold wholesale confectionery goods, primarily supplied to grocery chain store retailers such as Pick n Pay, Checkers and Spar. Primary goods included pre-packed individual cakes and pastries, as well as savoury goods such as pies. Across the two companies held by the Riverside Foods Group, Riverside Foods and Tea Time Cakes, roughly 300 people were employed over two premises. The confectionery business was founded in 1964 by the immigrant grandfather of the current generation of business leadership and incorporated in 2005 under the name of Riverside Foods, resulting in a third generation family business.

Mr L Kambanis, the founder of the confectionery business, fled Greece with his wife in the midst of the Second World War in the mid-1940s for fear of safety and settled in Ethiopia, where he established a bakery. There Mr L Kambanis fathered the second generation of family business leadership, Mr M Kambanis (Mathew) in 1956. Mr L Kambanis fathered a second son who had since pursued a tertiary education and entered into a corporate position outside of the family business. With talk of nationalisation in Ethiopia in 1963/4, Mr L Kambanis divested from the bakery that he had established and migrated to South Africa after hearing of the strong Greek population within the area.

Mr L Kambanis established a bakery in Pretoria, Gauteng upon arriving in South Africa in 1964 as the primary means of revenue for his immigrant family. Mathew Kambanis, the second generation managing director of the family confectionary business, started learning the confectionery trade from his father at the age of eight while assisting his father with the filo pastry manufacturing process. After returning from a two year stint in the South African army, Mathew Kambanis, embracing his entrepreneurial culture instilled in him from his father, established a radio and bicycle repair shop in Virginia, Free State. The business aimed to service the local mining population. In order to keep the family bonds strong, Mr L Kambanis relocated the confectionery business to Virginia.

Upon the passing of Mr L Kambanis in the late 1970s, Mathew Kambanis assumed leadership of the family bakery business and sold interests within the radio and bicycle repair business. As the family were no longer anchored to Virginia due to the sale of the repair business, Mathew Kambanis relocated his family and the business to the more economically vibrant area of Pretoria. Here the business started to scale through key filo pastry contracts

with then giant grocery chain at the time, OK Bazaar. The filo pastry contracts were serviced through a back office bakery, with the front-of-shop operating as the bakery: 'Bread Bin'. With the growing requirement for resources to meet the filo pastry market, Bread Bin was sold in 1984 and a farm in Lynwood, Pretoria purchased to focus the business effort on corporate contracts. A more mechanised filo pastry manufacturing process was established at 'The Farm' and with it, the business grew at a rapid rate. However the changing in the South African political landscape within the late-1980s and early-1990s led Mathew Kambanis to explore options outside of South Africa.

With political tensions heightening and again fearing for the safety of his family, Mathew Kambanis sold the filo pastry business in 1998 and moved his family (comprising of his wife and two sons) to Greece to setup a filo manufacturing business. Over the next year, Mathew Kambanis, using the proceeds of the sale of the South African business and additional financing, established the second largest filo pastry factory in Europe. Tragedy struck in September 1999 however, with magnitude 6.0 earthquake destroying the filo factory and much of the Athens commercial manufacturing hub. With no ability to generate a living for his family, Mathew Kambanis returned to Lynwood, Pretoria to where he still owned 'The Farm' that was to be the starting point of Riverside Foods.

Due to the restraint of trade for filo pastry manufacturing linked to the sale of the South African business, Mathew Kambanis re-established the confectionery business with anything that there was a market for. Initially baklava, and later on cakes and pies, Riverside Foods reconstituted contracts with major grocery chains and scaled the business along established product pipelines. The third generation, Theophilus (Theo) and Milton Kambanis joined Riverside Foods in 2003 and 2008 respectfully, with the company being incorporate in 2005. The company at the time of the research study was thriving, with the establishment of a plastic pre-packed confectionery good product line through the separate business of Tea Time Cakes. At the time of the study, Riverside Foods were operated by both Theo and Milton Kambanis; with Tea Time Cakes being owned by Mathew's wife, Mrs M Kambanis and supported by Theo and Milton Kambanis.

5.4.2 P Lalla Outfitters (Pty) Ltd

P Lalla Outfitters (Pty) Ltd (P Lalla Outfitters) at the time of the research study imported and sold name brand clothing goods direct-to-customer. The business operated across three

locations within the Pretoria, South Africa area and serviced greatly the African, local consumer. Combined retail floor space across the three locations were approximately 1200m² with a staff count of roughly 40 people. At the time of the study, the family business was operated by the third family generation: Managing Director, Arwin Lalla and his brother, the Chief Operating Officer, Bharat Lalla.

Mr P Lalla, an immigrant from India, entered as an Indian settler in the early 1930s and established a tailoring business in Durban, South Africa with settlers from the same Indian community. Due to the Indian caste system that had followed Mr P Lalla to South Africa, he often found himself marginalised within the business system that he had co-founded. In the late 1930s, Mr P Lalla branched out from the established group tailoring business and moved to Pretoria, Gauteng in order to establish his own tailoring business. Mr P Lalla initially founded an exclusive tailoring business that produced primarily custom pants for the locals within the Pretoria CBD (central business district) area. Mr P Lalla and his wife gave birth to seven children, four boys and three girls. With Mr P Lalla experiencing the hardship of labour in the middle of the 20th century as well as the 'shame' of the caste system, he wanted his children to become educated and work as professionals.

Unfortunately, Mr P Lalla passed away in 1946 at the age of 41, resulting in the family business being leaderless. Mr M Lalla, the eldest of the children assumed the role of leader at age 17. All seven children had been exposed to the business through part time work as children, and Mr M Lalla took to the leadership position quickly. As per Mr P Lalla's wishes, the remaining male children were further educated (abroad in India) and did not enter into the family business. As customary within the then Indian culture at the time, the three daughters were married and performed the role of homemaker. The business evolved from primarily on-site tailoring to procurement from local manufacturers. Manufacturers were predominantly located in Durban, South Africa due to ethnic networks and produced a proprietary formal pants style, the 'P Lalla'. With the business growing, Mr M Lalla's children spent time after school assisting with the operations of the business and learning the dynamics of the outfitting business.

The implementation of the South African Group Areas Act forced Mr M Lalla to relocate his family business from Pretoria CBD to Marabastad, Pretoria in late 1973. With the change came a shock to the business model and lack of access to the business established

customer base. The business struggled to meet financial commitments and with it, risked closure. In order to assist with the operations of the firm through a difficult period, Mr M Lalla's eldest son, Arwin Lalla joined the business on a full time basis in 1975. Over the next few years, Mr M Lalla began to slowly transition away from the leadership of the organisation and Arwin Lalla took control of the business. The business health was restored and with it, a change in business model away from local manufacturing and toward importing of finished brand goods from the United States of America (USA) and local sale.

With business expanding at a rapid rate in the late 1980s, Bharat Lalla, the younger son of Mr M Lalla, joined the family business after completing a legal degree with the USA. The business expanded to three stores in 1990, with Arwin Lalla leading the primary location and Mr M Lalla and Bharat Lalla leading the other two. At the time of the study, P Lalla Outfitters operated the same three locations that were established in 1990, with no significant changes to the operating model or premises outside of renovation.

5.4.3 F H Chamberlain Trading (Pty) Ltd

F H Chamberlain Trading (Pty) Ltd (Chamberlain) was a fourth generation hardware wholesaler at the time of the research paper. Chamberlain specialised in the purchase and wholesale of tools, hardware and outdoor, garden, plumbing, paint and décor and lighting merchandise. The hardware chain operated out of nine locations in the Pretoria, South Africa and Centurion, South African regions. At the time of study, Chamberlain was managed by both third and fourth generation family lines, employed roughly 1100 employees across the nine retail locations and were a wholly owned by family interests.

Frank Fewster Chamberlain, an immigrant from the United Kingdom, established a trading store in 1903 that would later grow into Chamberlain. Unsubstantiated accounts state that FF Chamberlain left the United Kingdom after making a substantial profit in a stock exchange deal that ultimately resulted in the need to relocate. The store was located north of Pretoria and served as 'the last stop' for traders travelling from Pretoria north to Mozambique. The trading post primarily supplied travellers and the local farming community with second hand building material. The business grew steadily over the next 20 years due to the location and with it, Frank Chamberlain required assistance to operate the firm.

Frank Chamberlain had no heirs of his own. In order to allow the business to remain in family control, Frank Chamberlain wrote to his brother who still resided in the United Kingdom at the time and told him of the success of the business and need for further support. With it, Frank Herbert Chamberlain arrived from the family farm in 1926 to assist with the duties of operation. Frank Herbert Chamberlain inherited the family business when his uncle died in the mid-1930s and greatly maintained the scale of the business.

Frank Herbert Chamberlain fathered two sons in the 1940s, Phillip Newton Chamberlain and Frank David Chamberlain. The business greatly remained unchanged whilst the sons schooled and following the completion of tertiary degrees, Phillip and David Chamberlain joined the family business. Whilst Frank Herbert Chamberlain was operationally involved within Chamberlain, Phillip and David Chamberlain did not institute drastic changes to the location and business model. Greatly the store serviced local business as a reseller of hardware goods. However, with leadership handover to the third generation well on the way within the late-1960s and early-1970s, Phillip and David started to implement changes. Chief amongst which was the addition of a timber shed and railway siding in order to establish a substantial timber trading business with timber sourced from the East Coast of South Africa. Phillip and David, as the Chairmen and Managing Director respectfully, scaled to business to four stores by the mid-2000s and nine by 2016.

The fourth generation, comprising of Anne, Catherine, Gareth and Victoria Chamberlain joined the family business from the mid-2000s to the early-2010s at the time of the study, operated in management positions.

Drastic changes had been experienced by Chamberlins in the late-2000s with the entry of large players such as Builders Warehouse who aimed to consolidate the market by purchasing independent businesses. Additionally, with the advent of 'Big Box DIY' around the same period, the customer base has morphed from large contractors to individuals who looked at DIY (do it yourself) as a hobby. The business model of Chamberlain has drastically shifted to meet the new product and customer requirements within the last decade of the time of the research study, with changes well absorbed and the business in a stable state of operation.

5.5 Transcript coding and analysis

In line with the research methodology outlined in Chapter 4, interviews were digitally recorded, transcribed and analysed using ATLAS.ti.

Themes were identified in line with the research questions outlined in Chapter 4. Categories were then outlined within themes and codes and ultimately developed in order to identify quotes that provided key information pertaining to the research questions. An initial coding table was developed through the review of the current body of knowledge, with codes evolving through the interview process and the subsequent review of interview transcripts (Creswell, 2013; Yin, 2012).

Prior to transcript analysis, the transcripts were reviewed to identify inaudible components of the interview. Missing data was populated using a combination of interview notes and review of the digital interview recording. Common interjections such as 'you know' and 'I mean' were removed to prevent dilution of core message and improve consistency and comparability across interviewees. Finally, the format of the transcripts were modified in order to create a consistent look and feel as multiple transcription services were utilised.

The transcripts were coded in the following manner:

- 1 Initially, the transcripts were coded against the code list developed through the literature review and in conjunction with the research questions. Quotes that aligned to the five key research question themes were highlighted and key codes assigned to interview extracts. This process was conducted through two passes per interview in an attempt to reduce the risk of coding error. This process was conducted for each interview transcript as the transcript was received from the transcription service.
- 2 Following which, interviews were reviewed in isolation to identify prominent themes, categories or codes within the text that aligned to contextual business factors or knowledge transfer that were not uncovered in the literature review. These themes were noted for later comparison and consolidation across interviews.
- 3 With the conclusion of the two coding steps mentioned above, codes with a low occurrence were initially analysed for potential merger with higher occurrence codes, or if none existed, discarded and not used for further analysis.

- 4 The additional codes that were identified in step 2 above were compared in order to determine if new codes were common to individual interviews or existed across many interviews and were hence significant. These codes were then included into the code list and the affected interviews reviewed for coding against the updated list.
- 5 Finally the transcripts were briefly reviewed in order to determine concepts pertinent to the research study that were frequently or rarely observed. This step aimed to reduce the impact of confirmation bias that the researcher may have developed through the literature review and coding process, such that true frequencies would be better observed.

The frequency and specific pertinent quotes identified through the coding process above were initially highlighted in line with the themes of the research questions. Following which, the research data was analysed in a cross-code fashion in order to outline outcomes that were used to develop more in depth insights into the effect of business context on knowledge transfer in family businesses.

5.6 Results extraction process

The interview guide contained in Appendix 2 outlines the structure of the interviews conducted. The interviews followed the rough structure of initiating the interviews through a discussion of the history of the family business from establishment to the period at which the research study was being conducted. Following which, the business context for the period prior to the interviewee joining was further explored, as well as the period subsequent to entering the family firm.

The business context was prompted around the Business Performance that spoke to the business financial, scale and key contract performance. Information regarding the external business environment were prompted across the economic and political landscape, as well as common jobs that interviewee social circle were entering into. Finally, the business context component of the interview was concluded with a discussion on the industry context. The theme of industry context was further detailed through categories of industry culture, industry competitiveness and industry makeup or key characteristics.

The interview was then transitioned onto the topic of knowledge transfer through two themes: namely the characteristics of the knowledge transfer environment that delved

deeper into the source of knowledge as well as the location, and the type of knowledge that was encountered.

In order to extract information pertinent to the research questions outlined in Chapter 3 above, a systematic results extraction process was conducted on the coded interview transcripts. The process involved applying multiple data filters in order to compare the likely business context that governed the respondent entry into the family business and the knowledge transfer environment that the respondent was exposed to. The results extraction process is outlined below:

1. Following the coding of the interview transcripts, the highest frequency context based codes and resultant code categories were identified from the code table outlined in Chapter 5. The context based code categories that represented roughly 80% of all contextual category quotations were identified and used for the remaining results extraction process. The remaining contextual code category quotations were discarded for the remainder of the research study.
2. Following which, each interviewee was individually analysed across the prioritised list of code categories to determine if natural inclinations toward specific codes within the category was identified. For example, within the 'Financial Performance' code category, respondents were analysed in order to determine if respondents experienced predominantly financial growth or financial decline around the time of their entry into the organisation.
3. The interviewed leaders were then placed into groups that exhibited similar behaviour across specific code categories. With the analysis of the respondents, two homogenous groups presented with similar family business entry context across the prioritised context code categories. Respondents were then assigned to the homogenous group for the remainder of the study.
4. With the respondent groups providing a clear differentiation with respect to business context, the knowledge transfer landscape was then analysed. Each group was investigated separately, with common quotations across knowledge characteristics such as source of knowledge and knowledge location analysed; as well as the type of knowledge that was transferred.
5. The results were then logically assigned to the research questions outlined in Chapter 3, which provided the basis for the discussion in Chapter 6.

5.7 Identification of prominent code categories

Contextual code quotation frequency across ‘Business Performance’, ‘External Business Context’ and ‘Industry Context’ were extracted from the interview transcript set.

‘Business Performance’, stated as Theme 1 within the code list outlined in Chapter 5, comprises three categories. Category 1.1: ‘Financial Performance’ seeks to determine if respondents entered into the family business during times of financial distress, normal growth, or exponential growth. Category 1.2: ‘Scale of the Business’ outlines the trends that the business was experiencing with respect to staff count, floor space and the potential for growth upon joining the family business. The theme of ‘Business Performance’ is concluded with Category 1.3: ‘State of Key Contracts’ that talks to the health of the relationship with key business stakeholder during the time of respondent entry into the family business. ‘State of Key Contracts’ codes speak in the positive to expanding contracts in both the geographical and gross number sense, as well as diversification of contracts and negatively perceived issues or loss of key contracts.

‘External Business Context’ is split between three categories of ‘Economic Landscape’, ‘Political Landscape’ and ‘Jobs of Friends’. Category 2.1: ‘Economic Landscape’ outlines options of a declining economic environments, cyclical economic environments and growing economic environments that may influence knowledge transfer within the family business. Category 2.2: ‘Political Landscape’ speaks to the influence of contextual political factors to the family business environment. Political influence is greatly phrased in the negative, outlining profiling and business effect based on race, historical emotional connections and immigration caused by the impact of political factors. Category 2.3: ‘Jobs of Friends’ speaks to the influence of the decisions that likeminded colleagues or friends were making with respect to business. The category speaks to career decisions people similar to the respondent were making when the respondent entered into the family business. The category outlines codes relating to family business, further studies and corporate jobs.

Finally, Theme 3 speaks to the influence of the ‘Industry Context’ on the operation of the family business and ultimately the manner in which the family business transfers knowledge. The theme comprises three categories, namely ‘Industry Culture’, ‘Industry Competitiveness’ and ‘Industry Makeup’. Category 3.1: ‘Industry Culture’ outlines general structure of the industry across innovation, the ability to adapt to new business occurrences

and the resistance to business fluctuations. Category 3.2: 'Industry Competitiveness' outlines codes that relate to the entry of new market participants, the manner in which companies interact as well as the attitude of competitors toward the existing customer structure. Finally, Category 3.3: 'Industry Makeup' highlights dimensions of industry growth trends. The category speaks in the negative to a shrinking market, in the positive to a stable or growing business environment, as well as the manner in which the industry interacts with the key customers.

The frequency of code categories were determined and outlined in Table 5.3 below:

Code category	Category of context	Occurrences	Cumulative percentage coverage
1.1	Financial Performance	77	23.8
1.2	Scale of Business	77	47.5
3.1	Industry Culture	49	62.7
1.3	State of Key Contracts	48	77.5
2.1	Economic Landscape	28	86.1
2.2	Political Landscape	16	91.0
3.2	Industry Competitiveness	13	95.1
2.3	Jobs of Friends	9	97.8
3.3	Industry Makeup	7	100.0

Table 5.3: Frequency of contextual code quotation

5.8 Research question data analysis

5.8.1 Introduction

In order to answer the primary research question of:

In what way do contextual business factors influence the transfer of knowledge in family firms?

The subordinated research questions RQ1.1 to RQ1.3 were investigated through the data collected within the research paper. Within the section, data was initially identified on the three dimensions of tacit knowledge outlined in Chapter 2, namely idiosyncratic, subject-related and network-related tacit knowledge. Following which, key business contextual data

were investigated in order to highlight factors that enhance and impede the development of specific tacit knowledge dimensions.

The frequency of idiosyncratic, subject-related and network-related tacit knowledge data occurrences are outlined below:

Frequency analysis of tacit knowledge dimensions: Instances of comments on the dimensions of tacit knowledge transfer as mentioned by interview participants		
Identifier	Code and context	Frequency
A	Idiosyncratic tacit knowledge transfer	65
B	Subject-related tacit knowledge transfer	51
C	Network-related tacit knowledge transfer	35

Table 5.4: Frequency analysis of tacit knowledge dimensions

Please note that data from respondent 'AC' has been omitted from the frequency representation above, as well as all following frequency representations as the responses were collected via written notes. However, key comments from respondent 'AC' were included in proceeding sections to provide further insight into the knowledge transfer landscape within family business.

It can be noted in Table 5.4 above that the predominant tacit knowledge dimension noted within the interviews were idiosyncratic knowledge. Additionally, the distribution between the three knowledge dimensions differ across respondents and business environments, which has been illustrated further.

5.8.2 Idiosyncratic tacit knowledge and knowledge transfer

As outlined in the literature review, idiosyncratic tacit knowledge speaks to business values, beliefs, mental models and other knowledge that is independent of time and locations. Of the 65 instances of idiosyncratic knowledge transfer mentioned above, key quotes were outlined within Table 5.5 – 5.8 in order to provide further insight into the idiosyncratic knowledge landscape within family business. The quotations on idiosyncratic tacit

knowledge were grouped in line with the codes mentioned above, namely 'Business Values', 'Confidence and Self-Belief', 'Entrepreneurship' and 'Future of the Business'.

Key quotes on RQ 1.1: The influence of contextual business factors on Idiosyncratic: Business Values knowledge transfer	
Identifier	Comment
A1.1	<u>Idiosyncratic: business values:</u> He's a very aggressive businessman that you must know. My brother is very, very aggressive. He doesn't take nonsense from anybody not from me or from anybody else. He knows where he wants to go and what he wants to do and how he's going to achieve it. He's very much 'the ends justify [the need]' and he is very Machiavellian in that sense.
A1.2	<u>Idiosyncratic: business values:</u> The guts is more important than the finance but you know the finance was already rolling in so he had the momentum, he had the name behind him and he had the guts. But the guts is more important than the money part because when you gut driven your business really, really goes.
A1.3	<u>Idiosyncratic: business values:</u> You see the payment, the financial part of the business is what Bapujee (term of respect with regards to the respondent's father and ex-Managing Director) had established that you do not, if you do not have money to pay a supplier don't, we've never bounced a cheque, there's never an RD cheque in there. Am I right?
A1.4	<u>Idiosyncratic: business values:</u> the second thing is about fairness and working with people. That is coming from my dad you know how to work with people, I mean his whole life story, not going bankrupt, not letting the people that borrowed him the money when he was in Greece lose their money, it was a very moral and ethical story so he led by example and everything that he would tell me would match up with his life story.

A1.5	<u>Idiosyncratic: business values:</u> my eyes to see things in any, any industry to see how it is made, to see what's good in it, what's bad in it, how did they do it because at the end of the day, that's what manufacturing is, making something, doing something, that's what he says, he says, 'if there anything that someone else can do, there's no reason why you can't do it
A1.6	<u>Idiosyncratic: business values:</u> So, but that political sort of violence that he experienced has stuck with him, and to this day he does, he does tell Theo and I that we must be careful that we, yes we must grow the business but we must always, we mustn't root ourselves too much that we are stuck, you know, we always need to be able to have that ability to move around if we need to.
A1.7	<u>Idiosyncratic: business values:</u> 3 core family values are what my dad captured so it is hard work, integrity and progress with caution so he is very risk averse but he is a showman and he is, he's that typical CEO that loves to inspire people, loves to who, he loves to who people you know like charm people and that,

Table 5.5: Key quotes on Idiosyncratic: Business Values knowledge transfer

The code 'Idiosyncratic: Business Values' was most frequently observed within the theme of idiosyncratic knowledge transfer, occurring 28 times across the eight interviews conducted. Comments on the transfer of knowledge of business values typically speak to the ideals and values that the business was founded on and the socioeconomic value that has been developed by the business, as outlined within the quotations above.

Key quotes on RQ 1.1: The influence of contextual business factors on Idiosyncratic: Confidence and Self-Belief knowledge transfer

Identifier	Comment
A2.1	<u>Idiosyncratic: confidence and self-belief:</u> Nobody wanted to supply him, so Arwin Bhai said look I'll give you the goods you start your store and the shop

	of Studio 88 started under his tutorage you can say that look he gave them the guts he said, look don't worry I'll give you the goods you just start your business and that's how Studio 88 started.
A2.2	<u>Idiosyncratic: confidence and self-belief</u> : a lot of my dad's teaching was down the fact about confidence, self-belief and how business and everything that is happening around you, the factory, the people you employ, everything, it all starts from within you as an entrepreneur you know your goals and how much you believe in yourself

Table 5.6: Key quotes on Idiosyncratic: Confidence and Self-Belief knowledge transfer

The code 'Idiosyncratic: Business Values' was least frequently observed within the theme of idiosyncratic knowledge transfer, occurring nine times across the eight interviews conducted. Comments on the transfer of knowledge of confidence and self-belief typically speak to the manner in which the successors should conduct themselves within leadership positions within the family business.

Key quotes on RQ 1.1: The influence of contextual business factors on Idiosyncratic: Entrepreneurial Spirit knowledge transfer	
Identifier	Comment
A3.1	<u>Idiosyncratic: entrepreneurial spirit</u> : Bharat Lalla Ya because then now Arwin was seeing, because now we joined other, the Biz and how they were doing their business and we then, we felt now we had to change and it was just a question of time
A3.2	<u>Idiosyncratic: entrepreneurial spirit</u> : he always tells the story of just they didn't have enough stock to fill, the items to actually fill this you know they knew what size it had to be when you built it because they had to just look across the road and say okay we have to match that but they didn't have enough to fill more than half the shop...

A3.3	<p><u>Idiosyncratic: entrepreneurial spirit:</u> it's insane that someone could change that and seeing that, he [Mathew Kambanis] had found a gap in a store that in something that one couldn't even believe in, like you would say you would never sell a thousand dozen pies, and we did that again with Black Forrest cakes and we're doing it again now</p>
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Table 5.7: Key quotes on Idiosyncratic: Entrepreneurial Spirit knowledge transfer

The code 'Idiosyncratic: Entrepreneurial Spirit' was second least frequently observed within the theme of idiosyncratic knowledge transfer, occurring 11 times across the eight interviews conducted. Comments on the transfer of knowledge of entrepreneurial behaviour typically speak to the value systems that govern the operations of entrepreneurial family businesses.

Key quotes on RQ 1.1: The influence of contextual business factors on Idiosyncratic: Future of Business knowledge transfer	
Identifier	Comment
A4.1	<p><u>Idiosyncratic: future of the business:</u> Arwin knew where the growth came into the, he knew what he wanted to do but coming back on to the admin side, you had to be you know quite geared up in terms of hiring the right people to do, to let your business grow further into that new age.</p>
A4.2	<p><u>Idiosyncratic: future of the business:</u> He [Mathew Kambanis] says, 'as long as I have a business somewhere and I'm selling something to someone and today I can go here, tomorrow I can go down the street and sell to someone else and so forth and so forth, I don't have a problem.' And we started the cake business when we came to South Africa again.</p>
A4.3	<p><u>Idiosyncratic: future of the business:</u> I think the one thing that he [Frank Chamberlin, MD] does maybe not everyone is aware he is definitely willing to forego absolute you know operational efficiency and carry sort of dead weight or carry people that maybe aren't great performers because the</p>

	company doesn't need to actually achieve as much as we say we want to achieve I think he kind of knows that we...
A4.4	<u>Idiosyncratic: future of the business:</u> So we are learning, learnt quite a lot about rolling out new branches and expanding and doing store development and not about the day to day business operations you know what I mean?
A4.5	<u>Idiosyncratic: future of the business:</u> He was always against retail and it was something that definitely got passed down to us because we must understand that if we have a factory, we can go and get our customers, it's in our hands to determine what sales we get.

Table 5.8: Key quotes on Idiosyncratic: Future of the Business knowledge transfer

The code 'Idiosyncratic: Future of Business' was second most frequently observed within the theme of idiosyncratic knowledge transfer, occurring 17 times across the eight interviews conducted. Comments on the transfer of knowledge of the future of the family business typically speak the intentions of the future of the business passed to successors by the incumbent or the current leadership within the organisation. Often it was noted that the intention of the incumbent or current leadership was to maintain socioeconomic value within the family business, in line with the literature previously discussed.

In line with the research question RQ1.1, specifically linked to idiosyncratic knowledge; common business context codes observed linked to high frequencies of idiosyncratic knowledge were highlighted. Three of the six respondents illustrated a propensity toward idiosyncratic knowledge and specific contextual business factors.

The influencing contextual business factors on idiosyncratic knowledge transfer were outlined in Section 5.8.5 with respect to research question RQ1.2 and RQ1.3, namely the 'What contextual business factors impede knowledge transfer in family businesses?' and 'What contextual business factors enhance knowledge transfer in family businesses?' respectfully.

5.8.3 Subject-related tacit knowledge and knowledge transfer

As outlined in the literature review, subject-related tacit knowledge speaks to the tacit knowledge that is linked to a time and location that is typically founded on the manner in which a business creates value for the customer. Of the 51 instances of subject-related knowledge transfer mentioned above, key quotes were outlined within Table 5.9 – 5.11 in order to provide further insight into the idiosyncratic knowledge landscape within family business. The quotations on subject-related tacit knowledge were grouped in line with the codes previously mentioned, namely ‘Logistics’, ‘Manufacturing Process’ and ‘Operational Leadership’.

Key quotes on RQ 1.1: The influence of contextual business factors on Subject-related: Logistics knowledge transfer	
Identifier	Comment
B1.1	<u>Subject-related: logistics:</u> Arwin [current Managing Director] said no computerized [logistics system], you handle this thing. You just show me how the thing works, I said okay I will learn. I didn't even know how to, I'm still a one finger typist.
B1.2	<u>Subject-related: logistics:</u> When that started taking off, unfortunately a lot of the past crept up to us, because it grew so quickly that we needed to distribute the stuff, and when you need to distribute things you need vehicles and we ended up getting caught in a cash...it, it was a great business without enough cash invested in it and there was no one really willing to support it bank-wise and that because
B1.3	<u>Subject-related: logistics:</u> Shoprite didn't have a distribution centre, a refrigerated distribution centre, and we were really leading the market in buying in their refrigerated fresh goods in the bakery, so it was pretty much what they had already done in the fruit and veg side many, many years ago, we were leading that in that bakery side. But there's not as big a range, I mean each stores only got a small little space in their fridge, you know, so and then you're fighting against what margins they're making because they

	think they're making more in-house than what they actually doing and that, it's another battle that you have to get your hands on.
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Table 5.9: Key quotes on Subject-related: Logistics knowledge transfer

The code 'Subject-related: Logistics' was least frequently observed within the theme of subject-related knowledge transfer, occurring five times across the eight interviews conducted. Comments on the transfer of knowledge of logistics typically speak the connection of the value chain of the family business services or products.

Key quotes on RQ 1.1: The influence of contextual business factors on Subject-related: Manufacturing Process knowledge transfer	
Identifier	Comment
B2.1	<u>Subject-related: manufacturing/value chain:</u> I'm very particular like how Bapujee [Ex-Managing Director] was particular with his styling of trousers, he was very particular and he knew what he wanted.
B2.2	<u>Subject-related: manufacturing/value chain:</u> So if there is a mistake between the telephone, the production, the pickup and the invoice, it will get short-cuttet between the lady who invoiced and us who's loading, because they will only receive on that invoice, and that's where so many problems, that's just out of experience. No one's going to teach you that, nothing it's just...? <i>Respondent explaining in depth the process that his father, the Managing Director, instilled in him and the organisation regarding the management of the value chain.</i>
B2.3	<u>Subject-related: manufacturing/value chain:</u> ...on the floor and then and then obviously when the afternoon came and the work was still left over, I was the one sitting and doing it, so those night shifts that he was doing, now I'm doing

	(laughs) and then you think because he always said that that was the time that that's got to think, you need to think on how to get the job completed,
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Table 5.10: Key quotes on Subject-related: Manufacturing Process knowledge transfer

The code 'Subject-related: Manufacturing Process' was second most frequently observed within the theme of subject-related knowledge transfer, occurring 15 times across the eight interviews conducted. Comments on the transfer of knowledge of the manufacturing process typically speak to the manner in which the product or service was produced, however the knowledge speaks to key learnings that are either not able to be codified or is a challenge to codify.

Key quotes on RQ 1.1: The influence of contextual business factors on Subject-related: Operational Leadership knowledge transfer	
Identifier	Comment
B3.1	<u>Subject-related: operations leadership and management:</u> Mathew [Managing Director] focused on setting up the new business in South Africa the same way that he did the business that we sold. That is how we setup Tea Time Cakes [new family venture], except this time with cash that helps us grow much faster.
B3.2	<u>Subject-related: operations leadership and management:</u> Big education for Theo, there was a lot of wangling and dangling and trying to stay afloat, so he got a lot of exposure. So definitely knowledge transfer came from him to me as well but in terms of both of us, being second or third generation, it came from my dad.
B3.3	<u>Subject-related: operations leadership and management:</u> Operation to me as well just he is involved in a lot of the aspects of the business so I just by watching him and kind of taking over some of those functions with him still

	coaching me and now running those functions without him but him giving me sort of guidance unwanted or otherwise you know so it's on both sides...
B3.4	<u>Subject-related: operations leadership and management:</u> What we are doing, doing things right, they have actually like, they used to balance the books to the cent to the rand now they are immaterial, old school accountants used to you know they keep on working until they got it right by.
B3.5	<u>Subject-related: operations leadership and management:</u> I think the type of things that we were learning were a bit different I mean if you were focusing on sort of you know like minimising waste and stock losses then you know you would learn more about how to do that properly

Table 5.11: Key quotes on Subject-related: Operational Leadership knowledge transfer

The code 'Subject-related: Operational Leadership' was the most frequently observed within the theme of idiosyncratic knowledge transfer, occurring 31 times across the eight interviews conducted. Comments on the transfer of knowledge of operational leadership typically speaks to the manner in which incumbent or current managing directors operated the business from a values and belief perspective.

In line with the research question RQ1.1, specifically linked to subject-related knowledge; common business context codes observed linked to high frequencies of subject-related knowledge were highlighted. Three of the six respondents illustrated a propensity toward subject-related and network-related knowledge and specific contextual business factors.

The influencing contextual business factors on subject-related knowledge transfer were outlined in Section 5.8.5 with respect to research question RQ1.2 and RQ1.3, namely the 'What contextual business factors impede knowledge transfer in family businesses?' and 'What contextual business factors enhance knowledge transfer in family businesses?' respectfully.

5.8.4 Network-related tacit knowledge and knowledge transfer

As outlined in the literature review, network-related tacit knowledge speaks to the uncodifiable rules that the social network of a business (family business in this case) operate within. These rules, if effectively passed from incumbent to successor, more effectively allow for trust of the incoming leadership. Of the 35 instances of network-related knowledge transfer mentioned above, key quotes were outlined within Table 5.12 – 5.14 in order to provide further insight into the idiosyncratic knowledge landscape within family business. The quotations on network-related tacit knowledge were grouped in line with the codes previously mentioned, namely ‘Customer Needs’, ‘Fairness’, ‘Management of Non-Performance’ and ‘Negotiation’.

Key quotes on RQ 1.1: The influence of contextual business factors on Network-related: Customer Needs knowledge transfer	
Identifier	Comment
C1.1	<u>Network-related: Customer needs:</u> Nobody wanted to supply him, so Arwin Bhai said look I'll give you the goods you start your store and the shop of Studio 88 started under his tutorage you can say that look he gave them the guts he said, look don't worry I'll give you the goods you just start your business and that's how Studio 88 started.
C1.2	<u>Network-related: Customer needs:</u> It was probably more discussion you know one on one and things like that in that sense and more and more interaction discussions with a lot of our customers just because you spend more time with them, it's been more fun talking about all of that outside of work.

Table 5.12: Key quotes on Network-related: Customer Needs knowledge transfer

The code ‘Network-related: Customer Needs’ was second least frequently observed within the theme of network-related knowledge transfer, occurring eight times across the eight interviews conducted. Comments on the transfer of knowledge of Customer Needs typically speak the way in which customer needs must be met within the operation of the social network of the family business.

Key quotes on RQ 1.1: The influence of contextual business factors on Network-related: Fairness knowledge transfer

Identifier	Comment
C2.1	<p><u>Network-related: Fairness:</u> We've never bounced a cheque, there's never an RD Cheque that came back. So that's where the creditability comes into the picture, now then we coming back to the roots where Bapujee is now he tells you, you do not, you have to honour all your, your payments. If you don't have money tell them you not going to make this month but you make sure the following month you can pay them. Now this is where he comes in the picture also where he's using banks money</p>
C2.2	<p><u>Network-related: Fairness:</u> I don't think I don't think in our 20 years of, 20 years that I've been working in a factory that my dad's been around, I've never seen him drop an order or not supply an order, irrespective of how big or how much problems or what the problems with Eskom or, doesn't matter, we will always manage to get it out and if we can't, communicate it, just give a certain percentage out, split it evenly between everyone, so it's not felt by one individual person</p>
C2.3	<p><u>Network-related: Fairness:</u> So some of our customers went through a very tough time we didn't, we treated them really well we still looked after them we still invited them to the functions because we knew in 5 or 10 years of they get back on their feet they will become customers again...</p>

Table 5.13: Key quotes on Network-related: Fairness knowledge transfer

The code 'Network-related: Fairness' was second most frequently observed within the theme of network-related knowledge transfer, occurring nine times across the eight interviews conducted. Comments on the transfer of knowledge of business fairness typically speaks to the manner in which stakeholders are treated from an ethics perspective, often with respect to non-delivery as per contract.

Key quotes on RQ 1.1: The influence of contextual business factors on Network-related: Management of Non-performance and Negotiation knowledge transfer	
Identifier	Comment
C3.1	<u>Network-related: Managing non-performance:</u> So you know I mean guys owed us quite a lot of money potentially some of them and we still maintained really good relationships and now you know 1 or 2 of those guys are still our customers.
C3.2	<u>Network-related: Negotiation:</u> So you need to start getting people to break it down. Taking the order two days before, take the big customers and train your customers in a way, these all the things and then split it up when your shortages come in and always know when you stand, you know, in your business.
C3.3	<u>Network-related: Negotiation:</u> He's excellent at sales, identifying what the consumers wants and because we deal with two, we deal with the consumer but we deal with a customer as well. We don't actually deal, the final customer, our customer's customer is still our customer, but actually, who we need to keep happy, is our customer, which normally wants to make as much money as he can out of his customers,
C3.4	<u>Network-related: Negotiation:</u> Look it is customer relationships you know customer relationships and dealing with people effective handling conflict and things like that without getting violent or aggressive.
C3.5	<u>Network-related: Negotiation:</u> There's a bit more hands on learning we had quite a lot of functions involving our suppliers and our customers and then you know you go around and you introduce to people and things like that and that would be a bit more sort of how I learnt I suppose you know when you been introduced in a certain way to talk about things in certain ways so

	that would be just almost learnt through imitating or watching of those people.
C3.6	<u>Network-related: Negotiation:</u> He is one of those people he will make, a supplier will give him a discount and make the supplier happy that he did it and he will make a customer feel that he is the only customer, he's just got this charm factor that I can't replicate and I'm not going to bother but he, those are his traits.
C3.7	<u>Network-related: Negotiation:</u> He's [current Managing Director] going to walk all over the people, he's not going to care. For them the rights and this and the wrongs, he's just going to go. He's like a tractor you know, like a bull dozer he's just going to go because he's got the know-how, he's got the guts.

Table 5.14: Key quotes on Network-related: Management of Non-performance and Negotiation knowledge transfer

The code 'Network-related: Management of Non-performance' was the least frequently observed within the theme of idiosyncratic knowledge transfer, occurring four times across the eight interviews conducted, hence merged with the code 'Negotiation'. The codes exhibited a natural overlap and hence aggregation was possible. Comments on the transfer of knowledge of negotiation typically speaks to the manner in which the incumbent or current management compromises and mediates with respect to various stakeholders.

In line with the research question RQ1.1, specifically linked to network-related knowledge; common business context codes observed linked to high frequencies of network-related knowledge were highlighted. Three of the six respondents illustrated a propensity toward subject-related and network-related knowledge and specific contextual business factors.

The influencing contextual business factors on subject-related knowledge transfer were outlined in Section 5.8.5 with respect to research question RQ1.2 and RQ1.3, namely the 'What contextual business factors impede knowledge transfer in family businesses?' and

‘What contextual business factors enhance knowledge transfer in family businesses?’ respectfully.

5.8.5 Business contexts that impede and enhance the transfer of tacit knowledge

Within the respondent dataset, a preference toward idiosyncratic knowledge was evident amongst three of the six respondents that were used within the frequency analysis. Note that six of the eight interviews have been considered for frequency analysis. This was due to the lack of a digitally recorded interview for respondent AC as aforementioned and the disregarding of the interview data for respondent PL due to the incoherent nature of general responses due to the respondents age. The breakdown of the frequency of quotation amongst tacit knowledge dimensions to a base of 100% is outlined in Figure 5.1 below:

It can be noted that within Figure 5.1, respondents CC, AL and BL all outline a bias toward idiosyncratic tacit knowledge quotations with a frequency of quotation of 50% and above. Conversely, respondents MC, TC and GC indicate a preference away from idiosyncratic knowledge transfer and toward a combination of subject-related and network related tacit knowledge.

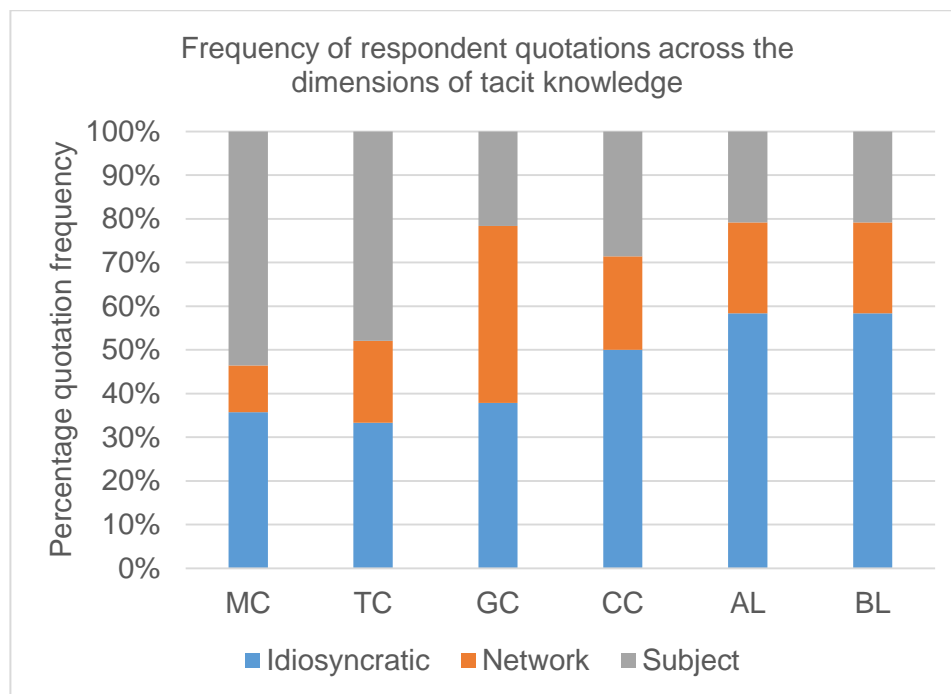


Figure 5.1: Frequency of respondent quotations across the dimensions of tacit knowledge

After identifying two homogenous groups, key business context similarities between the groups were identified in an effort to determine business contexts that impede and enhance tacit knowledge transfer in line with RQ1.2 and RQ1.3. The majority of codes analysed showed little linkage to the groups or any other noticeable patterns, however codes 1.2.3 ‘Business Performance – Scale: Floor Space (growth)’, 1.3.2 ‘Business Performance – Contracts: Diversification’ and 3.1.3 ‘Industry Context – Culture: Changing Business Model’ showed potential patterns.

To illustrate the data, the respondents were re-ordered to differentiate between idiosyncratic tacit knowledge transfer preference and preference toward the combination of subject-related and network-related knowledge transfer. Quotation frequency is illustrated to a base of 100% in Figure 5.2 below:

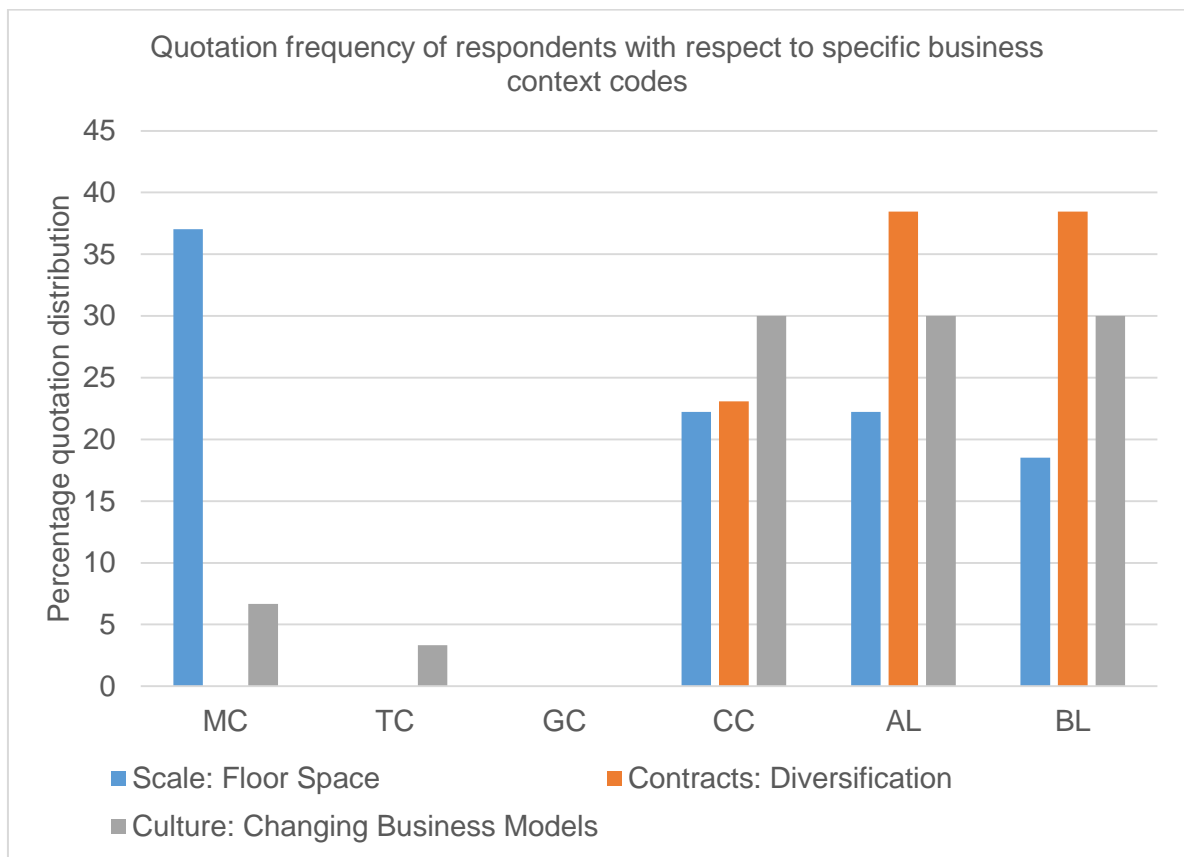


Figure 5.2: Quotation frequency of respondents with respect to specific business context codes

Outside of codes 1.2.3 ‘Business Performance – Scale: Floor Space (growth)’ for respondent ‘MC’, it is evident that the group with a preference to idiosyncratic knowledge transfer has experienced a greater instance of growth within floor space, a diversification of contracts as well as changing business models. It should be noted that whilst respondents ‘CC’, ‘AL’ and ‘BL’ noted the growth of floor space with reference to growing the number of point of sale locations (increasing the fleet of outlets), respondent ‘MC’ referred to the growth of floor space within a single location, which may account for the discrepancy of data and is discussed within Chapter 6.

Key quotations surrounding the codes 1.2.3, 1.3.2 and 3.1.3 mentioned above are outlined below in order to provide further insight into research question RQ1.2 and RQ1.3, namely the ‘What contextual business factors impede knowledge transfer in family businesses?’ and ‘What contextual business factors enhance knowledge transfer in family businesses?’ respectfully.

Key quotations on RQ 1.2 and 1.3: Code 1.2.3 ‘Business Performance – Scale: Floor Space (growth)’	
Identifier	Comment
D1.1	<u>Scale - Floor space growth:</u> Ya, they offered us this business and said look we going to offer you, we know your dad knowing your dad we offering this shop to you, would you guys be interested, and I said look we I’m there, what am I going to do, let’s start another shop and that 1990 the other store came up.
D1.2	<u>Scale - Floor space growth:</u> ...and then when we bought another shop 19... The second store, 75 the second store, 1977, 1978... 1978 we bought the other shop, the third shop.
D1.3	<u>Scale - Floor space growth:</u> It was always growing but we never thought of expanding it right. In 1980, in 1999 when I decided to you know divert a little bit and we bought in eight stores from Edgars...

D1.4	<p><u>Scale - Floor space growth:</u> I hit it at the start of what was, the big change that happened when I joined I mean the scale is still about, I mean it's gone from 6 to 7 branches and all the branches have done really well so I can't say like in terms of volume what the change was...</p>
D1.5	<p><u>Scale - Floor space growth:</u> ... he didn't put pressure on to me to say come home now, you know I need your help but the help my father was asking and I wasn't reading in between the line that I need to like now start refocusing because like I told you I wasn't focusing very, I wasn't focused let's just put it that way, we were studying but the business was growing</p>

Table 5.15: Key quotes on code 1.2.3 'Business Performance – Scale: Floor Space (growth)'

It is noted that in Table 5.15 above, the growth of floor space was dominated by the establishment of new branches or outlets, as opposed to growth of the existing location. Additionally, there is mention of a change of business model and general operations linked to the growth of floor space. The occurrences mentioned above were detailed further within the discussion section.

Key quotations on RQ 1.2 and 1.3: Code 1.3.2 'Business Performance – Contracts: Diversification'	
Identifier	Comment
E1.1	<p><u>Contracts – Diversification:</u> ...they were young and keen and full of ideas and that's when they started what now looks quite tame but at that stage was massively risky and you know just crazy and they built a huge timber shed on the railway siding outside of Pretoria and, so you got your rail, your timber in on the rail from the coast and they then started a timber merchant business in addition to the little trading store and that's when I suppose the hardware side of things really started to come in and so they built a few more branches...</p>

E1.2	<p><u>Contracts – Diversification:</u> (Arwin Lalla) had to be I mean very, the whole reason he introduced all that was to be different from our competitors because now they, you must remember there were people trading like the same things like us but we had to be different.</p>
E1.3	<p><u>Contracts – Diversification:</u> The tailoring side and the change in the type of business that we were doing. Now Bapujee is doing tailoring on one end now we had to introduce what we call today ready-made clothing. So the factories made the stuff for you as per your specs and then we were selling that. So if a customer came and wanted a trouser then and there you had a trouser for him.</p>
E1.4	<p><u>Contracts – Diversification:</u> Marabastad and we started introducing you know more styles of trousers and, our business was trousers you know where and our businesses grew from there you know we just, we specialised in a particular type of designs of trousers and all that kind of stuff and you know where we used to sell trousers like 10 pairs a day, we all of a sudden started selling hundred pairs a day, and you understand so our business grew like that.</p>

Table 5.16: Key quotes on code 1.3.2 ‘Business Performance – Contracts: Diversification’

The data represented in Table 5.15 above highlight the key factors leading to the diversification of contracts or product offerings to the customer. Often the driver of diversification was the need to maintain engagement with the customer or in an attempt to differentiate the product of service being offered by the family business from competitors. The occurrences mentioned above were detailed further within the discussion section.

Key quotations on RQ 1.2 and 1.3: Codes 3.1.3 'Industry Context – Culture: Changing Business Model'	
Identifier	Comment
F1.1	<u>Culture – Changing business model:</u> ...there was this new model that I think Home Depot invented in America of the big box DIY all that. It was a trend that people were now, people were actually looking at DIY not as a chore but as a hobby it's like a passing of a mountain bike or you do DIY so there was this social trend of that and so DIY as a component of the hardware store was gaining popularity.
F1.2	<u>Culture – Changing business model:</u> ...my dad and uncle decided they needed to do in order to survive was develop that side of the business so we built out first big box store and I mean it changed radically the way we did business.
F1.3	<u>Culture – Changing business model:</u> ...just going from hardware which is just dusty and dirty and you know everyone expects not a lot from the shopping environment going into retail it is all about merchandising and the retail experience and the lighting there was just so much to learn in terms of that we were a bit slow.
F1.4	<u>Culture – Changing business model:</u> Ya in a white area now this is where the social and the political part comes of that they need to move the Indians out of the so-called white area and then in 1972 we, why I remember 72 because I was still in standard 6...
F1.5	<u>Culture – Changing business model:</u> They built this shopping centre not to, we were not consulted, not to say that, oh you know P Lalla you going to get a shop here. They just built this place and said, look you going to, you guys just going to have to move here.

F1.6	<u>Culture – Changing business model:</u> Because of marketing you know I mean prices, you know we had to compete with local products, imported stuff you know what I mean...
F1.7	<u>Culture – Changing business model:</u> Now the 72 is where the real because of the change-over in business, the thinking had to be different, the type of customers that were coming different, the style of doing business was different from, there was a big change over from you know... manufacturing.

Table 5.17: Key quotes on codes 3.1.3 'Industry Context – Culture: Changing Business Model'

The changes to the operating models of the family businesses mentioned in Table 5.17 above were triggered by either the external influences of Apartheid, the change in international business operating models or the opening of trade borders. The changes to the business model were born out of the necessity to survive in a changing business landscape, which required the business and specifically business leadership to learn new skills. The occurrences mentioned above were detailed further within the discussion section.

Across all business context codes outlined within Chapter 5, a change in management focus is apparent. The family businesses either focused on growth through additional branches or a shift in the operations of the business either to facilitate growth or remain competitive. Linked to the emphasis on change in business operations is an expected shift of focus from the existing core operations to upskilling with respect to the new business initiative. This change of focus has provided the foundation for the discussion in the upcoming chapter.

Chapter 6: Discussion

6.1 Introduction

Family businesses are defined in some part through the maintenance of socioeconomic value through the effective transfer of tacit knowledge (Gomez-Mejia et al., 2011, Le Brenton-Miller & Miller, 2013). Chirico and Laurier (2008) argue that this unique knowledge is an asset that is most fundamental to the family business and is integral to maintaining a sustainable competitive advantage. Owing to the importance of family businesses as a component of a functioning economy (Cabrera-Suarez & Martin-Santana, 2012) and the vital role that tacit knowledge transfer plays in the sustainable operation of family businesses, the discussion was centred on identifying the characteristics of tacit knowledge transfer. Additionally, the impact of business context was explored within the discussion in an attempt to improve the transfer of tacit knowledge in family businesses.

The literary definition of tacit knowledge dimensions and the characteristics of tacit knowledge transfer was explored within the discussion section. Key data represented within the results section was then interwoven into the literature to further shed light onto the tacit knowledge transfer landscape and a model to influence tacit knowledge transfer was then proposed.

6.2 Tacit knowledge is created through exposure and experience

The general body of knowledge defines tacit knowledge as the beliefs, mental models, perspectives and values developed through exposure and interaction with a knowledge provider (Jarvis, 2015; Maruta, 2014; McAdam, Mason & McCory, 2007), in the case of the research report, interaction with an incumbent family member. Boyd and Royer (2012) define the business values and mental frameworks that speak to tacit knowledge across three dimensions, namely idiosyncratic, subject-related and network-related knowledge.

In line with the detailed definitions outlined in the literature review portion of the research paper: idiosyncratic tacit knowledge speaks primarily to the knowledge of particular circumstances and the expected outcomes, often through previously experienced situations (Jensen & Meckling, 1992). Idiosyncratic knowledge is independent of time and location (Boyd & Royer, 2012) and greatly speaks to the culture of a business or industry, the

expected manner in which the industry operates as well as the strategic dimensions that govern trends and growth opportunities.

Subject-related tacit knowledge on the other hand refers to the manner in which value is created for the customer, be it through a service or product (Boyd & Royer, 2012). The knowledge is not operational in a fashion as codifiable value chain knowledge would be considered explicit knowledge (Jarvis, 2015), but rather the knowledge that speaks to the strategic manner in which value is created, that is specifically bound to a time and location (Boyd & Royer, 2012).

Finally, network-related tacit knowledge refers to the knowledge that governs the social networks that businesses operate within (Basly, 2005). Boyd and Royer (2012) build on the definition to highlight the informal rules that govern the social networks of individuals, businesses and communities. High network-related tacit knowledge, specifically within family businesses, can allow for higher trust between the family business and outside stakeholders through the expectation that the transfer of tacit knowledge will influence the leadership characteristics of the successor (Bjuggren & Sund, 2002).

Maruta (2014) delves deeper into the characteristics that define the transfer of tacit knowledge, stating that tacit knowledge cannot be codified, or requires extreme effort to codify, hence is typically transferred through interaction and observation as opposed to formal learning environments. This leads to the understanding that often primary tacit knowledge teaching environments are experienced through work shadowing.

Jarvis (2015) builds on foundational tacit knowledge work to build on the notion of knowledge transfer through experience as opposed to formalised teaching environment. Jarvis (2015) highlights that tacit knowledge is knowledge that does not exist in the conscious realm and cannot be easily articulated, hence tacit knowledge transfer occurs through subconscious observation and experience. Further, the personal values and beliefs that govern tacit knowledge transfer are developed through subconscious reflection on teaching instances that can often not be recalled.

Characteristics of tacit knowledge highlighted by McAdam et al. (2007) align to the existing body of knowledge and speak to the individual nature of tacit knowledge. McAdam et al.

(2007) highlight that the tacit learning opportunities within an environment will be greatly governed by both the knowledge receiver and the knowledge provider based on their current focus and the intersection of the perceived learning. Further, this tacit knowledge cannot be codified in direct instruction, but is rather transferred through metaphor and analogies in addition to demonstration and observation previously discussed. McAdam et al. (2007) go so far as to highlight the inhibiting nature of formalised explicit knowledge training environments on the transfer of tacit knowledge, further emphasising the point that tacit knowledge must be experienced and observed as opposed to taught.

6.3 The challenges of rapid growth and the change in business operating models

The family ‘business performance’ expressed through growth and the stability in the operating model of the industry were two code themes that were identified and represented within the Results (Chapter 5) section of the report. These themes speak directly to the stability of the business operating environment. Abebe (2010) defines turbulent environments as businesses or industries that experience fluctuation (as either growth or decline) in the volume of sales or the customer demand, be it preference or quantity. Abebe (2010) further defines a stable environment as a business or industry that experiences little change to the volume of sales and the customer requirements. This definition is further developed by Schoenberg, Collier and Bowman (2013), stating that unstable or turbulent businesses can and often are triggered by mega-shifts in the business operating environment that will trigger a shift in demand and volumes sold, resulting in expected fluctuation to the financial performance of the business. Regardless of definition, literature is clear that volatility to the business operations, either in the positive or negative is seen as instability.

Within the interview process it was noted that the growth in floor space through the establishment of additional sales or manufacturing outlets were linked to an aggressive increase in the volume of goods sold. Hence, in line with Abebe’s (2010) definition of turbulence, a growth in floor space was seen as an indicator of a turbulent business environment. Conversely, a lack of growth of floor space through the establishment of additional business properties can be seen as a characteristic of a stable business environment.

Much in the same way, as outlined within the results section of the research paper, respondents noted major shifts in the operating models of the family business due to changes in the business environment or customer preferences. These business model changes were realised through either a shift in product offering or a change from local manufacturing to importing of finished goods. Additional environmental shocks were experienced through the forced removal of family businesses from specific business operating areas. Schoenberg et al. (2013) will define the step change to the business ecosystem and resulting operations as an unstable business environment.

Combining the literature and business context that the interview respondents were exposed to, rapid growth through the establishment of new business operations and changing business models to meet the environmental requirements of the family business would be considered as 'times of business instability'. Conversely, predictable sales volumes and customer preferences could be understood to be 'times of business stability'.

6.4 The expected exposure during times of business instability

The body of knowledge at the time of the completion of the research paper was unified in the description of the ideal business environment to facilitate tacit knowledge transfer, namely exposure to family leaders in general leadership situations. Hence it was logical to assume that through periods of 'instability' as defined above, where family business leaders are focused on either the expansion of the business from a geographical perspective or the modification of the existing business model to facilitate competitiveness or growth, there will be less leadership focus on the core business operations (Abebe, 2010; Schoenberg et al., 2013).

With a focus on strategic business dimensions as opposed to core business operations, linked to the literary understanding of the manner in which tacit knowledge is transferred through exposure (Jarvis, 2015, Maruta, 2014; McAdam et al., 2007), it is understood that less core business tacit knowledge learning opportunities will be available to knowledge seekers. Alternatively, if the business were experiencing a period of stability of operations, with family business leadership focused on the core operations of the business, it is expected that core business operations tacit learning opportunities will be more abundant than strategic tacit knowledge learning opportunities.

Linking existing literary definition of the dimensions of tacit knowledge, namely idiosyncratic, subject-related and network-related tacit knowledge (Boyd & Royer, 2012); a natural propensity toward tacit knowledge transfer can be linked to differing business contexts.

Idiosyncratic tacit knowledge, speaking to knowledge that is independent of time and location (Boyd & Royer, 2012) and expected outcomes of business circumstances from a business or industry culture perspective (Jensen & Meckling, 1992) is expected to provide rich exposure during times of 'business instability'. Hence it is expected that idiosyncratic tacit knowledge transfer would thrive during times of growth or change to the business model due to the manner in which tacit knowledge is transferred (Jarvis, 2015, Maruta, 2014; McAdam et al., 2007).

Conversely, during times of stability in operating models and limited growth from a geographical location perspective, leadership is expected to focus on core business operations more so than strategic leadership linked considerations such as competitiveness or growth. Overlaying the literary definitions of subject-related and network-related tacit knowledge that speaks greatly to time and location bound information, the informal social rules of a set of stakeholders and the knowledge required to create value (Basly, 2005; Boyd & Royer, 2012; Bjuggren & Sund, 2002); it can be expected that times of business stability would allow for greater subject-related and network-related tacit knowledge learning opportunities.

6.5 Research Question 1.1: The way that business context influence tacit knowledge transfer

6.5.1 Introduction

In order to identify the influence of business context on tacit knowledge transfer, the dimensions of tacit knowledge transfer were initially investigated against interviewee responses. Current literature introduced within preceding sections were reviewed in line with key quotations to provide further insight into idiosyncratic, subject-related and network-related knowledge and the accompanying knowledge transfer landscape.

Following which, key trends in business context responses were identified such that comparisons across tacit knowledge preference and the business contexts experienced

could be extracted. The comparison across the business context and tacit knowledge transfer landscape allowed for influencing factors to be identified and outcomes to be generated in answer to research question 1.1.

6.5.2 Insight into idiosyncratic knowledge and knowledge transfer

Idiosyncratic knowledge is core to the culture and operating values of family business, specifically linked to key principles of the maintenance and development of socioeconomic wealth (Gomez-Mejia et al., 2011; Le Brenton-Miller & Miller, 2013) and fostering an environment of innovation and entrepreneurship (Cruz & Nordqvist, 2010; Zellweger & Sieger, 2010). Hence it was expected that the results uncovered through the interview process would be steeped in rich quotations that shed additional light on the idiosyncratic tacit knowledge landscape.

Of the 151 tacit knowledge quotations identified within the coded interviews, the highest frequency of occurrence was noted to be idiosyncratic knowledge, accounting for 43% of the dataset. Idiosyncratic tacit knowledge was identified across four codes, which in descending order of highest frequency observed were: 'business values', 'future of the business', 'entrepreneurial culture or spirit' and 'confidence and self-belief'.

Quotations on business values differed greatly and did not centre on a single theme. However, many comments spoke to the brand that the family had developed through generations of operation. These comments are prime examples of the maintenance of socioeconomic value of a family business, where often family leadership would forsake short term financial success in order to maintain core operating values (Berrone et al., 2012). Pride linked to historical behaviour of incumbent leaders was evident in quotations speaking to ethical behaviour in the face of adversary, which is a further example of defining the performance of a family business by the maintenance of socioeconomic value as opposed to financial gain (Gomez-Mejia et al., 2011; Le Brenton-Miller & Miller, 2013). Additional idiosyncratic 'business values' comments expressed mental models that family leaders had developed based on their own experience and potential success, that were passed to successors through metaphors and analogies.

Aligned to the code of 'business values', quotations that were noted under the 'future of business' codes greatly spoke to expected growth and operation in line with the business

values imparted on successor leadership. Much in the same fashion as the ‘business values’ code, past experience had moulded a framework of operation (Jarvis, 2015) within knowledge providers, that was then imparted onto successors and defined the manner in which the business was grown. Often the future of the business was defined on maintaining operations and growth founded on innovation and entrepreneurship, which is fundamental to family business (Cruz & Nordqvist, 2010).

‘Entrepreneurial culture or spirit’ was a code that provided great insight into the behaviour of incumbent generational leadership, specifically linked to knowledge that successor generations refer to as fundamental. Patel and Fiet (2011) as well as Sharma and Salvato (2011) claim that long-lived family firms are well placed to maintain their philosophy of entrepreneurship and innovation through effective intergenerational transfer of culture, or in the case of the research paper: tacit knowledge. Quotations on ‘entrepreneurial culture’ clearly highlight the importance that successors place on the ability to quickly adapt to hardship or changes in the business environment in order to maintain competitiveness and ensure the longevity of the family business.

Finally, the quotations on the code ‘confidence and self-belief’ highlight philosophies that tend to merge ‘business values’ and ‘entrepreneurial culture’. Quotations speak to the strength that is required to persevere through hardship and a shock to the business environment, as well as the confidence to forsake financial gain in order to maintain the socioeconomic value that the family business has developed (Gomez-Mejia et al., 2011; Le Brenton-Miller & Miller, 2013).

Quotations on idiosyncratic tacit knowledge transfer has provided key insight to the importance that is placed on maintaining the socioeconomic value of the firm through the manner in which the family successor leads. Entrepreneurial spirit and innovation has been core to the knowledge gained, as well as the conviction to act on the inherent values and beliefs that has been instilled through exposure to knowledge providers.

6.5.3 Insight into subject-related knowledge and knowledge transfer

Subject-related tacit knowledge is fundamental to the sustainable operation of a family business as the knowledge speaks to the manner in which value is created for the customer. Cabrera-Suarez and Martin-Santana (2012) and Harvey (2012) argue that firms that

intentionally and systematically transfer knowledge across generations create sustainable knowledge assets and are better suited to compete within a knowledge based economy. Further, family leadership are best placed to develop in-depth knowledge of the operations of a family business. Exposure to multiple aspects of the operation of family firms aids in the transfer of tacit and explicit knowledge that ultimately results in skills that outsiders are not able to gain (Cabrera-Suarez & Martin-Santana, 2012).

Subject-related tacit knowledge transfer quotation accounted for 34% of the 151 tacit knowledge quotations noted, which were analysed across three codes. Namely: 'operational leadership', 'value chain and manufacturing' and 'logistics' from a decreasing frequency perspective.

Within the 'operational leadership', many quotations made mention of the learning through work shadowing method that is consistent with the literature reviewed (Jarvis, 2015, Maruta, 2014; McAdam et al., 2007). Often methods of creating value within a manufacturing environment were not codified through written material or direct explicit teaching, rather work shadowing transitioning into ownership of tasks being shifted from incumbent to successor. The process of succession through sequential shifting of responsibilities, which is a vital component on the way in which family businesses create competitive advantage (Le Brenton-Miller & Miller, 2013; De Massis et al., 2014) was clearly evident within the quotations observed. Additionally, an element of 'business values' has been executed through 'operational leadership'. The manner in which products and services were delivered to the customer were founded in the socioeconomic value that defined family businesses (Gomez-Mejia et al., 2011; Le Brenton-Miller & Miller, 2013).

As with 'operational leadership', quotations on the 'value chain and manufacturing' code were in line with the 'business values' imparted, that led to value chain operations in line with mental models and beliefs generated by successors (Maruta, 2014; Jarvis, 2015). Attention to detail in line with predecessor behaviour, as well as the maintenance of the quality of product to the customer were key outcomes of the code analysis, which was to be expected with the focus on the maintenance of the family business brand that was identified as a common theme across the majority of learnings quotations.

Quotations on the 'logistics' code spoke heavily to the core operations of the business, linked to manner in which additional value was created for the customer. Distribution philosophies and the intersection between 'entrepreneurial culture' and distribution of product in order to maintain the health of the business were key outcomes of the code analysis. The 'logistics' code was not a predominant code within the tacit knowledge focused interview, only occurring five times across the eight interviews. This could be attributed to the natural tendency of logistics based learnings to be operational and codifiable (Maruta, 2014; Jarvis, 2015).

Subject-related quotations highlighted key tacit knowledge insights based on the manner in which value is created for the customer, with a specific focus on either time or location. Further, quotations spoke greatly to the philosophies that govern the operation of the core business and is noted as a conduit to implement 'business values' into operational leadership.

6.5.4 Insight into network-related knowledge and knowledge transfer

Boyd and Royer (2012) state that knowledge that can only be earned through growing up within a family business and being exposed to family networks manifests in an understanding of the tacit knowledge necessary to be competitive in a family business environment. The exposure to family business networks allow for trust to be maintained across family members with respect to stakeholders (Jarvis, 2015) with the expectation that the socioeconomic value and brand that has been developed within the family firm will be maintained (Gomez-Mejia et al., 2011; Le Brenton-Miller & Miller, 2013). Resultantly, network-related tacit knowledge quotations highlight the importance of maintaining continuity of action across generations of leadership within the family business and highlight the manner in which the business interfaces with stakeholder to maintain operational stability.

Network-related tacit knowledge transfer quotations accounted for 23% of the 151 tacit knowledge quotations noted, which were analysed across three codes. Namely: 'negotiation and the management of non-performance', 'fairness' and 'customer needs' from a decreasing frequency perspective.

The 'negotiation' and 'managing non-performance' codes spoke greatly to maintaining consistency on family business leadership behaviour and fostering long term relationships. Often short term gains through leadership behaviour such as calling on overdue debt of debtors or discontinuing supply to defaulting customers was not engaged in, favouring long term views of maintaining relationships and socioeconomic value even down to the stakeholder level. The way in which key stakeholders were engaged was often learnt through shared interaction and work shadowing, consistent with the characteristics of tacit knowledge transfer (Jarvis, 2015, Maruta, 2014; McAdam et al., 2007).

The long term view of stakeholder relationships within the family was again evident within 'fairness' quotations, where stakeholders were fault from a family business perspective was shared across customers and often benefit of the doubt from a stakeholder sustainability perspective was given to customers. Finally, the 'customer needs' quotations highlighted the family business focus on maintaining consistency of stakeholder treatment and meeting customer requirements in line with the brand that the family business had developed through generational operation (Gomez-Mejia et al., 2011; Le Brenton-Miller & Miller, 2013).

Network-related tacit knowledge transfer was experienced greatly through exposure to family leadership interaction with business partners, specifically customers. Consistency in stakeholder management was identified as a key theme, as well as taking a long term view on customer relations, often choosing to maintain family business brand over meeting short term financial expectations or obligations (Berrone et al., 2012).

6.5.5 Contextual business factors that influence tacit knowledge transfer

In order to identify influencing contextual factors on the transfer of tacit knowledge, trends in business context and tacit knowledge transfer across the three dimensions discussed were analysed and represented within the results section of the research paper.

It was determined that parties that were exposed to high growth from a geographical footprint perspective through the establishment of additional sales or manufacturing branches indicated a propensity toward idiosyncratic knowledge transfer. Further, parties that had been exposed to changes in the operating business models of the family business showed the same focus on idiosyncratic knowledge transfer. An outlier was identified with respect to growth in floor space, however through perusal of the interview script, it was determined that

the floor space growth highlighted by the respondent spoke more toward growth of an existing plant and less toward the establishment of new premises.

Additionally, the converse was noted. Parties that experienced little growth from a branch perspective or greatly experienced a stable business operating model showed an inclination toward subject-related and network-related tacit knowledge transfer.

These findings are congruent with ruling literature. As mentioned previously, it is expected that idiosyncratic tacit knowledge transfer would thrive during times of growth or change to the business model due to the manner in which tacit knowledge is transferred (Jarvis, 2015, Maruta, 2014; McAdam et al., 2007). Conversely, during times of stability in operating models and limited growth from a geographical location perspective, leadership is expected to focus on core business operations more so than strategic leadership linked considerations such as competitiveness or growth.

Key quotations speaking to the growth of the family businesses highlighted additional outlets being established in quick succession, as well as family leaders from within the family business expressing an expectation of successors to enter into the firm. Changes to the business operating model and diversification of key contracts spoke greatly to entrepreneurial values and the need to maintain competitiveness manifesting through entering into new markets and diversifying the value chain. Instability and adaptation were outlined within the quotations, speaking to the difficulty of maintaining the sustainable operations of the business with large environmental shocks.

Hence it can be understood that the dimensions of tacit knowledge transfer are influenced by business context, specifically linked to the business performance and the stability of the business or industry operating model. During times of 'business stability', subject-related and network-related tacit knowledge transfer is expected to be favoured, with times of 'business turbulence' resulting in a focus on idiosyncratic knowledge transfer.

6.6 Research Question 1.2 and 1.3: Business contexts that impede and enhance tacit knowledge transfer

Section 6.5 above introduced business contexts that facilitate a tacit learning environment. In times of business turbulence, it was shown that idiosyncratic learning opportunities are more abundant. Conversely, in times of business stability, subject-related and network-related learning opportunities are more abundant.

6.6.1 Contextual business factors that enhance tacit knowledge transfer

Hence it can be understood that business turbulence, defined by phases of sale volume instability or drastic changes to the business environment or customer preferences (Abebe, 2010; Schoenberg et al., 2013) will result in a leadership focus on business strategy and redesign of the business operating models. This business focus based on the business context of 'turbulence', linked to the experiential manner in which tacit knowledge is transferred (Jarvis, 2015, Maruta, 2014; McAdam et al., 2007) will enhance the transfer of idiosyncratic tacit knowledge in family businesses.

Maintaining the literary approach that tacit knowledge transfer opportunities are greatly linked to the business focus of leadership (Jarvis, 2015, Maruta, 2014; McAdam et al., 2007), times of business stability will result in leadership focus predicated on the core operations of the family business. This focus will result in learning opportunities linked to the manner in which core operations are utilised in order to generation value for the customer, within the social network that the family business operated within, resulting in greatly subject-related and network-related tacit learning opportunities (Boyd & Royer, 2012; Jensen & Meckling, 1992). Resultantly it was proposed that the business context of 'stable operations' will result in a core operations focus by family business management, hence enhancing the transfer of subject-related and network-related tacit knowledge.

6.6.2 Contextual business factors that impede tacit knowledge transfer

The counter to the argument that was proposed in Section 6.6.1 above is that with a focus on idiosyncratic knowledge transfer in times of business instability; a subject-related and network-related knowledge transfer environment will not be readily accessible. Hence it was proposed that during times of business instability or 'turbulence' (Abebe, 2010), due to an

idiosyncratic-focused learning environment, the transfer of subject-related and network-related tacit knowledge will be impeded within the family business.

Further, in times of business stability, due to leadership focus on core operations and maintaining a stable operating environment, focus on strategic issues such as identifying growth or diversification opportunities may be deprioritised. It can then be understood that during times of stability, leadership focus on core operations will result in a teaching environment that impedes the transfer of subject-related and network-related tacit knowledge.

6.7 Proposed model governing the transfer of tacit knowledge dimensions based on business operations stability

Overlaying the findings based on research questions 1.1, 1.2 and 1.3, Figure 6.1 illustrates a proposed model governing the focus of tacit knowledge dimensions based on the governing business context. It can be noted that with an increase in business instability or turbulence, the leadership environment tends to shift from subject-related and network-related knowledge to an idiosyncratic knowledge development environment.

Practically, a focus on a specific tacit knowledge dimension and potentially forsaking others would hinder the competitiveness of the family business. Chirico and Laurier (2008) argue that the unique tacit knowledge is an asset most fundamental to a family firm, which must amongst other things, be transferred in order to create a higher value of performance over time. Further, exposure to multiple aspects of the operation of family firms aids in the transfer of tacit across different facets of the organisation that results in competitive advantage that non-family businesses often do not experience (Cabrera-Suarez & Martin-Santana, 2012). Resultantly, family business leaders should focus on fostering learning environments that develop all three dimensions of tacit knowledge to maintain the family competitive advantage.

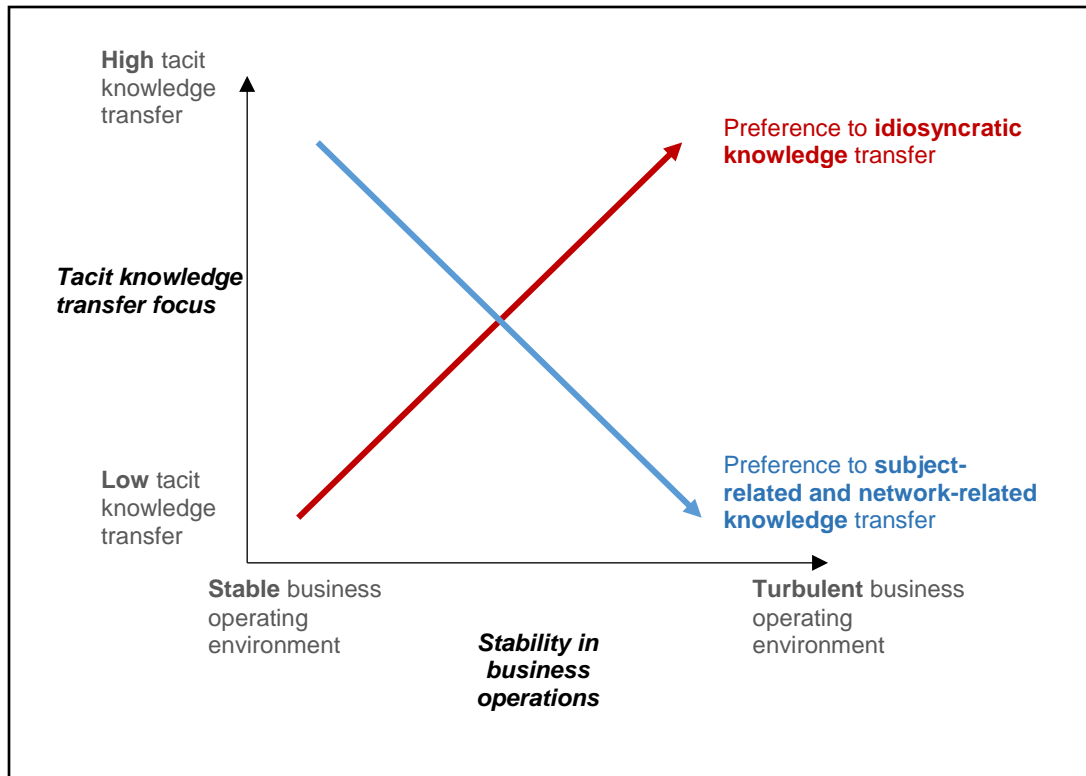


Figure 6.1: Proposed model governing tacit knowledge transfer based on the stability of business operations

The implication to family business leaders is that during periods where the business is experiencing a turbulent operating environment based on volatility on customer preferences, sale volumes or industry operation (Abebe, 2010; Schoenberg et al., 2013), leaders should place more emphasis on maintaining involvement in core business operations in order to foster an environment for subject-related and network-related tacit knowledge to supplement the natural environmental propensity toward idiosyncratic knowledge transfer. This supplemental focus on core business operations will further develop a holistic tacit knowledge transfer that will result in higher competitive advantage within the family business (Cabrera-Suarez & Martin-Santana, 2012; Chirico & Laurier, 2008).

In line with the argument posed above, during times of business stability (Abebe, 2010; Schoenberg et al., 2013), leadership should engage in strategic practices that would allow for the idiosyncratic knowledge transfer opportunities that would similarly result in sustained family business competitive advantage.

Chapter 7: Conclusion

6.8 Introduction

The research paper sought to explore a current gap in the literary body of knowledge regarding the influence of contextual business factors on the transfer of tacit knowledge within family businesses. Primary data was sourced through a case study methodology where family business members were interviewed and the dimensions of tacit knowledge explored. Key findings were determined through careful analysis of data trends within the frame of existing literary tacit knowledge principals and characteristics. A model governing tacit knowledge transfer within stable and unstable business environments was proposed and implications for business leaders highlighted.

6.9 Principal findings

Knowledge transfer is a vital component in how family businesses stay competitive (Boyd & Royer, 2012; Sharma, 2004) in a knowledge based economy (Khalifa, 2015). Taking a resource-based view of a firm (Henderson & Cockburn, 1994), the currency of competition within a knowledge based economy will be competencies and capabilities developed through knowledge transfer and acquisition. Further, family businesses exhibit unique behaviour regarding knowledge transfer, exhibiting an advantage with respect tacit knowledge in comparison to non-family businesses. Chirico and Laurier (2008) argue that this unique knowledge is an asset fundamental to a firm, which must amongst other things, be transferred in order to create a higher value of performance over time.

The current body of work regarding factors influencing the transfer of tacit knowledge (Cabrera-Suarez et al., 2001; Chirico & Laurier, 2008; Treviño-Rodríguez & Bontis, 2010; Sharma, 2004) reveal drivers that focus on the relationship between successor and predecessor and the attitude of the successor toward the family firm, predominantly outlining the internal drivers of tacit knowledge transfer. Hence the focus of the research paper was predicated on the external business factors that influence tacit knowledge transfer in order to further the body of knowledge and gain further understand the knowledge transfer landscape.

Due to the early study nature of the influence of contextual business factors on the transfer of tacit knowledge, a case study methodology was adopted (Saunders & Lewis, 2013).

Analysis of the data collected indicated link between the stability of the business operation, based on the predictability of sales volumes and the stability of the business operating model (Abebe, 2010; Schoenberg et al., 2013) and the knowledge transfer environment created. The focus on the either idiosyncratic tacit knowledge or subject-related and network-related knowledge was found to be dependent on the issues that leadership were dealing with at the time of tacit knowledge transfer.

It was determined that business turbulence, will result in a leadership focus on business strategy and redesign of the business operating models. This business focus based on the business context of 'turbulence', linked to the experiential manner in which tacit knowledge is transferred (Jarvis, 2015, Maruta, 2014; McAdam et al., 2007) will enhance the transfer of idiosyncratic tacit knowledge in family businesses. Further, maintaining the literary approach that tacit knowledge transfer opportunities are greatly linked to the business focus of leadership (Jarvis, 2015, Maruta, 2014; McAdam et al., 2007), times of business stability will result in leadership focus predicated on the core operations of the family business. This focus will result in learning opportunities linked to the manner in which core operations are utilised in order to generation value for the customer, within the social network that the family business operated within, resulting in greatly subject-related and network-related tacit learning opportunities (Boyd & Royer, 2012; Jensen & Meckling, 1992). Resultantly it was proposed that the business context of 'stable operations' will result in a core operations focus by family business management, hence enhancing the transfer of subject-related and network-related tacit knowledge.

The counter to the argument that was proposed; that with a focus on idiosyncratic knowledge transfer in times of business instability; a subject-related and network-related knowledge transfer environment will not be readily accessible. Hence it was proposed that during times of business instability or 'turbulence' (Abebe, 2010), due to an idiosyncratic-focused learning environment, the transfer of subject-related and network-related tacit knowledge will be impeded within the family business. Further, in times of business stability, due to leadership focus on core operations and maintaining a stable operating environment, focus on strategic issues such as identifying growth or diversification opportunities may be deprioritised. It can then be understood that during times of stability, leadership focus on core operations will result in a teaching environment that impedes the transfer of subject-related and network-related tacit knowledge.

6.10 Implications for management

The implication to family business leaders is that during periods where the business is experiencing a turbulent operating environment based on volatility on customer preferences, sale volumes or industry operation (Abebe, 2010; Schoenberg et al., 2013), leaders should place more emphasis on maintaining involvement in core business operations in order to foster an environment for subject-related and network-related tacit knowledge to supplement the natural environmental propensity toward idiosyncratic knowledge transfer. This supplemental focus on core business operations will further develop a holistic tacit knowledge transfer that will result in higher competitive advantage within the family business (Cabrera-Suarez & Martin-Santana, 2012; Chirico & Laurier, 2008).

In line with the argument posed above, during times of business stability (Abebe, 2010; Schoenberg et al., 2013), leadership should engage in strategic practices that would allow for the idiosyncratic knowledge transfer opportunities that would similarly result in sustained family business competitive advantage.

6.11 Limitations of research

Limitations to the research study were identified across three metrics and discussed below.

6.11.1 Case study methodology limitations

Both Creswell (2013) and Yin (2012) warn against drawing conclusions from case study analysis due to the small sample size as well as the influence of the case study participant context on the outcomes observed, hence there is a material risk that links between contextual business factors and knowledge transfer may only apply for a small population within the greater business environment. With specific mention to the proposed model governing tacit knowledge transfer based on business operating stability, the exploratory research conducted in the research paper must be supplemented with descriptive and casual research prior to adoption of the model within a business environment (Saunders & Lewis, 2012).

Further, the analysis may not identify consistent effects on knowledge transfer due to similar contextual business events as a result of the small sample group, however it is expected

that a deeper understanding of the variables within the knowledge transfer field within family business has been gained regardless.

6.11.2 Researcher bias

Qualitative research and analysis, specifically making use of exploratory techniques, rely heavily on the perspectives of the researcher and hence has the potential of bias linked to the researcher's existing view of the research area (Creswell, 2013; Saunders & Lewis, 2012; Yin, 2012).

It is therefore stated that the researcher has worked within a family business prior to entering into the formal work sector upon completion of the researcher's undergraduate study. The family business was established by the father of the researcher and was in operation at the time of the study. It can be understood that the researcher has developed cognitive frames linked to family business through exposure to the family business, and resultantly may have unintentionally guided the interview toward areas of investigation that are prevalent to the researcher.

6.11.3 Sampling bias

The research study makes use of convenience sampling as the social and business networks of the researcher were required in order to gain the in-depth access required for case study analysis (Creswell, 2013; Saunders & Lewis, 2012). Resultantly, the sample may not be representative of the population.

In an attempt to counteract the inherent bias within convenience sampling, the researcher identified businesses with differing ethnicity and industrial background. The result of which were ethnicity across Greek, Dutch and Indian heritage and exposure to the confectionery, wholesale building product and clothing. The intentional diversity within the case study sample aimed to reduce the creating of a micro-population within the larger population, however may be assumed to effect to data and outcomes.

6.12 Suggestions for future research

The model proposed in the research paper has been developed based on a sample population congruent with the case study methodology (Saunders & Lewis, 2013). Both Creswell (2013) and Yin (2012) warn against drawing conclusions from case study analysis due to the small sample size as well as the influence of the case study participant context on the outcomes observed, hence it is suggested that future research focus should be placed in empirical verification of the proposed model through analysis of a larger sample set.

The exploratory research conducted in the research paper must be supplemented with descriptive and casual research prior to adoption of the model within a business environment (Saunders & Lewis, 2012).

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Appendix 1: Ethical clearance

Dear Mr Sashin Moodley

Protocol Number: **Temp2016-01851**

Title: **The effect of contextual business attributes on the transfer of knowledge in family firms**

Please be advised that your application for Ethical Clearance has been APPROVED.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Kind Regards,

Adele Bekker

Appendix 2: Interview guide

A1 Purpose of the interview: to be syndicated with interviewee

- The purpose of the interview is to gain further understanding on the **business factors that influence the transfer of knowledge** in family firms
- The study will involve approaching business people holding **executive leadership positions in family business**, with the intension to understand topics around the business climate and knowledge transfer
- The interview will span **3 general sections**:
 - Speaking to the interviewee's **decision to join the family business**
 - **Knowledge acquired** whilst and prior to working at the family business
 - **Open discussion** on any points raised earlier in the interview.

The intension of the opening and introduction to the interview is to outline the boundaries of the interview to the interviewee, without bounding the discussion toward contextual business factors and tacit knowledge transfer. Additionally, the final portion of the interview that speaks to an 'open discussion' is intended to allow the interviewer to delve deeper into aspects of the interview that may lead to general theories on tacit knowledge transfer causality.

A2 Question guide

A2.1 Contextual business attributes

Q1.1 Please may you describe the **business environment when you decided to join** your family business? (*Business performance and context*)

- Delve deeper into **business performance** if not mentioned
- Delve deeper into the **scale of the business, as well as whether the firm was experiencing a contraction or expansion** phase
- Further detail the **state of key clients or suppliers**, positive or negative.

Q1.2 Describe the **state of the economy and political landscape** at the time of joining, and what that meant for business/employment opportunities for yourself. (*Economic context*)

Q1.3 What **type of jobs were your friends and colleagues** engaged in or taking when you decided to join the family business? (*Social context*)

Q1.4 Moving forward to present day, please may you describe the **current business environment that the family firm finds itself?**

- Delve deeper into **corporate culture within the region** if not mentioned
- Delve deeper into the **competitiveness amongst companies within the sector** if not mentioned
- Outline the **characteristics of the industry** that differentiate it from other sectors.

A2.2 Knowledge transfer, *focus on tacit knowledge transfer*

Q2.1 Who would you identify as the **party within the family business that you learnt the most from?**

Q2.2 Where did the **knowledge transfer occur?**

- Delve deeper into **teaching environments outside of the workplace** (and vice versa) if not mentioned.

Q2.3 What are some of the **key pieces of knowledge** that you were passed on by your predecessor?

- Delve deeper into components of **idiosyncratic, subject-related and network-related tacit knowledge** if not mentioned.

Q2.4 What was the impact of the **business environment** mentioned previously on the transfer of those key pieces of knowledge?

- Focus on **negative and positive** impact.

Q2.5 What was the impact of the **political and economic environment** on your learning and development?

- Focus on **negative and positive** impact.

Q2.4 Did the **job decisions of your friends and colleagues** impact your learning within your family firm?

- Focus on **negative and positive** impact
- Delve deeper into the **attitude of the interviewee toward the family business** due to the decision of their friends and colleagues, and the resultant impact on learning (if any) if not mentioned.

A2.3 Open discussion

Allow for interviewee to ask any questions or open any discussion points on knowledge transfer that they feel may have been left out.

Q3.1 Are there any **external business factors that we have not discussed** that play a significant role in the transfer of knowledge across successors and predecessors?

A3 Interview conclusion

- Thank interviewee for taking the time out to chat and show appreciation for the input and energy shown through the interview
- Ask if the interviewee may be contacted going forward if any additional questions arise
- Ask interviewee if they know of any party that would have a strong view on the points discussed through the interview such that the interviewer may make contact
- Close with asking the interviewee if they would like a copy of the research finding once the study is concluded.

Appendix 3: Ethical Considerations: Consent form given to each participant at the start of the interview

I am conducting research on the effect of contextual business factors on knowledge transfer within South African family firms. The interview aims to identify the contextual business landscape at various points across the interviewees' career and identify and map the dimensions of knowledge transfer across these periods. The interview is expected to last roughly 45 minutes, and will assist with determining how the business environment effects knowledge transfer.

Your participation is voluntary and you can withdraw at any time without penalty.

Any data shared within the interview will be kept confidential. If you have any concerns, please feel free to contact wither my supervisor or myself for clarification. Our details are listed below:

Researcher:

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Signature of participant:

Date:

Signature of researcher:

Date:
