

Empowering the future of family business

Methodology note

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The following is a summary of the methodology that we adopted to develop a series of four co-authored articles: The courage to choose wisely, The power of women in family business, Creating value through good governance and The enduring legacy of business families, which were included in the STEP Project Global Consortium and KPMG Private Enterprise “Empowering the future of family business: A four-part article series of research-based practical insights”.

1. Sample and data collection

The STEP Project Global Consortium and KPMG Private Enterprise 2019 Global Family Business Survey revealed the ways in which demographic changes are affecting family business behavior in various circumstances. To better understand the reasons behind these findings, we adopted a qualitative approach that not only allowed us to answer the “why” and “how” questions, but also enabled us to gain a deeper understanding of the perspectives of the interviewees and to uncover unanticipated avenues of interest in the field of family business research and practice.

In collaboration with KPMG Private Enterprise, we collected qualitative data from 37 cases in 22 countries, territories, or jurisdictions spanning five continents: Asia, Africa, Europe, North America and South America. The list of locations from which the data were collected is presented in Table 1. We also collected information about the industry in which the family business operates, the generation leading the family business, number of employees, annual turnover rate and the position held by the interviewee.

Twenty-six cases were collected by STEP Project Global Consortium affiliated universities and eleven cases were collected by KPMG Private Enterprise. Furthermore, because the COVID-19 pandemic had such significant impact on business practices, we followed up with additional interviews to explore specifically how the global pandemic affected individual family businesses and business families. For example, the initial questions for the succession theme aimed at investigating different generational and demographic perspectives around retirement plans, such as: “What may trigger/have triggered your thoughts regarding retirement? Is age a critical factor that is driving you to think about retirement more? What concerns do you have?” While the COVID-19 follow-up questions also addressed the succession and retirement topics, they were targeted specifically at understanding how the pandemic had affected family business succession plans, “How has COVID-19 affected your family business practices (e.g., succession, governance, contingency planning, early retirement, entrepreneurship)?”

2. Case study approach

We used a multiple case studies approach to analyze the data and purposefully ensured diversity in our sampling and data collection. This process allowed us to increase the variability and comparability across our main variables of interest (Eisenhardt & Graebner, 2007). Given the global nature of the STEP Project Global Consortium and the international scope of the findings, we made sure to have a diversified sample from multiple continents and regions. This permitted us to explore a variety of perspectives on how demographical changes are impacting family businesses across different cultures and institutional contexts.

Every STEP affiliate conducted semi-structured, in-depth interviews with family business leaders in their respective countries, using open-ended questions in their interviews. Additional questions emerging from the dialogue allowed the interviewers (our affiliates) to explore the personal stories and perspectives of the interviewees (DiCicco-Bloom & Crabtree, 2006; Woodfield & Husted, 2017). The questions were consistent and replicated across interviews to ensure consistency and allow comparability.

All interviewees had the option to remain anonymous or for their names to be disclosed. This allowed for the free expression of their perspectives and permitted us to compare different perspectives across the interviews. Out of the 37 cases, 15 opted to remain anonymous and 22 agreed to reveal their identities. Interviews were conducted in multiple languages: English, Spanish, Portuguese, Turkish, Chinese, Thai, Hungarian, Russian, French, Dutch and German, all of which were later translated into English. Subsequently, the STEP affiliates submitted a document that highlighted the different and most interesting perspectives collected from their interviews. These documents were used for analysis purposes and for conducting our qualitative data collection.

In addition, all the quotes in the report were reviewed and approved by their respective owners prior to publication. Furthermore, for those cases that agreed to disclose their identity, we created individual family business profiles based on the developed cases, which were also validated and approved by each of the family firms prior to publication. The family business profiles are available on the Empowering the future of family business website.

3. Philosophical assumptions regarding the nature of social reality

Because we are addressing a complex phenomenon as to how demographic changes are impacting family business processes, we adopted an inductive approach, taking an interpretivist perspective (Nordqvist et al., 2009). As previously outlined, we adopted a multiple case studies approach to provide a robust basis for interpretation (De Massis & Kotlar, 2014) and to elicit a rich understanding of the interviewees' perspectives. Using multiple cases also allowed us to make comparisons for identifying similarities and differences across cases coming from multiple countries and cultures (Yin, 2009). Furthermore, all interviewees were still active in their family business in senior managerial roles. Therefore, they were well informed about the business history, culture and processes.

4. Data analysis

Following the guidance of Grodal et al. (2020), the qualitative analysis was structured in four main stages. The first stage involved identifying broad themes where we noticed that generational changes and demographics are impacting various family business variables. At this stage, we followed a manual textual analysis and made sure that the initial categories we developed were theoretically meaningful and distinct. The interview questions were focused on the variables that we investigated in the STEP Project Global Consortium/KPMG Private Enterprise 2019 Global Family Business Survey, while keeping an open mind for unanticipated avenues. In particular, we noticed different perspectives of multiple generations with regard to several family business outcomes, which were later grouped around succession, the role of women, proper family governance and building and sustaining the family business legacy.

The second stage involved engaging in an open coding process to generate initial categories. Staying close to the data and reading the case write-ups and quotes carefully, we extracted codes that reflect the evolution of the perspectives of different generations around their family businesses in general and around succession, women, governance and legacy in particular (Nordqvist et al., 2009). To ensure consistency, we continuously compared the codes initially extracted from the first cases that we analyzed with the new codes that were generated as the data analysis evolved and as we analyzed more cases collected by STEP affiliates and by KPMG Private Enterprise. As we progressed with our coding and initial categories began to develop, we noticed several commonalities across the findings (Strauss & Corbin, 1998).

The third step involved refining the initial categories. While in stage 2, we found several broad themes and categories. We looked at the data in a careful and holistic manner and retained the categories that showed consistency across the cases, which provided us with enough information to reach theoretical

saturation. At this stage, we eliminated some themes where not enough information was available and we grouped other themes where we found several commonalities. For example, we initially had a theme focused on sustainability. However, this theme was eliminated as the data was present in very few cases, which did not allow us to make general inferences on how demographic changes are affecting the sustainability practices of family businesses. Moreover, the intention to transfer the business to future generations and entrepreneurial exits were grouped with succession, as they both refer to either a succession intention or an intention to exit the business. At this stage, the analyzed data showed consistency and richness around four main topics: succession, women, family governance and family business legacy.

The fourth stage involved a theoretical integration of the collected data by looking at it holistically and reanalyzing some of the findings. This involved an iterative process, during which we developed our initial findings and looked for either confirmatory evidence (i.e., additional support) or contradictory evidence that led us to eliminate some findings (Grodal et al., 2020). The outcome of this stage is an overall understanding of how succession, the role of women, family governance and legacy take form across different institutional contexts and how and why demographic changes are affecting these variables. When no new insights were found, including the additional data collected by KPMG Private Enterprise, we realized that we had reached theoretical saturation and that our findings are rigorous (Strauss & Corbin, 1998).

5. Reliability

To ensure reliability in the coding process and analysis, one researcher initially took the lead in performing the first round of qualitative analysis of the submitted cases. Subsequently, the STEP qualitative research committee, the KPMG Private Enterprise team and the STEP academic director were involved in analyzing the data. After discussion among all involved parties, consent was reached on the main variables that would constitute the focus of the qualitative reports and on the main codes and categories.

6. Concluding remarks

We believe that our qualitative approach has provided much-needed details that complement and add to the STEP Project Global Consortium and KPMG Private Enterprise "Empowering the future of family business: A four-part article series of research-based practical insights." This co-authored article series provides an in-depth explanation of the perspectives of the interviews and expands on some of the most important reasons behind the quantitative report findings, while also exploring several unanticipated avenues. It is our hope that you find our approach rigorous and replicable and that you have enjoyed reading the co-authored article series from the case studies.

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Table 1: List of countries

| Continent | Countries/territories/jurisdictions | |
|---------------|-------------------------------------|-----------------------|
| Asia | Philippines | India |
| | Thailand | Taiwan (jurisdiction) |
| | China | Saudi Arabia |
| | Hong Kong (SAR, China) | |
| Europe | France | United Kingdom |
| | Portugal | Switzerland |
| | Netherlands | Spain |
| | Italy | Germany |
| | Turkey | Russia |
| North America | USA | Canada |
| South America | Peru | Guatemala |
| | Mexico | Venezuela |
| | Colombia | Brazil |
| Africa | South Africa | |

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