Balancing identity, construction, and rules: Family relationship negotiations during first-generation succession in family businesses

Viola Sallay [a], Attila Wieszt [b,*], Szabolcs Varga [b,c], Tamás Martos [a]

[a] *University of Szeged, Institute of Psychology, Szeged, Hungary*
[b] *Corvinus University of Budapest, Institute of Strategy and Management, Budapest, Hungary*
[c] *Semmelweis University, Budapest, Hungary*

ARTICLE INFO

ABSTRACT

This article identifies how relationship-regulation processes between family members support or hinder the succession process in family businesses during first-generation succession. We analyzed interviews with incumbents and successors from twelve first- generation family firms. We found that intrafamily succession is driven by relational negotiation processes organized around three main domains: negotiating the shared identity of the incumbent and successor, their shared construction regarding succession, and shaping the family rules that frame the process. In the proposed theoretical model, their common construction is represented by the metaphor of a bridge built 'brick by brick' as a result of their relationship regulation processes. Relationship negotiations around shared identity served as a basis for their common construction, while negotiations on family rules shaped its framework. Findings suggest a dynamic and relationship-oriented approach to succession wherein the role of planning is not central and relationship negotiations regulate the achievement of the succession.

1. Introduction

The succession process is at the forefront of theorizing and investigations in family business research (Decker et al., 2017). While succession is a challenging phase in the life course of every family firm (Handler, 1994; Richards et al., 2019), the transition process, involving challenges of continuity and change at the same time, is most critical in transmissions from the founder to the second generation (Umans et al., 2021). Multiple-layered and intertwined factors affect the succession process, ranging from the cultural and economic environment to organizational issues, family systems, and psychosocial characteristics (Tetzlaff et al., 2023). Furthermore, succession in family firms is a multifaceted process that encompasses various aspects such as ownership and management and extends to financing and legal considerations (Decker et al., 2017), among others. In the present study, we will focus on the personal relationship regulation processes among family members and their interplay with family business succession.

Models of succession incorporating the impact of family relationships on succession can be associated with one of two main traditions. Process models define stages of succession (i.e., a linearly arranged and predefined set of stages based on the idea that succession is a pre-

planned series of activities). Process models distinguish the different stages of succession along with the necessary steps and reasonable decision-making points that follow one other (Decker et al., 2017; Dyck et al., 2002; Handler, 1994; Longenecker & Schoen, 1978). Although these steps of succession arise due to the operation of a family business system, the linearity of the process models contrasts with the systemic approach. From a systemic perspective, the behavior of the larger system can be explained by the internal dynamics of the system members – i.e., the circular regulation processes whereby members interact and mutually influence the system's stability and change (von Schlippe & Frank, 2013). Therefore, regulation processes in family relationships are critical components of the family business system and, thus, the succession process. In addition, separate stages of succession are ideal-typical cases and far from the continuous, dynamic, and often recursive cyclical reality of family relationships experienced by family members (Bika et al., 2019; Cater et al., 2016). Furthermore, the stages and their order are most evident in hindsight (after the completion of a successful succession). In contrast, the outcomes of non-normative succession outcomes (e.g., crises or obstacles) can be less accurately described. Therefore, inspecting succession through the lens of these process models often masks the essential role of family relationships in preparing, creating,

---

and implementing the related decisions and hides the variability of their impacts. Nonetheless, a couple of process models explicitly acknowledge the essential role of relationship coordination in effective succession management by family members (e.g., Dyck et al., 2002).

On the other hand, relationship models of succession account for the multiple effects of family relationships which permeate family business system development (J. A. Davis et al., 1997). There is a wide range of approaches to how relationships can be taken into account when explaining succession, and the specific role family relationships play in the process. While these models represent diverse theoretical backgrounds, they all emphasize aspects of the relationship between the system members (Distelberg & Sorenson, 2009) that are significant for understanding both the internal processes of family businesses and their outcomes at the family and company level (Chaudhary et al., 2021; Holt et al., 2018). However, little is known about the complex dynamics of interactions by which family members regulate their relationships while navigating transitions. Thus, family relationship models of succession often fail to provide a theoretically integrated and systemic view of the succession process.

The process and relationship models capture valuable complementary aspects of the succession process. However, we argue that neither approach adequately addresses the whole process in its complexity. Process models are often descriptive and lack dynamics. Moreover, they do not explain the variability in the process (including failures of succession such as stalling, blocking, delays, etc.) and do not give an account of the non-linear, circular, and 'non-normative' aspects of the real-world succession processes. In contrast, relationship-based models mainly focus on discrete aspects of family relationships and their role in the process. They often dismiss relationship-level feedback loops and regulation processes through which family members' interactions shape outcomes for firms and families. In this way, relationship models of succession fail to provide an integrated and systemic view of the succession process. Therefore, in line with scholars who call for dynamic, interactive models of the interplay between family relationships and family business succession (Cater et al., 2016; Umans et al., 2021), we hold that a new model is needed to understand the complex role of family relationships in the succession process.

One potential way of addressing this call is incorporating the dynamic, self-regulatory nature of relationships into the investigation. Through our approach, informed by constructivist grounded-theory methodology (Charmaz, 2014) and the corresponding qualitative analysis of interviews with incumbents and successors of first-generation Hungarian family firms, our goal was to reveal the dynamic role of family relationships in the succession process of family businesses. Our research was centered on the following question: *How do family relationship-regulation processes support or hinder the first-generation succession process in family businesses?*

We choose an explorative, constructivist, grounded-theory approach to address the research question. This methodology can embrace the dynamic, socially constructed nature of familial bonds, which is crucial when exploring the complexities of business succession (Fletcher et al., 2016; Nordqvist et al., 2009; Van Burg et al., 2022). By qualitatively analyzing interviews with incumbents and successors, we gained insight into the lived experiences, emotions, and relational processes that define family businesses during succession. It is important to note that explorative, constructivist grounded-theory approaches like ours do not aim to test hypotheses, discover predefined associations, or prove theories. However, it is possible to apply so-called sensitizing concepts – theoretically meaningful constructs that may inform the research process from the research question through the data assessment, analysis, and interpretation (Deetz, 2009). We will use the concept of relationship-regulation processes as a sensitizing concept in the study of relationship processes in business families. Consequently, we provide an overview of this conceptual framework in relation to the family business succession literature.

2. Conceptual framework

2.1. Relationships and succession

The involvement of family members in a family business has been found to be one of the key factors in family firms' sustainable (generational) longevity (Ahmad et al., 2021). Since stable family ties are a precondition for enduring involvement, research has suggested that several family relationship qualities, such as support, trust, embeddedness, and commitment, affect the succession process (Goldberg, 1996; Mokhber et al., 2017). Parental emotional support enhances the development of the succession intentions of next-generation family members (Lyons et al., 2020), and the incumbent's trust in the successor is linked to the successor's strong perception of support (Gagné et al., 2019). In turn, the family embeddedness of family members (Aldrich & Cliff, 2003) and emotional ownership (Björnberg & Nicholson, 2012) may predict various forms of commitment and attitudes toward entry into business (Pittino et al., 2018). However, while these studies address fundamental aspects of relational characteristics, little is known about the dynamic family interactions that actualize such forms of potential. Accordingly, research has also focused on broadly defined relationship processes. These may include the socialization of following generational family members and differentiation among the various types of socialization processes (Bika et al., 2019; Daspit et al., 2016), the knowledge transfer that emerges through the dyadic relationship of incumbent and successor (Cabrera-Suárez et al., 2018), and the impact of dynamic and temporal patterns of communication among family members (Leiß & Zehrer, 2018; Schell et al., 2020). Relationship-process models describe specific aspects of the succession process; however, they fail to give account of the interrelatedness of family members in its complexity. This is why we turn to the concept of relationship regulation.

In our understanding, relationship-regulation processes represent essential and elementary functions of relationships and imply that interrelated partners in a relationship mutually influence each other's actions, emotions, and cognition (Simpson et al., 2016; Zayas et al., 2002). Family ties are especially rich in terms of interrelated interests in every aspect of individual identity; therefore, relationship-regulation processes are of primary importance in developing family relationships. More specifically, people strive to establish and maintain complex equilibria of closeness, differentiation, reciprocity, emotional stability, and time perspectives within the family system, whereby they synchronize their inner states and ensure optimal functioning (Fitzsimons et al., 2015; Lang et al., 2009; Overall et al., 2006). Correspondingly, deviations from the preferred level – for example, too much or too little closeness or reciprocity – trigger regulation processes in family members

Table 1
Overview of the relationship regulation processes as sensitizing concepts.

Relationship regulation process	Function in the relationships	Exemplary references in succession literature
The regulation of…	To achieve/maintain the optimal level of …	
Closeness	… interpersonal warmth, trust, and relatedness	(Cater & Justis, 2009) (Bika et al., 2019; Hernández-Perlines et al., 2021)
Differentiation	… autonomy and diversity	(Gagné et al., 2019) (Radu-Lefebvre & Randerson, 2020) (Leiß & Zehrer, 2018)
Reciprocity	… fairness, cooperation, share of responsibilities	(Schell et al., 2020) (Cater et al., 2016)
Emotional stability	… positive emotions and (low) stress	(Murphy et al., 2019). (Randerson & Radu-Lefebvre, 2021)
Time perspectives	… shared understanding of past experiences, the actual situation, and possible future scenarios	(Umans et al., 2021) (Helin & Jabri, 2016) (Reay, 2019)

(Simpson et al., 2016) (for an overview, see Table 1).

The regulation of closeness refers to maintaining the optimal level of interpersonal warmth, trust, and relatedness and is associated with a preference for kinship and trust-based non-kinship relationships (Kudlats et al., 2019). Perceptions of closeness are often connected to physical proximity and shared time, while at the symbolic level, the perceived similarity of attitudes, personal characteristics, and values also provides feelings of closeness. In contrast, there is also a need for the individual differentiation of family members and maintaining autonomy in relationships (Ryan & Deci, 2017). The regulation of differentiation often occurs by mutually expressing overt or covert expectations that convey family members' beliefs and needs concerning the optimal level of autonomy and diversity (Overall et al., 2006). Third, the regulation of reciprocity is intertwined with expectations of fairness and cooperation (Lang et al., 2009) and extends to the regulation of responsibilities. Family members are motivated to create and maintain relationships in which roles, tasks, and resources are distributed fairly. However, different individual expectations may challenge preexisting family systems from time to time. Moreover, perceived injustice and a lack of fairness in the relationship may be a constant source of conflict (Alderson, 2015; Qiu & Freel, 2020) while also triggering reparative efforts as a form of regulation. Conflict resolution is also connected to the more general striving to influence (i.e., regulate) others to achieve positive emotions or alleviate stress in close relationships, both on a momentary basis and in the long term (Marroquín et al., 2017; Mikulincer & Shaver, 2019; Zaki & Williams, 2013). The relationship-level regulation of emotions also entails the shared management of loss experiences (Rompilla et al., 2021). Finally, family members need to form a shared understanding of their story, including an integrated view of past experiences, the actual situation, and possible future scenarios (Fivush & Merrill, 2016). Theoretical considerations also imply that family members are interested in constantly monitoring and negotiating each other's goals and intentions (Fitzsimons et al., 2015).

2.2. Relationship-regulation processes in succession

In addition to optimizing individual and relational functioning, relationship-regulation processes in the family system have two other overarching functions (Distelberg & Sorenson, 2009; von Schlippe & Frank, 2013): they help the system navigate inevitable changes and transitions while maintaining the continuity and stability of relationships. Family business successions are exceptionally complex transitions wherein the dual criteria of change and stability extend to the family and the firm as interrelated systems (Cater et al., 2019; Lambrecht & Lievens, 2008). Consequently, we assume that relationship-regulation efforts between family members (e.g., the regulation of closeness, differentiation, reciprocity, emotions, and time perspectives) always involve references to family, ownership, and business relations at the same time. Below, we use a relationship-regulation approach to interpret current research on the role of family relationships in the succession process.

Models and findings about the succession process and the socialization of the next generation often include the elements of proximity and the resulting involvement – either proximity to the incumbent (Cater & Justis, 2009) or the firm (Björnberg & Nicholson, 2012; Murphy & Lambrechts, 2015) and, optimally, to both (Bika et al., 2019; Hernández-Perlines et al., 2021). In family firms, the incumbent's support for the potential successor often enhances the latter's involvement, emotional ownership, and engagement with the business and the family (Björnberg & Nicholson, 2012), resulting in greater *closeness* within the system. In contrast, the situational distance between the incumbent and the successor may take several forms (for example, spatial, temporal, and normative) and predicts the founder's worries about the succession process (Malik, 2019).

However, intensive communication targeted at restoring the optimal level of cohesion in family firms may be a double-edged sword, increasing conflict in family and business (Qiu & Freel, 2020). This may

be attributed to the incumbent's efforts to decrease the successor's differentiation. Indeed, constraining autonomous behavior and excessive interpersonal control have often been linked to relationship conflict (Qiu & Freel, 2020). In contrast, support for the successor's autonomy has been found to support high performance, good functioning, and cooperation between partners (Gagné et al., 2019). Consequently, the incumbent's expectations may have a robust effect on the successor and the succession process, and ideally, they can be formed into the shared expectations of partners (Martínez-Sanchis et al., 2020).

We may interpret these results as meaning that closeness and differentiation often have an ambivalent relationship. At times, conformity-preferring successors have to accept the incumbent's control and need to downregulate the resulting negative feelings, while the rejection of control strivings by the successor may lead to greater autonomy but more emotional distance and conflict with the incumbent (Radu-Lefebvre & Randerson, 2020). Nevertheless, successful succession processes seem to involve an ability to cope with the paradoxical challenge of closeness and differentiation, whereby family members adjust their communication types to the actual stage of the process (Leiß & Zehrer, 2018), implying a flexible and dynamic series of relationship regulation efforts. However, how incumbents react by regulating relational distance and their emerging negative emotions remains unstudied. On the other hand, the incumbent's own strong emotional ownership can hamper the succession process (P. S. Davis & Harveston, 1999), partly by generating conflicting strivings for emotional closeness with the firm and family members.

Moreover, emergent ambivalent feelings in family members can be interpreted as a need for the relationship-level *regulation of emotions*. Nevertheless, interpersonal emotion regulation processes are seldom addressed in family business literature. However, recent qualitative studies have provided valuable insight into some aspects of the emotional work that occurs during the succession process (Murphy et al., 2019; Radu-Lefebvre & Randerson, 2020). New theoretical work suggests including emotion-regulation processes in models since this can help with understanding how business families solve their paradoxical challenges and handle emotional ambivalence (Randerson & Radu-Lefebvre, 2021). We agree that the emotion-regulation approach fits well within a broader regulatory framework but argue that other simultaneous processes should also be considered.

In contrast to emotion regulation, the *regulation of reciprocity* seems to refer to cognitive, rational processes. Indeed, consciously negotiated rule systems about fair treatment and the mutual respect of interests are necessary for the succession process. Family business members often strive to establish an implicit 'family contract' during the succession process that tries to integrate the family members' obligations to the business and the family (Schell et al., 2020). In addition, other theories suggest that there are also implicit 'ledgers' – that is, accounts of giving and taking – between family members, especially between generations. Using the concepts of the contextual family therapy approach, Hanson and colleagues showed that implicit notions of the 'family ledger' are linked to the family's resilience (Hanson et al., 2019). We interpret these actions as family members' attempts to counterbalance inevitable uncertainties about reciprocity in the succession process. However, little is known about how the regulation of reciprocity is linked to the perception of proximity and differentiation and how it is related to regulating emotions. Studies indicate that reciprocal altruism in the relationship between parents and children gives way to collaborative succession planning in both generations (Lubatkin et al., 2007; Meier & Schier, 2016). In line with this notion, Cater and colleagues (Cater et al., 2016) identify altruism and the relationship between incumbent and successor as components of family dynamics that impact successor team formation in the family business and the performance of the related teams: reciprocity may encourage closeness.

The link between the *regulation of reciprocity* and *time perspectives* is more apparent. A more balanced, mutually respectful, and reciprocal 'family ledger' of relationships may create an entrepreneurial family

culture that efficiently connects multiple generations and directly supports the succession process. Since the succession process is embedded in time, it is inevitably subject to regulation processes that involve time perspectives, including dialogues about perceived succession intentions (Umans et al., 2021), sharing narratives (Helin & Jabri, 2016), and family stories about family routines (Reay, 2019). As Leiß and Zehrer (2018, p. 5.) argue: "communication patterns continuously reconstruct the relationships"; this means that narratives about the future (and the past and present) of the family firm, including the succession process, may directly affect the process itself (Barbera et al., 2018). We may also assume that mutually regulated family narratives about the business and family's future contain references to past experiences associated with closeness, differentiation, reciprocity, and the accompanying emotion regulation processes. However, limited research has explored the interrelations of these family relationship dynamics.

In sum, relationship-regulation processes generate a rich network of potentially interrelated aspects of family relationships. Moreover, we have demonstrated that they might provide an interpretative framework for understanding earlier research and suggested potential blind spots that deserve further investigation. Consequently, we use the concept of relationship-regulation processes to sensitize our understanding of the first-generation succession process during the conception and realization of the research and interpretation of the results (Gioia et al., 2013).

3. Methodology

To explore the above-described relationship-regulation processes during first-generation succession, we applied the principles of qualitative constructivist and interpretivist grounded theory methodology (GTM; Charmaz, 2014; Corbin & Strauss, 2008; Strauss & Corbin, 1998). In this choice, we followed the recent developments in GTM that differ from the more objectivist stance of classic GTM (Glaser & Strauss, 1967) and are often referred to as "grounded theorizing" (Holton, 2017). GTM is the most appropriate methodological choice for the study of perceived social realities when pre-existing theories do not sufficiently describe the studied phenomenon or potential hypotheses are too abstract to be tested deductively (Suddaby, 2006), and the research problem involves the need to elaborate a general abstraction of actors' interactions and actions (Creswell et al., 2007). Although previous findings on relationship-regulation processes and family business succession, as sensitizing concepts, informed our understanding, we opted for an open research question (a "how" question), as no prior theories have provided direct hypotheses about relationship-regulation processes during the succession period.

In our data generation and analysis approach, we followed the principles of GTM (specifically, constructivist grounded theorizing) and the coding paradigm proposed by Corbin and Strauss. Our analytical procedures included theoretical sampling in parallel with the inductive open coding of research data, followed by theoretically informed axial and selective coding and the development of a theoretical model (Corbin & Strauss, 2008). Our interdisciplinary research team took a constructivist and interpretivist stance towards the entire research project, understanding that "we are part of the world we study, the data we collect, and the analyses we produce. We *construct* our grounded theories through our past and present involvements and interactions with people, perspectives, and research practices" (Charmaz, 2014, p. 17.). Our approach was exploratory and inductive initially, while later, we used the abductive logic of theory-building (Bryant & Charmaz, 2007).

In the in-depth interviews, the team members and our research participants (incumbents and first-generation successors of Hungarian family firms) constructed and interpreted the personal meaning of the participants' relationship experiences during the succession process. We aimed to offer "an interpretative portrayal of the studied world, not an exact picture of it" – whereby "research participants' implicit meanings, experiential views – and researchers' finished grounded theories – are constructions of reality" (Charmaz, 2014, p. 17.). We acknowledged that

in the field of organizational research, "studying social construction processes implies that we focus […] on the means by which organization members go about constructing and understanding their experience" (Gioia et al., 2013, p.16.).

3.1. Theoretical sampling

In GTM, quality and rigor are assured by the joint processes of systematic data collection and analysis (Morse, 2007). Our sampling strategy started the process with purposeful sampling and proceeded to theoretical sampling as the research process developed. "Theoretical sampling is the process of data collection for generating theory whereby the analyst jointly collects, codes, and analyses [their] data and decides what data to collect next and where to find them, in order to develop [their] theory as it emerges" (Glaser & Strauss, 1967, p. 45.).

Theoretical sampling requires searching for differences and variations in study data. In order to enhance heterogeneity within the study group, we initially purposefully recruited first-generation incumbents (founders of their businesses) of varying ages and ensured diversity in terms of industry sector, year of foundation, regional distribution, and the actual phase of the succession process. To capture the family-system level of individual relationship-regulation processes, we invited to participate at least two members of each family (incumbents, successors, owners, or employees of the family business). We also aimed at potentially including two generations from each firm. Larger small and medium-sized family firms were approached through the professional network of the research institute. In the first rounds of interviews, we contacted several parent-son and parent-daughter (incumbent-successor) dyads. As we worked on the developing theoretical model, we realized that relationship-regulation processes among siblings and parents could be significantly differently perceived and interpreted by brothers and sisters. We then sought out families where siblings could also be invited to participate. We defined a business as a family business "when [members] identify themselves as a family firm and the firm is family-managed and/or when at least 50 % of the shares are owned by a single family and the firm is family-managed" (c.f., Umans et al., 2021).

Note that family businesses are sometimes categorized in terms of ownership and management, two separate aspects of family involvement (Chua et al., 1999). However, while these aspects are separable at the descriptive-functional level, Chua and colleagues (1999) suggest that the essence of family firms can be better captured by the vision of the firm and the intention to pursue this vision across generations of the same family or small group of families. Moreover, several studies indicate that founder incumbents consider intrafamily ownership and management succession the default option. Therefore, consistently with the explorative and constructivist logic of the methodological approach, we did not explicitly address specific structural and functional characteristics like ownership, management, or finances but let the participants define and describe the way they experienced and interpreted succession (c.f., Gioia et al., 2013).

We explored the participants' relationship experiences through semistructured, in-depth interviews. To generate rich and well-focused data on relationship-regulation processes and invite stakeholders to coconstruct the interview topics and the shared language of the interviews, we consulted with representatives of three different family firms about the first draft of our interview guide and asked them for detailed feedback. We elaborated only a few broadly formulated, open questions and let the conversation evolve around the research question for most interviews. Interview topics covered the dynamic aspects of the milestones in the interviewees' personal journeys of becoming "incumbents" and "successors." To elicit co-constructed narratives about relationship-regulation processes without imposing our prior concepts on the participants (as proposed by Gioia et al., 2013), we deliberately avoided using the psychological term "relationship regulation" in the interview. Instead, we asked for stories relevant to the past and present evolution of family relationships and the turning points in the succession

process. We used non-directive probing to deepen the conversation and facilitate participants' exploration of their relationship experiences related to the milestones of their stories and the intra- and extrafamilial actors that had influenced the stories. For example, after the broad, orienting question "What is the story behind you becoming the successor?" we used probes such as "How did the family relationships change then?", "Who else was involved?" and "What did that mean to you?".

The interviews were audio-recorded and transcribed verbatim. Interviewers revised the transcripts and anonymized the text, masking all identifiable personal information (names of individuals, firms, and places) in the texts. In addition to interviews, we used field notes and analytical notes (memos) to make accounts of the subjective and interpersonal context, theoretical ideas, and researcher observations during the interviewing and coding process (Charmaz, 2014).

Team discussions can accelerate the search for patterns during theoretical sampling (Wiener, 2007) and enhance the validity of the findings by involving multiple perspectives in the analysis. Our interdisciplinary qualitative research team comprised a core team (two psychologists, one management scholar, and one sociologist – the authors of this paper) and three Ph.D. students of economics who participated in the interviewing process. Since the research team's professional background and experiences with the qualitative methodology were diverse before starting the research, training on qualitative in-depth interviewing was designed and delivered to the team to ensure we generated rich and focused interview data. All team members conducted interviews, prepared verbatim transcripts, and shared their memos in the team meetings at which the first analytical codes were created. Under the professional supervision of the first author, the core team continued the discussions during the theoretical coding process and the drafting of the paper.

3.2. Data Analysis: The coding process

First, the four authors developed initial open codes for the interview transcripts, starting with their first interviews (see an example of initial line-by-line open coding in Table 2), whereby we searched for meaningful patterns of relationship experiences and interpersonal processes inherent in the texts which could help answer the research question. The initial team discussions about the interviewing experiences also facilitated the line-by-line open coding process. In the next step, the first, second, and fourth authors analyzed the initial open codes using the constant comparative method (Charmaz, 2014; Corbin & Strauss, 2008): open codes and the original interview excerpts were examined for similarities, discrepancies, and connections, which all represented meaningful patterns of family interactions and intrapersonal interpretations of the succession process. The constant comparison of data to data, incident to code, code to code, and code to abstract category generated progressively more abstract concepts and theories and finally led to an emerging theory.

The extracted patterns were used to elaborate the first axial codes following initial open coding. In this step, we identified specific contexts, casual conditions, intermediary processes, and informative consequences for the most important phenomena in the analysis (Corbin & Strauss, 2008; see an example of axial coding below). In line with the principles of theoretical sampling, the first axial codes guided the subsequent interviewing process (as described above). The elaboration of new axial codes also led to the reexamination of previously developed codes, and meaningful changes were initiated in the thus-developed coding system. Through this circular process, the saturation of the axial codes reached a point at which the first author could start theoretical (selective) coding (Charmaz, 2014). The first author reconsidered and reorganized the preliminary open and axial codes system and formulated a first version of emerging theoretical selective codes. In addition, she also built a tentative theoretical model by graphically representing the associations between the first selective codes. The selective codes and the initial model of the tentative grounded theory were

subsequently discussed together using the analytical memos of the team members. In this phase, the tentative theoretical (selective) categories oriented the coding of the new interviews. In contrast, the categories and the tentative model were further modified in team discussions (see an example of selective coding in Table 3). Thus, we were deeply involved in the circular analytical process of the GTM approach.

The interdisciplinary teamwork enhanced the validity of the findings through 'investigator triangulation'(Hamlin et al., 2007). The first author was in charge of developing a first version of selective codes through constant comparison of the interview texts, the open codes, the preliminary axial codes, and the analytical memos of the team members. All four co-authors checked interview texts continuously for good examples of already described phenomena or exceptions (deviant cases) and extensions that supplemented or modified the preliminary model. Team discussions throughout the coding process encouraged the development of different viewpoints for interpreting the data, involving insights from the economy of family businesses, family psychology, and sociology. The added value of interdisciplinary discussions became evident when team members identified codes that reflected their specific theoretical backgrounds: the management scholar discovered the double-edged use of the family council in communication processes, while the family therapist accentuated the priority of relationship distance and closeness over managerial reasoning in decision-making processes. In addition to investigator triangulation, we also performed data triangulation. For each family business in our sample, we explored the experiences and interpretations of more than one family member regarding the phenomenon of our focus (relationship-regulation processes during succession).

To increase the transparency of the methods we used (Chenail, 2009), we provide an example of the coding process (see also Tables 1 and 2). In the first interviews, it was evident that multiple concurrent relationship-regulation processes characterized the start of the successor's career. Incumbent 3, a founder of his industrial company, told the interviewer (a management scholar) the story of his son becoming the successor (see Table 3). During the phase of initial open coding, the management scholar team member created the code "incumbent gives freedom to his son in his career choice." However, a family psychologist team member pointed out that the interview quote reflected the incumbent's ambivalence about 'giving freedom' and 'giving support to plans to join the family business.' From the subsequent coding of the successor's interview, it turned out that this ambivalence was also evident (see Table 3). During axial coding, excerpts from the incumbent's and the successor's interviews were grouped as representations of an 'axis' of relationship-regulation processes. This ambivalent pattern of relationship-regulation processes related to the successor's career choice was also evident in further interviews, so we returned to the first quotation. We realized that the verb "shepherd" as a metaphor was a powerful image of the father directing the son towards a destination and letting him find his way himself. In the team discussion during axial coding, we highlighted the incumbent's particular use of the term to create the following 'in vivo' axial code (Charmaz, 2014): "The incumbent 'shepherds' the successor." This axial code covered all the contexts and contingencies of the ambivalent relationship-regulation processes in the negotiations concerning the successor's career choice. During selective coding, the action of 'shepherding' proved to be a significant step in the negotiations related to the common construction of the succession process 'brick by brick' (another 'in vivo' code, see Table 3).

After several iterations of going back and forth between the raw data of the first 21 incoming interviews, the open codes, the axial codes, and the emerging system of conceptual selective codes, we reached the theoretical saturation point at which analysis of additional interview texts did not yield further modifications in the coding system and the tentative theoretical model. As theoretical sampling comes to an end when data saturation is reached (Suddaby, 2006), we continued the interviewing and coding process (and modified the content of two of the

Table 2
Sample of Initial Line-by-line Open Coding.

Incumbent 3, the founder of the family company, describes how his son became a successor	
Initial coding	Interview statement
Hungary as the context makes hard work indispensable	The fact that you... work your life away is indispensable, especially for a Central European Hungarian… I am convinced that Hungarians are part of a hard-working nation, it is indispensable. If you can do all this in a way that… you can do it while building something that is tangible, and that can give you a reason to be proud, that's especially good, and if you do it in a way that you can see that your work... has a meaning even after your death, that's the crowning touch. Now... [*short silence*] I'm 55 now, I think when I was 40… and 45, my son was walking with me, walking with me on site. Obviously, there was no technical rationality or… family business rationality or economic rationality to this, but I definitely did this to show him that it existed. Now at the factory, he had been... [*thinking*] even before his university days... summer job... of working as an assistant in the maintenance shop at the factory, alongside the maintenance manager. So he came so close. School is more important than anything, I know that clearly, I learned that from my own life... By the way, I also graduated from 'A' university... a 4-5 years ago... So school is essential. For developing the… knowledge base in you, so that you don't get lost in the maze later on, and that you reach for the right place in the library when you need to get a book, that this process doesn't work without colleges and universities. I did not interfere with that. However, my son was fortunate to graduate from both schools, 'A' and 'B', with a sense of purpose. Without me calling him out on it.
Aiming for an achievement that is meaningful beyond his death	
Shared activity: remembers walking around the factory with his son as a child	
Shared activity had no business rationality	
Wanted his son to see that his property/factory exists	
Emphasizes that his son came close to the factory during summer work	
Similarity of choices: son went to the same university as the incumbent	
Emphasizes that he does not interfere with son's choices	
Emphasizes that son made a favorable academic choice without his influence	
Incumbent is satisfied with son's academic choice (similar to his own)	Q: What was it like for you when you saw him purposefully choosing something...
	Ah, wonderful. Wonderful… I've also had those thoughts several times, and they come up from time to time, that... I'm not so sure that... that a parent, a father... I'm not so sure that it's fortunate that a father orients his child, his son, however much he might want to…
Ambivalence of prompting	
As a father, he feels unsure about the effect of 'shepherding' the son towards the company	towards this… that is, towards himself, towards the family business. Because, let's be clear, it takes a lifetime. And when you look at it from the outside, all you can see is how rosy it is, how gilded it is, how good it is for this guy to have so much money, and so on and so forth, it doesn't work like that, it takes a lifetime. Here, there are no such things as weekends or holidays or… many other things, but I won't continue because you certainly know it well. To shepherd my son in this same direction with a blinkered view, that's certainly a huge responsibility. Now, several times I asked him whether there wasn't something else he'd rather do. And we got to the point that sometime in the future, after some years, eventually he was able to come for a long-term internship and I supported the idea.
As a father, he feels responsible for his son's future	
Gives freedom to his son in his career choice	
Negotiation regarding the son's decision to enter the firm	
Supports son's plans to join the family business	

Table 3
Sample of Selective Coding.

Incumbent 3, the founder of the family company, describes how his son became a successor		Successor 3 describes the journey of becoming a successor	
Selective/Axial codes	Interview statement	Interview statements	Selective/Axial codes
Rules/ Transgenerational processes Identity/Paths to taking responsibility Identity/Shared experience and similarity	The fact that you... work your life away is indispensable, especially for a Central European Hungarian… I am convinced that Hungarians are part of a hard-working nation, it is indispensable. If you can do all this in a way that… you can do it while building something that is tangible, and that can give you a reason to be proud, that's especially good, and if you do it in a way that you can see that your work... has a meaning even after your death, that's the crowning touch. Now... [*short silence*] I'm 55 now, I think when I was 40… and 45, my son was walking with me, walking with me on site. Obviously, there was no technical rationality or… family business rationality or economic rationality to this, but I definitely did this to show him that it existed. Now at the factory, he had been... [*thinking*] even before his university days... summer job... of working as an assistant in the maintenance shop at the factory, alongside the	When I was about 13 or 14... Because he spent a lot of time with the company, so he just took me with him, so we sat in the back seat with my brother and I and we went and came. And, um... we accompanied him. There were... several times when we were walking here [in the factory] holding hands, for example, he would say 'this is all for you.' So this... this was said many times. (...) Obviously, student work was more informal. So there was no, um... official start of working hours, end of working	Identity/Shared experience and similarity Common construction/ Selection and presentation
Common construction/ Selection and presentation Identity/Shared experience and similarity Common construction/ Incumbent 'shepherds' successor	maintenance manager. So he came so close. School is more important than anything, I know that clearly, I learned that from my own life... By the way, I also graduated from 'A' university... a 4-5 years ago... So school is essential. For developing the… knowledge base in you, so that you don't get lost in the maze later on, and that you reach for the right place in the library when you need to get a book, that this process doesn't work without colleges and universities. I did not interfere with that. However, my son was fortunate to graduate from both schools, 'A' and 'B', with a sense of purpose. Without me calling him out on it. Q: What was it like for you when you saw him purposefully choosing something... Ah, wonderful. Wonderful… I've also had those thoughts several times, and they come up from time to time, that... I'm not so sure that... that a parent, a father... I'm not so sure that it's fortunate that a father orients his child, his son, however much he might want to… towards this… that is, towards himself, towards the family business. Because, let's be clear, it takes a lifetime. And when you	hours... Although, now that I'm focusing on this, there was already pressure from my father that you had to start work here and then there was a lunch hour, and then after that, you could put your boots down and leave in the afternoon, at shift change. So he gave me the feeling of the seriousness of it... But in a positive sense... so the one man I worked with, in maintenance, he's been there since the company started. His name is D and [*laughing*] I was very close to D anyway, especially after that. I learned the tools, which way to loosen, pull things, so... it was useful. It was useful. But it was a bit more... It was like ... compulsory. But I enjoyed it anyway. (…) Q: How did you decide... or how did it develop... how did you move forward? He's... convinced, and now I'm convinced	Common construction/ Incumbent 'shepherds' successor Common construction/
Identity/Paths to taking responsibility Common construction/ Incumbent 'shepherds' successor	look at it from the outside, all you can see is how rosy it is, how gilded it is, how good it is for this guy to have so much money, and so on and so forth, it doesn't work like that, it takes a lifetime. Here, there are no such things as weekends or holidays or… many other things, but I won't continue because you certainly know it well. To shepherd my son in this same direction with a blinkered view, that's certainly a huge responsibility. Now, several times I asked him whether there wasn't something else he'd rather do. And we got to the point that sometime in the future, after some years, eventually he was able to come for a long-term internship and I supported the idea.	too, that trades are important. After all, I graduated as a technical manager, not an engineer... Although he was pushing me to be an engineer at first, but we realized that if we needed an engineer, we'd hire one, and he'd, er... not to belittle them, he'd deal with the machines. It was more my father that said, 'you do this and this, and you should deal with this'... and I said, 'okay, fine.'	Incumbent 'shepherds' successor

Note. Identity = Negotiating shared identity; Common construction = Negotiating common construction 'brick by brick'; Rules = Negotiating family rules.

selective categories) until the last two interviews when no properties of the existing categories were discovered, while interview data repeated and confirmed existing codes. Our sample ultimately consisted of 27 interviews from 12 family firms (Table 4). Data collection started in June 2019 and ended in February 2020. The final elaboration of the model based on our grounded theory approach – a tentative model of relationship-regulation processes during the succession process – was undertaken by the first author in close collaboration with the authorial team.

4. Findings

The analysis of the interviews yielded three main (selective) categories. We coined the term 'domains of relationship negotiation' as an emergent concept for the underlying common function of the main categories. By domains, we understand the interrelated challenges the incumbents and their successors face and, optimally, solve while traversing the succession process and maintaining relationship equilibrium through the constant use of relationship negotiations. Thus, the primary analytic (selective) categories represent three fundamental domains of relationship negotiations connected to succession. The first domain ("Negotiating shared identity") presents the processes through which the incumbent and the designated successor create the relational basis for constructing the succession process. The second domain ("Negotiating family rules") presents the shared shaping of written and unwritten family rules that ensure the stability of family life and the company during the succession process. The third domain ("Negotiating common construction – a 'bridge' 'brick by brick'") describes the actual process of succession from the point of view of the relationship negotiations associated with the incumbent's and the successor's differing needs and actions. The way they reshape their relationship is reflected in their actions during the common construction of succession. In the three selective categories that describe the main negotiation domains, a total of thirteen axial codes describe the most important themes of negotiation domains and the associated relationship processes. Individual variations in the processes are represented by forty-seven open codes and the attendant quotations (see the data structure in Fig. 1, as suggested by Gioia et al., 2013).

4.1. Domain 1: Negotiating shared identity

In terms of decisions related to inheritance, the most decisive family relationship is that of the incumbent parent with the designated successor. The relationship between the incumbents and the successors was defined as how they were involved in weaving their identities together and, in turn, how this relationship process shaped succession. The

regulation processes highlighted in the negotiation themes are constructed by the incumbent and successor while they react to each other and their own experiences. This way, the incumbent and successor define their roles and create their shared identity. This serves as a relational basis for the succession process and motivates the negotiation processes that lead to intra-family succession.

Shared identity - Negotiation theme 1: Shared experience and similarity.

Proposition 1.1.1.   *Shared experiences, such as parent–child joint activities inside and outside the company, contribute to the successor child's identification with the incumbent's personal values, characteristics, and attitudes.*

Proposition 1.1.2.   *Perceived similarity between incumbents and successors fosters the succession process.*

One of the incumbent fathers and his successor son regularly took part in mountain climbing competitions. In this extra-mural shared passion, the relationship between the two of them was able to deepen: "There, a mutual dependency took shape [that is] so strong that maybe we should tell the next generation and this generation to go off and climb together" (Successor 3). Mutual engagement in satisfying experiences and acting together outside (or inside) the company contributes to the perception of apparent similarities between incumbent and successor and the transfer of elements of the owner's identity. These experiences, as emotive relationship events, can form the basis of further identification for the child successor and facilitate the succession process later.

Moreover, the process of identification is not linear; it is instead a two-way dynamic process. From the incumbent's point of view, the question arose whether they, as a parent, can identify with everything they experience of their children's personalities as they become adults. For the incumbents, of fundamental importance in the outcome of the succession process was whether the incumbent perceives the successor as similar or different in temperament:

… a founder is fortunate if their successor is similar to the founder in nature and abilities – that's a most fortunate person. These companies generally not only survive the retirement of their first owner, the retirement of the founder, but they develop greatly. (Incumbent 7.1).

However, the latter respondent was disappointed that "[his] younger son wouldn't take on" his decisive, stern style of managing. For Successor 7.1, the difference between him and his father was clear, and he did not wish to follow his father's example. For this very reason, he would have liked to see their differences accepted:

…the source of conflicts is that my father believes in an autocratic, one-person, strong-handed management style. He would have liked me

Table 4
Profiles of the investigated Family Businesses.

Family business	Year of foundation	Generation[1]	Sector	Participants	No. of family employees	No. of family owners	No. of employees
1	1993	2	B2B Commerce, car dealership	Successor 1, Non-family Successor 1	2	2	20
2	2008	1	Industry	Incumbent 2, Successor 2	2	1	8
3	1993	1	Industry	Incumbent 3, Successor 3	3	3	80
4	1993	1	Hospitality	Incumbent 4, Successor 4	2		400
5	1992	2	Industry	Incumbent 5, Successor 5	3	4	180
6	1998	1	Light industry	Incumbent 6, Successor 6	3	1	18
7	1991	1	Light industry	Incumbent 7.1, Incumbent 7.2, Successor 7.1, Successor 7.2	4	4	69
8	1994	2	Light industry	Incumbent 8, Successor 8	3	4	21
9	1985	2	Light industry	Successor 9.1, Successor 9.2	2	1	259
10	1985	2	Infocommunication industry	Incumbent 10, Successor 10	2	2	130
11	2002	1	Car dealership	Incumbent 11, Successor 11	3	4	75
12	1984	1	Infocommunication industry	Incumbent 12, Successor 12.1, Successor 12.2	3	2	43

Note: [1] Number of generations of the current family CEO counted from the founder.

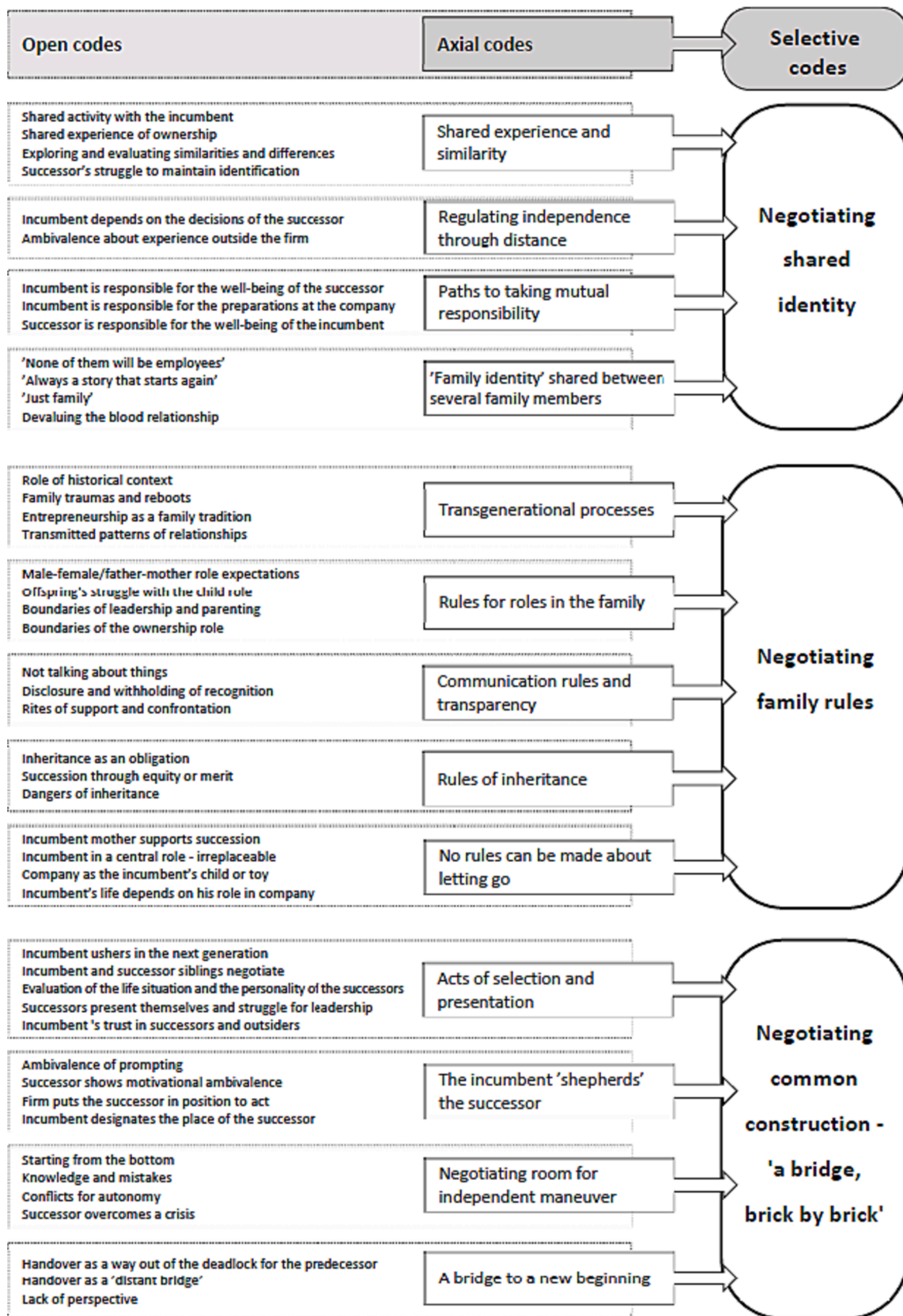| Open codes	Axial codes	Selective codes
Shared activity with the incumbent Shared experience of ownership Exploring and evaluating similarities and differences Successor's struggle to maintain identification	Shared experience and similarity	**Negotiating shared identity**
Incumbent depends on the decisions of the successor Ambivalence about experience outside the firm	Regulating independence through distance	
Incumbent is responsible for the well-being of the successor Incumbent is responsible for the preparations at the company Successor is responsible for the well-being of the incumbent	Paths to taking mutual responsibility	
'None of them will be employees' 'Always a story that starts again' 'Just family' Devaluing the blood relationship	'Family identity' shared between several family members	
Role of historical context Family traumas and reboots Entrepreneurship as a family tradition Transmitted patterns of relationships	Transgenerational processes	**Negotiating family rules**
Male-female/father-mother role expectations Offspring's struggle with the child role Boundaries of leadership and parenting Boundaries of the ownership role	Rules for roles in the family	
Not talking about things Disclosure and withholding of recognition Rites of support and confrontation	Communication rules and transparency	
Inheritance as an obligation Succession through equity or merit Dangers of inheritance	Rules of inheritance	
Incumbent mother supports succession Incumbent in a central role - irreplaceable Company as the incumbent's child or toy Incumbent's life depends on his role in company	No rules can be made about letting go	
Incumbent ushers in the next generation Incumbent and successor siblings negotiate Evaluation of the life situation and the personality of the successors Successors present themselves and struggle for leadership Incumbent 's trust in successors and outsiders	Acts of selection and presentation	**Negotiating common construction - 'a bridge, brick by brick'**
Ambivalence of prompting Successor shows motivational ambivalence Firm puts the successor in position to act Incumbent designates the place of the successor	The incumbent 'shepherds' the successor	
Starting from the bottom Knowledge and mistakes Conflicts for autonomy Successor overcomes a crisis	Negotiating room for independent maneuver	
Handover as a way out of the deadlock for the predecessor Handover as a 'distant bridge' Lack of perspective	A bridge to a new beginning	

Fig. 1. Data structure: open, axial, and selective codes.

to be the same. But I think differently. (…) I think this [conflict] has actually ridden roughshod over a programmed succession. (Successor 7.1).

In their case, the lack of perceptions of similarity, the apparent difference in temperament between the incumbent and successor, and the mutual underestimation of their differences led to a deep sense of ambivalence in their relationship. This resulted in irreconcilable conflict, jeopardizing the very process of succession.

Shared identity - Negotiation theme 2: Regulating independence through distance.

Proposition 1.2. *Successors distancing themselves from the company can be perceived either as a threat or a sign of independence. Family members may perceive the value of time spent outside the company very differently.*

Before beginning the succession process, incumbents who feel it is important to hand over the company to their child may feel that they are dependent on their adult child's decision. This situation causes uncertainty for the incumbent because the successor may choose to leave and build an independent career outside the company to increase their level of differentiation and obtain independence from the family firm. This happened with Family 11 when the successor chose to leave temporarily: "This definitely meant uncertainty for him, when he saw that I was not there, but somewhere else, I'm doing something else, somewhere else, living my own life, so we didn't discuss these things" (Successor 11).

The incumbent fathers had different opinions regarding whether it was useful in the succession process for the successor to obtain professional experience outside the company. Judgment about the role of outside experience followed the emotional logic of closeness and differentiation in the parent–child relationship: the incumbent who felt his son was close believed that work done at another company was, in terms of succession, "utterly wasted time" (Incumbent 2). Others who stressed autonomy ("[we are like] two pipers") actually considered this experience necessary ("it's not here they have to learn; they have to get skill somewhere else and bring it here"; Incumbent 5).

Shared identity - Negotiation theme 3: Paths to taking mutual responsibility.

Proposition 1.3. *The process of succession is facilitated by family members' inner urge to take mutual responsibility for their relationships.*

Several incumbents felt it was their responsibility to get the business into a state that would make it easy for the successor to take over. This served to support company operations, as well as the long-term welfare of the successor:

What I say is that a huge role in this succession was played by the fact that we created *this* company structure, because if I turn round and say [to my daughter]: 'I'm off, just carry on!' then that's murder. Murder in the sense that… I [would be entrusting] to my daughter something that is a time bomb… (Incumbent 5).

Incumbent 5 uses a strong metaphor ('murder') to describe leaving his daughter alone to highlight the importance of their shared lives. The interconnectedness of responsibility with other relationship characteristics becomes evident in cases like Family 1, where the incumbents were against their daughter taking over the company, even though their son was completely incapable of becoming a leader. Therefore, the incumbents did not give their daughter, Successor 1, sufficient information about the difficult financial state of the company. This decision and other family conflicts hindered the whole succession process. However, Successor 1 still took responsibility for her parents even if they were unable to stand beside her and take on the task of putting the company in order before the succession.

Successors were faced with the responsibility that they were supposed to keep their father's creation alive and further develop it, which was "a bittersweet burden" (Successor 5). If the incumbent father took care to prepare the company for succession, agreeing to take it over was also an expression of mutual care and responsibility on the successor's side. Additionally, the responsibility of caring for aging parents may also fall on successors and play a role in the motivation for taking on the succession.

Shared identity - Negotiation theme 4: "Family identity" shared between several family members.

Proposition 1.4. *The succession process is further eased when incumbents and successors express specific qualities or strengths which characterize the family's modus operandi. These positive experiences develop through perceptions of similarity, shared practices, and emphasizing interdependence and closeness.*

Incumbent 2, who was proud of his son because "he can brainstorm and his thinking is fairly free," believed this was a common family trait – i.e., that all three children were free-thinking entrepreneurial types, and "none of them will be employees." In Family 4, maintaining close bonds between parents and children and their sense of community were reported to be important family values for several family members. As Incumbent 4 put it: "We were close, and present, continually," and Successor 4 said: "For us, the main message is 'just family,' so it is this community that is the secret of our success." Their perceptions of their shared identity closely linked to an extended family identity motivated the family members to support intra-family succession.

4.2. Domain 2: Negotiating family rules

The second negotiation domain refers to negotiating family traditions, roles, and family rules of communication and change. Also, it includes the broader family and temporal contexts in which the relationship negotiations take place. Family rules are not restrictive to the incumbent-successor dyad; they refer to all family members and constitute the relational framework for all relationship negotiations within the family.

Family rules - Negotiation theme 1: Transgenerational processes.

Proposition 2.1. *The relationship between incumbent and successor is influenced by broader family and social processes and the meanings assigned to them.*

The incumbents had all founded their companies following the fall of Hungary's socialist dictatorship when the freedom to do business first arose. Some successors believed this explained why the company was endowed with such great emotional significance for their father:

[My father] was born before the war, before the Second World War, so he's encountered a broad range of political systems and things during his life, so his active years, the years when he was young and working, were all steamrollered over in the old system. And regime change opened a door. (Successor 7.1).

Successor 7.1 – who was not acknowledged by his father as a competent leader – could still understand and maintain an emotional closeness to his father based on the recognition of the father's personal trajectory and the opportunities he had missed under an oppressive social system. In this family, the rule was that the father deserved to be in control, and this understanding helped the successor tolerate his father's attitude and continue to cooperate with him in the succession process.

Family rules - Negotiation theme 2: Rules for roles in the family.

Proposition 2.2. *Family and business roles need to be reconciled and reconfigured during the succession process.*

The incumbents we interviewed were all fathers, and almost all of them had agreed with their wives that they (the mothers) would take care of the housework and child-rearing and, in certain cases, do administrative work for the company. However, they would not have a say in directing things. Successors, however, often held differing views about the distribution of family and business roles, creating conflict between the incumbents and successors in several families. Incumbent 10 complained about the current changes in gender roles in society and

the impact this was having on his family:

We have to adapt to this, [although it] means certain limits for my son. They have a good family life, and it does not mean that 'the wife wears the trousers' and my son jumps around… but our life was different. [Then] my wife accepted without a word that she had to keep the family together and bring up the children. That's it. (Incumbent 10).

As Incumbent 10 worried about his son's future in business leadership as an involved father, Successor 10 had a hard time supporting the change in gender roles. With Family 10, this was one of the ambivalent areas of the relationship where negotiations were lacking. Consequently, the succession process also slowed down due to hidden tension.

Family rules - Negotiation theme 3: Communication rules and transparency.

Proposition 2.3. *The communication of individual needs and mutual appreciation of each other greatly affects the emotional experiences and mental well-being of family members and, thus, succession.*

The families we interviewed differed greatly in how they used forms of communication to regulate relationships and the succession process. In some business families, family communication about the company involves a designated time and manner, separate from other family conversations. Several family members called this "family council" and found this practice beneficial for the succession process. In contrast, writing down family rules seemed like a potential threat for other families as it could generate expectations and conflicts. These families protected the succession process and their relationships by avoiding written rules and leaving room for negotiation:

I don't think we need to, and I don't think we would have been able to write [the rules] down in advance. (…) if… say you're my father, and you don't keep the rules, then I'll be angry with you, and vice versa, and sooner or later, the work will ruin the family. (Male Successor 9.1).

Family members also developed rules for expressing appreciation and rites of support and confrontation. Satisfaction with the handover of leadership was connected with the incumbent and successor speaking appreciatively of each other's positive traits and abilities. In several families, however, members found difficulty expressing appreciation for each other, particularly for the incumbents, such as in Family 5. Here, the open addressing of conflicts advanced the succession process and brought about a change which, though difficult, was achieved together: "…after a year we worked it out together. There were arguments then too" (Successor 5, daughter).

Family rules - Negotiation theme 4: Rules of inheritance.

Proposition 2.4. *The meaning of ownership in relationships can be varied and is shaped by spoken and unspoken family rules.*

Beyond the legal aspects of ownership, family members also have to negotiate the relational significance that ownership implies for each member of the family. The process of succession will be further shaped by those relationship negotiations. In several families, access to ownership in the company was through the bloodline, in equal proportions to all siblings, and was not linked to any obligation to enter the company. This family rule of inheritance reinforced the shared family identity and thus contributed to the ease of the succession process in families when the incumbents endorsed that rule. In Family 4, company properties had been put in every child's name. However, the successor child sees this not as actual property but as just something her father oversaw: "We don't have the feeling of being owners in companies in which we don't play an active part." For Successor 4, the legal aspect of the property was superseded by its relational significance – the parental bond and parental control. As family members in Family 4 strongly identified with the shared family identity, the rule of successors not controlling their property did not hinder the succession process.

Director successor 11 had a very different approach: property should pass to the next generation not through "inheritance" but on the basis of performance and merit: "She [Mum] sees it as a family, but it's not, it's a company, where performance counts!" However, successor 11 was the only person in the family to think this. The incumbent father insisted that the other two children also receive a share of ownership, so finally, he drew up an "anticipatory will" in which his director successor son would inherit a larger share than his siblings. Following this, they created a "family council," and the incumbent at the time of the interview was preparing to put down all the rules in writing in the future: "we're making regulations about the inheritance, and for [in relation to] marriage" (Incumbent 11). Beyond written rules, the positive outcome of the succession process depends on how family members negotiate the relational and emotional significance of those rules and how they can maintain an optimal level of closeness and mutual responsibility in their relationships.

Family rules - Negotiation theme 5: No rules can be made about letting go.

Proposition 2.5.1. *Incumbent founders may find it particularly difficult to hand over the family business, as this is linked to the fear of 'losing themselves.'.*

Proposition 2.5.2. *Family members may acknowledge or struggle against this fear, but it can prolong the succession process.*

The final, sensitive period of the succession process involves the withdrawal of the incumbent. Of the still active incumbents, several were not able to reconcile relinquishing control of company processes and withdrawal from day-to-day company life with their endeavors and their image of themselves. In many families, this led to conflict, in which the incumbent represented resistance to change and the other family members the desire for change. In several families, mother incumbents – i.e., the wives of the founders – favored the idea of letting go of the company: "I'm trying to get [my husband] to let go a bit more because that's the way life goes" (mother, Incumbent 7.2). Father Incumbent 7.1, on the other hand, felt that he could not concede the "last word" in a decision. "I still maintain this now. I don't know how long I'll be capable of making decisions, and how can I put it… [remain] proactive… [but] while I am, I will maintain [my control].".

This kind of contrast – with the incumbent representing continuity and the other family members representing change – was linked at a deeper level to the metaphor of death. The incumbents compared letting go of the company, their ownership share, and their previous life with their personal passing away. Successors, on the other hand, had twofold strivings. They wished to act independently while maintaining closeness to their parents, which represented security. Successors spoke of the possibility of the end of the presence of the incumbent as a "nightmare" and as the worst possible eventuality. In the successors' opinion, the incumbent's insistence on their role in the company is a guarantee of him staying alive – and their own struggle in this regard was a means of supporting the survival of the incumbent father:

I think that I'm aware of the fact that… he will live as long as he works. So I can't imagine that he wouldn't come to work; even with a mobility scooter, we'd have to push him into work; he'll want to come even when he's a hundred, for sure. But I think that's how it should be. (Successor 5).

4.3. Domain 3: Negotiating common construction – A 'bridge''brick by brick'

The third domain presents how the incumbent and successor negotiate concrete steps together in the succession process while they react to each other's activities. The core element of the process is the co-creation of the incumbent-successor relationship that leads to the selection and integration of the family firm's future director.

Common construction - Negotiation theme 1: Acts of selection and presentation

Proposition 3.1.1. *The successor's acts of selection are shaped less by professional criteria than by relationship processes, subjective preferences, and family traditions.*

Proposition 3.1.2.   *The acts of selection and the successor's acts of self-presentation are intertwined processes during succession.*

Fathers typically preferred the firstborn or a boy (if there was one) for the post of company director. From their point of view, this seemed to be the most likely route to ensuring the success of the succession process. However, these plans were overturned in several cases. Incumbent 8 was forced to change his original decision and chose his second-born daughter instead of his first-born son because she was more professionally suited for the post, which caused a lot of tension between the woman successor who became company director and the elder brother, who had to report to her.

In our case, my brother and sisters found it difficult to accept [the choice of successor], especially because – as the only male sibling, so … the boy in the family – it was [assumed] that it would be him [my brother]… With this change of position, responsibilities and jobs arise which we have to fulfill. That's more where the problems started. (Successor 8).

At such times of conflict, the ability of the father to maintain a good relationship with the successor designated as the company director and child(ren) in other positions in the company is critical for both running the company and family life. If (as with Family 8) the father is (parentally) close and accepts the successor child and others too, the conflict can be managed and has a much less detrimental effect on succession. Incumbent 8′s acceptance stemmed from his perception of the similarity between himself and his daughter, the positive experience of traveling abroad with her, and his inclination to take responsibility for all of his children.

While the successor's designation as company director depends on the incumbent's decision, successors also find ways of presenting themselves for this role. The succession process is made more complicated if the incumbent's child presents themselves as ready for the position of director, but the incumbent considers them unsuitable for the post. If, after a long time, the aging incumbent is still not convinced that one of his descendants is suitable for leading the company, he starts to trust external experts. Successor 7.1, whose father incumbent was always dissatisfied with him, finds that his father communicates better with external experts: "My father accepts him [the external operative director]. I have many stories like this: I work it out with the operative director, or we work it out together, and then he makes a success of it. On the other hand, if I took it forward, it would stall." In contrast, Incumbent 2 trusted his son implicitly and was most wary of involving an external expert: "If I remain the owner and put in a general manager, then it is very difficult… he'll follow his own logic and leave me out." Interviewees' experiences show how relationship processes based on perceived similarity, difference, and distance shape the incumbent's decision to involve an external expert or, on the contrary, to firmly reject the idea of the involvement of any external directors in the process of succession. This also means that, from the incumbents' perspective, the same course of action (hiring an external director) could protect or endanger the process of succession, depending on the relationship processes between the incumbent and his children.

Common construction - Negotiation theme 2: The incumbent 'shepherds' the successor.

Proposition 3.2.   *The career of the hopeful or designated successor child is shaped through mutual influences within the parent–child relationship. In ongoing interactions, incumbents and successors have to manage their ambivalent feelings.*

Seen from the incumbent's perspective, maintaining the lifetime's work of the company within the family is of great importance. Sometimes, even in the same interview, the incumbent expressed the importance of his child making their own decisions and said that, as a parent, they felt a need to influence their child's career choice. This ambivalence was clearly present with Incumbent and Successor 3, as we have described in the Method section of this paper. Similar dynamics

were present in the relationship negotiations of Family 6. Incumbent 6 interpreted his daughter's studies in economics this way: "She is preparing to come home when she graduates from university and join the management [team…….] She started, she chose higher education so that she could use what she learned there to benefit the family business." Successor 6, on the other hand, reported that she definitely sensed her father's expectations: "They would be very happy and very positive about me being the successor (…) but Dad, he never said: '[Successor 6's name], come and do it'! He always started those conversations by asking me what my plans were for the future.".

The act of "shepherding" continues when the successor's own father becomes their boss. Successors find themselves in a state of closeness and dependency they had not experienced in previous jobs, and as a consequence, several experienced harsh conflict. The struggle for independence in the relationship between incumbent and successor influences how the stages of succession are implemented. This situation was most difficult when the successor had already experienced independence at another company (e.g., with Family 5). Successor 5 had held a management position, but her father had designated to her a subsidiary position in the family company, which led to her discontent:

…here, I felt it to be very strong [the father's reaction]. 'Well, you're daddy's little girl, just listen, be quiet,' and meanwhile, I'd been a fully responsible manager in someone else's billion-forint company (…) but here it was: 'listen, I know, you don't understand this.' And I didn't feel that – I didn't even have the chance to show what I understand, what I can do. (Successor 5).

Common construction - Negotiation theme 3: Negotiating room for independent maneuver.

Proposition 3.3.   *The incumbents tend to foster succession by shaping the stages of succession, while successors seek room for independent maneuver.*

This is especially true if a successor joined the company at the beginning of their career and the incumbent father prescribed what he thought was the optimum way of obtaining experience at the company: "Promotion step by step, building brick by brick" (Incumbent 3). Successors, however, typically struggled with the incumbent to make space for independent maneuver and the chance to make mistakes. In contrast, due to protectiveness, mistrust, or vanity, the incumbent found it hard to give a successor the freedom to make decisions.

In terms of the outcome of succession, it is crucial whether, during such conflicts, the incumbent and successor can see things from one another's perspective and negotiate their relationship constructively. Incumbent 8 remembered how his daughter had told him: "Dad, please, if there's something the matter, then tell me, but don't manage it yourself. Don't manage it because the others should see that I'm the boss here." The father maintains the right to have a say in things but recognizes that his daughter's demands are justified: "It was a little disrespectful, but basically she was right, of course – but it was hurtful" (Incumbent 8). His words show how creating room for maneuvering for his daughter was an emotional challenge for him – for succession to be effective, he also had to manage his "hurt.".

The struggle for independent space for maneuver becomes particularly difficult when there is a lack of appreciation between incumbent and successor: the successor's struggle for independence remains unresolved, which becomes a burden to all the actors. Incumbent 7.1, for instance, has long been dissatisfied with his son's lenient management style. Successor 7.1 stands up for his own methods, but his father does not appreciate this and prefers to keep a grip on directing things himself. This, however, hampers succession:

Don't get me wrong, I don't imagine that everything I do, all the ideas I have, are right because sometimes his method is right, and sometimes mine is. But in spite of that, I will never be the same kind of person as he is, and he should have accepted this. With succession, I can build on what I'm given, and actually, this is where things [succession] went off the rails, to tell the truth. (Successor 7.1).

Common construction - Negotiation theme 4: A bridge to a new

beginning.

Proposition 3.4. *Incumbents award very different meanings to the conclusion of the succession process and their future perspectives depending on how the negotiations between the incumbent and successor proceed. The incumbent's and the successor's perceptions of a possible new beginning may differ considerably – the metaphor of the 'bridge' describes their strivings to create a shared vision.*

When a constructive negotiation process was supported by mutual identification of the incumbent and successor (for instance, in Family 2), then handing over the company could open up new prospects for the incumbent: "One day I realized sheesh, what a great opportunity that would be to hand the [trading company] over to my eldest son" (Incumbent 2). In contrast, mutual identification of the incumbent and successor was lacking in several families due to perceived differences and the fathers' fear of losing control over the company and, ultimately, over their own lives. Those incumbents (e.g., in Families 9 and 12) who could not forge a trusting alliance with their children talked about wanting to retain some influence while handing the business over. Related to this, they expressed concerns about the firm and rejected having an inactive lifestyle:

I'm certainly not suited to go and…while I'm still functional, to go home and mow the grass. That's not my world. I think that I can bear it that I no longer direct this company, but that I have a say in it, that's important. What will happen, how the company's fate will play out, at the moment, I can't see how the family would take this forward. I don't rule it out [handing over], and I can't see it, but I don't want this company to die. (Incumbent 12).

A shared vision of the future sometimes results from creative work within the relationship. During the protracted, turbulent succession process in Family 9, Successor 9.1 often heard his father refer to the handover as a "distant bridge," which was a metaphor for the incumbent's ambivalence and procrastination. After one of their arguments, the successor ordered a painting depicting a symbolic bridge, which he hung in the office. This way, the bridge gained a new and positive meaning for them: "The bridge is always what we have to follow, and one way or another, however we look at it, it connects us" (Successor 9.1). The successor's reframing of his relationship with his father contributed to forming a positive future perspective in an otherwise challenging succession process.

4.4. The proposed theoretical model

We have identified three main domains of relationship negotiation in which the incumbent-successor dyads and family members actively shape the succession process: the negotiation of a shared identity, how they shape or modify the relevant family rules, and how they negotiate their common construction of the succession process. The incumbent and successor shape the succession based on their shared identity, framed by the family rules and reflected in their actions during succession. In the illustration of the proposed model, the process of their common construction is represented by the image of a bridge (the bridge to a 'new beginning') that they construct 'brick by brick' (see Fig. 2). The processes leading to their shared identity serve as a basis for the construction of the bridge. At the same time, the negotiations about family rules define the frames for the shared acts of construction. The course and outcomes of the intrafamilial succession process depend on how relationship regulation can be balanced while negotiating the specific relationship themes related to the three domains: the basis, the frames, and the actions of common construction.

Thus, in sum, two propositions can be formulated about the dynamics of the three main negotiation processes, based on the above. One concerns the way in which the main negotiation processes complement each other and thus form a coherent whole. The second summarises all the patterns of the main negotiation processes that our research has uncovered so far and thus directly answers our research question: the course and outcomes of the intrafamilial succession process depend on how the relationship negotiation processes balance themselves while negotiating the specific relationship themes related to the three domains: the basis, the frames and the actions of common construction.
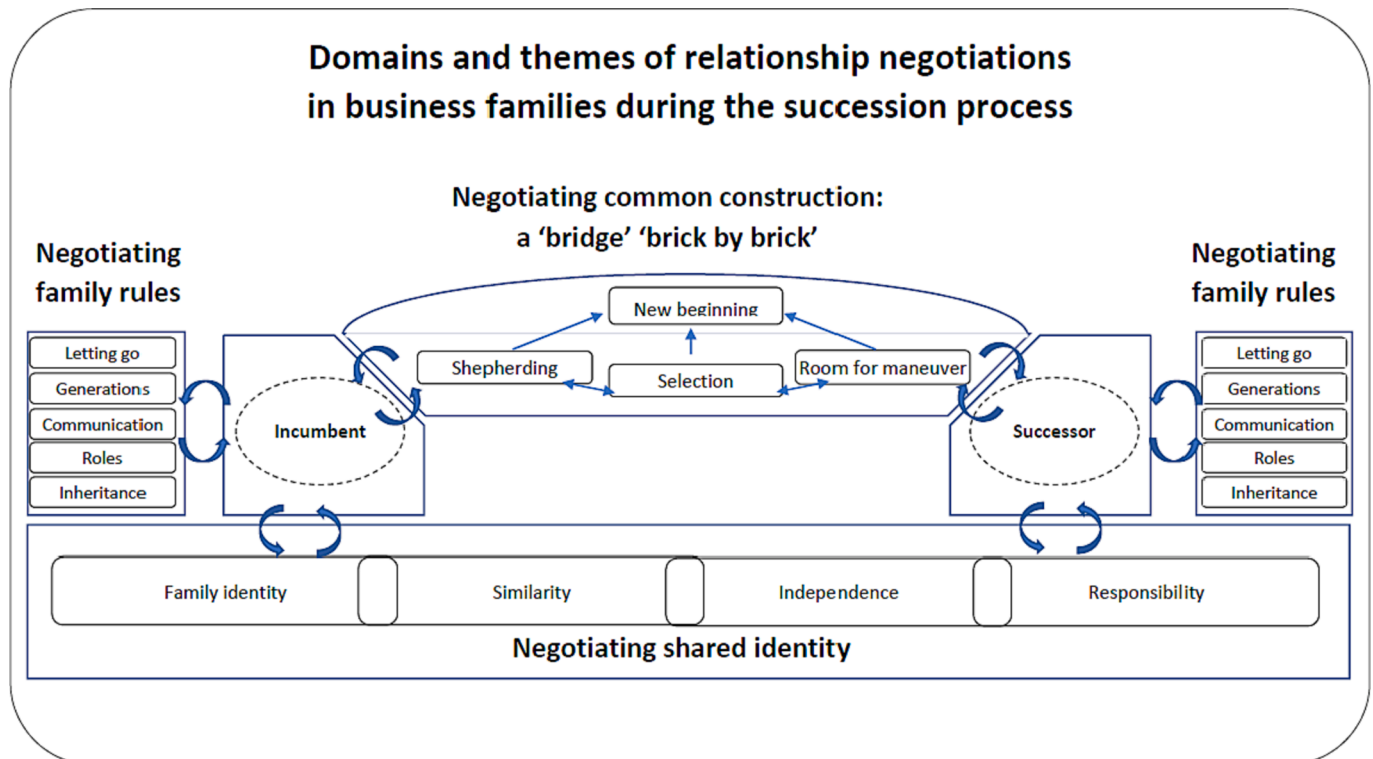
Fig. 2. Model of the proposed grounded theory.

Proposition 4.1. *The negotiation processes of shared identity serve as a basis for the actions of common construction while the negotiations on family rules set the frames for the occurrence of the first two negotiation processes.*

Proposition 4.2. *The course and outcomes of the intrafamilial succession process depend on how relationship regulation can be balanced while negotiating the specific relationship themes related to the three domains: the basis, the frames and the actions of common construction.*

The results of the coding process, formulated as propositions, are summarized in Table 5.

The theoretical model can be summarized in the following way. Early childhood experiences or young adult experiences accompanied by shared positive emotions play a significant role in creating the incumbent's and the successor's *shared identity*. The emotionally loaded situations of closeness and mutual support shape the relational basis for future negotiations about optimal distance and mutual responsibility-taking. These processes reinforce family members' extended shared identity that, in turn, motivates negotiations concerning the interrelated actions of *common construction,* such as taking steps to increase involvement or the outside-of-the-firm experience of the successor. As shared identities may reflect experiences of efforts at control and differentiation between the parent and the offspring, the negotiation of interrelated actions may lead to the potential successor creating distance from the parent's business and starting an independent career. In other families where shared identities reflect emotional closeness and intense feelings of mutual responsibility within the parent–child relationship, activities are negotiated so that offspring start work in the family business as early as possible. Thus, the idea of "outside work experience" appears irrelevant to them.

How the incumbent and their successor negotiate their interrelated actions contributes to the further evolution of *shared identity* and, thus, the emotional basis and motivation for intra-family succession. An example of this transactional process is the case of perceived similarity (i.e., low differentiation) in the action of the incumbent and their offspring (a sign of closeness) that leads the incumbent to foresee a successful succession process in their family business and to create a shared narrative for the *common construction* of succession. Conversely, when perceived differences in personality and attitude lead to a lack of shared identity, the incumbent and the successor report experiencing rough times of conflict during succession. In these cases, the parent and the offspring may experience a low level of mutual trust and highly controlling expectations without negotiated perspectives about the future, and the incumbent may invite an outsider to succeed them in their managerial position. In this case, the process they construct based on their shared identity leads to an extra-familial management succession.

Negotiations about shared identity – and how these negotiations guide interrelated action – are further connected to negotiating *family rules* that serve as a relational framework for the succession process. Negotiations about family rules – and how rules can be modified – may influence the experiences of closeness and differentiation in family roles (parent and child, manager and family member, female and male) and the possibility of mutually transparent family communication. Family members' attitudes to changes in the family rules governing differentiation and autonomy seem to define the frames for the successor's experience of autonomy and their scope of action as managers in the firm. Modified family rules shape the setting for further action in the process of succession (e.g., decisions related to family or non-family management and ownership). These processes further develop the family identity, shaping negotiations in other domains.

5. Discussion

Our study aimed to identify how family relationship regulation processes support or hinder the succession process in first-generation family businesses. Based on the findings, we built a theoretical model

Table 5
Propositions based on the proposed GT model.

Selective codes / domains	Axial codes	Propositions
1. Shared identity	1.1. Shared experience and similarity	Proposition 1.1.1. Shared experiences, such as parent–child joint activities inside and outside the company, contribute to the successor child's identification with the incumbent's personal values, characteristics, and attitudes. Proposition 1.1.2. Perceived similarity between incumbents and successors fosters the succession process
	1.2. Regulating independence through distance	Proposition 1.2. Successors distancing themselves from the company can be perceived either as a threat or a sign of independence. Family members may perceive the value of time spent outside the company very differently.
	1.3. Paths to taking mutual responsibility	Proposition 1.3. The process of succession is facilitated by family members' inner urge to take mutual responsibility for their relationships.
	1.4. "Family identity" shared between several family members	Proposition 1.4. The succession process is further eased when incumbents and successors express specific qualities or strengths which characterize the family's modus operandi. These positive experiences develop through perceptions of similarity, shared practices, and emphasizing interdependence and closeness.
2. Family rules	2.1. Transgenerational processes	Proposition 2.1. The relationship between incumbent and successor is influenced by broader family and social processes and the meanings assigned to them.
	2.2. Rules for roles in the family	Proposition 2.2. Family and business roles need to be reconciled and reconfigured during the succession process.
	2.3. Communication rules and transparency	Proposition 2.3. The communication of individual needs and mutual appreciation of each other greatly affects the emotional experiences and mental well-being of family members, and thus, succession.
	2.4. Rules of inheritance	Proposition 2.4. The meaning of ownership in relationships can be varied, and is shaped by spoken and unspoken family rules.
	2.5. No rules can be made about letting go	Proposition 2.5.1. Incumbent founders may find it particularly difficult to hand over the family business, as this is linked to the fear of 'losing themselves.' Proposition 2.5.2. Family members may acknowledge or struggle against this fear,

(continued on next page)

Table 5 (*continued*)

Selective codes / domains	Axial codes	Propositions
		but it can prolong the succession process.
3. Common construction	3.1. Acts of selection and presentation	Proposition 3.1.1. The successor's acts of selection are shaped less by professional criteria than by relationship processes, subjective preferences, and family traditions. Proposition 3.1.2. The acts of selection and the successor's acts of self-presentation are intertwined processes during succession.
	3.2. The incumbent 'shepherds' the successor	Proposition 3.2. The career of the hopeful or designated successor child is shaped through mutual influences within the parent–child relationship. In ongoing interactions, incumbents and successors have to manage their ambivalent feelings.
	3.3. Negotiating room for independent maneuver	Proposition 3.3. The incumbents tend to foster succession by shaping the stages of succession, while successors seek room for independent maneuver.
	3.4. A bridge to a new beginning	Proposition 3.4. Incumbents award very different meanings to the conclusion of the succession process and their future perspectives depending on how the negotiations between the incumbent and successor proceed. The incumbent's and the successor's perceptions on a possible new beginning may differ considerably – the metaphor of the 'bridge' describes their strivings to create a shared vision.
4. Dynamics of the three main negotiation processes	4.1. Unity and complementarity of the three main negotiation processes	Proposition 4.1. The negotiation processes of shared identity serve as a basis for the actions of common construction while the negotiations on family rules set the frames for the occurrence of the first two negotiation processes.
	4.2. Outcome of the intrafamilial succession process	Proposition 4.2. The course and outcomes of the intrafamilial succession process depend on how relationship regulation can be balanced while negotiating the specific relationship themes related to the three domains: the basis, the frames and the actions of common construction.

wherein intra-family succession in family firms involves circular loops of relationship-regulation processes and emerging negotiations about family relationships. Consistent with our inductive approach, the emergent model does not describe a taxonomy of supportive and hindering processes but a systemic pattern of interrelated relationship-regulation processes.

According to the model, as business families strive to complete the first intrafamilial succession, they need to accomplish a series of activities and decisions that may lead to the passing over of the baton to the next generation (the domain of 'common construction'; Cater et al., 2016). Interconnected with this process, however, they also need to redefine the personal relationships between the family members – most importantly, the one between the incumbent and the successor (domain of 'shared identity'; Bernhard & Labaki, 2021; Gagné et al., 2021) and to reflect on and shape their interpersonal agreements and framework of codes (domain of 'family rules'; Kubíček & Machek, 2020; von Schlippe & Frank, 2013). At the core of the three-domain process is 'negotiating relationship(s),' whereby multiple negotiations involve family members' efforts to balance their multiple needs for closeness, differentiation, reciprocity, emotional stability, and shared time perspectives in all three domains and the respective themes. In sum, by applying a relational approach, we were able to model succession as a multilayered, dynamic, nonlinear process closely linked to the relationship processes within the business family. The findings contribute to and extend our present knowledge about succession and relationship processes in business families in multiple ways.

5.1. Succession as a complex dynamic process

Activities accomplished and decisions taken in the 'common construction' domain resemble the stages of the linear process model (Decker et al., 2017). The themes related to this domain reflect temporality: the order in which our findings are presented corresponds to the sequence in which the patterns emerge in the processes. At the same time, our model shows that variations in the process of common construction (for example, negotiations about whether shepherding is accepted or what room for maneuver is granted) depend on relational processes in the family throughout the succession. Through the exploration of the ongoing and continuous negotiations in the three domains (identity, common construction, and family rules), we can address the call for dynamic, interactive models of the interplay between family relationships and family business succession (Bozer et al., 2017; Long & Chrisman, 2014; Yezza et al., 2021).

First, the steps of the common construction and the corresponding negotiations are embedded in the relationship between the incumbent and the successor. Their relationship dynamics unfold from early childhood until the consolidation period that ensues with the formal transfer of leadership and extends well beyond the end of the succession process. The succession process can hardly be successful without maintaining a co-constructed shared identity that emerges through shared experiences, feelings of mutual responsibility, and negotiated closeness. Previous accounts of socialization have concentrated on the exchange of professional and tacit knowledge regarding the company's operation (Bika et al., 2019). Our study complements these models by identifying the main building blocks of the socialization process from the viewpoint of the relationship-regulation processes. It highlights the links between these steps and the dynamics that connect them.

Second, we were able to integrate the relationship dynamics between the incumbent and successor with those of other family members and family-level developmental dynamics. Similarly to other research (Campopiano et al., 2017; Martinez Jimenez, 2009), we found that the incumbent's partner (the mother of the successor) may have a regulatory function during the process. This might be exerted through regulating emotions or taking responsibility for rules of reciprocity. Moreover, business families enter the succession process with preexisting experiences, expectations, and narratives about values, roles, and rules, often shaped throughout generations. Our theoretical model suggests that while family members rely on these rules, business succession challenges them. Thus, relationship negotiations become necessary concerning several aspects of these rules. In this way, succession is embedded in the flow of family relations, many of the characteristics of which persist long before and after formal inheritance.

5.2. Succession planning and relationship regulation

Literature emphasizes that since succession is based on predictable, interdependent decisions, it is possible, and even necessary, to plan the process to make it more efficient and successful (Decker et al., 2017; Handler, 1994; Santiago, 2000). However, based on the present findings, we propose that the role of planning in the succession process is not central. Behind the seemingly linear progression of the successor's deepening involvement in the company's operation, there is circularity in the shaping of the participants' relationship: the continuous negotiation of what their shared identity is based on, what steps they take together, and how these jointly relate to stability and any changes of rules that govern their relationship, the family, and the company. Thus, the assumption of process models that succession has a predefined and preferred outcome (e.g., family-managed and owned, or non-family-managed but family-owned, etc.) concerning which decisions can be made can only be considered as planned in hindsight. However, the crucial aspect of the process is the relationship negotiations between incumbent and successor (Helin & Jabri, 2016). The actual planning may involve a combination of the ongoing awareness of the upcoming decision points and the related relationship needs. These provide content for the negotiations between the family members that are involved. The emotional aspect of the negotiation process is hardly visible outside the duality of the incumbent and successor. In line with previous findings, our results thus show that their joint negotiation leads to the formulation of final succession goals and the making and implementation of specific decisions (Radu-Lefebvre et al., 2020). For example, the different managerial styles of the incumbent and the successor not only influence direct negotiation needs but may involve decisions about the selection and acceptance of the new successor. In a broader sense, such a situation may affect more hidden negotiations about their 'common identity' and the resulting satisfaction or frustration.

Furthermore, we found that specific decisions considered by the literature to be connected to the personal characteristics of the successor (Sharma & Irving, 2005), the incumbent (Gagnè et al., 2011; Sharma et al., 2003), or organizational characteristics (Bennedsen et al., 2007; Royer et al., 2008) and the transmission of social capital (Cisneros et al., 2022) are also strongly influenced by the relationship negotiations between the incumbent and the successor. For instance, whether a descendant joins the company after graduation, continues their studies, or starts working elsewhere is affected by the need for closeness that develops between the incumbent and the successor. Whether the incumbent considers the successor suitable for leadership or is thinking of appointing a non-family CEO depends on the level of trust between the incumbent and the (family member) successor. As explored in our research, trust originates partially in the negotiation domain of 'common construction' (e.g., obtaining room for maneuver) and partially in the domain of 'shared identity' (e.g., participants' experience of responsible action toward each other).

Finally, we can hardly overestimate the far-reaching impact of the first succession process on the future of the family firm, as it is then that the long-term framework of family rules is laid down, which applies both to family members and the firm (Barbera et al., 2018; Bloemen-Bekx et al., 2021). While renegotiation of the rules by later generations is always possible (Magrelli et al., 2022), the first succession process may create a reference point for future events and their interpretations in the family.

5.3. The role of relationship-regulation processes

So far, we have discussed the succession process in relation to the underlying relationship-regulation processes. Now, we turn to the regulation processes themselves. To the best of our knowledge, this is the first comprehensive model to inspect the first succession of family firms and to use a relationship-regulation perspective of the business family as a broad interpretative framework. In this regard, our findings

lead to several conclusions that can be applied in later studies and theorizing on succession and family relationships in general. First, we identified multiple relationship-regulation processes throughout the domains of negotiation. This is in accordance with our conceptual framework, which assumes the presence of several interrelated regulatory strivings in family relationships. The negotiation of shared identity is interwoven with the joint realization of the need for closeness, differentiation, and reciprocity, to name but a few examples. This interpretation connects and extends the findings of previous studies (Gimenez-Jimenez et al., 2021; McMullen & Warnick, 2015; Radu-Lefebvre & Randerson, 2020). In turn, the same type of underlying regulation processes drive negotiations in different domains. For example, the regulation of reciprocity also plays a role in creating a shared identity, including when actors weigh the possibility of coordinated action and, most notably, in the process of negotiating family rules.

Second, multiple relationship regulation processes may explain the consistent emergence of paradoxical situations in business families during their activities and development (Cunha et al., 2021, 2021). Participants have to handle multiple overlapping roles as family members, owners, and managers, and they need to balance the multiple relationship needs of members (Cunha et al., 2021). The complexity of relationship-regulation challenges inevitably creates paradoxical situations, which, in turn, prompt negotiation processes.

Third, and most generally, our findings suggest that emotional regulation is paramount and overarching. Emotional aspects of relationship regulation are present in all other regulation dimensions. This conclusion aligns with recent studies and theorizing about the role of emotions in family business (Bertschi-Michel et al., 2020; Randerson & Radu-Lefebvre, 2021; Strike et al., 2018). However, our approach suggests a new way to understand the role of emotions in relationship regulation. Emotions are used by actors as regulatory feedback in the process. Overt and covert conflicts are stressful experiences that may lead to emotional and sometimes spatial and organizational distance (which helps to downregulate stress). At the same time, they may also promote a move toward more fair agreements, mutual understanding, and closeness. Experienced and anticipated loss and grief are also closely bound to the succession process, although these emotions are seldom reflected in succession research. Our research adds to previous findings that family members' emotions not only accompany but regulate the succession process. This proposition can be tested and used in further research and applications outside succession research.

5.4. Relationship of leadership and ownership succession

Family business research often distinguishes between leadership and ownership succession for analytical purposes; our findings illuminate a rich tapestry of interconnections through the lens of relationship regulation processes, where these two dimensions of succession intertwine and complement each other. In our study, conducted within first-generation family firms, leadership succession took center stage. This emphasis on leadership can be attributed to the imperative of maintaining family control, as these businesses view leadership continuity as paramount for survival. We found that leadership succession is a complex negotiation of shared identity, where the incumbent and the successor strive to align their values, characteristics, and attitudes. This shared identity serves as the bedrock upon which the actions of succession are built, with the negotiation of leadership roles akin to "building the bridge of succession brick by brick.".

However, our research uncovers the interplay of interconnections between leadership and ownership succession: the latter are, in fact, two musicians in the same orchestra. Leadership succession influences ownership succession, as selecting a successor often implies a transfer of leadership roles and a significant stake in the business. Conversely, ownership succession can profoundly impact leadership, as the shift in ownership dynamics may necessitate a reevaluation of leadership roles

and responsibilities. This intricate interplay between leadership and ownership succession becomes most apparent in negotiating family rules. Rules governing family and business roles must be consistently reconciled and adapted throughout the succession process. Communication rules and transparency also come into play, as effective communication between family members becomes a linchpin for leadership and ownership continuity.

In addition to their partial separation and interconnection, our grounded theory suggests that leadership and ownership succession complement each other and operate in tandem to shape the outcome of succession. At the same time, leadership succession is about the 'who' and 'how' of running the business, while ownership succession deals with the 'what' and 'how much' in terms of ownership rights. The negotiation of shared identity, a pivotal aspect of leadership succession, sets the stage for the negotiation of family rules, which frames the actions of common construction in leadership and ownership.

5.5. Reflections on the context of our research

Concerning the socioeconomic context of our study, we can apply the metaphor of a 'laboratory.' In the Hungarian context, a whole generation of incumbents and potential successors is facing succession for the first time without sociocultural examples and society-level narratives that could aid the process. Hungary developed a market economy only decades ago, with an average year of foundation for Hungarian family businesses of around 1993 (Wieszt & Vajda, 2020). The succession rules and culture of multi-generational family businesses are initially generated during the very first succession. Family rules and how later succession is handled and framed in companies may be impacted by the patterns of the first generational change (Handler, 1994). However, in countries where two-or-more-generational family firms are an inherent part of the economy, it is harder or almost impossible to observe the first conception and co-construction of company succession in its pure form because even if a firm is first-generational, the managerial environment and culture in which it operates supports change through at least the mediating and direct practical experience of previous generations of other enterprises.

Thus, Hungary – where family firms face the challenges of first succession en masse – provides us with a natural and unique context to investigate unprecedented organizational transition. Accordingly, first-generation Hungarian family firms may be seen as a 'laboratory' of family-level solutions related to the succession process. In contrast, family-specific relationship processes play an essential role in this transition. Thus, our theoretical model reflects how the first succession process unfolds and how the emergence of relationship process patterns may influence subsequent generations' succession. Moreover, our model of relationship processes reflects family-level resilience, and the lessons learned here can be applied in various ways by family members of business-owning families and professionals in the field.

Furthermore, one should also note that among Hungarian family firms, one cannot distinguish between leadership and ownership succession only from an analytical point of view. Most families prefer to plan family leadership succession, and the biggest obstacle to succession is not ownership but leadership succession issues. Furthermore, leadership and ownership succession processes are intertwined for the families themselves in practice, and – as our grounded theory shows – they constantly interact 'back and forth' throughout the process of succession. The diffusion of joint leadership and ownership succession may be why succession-related financing issues were not identifiable in our research and among Hungarian family firms in general (Wieszt & Vajda, 2020).

5.6. Practical implications

Our study shows that the key to prosperous generational change is concentrating more on the "How?" than the "What?". Raising awareness

and promoting self-reflection in family members of their relationship processes may support their ability to negotiate the triadic relationship domains of succession. This ability is also related to exploring similarities and differences and developing norms related to building and resolving issues of reciprocity, trust, and fairness. It also refers to support for the differentiation of family and business roles (including valid means of 'non-succession') and creating a delicate balance between the autonomy of successors (differentiation) and loyalty to incumbents (closeness and reciprocity). Planning a formal succession process may provide a useful framework by identifying topics to be negotiated (e.g., choosing potential successors, their preparation, and the timing of formal steps for passing the baton). This may increase the business family's ability to engage in complex discussions about emerging decisions and achieve a smooth succession outcome. The metaphor of building a common bridge helps convey the basic message that succession is based on the relationship between the incumbent and the successor (and all family members) and is the result of their joint negotiation.

5.7. Limitations and future research

As with all qualitative studies, our results reflect the characteristics of our sample. We included families with larger small and medium-sized companies that initially decided about intra-family leadership and ownership succession. While we did not include the size of the family firm in the analysis, future investigations may scrutinize this aspect, along with the impact of organizational, environmental, and further contextual influences on the succession process. Moreover, one of the important characteristics of these families and businesses was that none of them had completed the post-succession phase by the time of the interviews. This also implies that analysis of this stage and the corresponding relationship patterns are partially missing from our analysis. We also involved companies where the baton of leadership had already been passed for years, and next-generation family CEOs had succeeded in establishing their place and becoming accepted among the firms' stakeholders. Nevertheless, even after the formal leadership transition, former leaders still had a considerable presence in the company's operations and strategy formation. Thus, the unfinished post-succession phase of the family businesses we researched is not merely a limitation of our research but rather a general characteristic of family businesses in Hungary and presumably in other transitional countries.

Future scholarly interest can be extended to non-Western types of seeking balance in family business functioning and succession, where specific types of family processes may be explored. Research may also build on the possibility of developing standardized questionnaires for quantitatively exploring the associations between regulation processes and the respective relationship negotiation. Moreover, future studies may use the conceptual framework of relationship-regulation processes to understand other business constellations and family challenges and scrutinize the relationship processes specific to managerial and ownership aspects of succession separately.

5.8. Conclusions

The findings of our study extend our knowledge of the succession process and business family functioning in several ways. First, we build a new model that complements previous succession models by accounting for the dynamic relational processes through which successors and incumbents prepare and co-create the succession process. This contributes to elaborating the often neglected or lacking dynamic aspects of the prevailing process models. Second, it generates new insights regarding the nature of succession planning by showing that the succession process results from a series of nonlinear, recursive relational processes between family members. Accordingly, it also shows that during the first generational change, succession-related decisions in companies (such as the timing of the potential successor's joining the company, at what pace

they take over, and whether incumbents hire external, non-family managers instead of next-generation family members) are based on relationship-regulation processes, and business-related aspects are secondary. Third, the findings may help integrate and systematically interpret previous findings about the effect of family relationships on generational change in family businesses. Looking at succession as a dynamic, nonlinear process managed through relationship regulation efforts may provide new theoretical context for recent research outcomes by specifying discrete relationship characteristics and interactions. Finally, the findings on family firm succession may create transferable knowledge for applying a systemic, relationship regulation-based approach to future research on other complex processes associated with business families as human systems. One of the most basic lessons we can draw from the present research is that it is worth exploring newer relationship patterns, as this can support our understanding of family firms and, thus, their functioning.

CRediT authorship contribution statement

Viola Sallay: Conceptualization, Data curation, Writing – original draft, Writing – review&editing, Investigation, Validation, Formal analysis, Methodology, Supervision. **Attila Wieszt:** Conceptualization, Funding acquisition, Data curation, Writing – original draft, Writing – review&editing, Investigation, Validation, Formal analysis, Methodology, Project administration. **Szabolcs Varga:** Conceptualization, Investigation, Formal analysis, Methodology. **Tamás Martos:** Conceptualization, Writing – original draft, Writing – review&editing, Investigation, Validation, Visualization, Formal analysis, Methodology.

Declaration of Competing Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

References

Ahmad, S., Omar, R., & Quoquab, F. (2021). Family firms' sustainable longevity: The role of family involvement in business and innovation capability. *Journal of Family Business Management, 11*(1), 86–106. https://doi.org/10.1108/JFBM-12-2019-0081

Alderson, K. (2015). Conflict management and resolution in family-owned businesses: A practitioner focused review. *Journal of Family Business Management, 5*(2), 140–156. https://doi.org/10.1108/JFBM-08-2015-0030

Aldrich, H. E., & Cliff, J. E. (2003). The pervasive effects of family on entrepreneurship: Toward a family embeddedness perspective. *Journal of Business Venturing, 18*(5), 573–596. https://doi.org/10.1016/S0883-9026(03)00011-9

Barbera, F., Stamm, I., & DeWitt, R.-L. (2018). The Development of an Entrepreneurial Legacy: Exploring the Role of Anticipated Futures in Transgenerational Entrepreneurship. *Family Business Review, 31*(3), 352–378. https://doi.org/10.1177/0894486518780795

Bennedsen, M., Nielsen, K. M., Perez-Gonzalez, F., & Wolfenzon, D. (2007). Inside the Family Firm: The Role of Families in Succession Decisions and Performance. *The Quarterly Journal of Economics, 122*(2), 647–691. https://www.jstor.org/stable/25098855.

Bernhard, F., & Labaki, R. (2021). Moral Emotions in Family Businesses: Exploring Vicarious Guilt of the Next Generation. *Family Business Review, 34*(2), 193–212. https://doi.org/10.1177/0894486520941944

Bika, Z., Rosa, P., & Karakas, F. (2019). Multilayered Socialization Processes in Transgenerational Family Firms. *Family Business Review, 32*(3), 233–258. https://doi.org/10.1177/0894486519827435

Björnberg, Å., & Nicholson, N. (2012). Emotional Ownership: The Next Generation's Relationship With the Family Firm. *Family Business Review, 25*(4), 374–390. https://doi.org/10.1177/0894486511432471

Bloemen-Bekx, M., Van Gils, A., Lambrechts, F., & Sharma, P. (2021). Nurturing offspring's affective commitment through informal family governance mechanisms. *Journal of Family Business Strategy, 12*(2), Article 100309. https://doi.org/10.1016/j.jfbs.2019.100309

Bozer, G., Levin, L., & Santora, J. C. (2017). Succession in family business: Multi-source perspectives. *Journal of Small Business and Enterprise Development, 24*(4), 753–774. https://doi.org/10.1108/JSBED-10-2016-0163

Bryant, A., & Charmaz, K. (2007). Introduction. Grounded Theory Research: Methods and Practices. In A. Bryant, & K. Charmaz (Eds.), *The SAGE Handbook of Grounded Theory* (pp. 1–28). SAGE Publications. https://doi.org/10.4135/9781848607941.

Cabrera-Suárez, M. K., García-Almeida, D. J., & De Saá-Pérez, P. (2018). A Dynamic Network Model of the Successor's Knowledge Construction From the Resource- and Knowledge-Based View of the Family Firm. *Family Business Review, 31*(2), 178–197. https://doi.org/10.1177/0894486518776867

Campopiano, G., De Massis, A., Rinaldi, F. R., & Sciascia, S. (2017). Women's involvement in family firms: Progress and challenges for future research. *Journal of Family Business Strategy, 8*(4), 200–212. https://doi.org/10.1016/j.jfbs.2017.09.001

Cater, J. J., & Justis, R. T. (2009). The Development of Successors From Followers to Leaders in Small Family Firms: An Exploratory Study. *Family Business Review, 22*(2), 109–124. https://doi.org/10.1177/0894486508327822

Cater, J. J., Kidwell, R. E., & Camp, K. M. (2016). Successor Team Dynamics in Family Firms. *Family Business Review, 29*(3), 301–326. https://doi.org/10.1177/0894486516656255

Cater, J. J., Young, M., & Alderson, K. (2019). Contributions and constraints to continuity in Mexican-American family firms. *Journal of Family Business Management, 9*(2), 175–200. https://doi.org/10.1108/JFBM-08-2018-0022

Charmaz, K. (2014). Constructing Grounded Theory. *SAGE*. Publications.

Chaudhary, S., Dhir, A., Ferraris, A., & Bertoldi, B. (2021). Trust and reputation in family businesses: A systematic literature review of past achievements and future promises. *Journal of Business Research, 137*, 143–161. https://doi.org/10.1016/j.jbusres.2021.07.052

Chenail, R. J. (2009). Communicating Your Qualitative Research Better. *Family Business Review, 22*(2), 105–108. https://doi.org/10.1177/0894486509334795

Chua, J. H., Chrisman, J. J., & Sharma, P. (1999). Defining the Family Business by Behavior. *Entrepreneurship Theory and Practice, 23*(4), 19–39. https://doi.org/10.1177/104225879902300402

Cisneros, L., Deschamps, B., Chirita, G. M., & Geindre, S. (2022). Successful family firm succession: Transferring external social capital to a shared-leadership team of siblings. *Journal of Family Business Strategy, 13*(3), Article 100467. https://doi.org/10.1016/j.jfbs.2021.100467

Corbin, J., & Strauss, A. (2008). *Basics of Qualitative Research (3rd ed.): Techniques and Procedures for Developing Grounded Theory*. SAGE Publications. https://doi.org/10.4135/9781452230153.

Creswell, J. W., Hanson, W. E., Clark Plano, V. L., & Morales, A. (2007). Qualitative Research Designs: Selection and Implementation. *The Counseling Psychologist, 35*(2), 236–264. https://doi.org/10.1177/0011000006287390

Cunha, M. P. e, Soares Leitão, M. J., Clegg, S., Hernández-Linares, R., Moasa, H., Randerson, K., & Rego, A. (2021). Cognition, emotion and action: Persistent sources of parent–offspring paradoxes in the family business. *Journal of Family Business Management*, ahead-of-print(ahead-of-print). https://doi.org/10.1108/JFBM-11-2020-0104.

Daspit, J. J., Holt, D. T., Chrisman, J. J., & Long, R. G. (2016). Examining Family Firm Succession From a Social Exchange Perspective: A Multiphase. *Multistakeholder Review. Family Business Review, 29*(1), 44–64. https://doi.org/10.1177/0894486515599688

Davis, J. A., McCollom Hampton, M., Lansberg, I., & Gersick, K. E. (1997). *Generation to Generation: Life Cycles of the Family Business*. Harvard Business Press.

Davis, P. S., & Harveston, P. D. (1999). In the Founder's Shadow: Conflict in the Family Firm. *Family Business Review, 12*(4), 311–323. https://doi.org/10.1111/j.1741-6248.1999.00311.x

Decker, C., Heinrichs, K., Jaskiewicz, P., & Rau, S. B. (2017). What Do We Know About Succession in Family Businesses? Mapping Current Knowledge and Unexplored Territory. In F. Kellermanns, & F. Hoy (Eds.), *The Routledge Companion to Family Business* (pp. 15–44). Routledge.

Deetz, S. (2009). Organizational research as alternative ways of attending to and talking about structures and activities. In D. A. Buchanan, & A. Bryman (Eds.), *The Sage handbook of organizational research methods* (pp. 21–38). SAGE Publications Ltd.

Distelberg, B., & Sorenson, R. L. (2009). Updating Systems Concepts in Family Businesses: A Focus on Values, Resource Flows, and Adaptability. *Family Business Review, 22*(1), 65–81. https://doi.org/10.1177/0894486508329115

Dyck, B., Mauws, M., Starke, F. A., & Mischke, G. A. (2002). Passing the baton: The importance of sequence, timing, technique and communication in executive succession. *Journal of Business Venturing, 17*(2), 143–162. https://doi.org/10.1016/S0883-9026(00)00056-2

Fitzsimons, G. M., Finkel, E. J., & vanDellen, M. R. (2015). Transactive goal dynamics. *Psychological Review, 122*(4), 648–673. https://doi.org/10.1037/a0039654

Fivush, R., & Merrill, N. (2016). An ecological systems approach to family narratives. *Memory Studies, 9*(3), 305–314. https://doi.org/10.1177/1750698016645264

Gagné, M., Marwick, C., Brun de Pontet, S., & Wrosch, C. (2019). Family Business Succession: What's Motivation Got to Do With It? *Family Business Review, 0894486519894759*. https://doi.org/10.1177/0894486519894759

Gagné, M., Marwick, C., Brun de Pontet, S., & Wrosch, C. (2021). Family Business Succession: What's Motivation Got to Do With It? *Family Business Review, 34*(2), 154–167. https://doi.org/10.1177/0894486519894759

Gagnè, M., Wrosch, C., & Brun de Pontet, S. (2011). Retiring From the Family Business: The Role of Goal Adjustment Capacities. *Family Business Review, 24*(4), 292–304. https://doi.org/10.1177/0894486511410688

Gimenez-Jimenez, D., Edelman, L. F., Minola, T., Calabrò, A., & Cassia, L. (2021). An Intergeneration Solidarity Perspective on Succession Intentions in Family Firms. *Entrepreneurship Theory and Practice, 45*(4), 740–766. https://doi.org/10.1177/1042258720956384

Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). Seeking Qualitative Rigor in Inductive Research: Notes on the Gioia Methodology. *Organizational Research Methods, 16*(1), 15–31. https://doi.org/10.1177/1094428112452151

Glaser, B. G., & Strauss, A. L. (1967). *The discovery of grounded theory: Strategies for qualitative research.* Aldine Publishing Company.

Goldberg, S. D. (1996). Research Note: Effective Successors in Family-Owned Businesses: Significant Elements. *Family Business Review, 9*(2), 185–197. https://doi.org/10.1111/j.1741-6248.1996.00185.x

Hamlin, R. G., Beattie, R. S., & Ellinger, A. D. (2007). What do effective managerial leaders really do? Using qualitative methodological pluralism and analytical triangulation to explore everyday "managerial effectiveness" and "managerial coaching effectiveness". *International Journal of Management Concepts and Philosophy, 2*(3), 255. https://doi.org/10.1504/IJMCP.2007.015001

Handler, W. C. (1994). Succession in Family Business: A Review of the Research. *Family Business Review, 7*(2), 133–157. https://doi.org/10.1111/j.1741-6248.1994.00133.x

Hanson, S. K., Hessel, H. M., & Danes, S. M. (2019). Relational processes in family entrepreneurial culture and resilience across generations. *Journal of Family Business Strategy, 10*(3), Article 100263. https://doi.org/10.1016/j.jfbs.2018.11.001

Helin, J., & Jabri, M. (2016). Family business succession in dialogue: The case of differing backgrounds and views. *International Small Business Journal, 34*(4), 487–505. https://doi.org/10.1177/0266242614567482

Hernández-Perlines, F., Covin, J. G., & Ribeiro-Soriano, D. E. (2021). Entrepreneurial orientation, concern for socioemotional wealth preservation, and family firm performance. *Journal of Business Research, 126*, 197–208. https://doi.org/10.1016/j.jbusres.2020.12.050

Holt, D. T., Pearson, A. W., Payne, G. T., & Sharma, P. (2018). Family Business Research as a Boundary-Spanning Platform. *Family Business Review, 31*(1), 14–31. https://doi.org/10.1177/0894486518758712

Holton, J. A. (2017). From grounded theory to grounded theorizing in qualitative research. In D. A. Buchanan, & A. Bryman (Eds.), *The SAGE Handbook of Qualitative Business and Management Research Methods* (pp. 233–250). SAGE Publications Ltd.

Kubíček, A., & Machek, O. (2020). Intrafamily Conflicts in Family Businesses: A Systematic Review of the Literature and Agenda for Future Research. *Family Business Review, 33*(2), 194–227. https://doi.org/10.1177/0894486519899573

Kudlats, J., McDowell, W. C., & Mahto, R. V. (2019). Unrelated but together: Trust and intergroup relations in multi-family businesses. *Journal of Business Research, 101*, 750–756. https://doi.org/10.1016/j.jbusres.2018.12.073

Lambrecht, J., & Lievens, J. (2008). Pruning the Family Tree: An Unexplored Path to Family Business Continuity and Family Harmony. *Family Business Review, 21*(4), 295–313. https://doi.org/10.1177/08944865080210040103

Lang, F. R., Wagner, J., & Neyer, F. J. (2009). Interpersonal functioning across the lifespan: Two principles of relationship regulation. *Advances in Life Course Research, 14*(1), 40–51. https://doi.org/10.1016/j.alcr.2009.03.004

Leiß, G., & Zehrer, A. (2018). Intergenerational communication in family firm succession. *Journal of Family Business Management, 8*(1), 75–90. https://doi.org/10.1108/JFBM-09-2017-0025

Long, R. G., & Chrisman, J. J. (2014). Management succession in family business. In L. Melin, M. Nordqvist, & P. Sharma (Eds.), *The Sage handbook of family business* (pp. 249–268). Sage.

Longenecker, J. G., & Schoen, J. E. (1978). Management succession in the family business. *Journal of Small Business Management, 16*(3), 1–6.

Lubatkin, M. H., Durand, R., & Ling, Y. (2007). The missing lens in family firm governance theory: A self-other typology of parental altruism. *Journal of Business Research, 60*(10), 1022–1029. https://doi.org/10.1016/j.jbusres.2006.12.019

Lyons, R., O'Gorman, C., Ahmed, F. U., & Clinton, E. (2020). Parental Emotional Support as a Driver of Next Generations' Family Business Succession Intentions. *Academy of Management Proceedings, 2020*(1), 13350. https://doi.org/10.5465/AMBPP.2020.13350abstract

Magrelli, V., Rovelli, P., Benedetti, C., Überbacher, R., & De Massis, A. (2022). Generations in Family Business: A Multifield Review and Future Research Agenda. *Family Business Review, 35*(1), 15–44. https://doi.org/10.1177/08944865211069781

Malik, T. H. (2019). Founder's Apprehension in Small Family Business Succession in Thailand: Interpretative View of the Situational Distance. *SAGE Open, 9*(4). https://doi.org/10.1177/2158244019885135

Marroquín, B., Tennen, H., & Stanton, A. L. (2017). Coping, Emotion Regulation, and Well-Being: Intrapersonal and Interpersonal Processes. In M. D. Robinson, & M. Eid (Eds.), *The Happy Mind: Cognitive Contributions to Well-Being* (pp. 253–274). Springer International Publishing. https://doi.org/10.1007/978-3-319-58763-9_14

Martinez Jimenez, R. (2009). Research on Women in Family Firms: Current Status and Future Directions. *Family Business Review, 22*(1), 53–64. https://doi.org/10.1177/0894486508328813

Martínez-Sanchis, P., Aragón-Amonarriz, C., & Iturrioz-Landart, C. (2020). How the Pygmalion Effect operates in intra-family succession: Shared expectations in family SMEs. *European Management Journal, 38*(6), 914–926. https://doi.org/10.1016/j.emj.2020.04.005

McMullen, J. S., & Warnick, B. J. (2015). To Nurture or Groom? The Parent-Founder Succession Dilemma. *Entrepreneurship Theory and Practice, 39*(6), 1379–1412. https://doi.org/10.1111/etap.12178

Meier, O., & Schier, G. (2016). The Early Succession Stage of a Family Firm: Exploring the Role of Agency Rationales and Stewardship Attitudes. *Family Business Review, 29*(3), 256–277. https://doi.org/10.1177/0894486516646260

Mikulincer, M., & Shaver, P. R. (2019). Attachment orientations and emotion regulation. *Current Opinion in Psychology, 25*, 6–10. https://doi.org/10.1016/j.copsyc.2018.02.006

Mokhber, M., Gi Gi, T., Abdul Rasid, S. Z., Vakilbashi, A., Mohd Zamil, N., & Woon Seng, Y. (2017). Succession planning and family business performance in SMEs. *Journal of Management Development, 36*(3), 330–347. https://doi.org/10.1108/JMD-12-2015-0171

Morse, J. (2007). Sampling in Grounded Theory. In A. Bryant, & K. Charmaz (Eds.), *The SAGE Handbook of Grounded Theory* (pp. 229–244). SAGE Publications. https://doi.org/10.4135/9781848607941.

Murphy, L., Huybrechts, J., & Lambrechts, F. (2019). The Origins and Development of Socioemotional Wealth Within Next-Generation Family Members: An Interpretive Grounded Theory Study. *Family Business Review, 32*(4), 396–424. https://doi.org/10.1177/0894486519890775

Murphy, L., & Lambrechts, F. (2015). Investigating the actual career decisions of the next generation: The impact of family business involvement. *Journal of Family Business Strategy, 6*(1), 33–44. https://doi.org/10.1016/j.jfbs.2014.10.003

Overall, N. C., Fletcher, G. J. O., & Simpson, J. A. (2006). Regulation processes in intimate relationships: The role of ideal standards. *Journal of Personality and Social Psychology, 91*(4), 662–685. https://doi.org/10.1037/0022-3514.91.4.662

Pittino, D., Visintin, F., & Lauto, G. (2018). Fly Away From the Nest? A Configurational Analysis of Family Embeddedness and Individual Attributes in the Entrepreneurial Entry Decision by Next-Generation Members. *Family Business Review, 31*(3), 271–294. https://doi.org/10.1177/0894486518773867

Qiu, H., & Freel, M. (2020). Managing Family-Related Conflicts in Family Businesses: A Review and Research Agenda. *Family Business Review, 33*(1), 90–113. https://doi.org/10.1177/0894486519893223

Radu-Lefebvre, M., Lefebvre, V., Clarke, J., & Gartner, W. B. (2020). Entrepreneurial legacy: How narratives of the past, present and future affect entrepreneurship in business families. In A. Calabrò (Ed.), *A Research Agenda for Family Business* (pp. 73–85). Edward Elgar Publishing. https://doi.org/10.4337/9781788974073.

Radu-Lefebvre, M., & Randerson, K. (2020). Successfully navigating the paradox of control and autonomy in succession: The role of managing ambivalent emotions. *International Small Business Journal: Researching Entrepreneurship, 38*(3), 184–210. https://doi.org/10.1177/0266242619879078

Randerson, K., & Radu-Lefebvre, M. (2021). Managing Ambivalent Emotions in Family Businesses: Governance Mechanisms for the Family, Business, and Ownership Systems. *Entrepreneurship Research Journal, 11*(3), 159–176. https://doi.org/10.1515/erj-2020-0274

Reay, T. (2019). Family Routines and Next-Generation Engagement in Family Firms. *Entrepreneurship Theory and Practice, 43*(2), 244–250. https://doi.org/10.1177/1042258718796083

Richards, M., Kammerlander, N., & Zellweger, T. (2019). Listening to the Heart or the Head? Exploring the "Willingness Versus Ability" Succession Dilemma. *Family Business Review, 32*(4), 330–353. https://doi.org/10.1177/0894486519833511

Rompilla, D. B., Hittner, E. F., Stephens, J. E., Mauss, I., & Haase, C. M. (2021). Emotion regulation in the face of loss: How detachment, positive reappraisal, and acceptance shape experiences, physiology, and perceptions in late life. *Emotion.* https://doi.org/10.1037/emo0000932

Royer, S., Simons, R., Boyd, B., & Rafferty, A. (2008). Promoting Family: A Contingency Model of Family Business Succession. *Family Business Review, 21*(1), 15–30. https://doi.org/10.1111/j.1741-6248.2007.00108.x

Ryan, R. M., & Deci, E. L. (2017). *Self-determination theory: Basic psychological needs in motivation, development, and wellness.* Guilford Press.

Santiago, A. L. (2000). Succession Experiences in Philippine Family Businesses. *Family Business Review, 13*(1), 15–35. https://doi.org/10.1111/j.1741-6248.2000.00015.x

Schell, S., Wolff, S., & Moog, P. (2020). Contracts and communication among family members: Business succession from a contractual view. *Journal of Small Business Management.* https://doi.org/10.1080/00472778.2020.1816429

Sharma, P., Chrisman, J. J., & Chua, J. H. (2003). Predictors of satisfaction with the succession process in family firms. *Journal of Business Venturing, 18*(5), 667–687. https://doi.org/10.1016/S0883-9026(03)00015-6

Sharma, P., & Irving, P. G. (2005). Four Bases of Family Business Successor Commitment: Antecedents and Consequences. *Entrepreneurship Theory and Practice, 29*(1), 13–33. https://doi.org/10.1111/j.1540-6520.2005.00067.x

Simpson, J. A., Overall, N. C., Farrell, A. K., & Girme, Y. U. (2016). Regulation processes in romantic relationships. In K. D. Vohs, & R. F. Baumeister (Eds.), *Handbook of Self-Regulation: Research, Theory, and Applications* (pp. 283–304). Guilford Publications.

Strauss, A., & Corbin, J. (1998). Basics of qualitative research techniques. *Sage. publications.*

Strike, V. M., Michel, A., & Kammerlander, N. (2018). Unpacking the Black Box of Family Business Advising: Insights From Psychology. *Family Business Review, 31*(1), 80–124. https://doi.org/10.1177/0894486517735169

Suddaby, R. (2006). From the Editors: What Grounded Theory is Not. *Academy of Management Journal, 49*(4), 633–642. https://doi.org/10.5465/amj.2006.22083020

Tetzlaff, E., Jaskiewicz, P., & Wiklund, J. (2023). Implications of Mental Health for Business Families and Family Businesses: Toward a Holistic Research Agenda. *Family Business Review, 36*(3), 284–295. https://doi.org/10.1177/08944865231185799

Umans, I., Lybaert, N., Steijvers, T., & Voordeckers, W. (2021). The influence of transgenerational succession intentions on the succession planning process: The moderating role of high-quality relationships. *Journal of Family Business Strategy, 12*(2), Article 100269. https://doi.org/10.1016/j.jfbs.2018.12.002

Van Burg, E., Cornelissen, J., Stam, W., & Jack, S. (2022). Advancing Qualitative Entrepreneurship Research: Leveraging Methodological Plurality for Achieving Scholarly Impact. *Entrepreneurship Theory and Practice, 46*(1), 3–20. https://doi.org/10.1177/1042258720943051

von Schlippe, A., & Frank, H. (2013). The Theory of Social Systems as a Framework for Understanding Family Businesses. *Family Relations, 62*(3), 384–398. https://doi.org/10.1111/fare.12010

Wieszt, A., & Vajda, É. (2020). Family Businesses in Hungary –Evidence from A Country-level Survey. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.3713765

Yezza, H., Chabaud, D., & Calabrò, A. (2021). Dynamics of Conflicts in Family Firms: Towards a Non-Linear Approach to the Succession Process. *Journal of Enterprising Culture, 29*(02), 79–107. https://doi.org/10.1142/S0218495821500059

Zaki, J., & Williams, W. C. (2013). Interpersonal emotion regulation. *Emotion, 13*(5), 803–810. https://doi.org/10.1037/a0033839

Zayas, V., Shoda, Y., & Ayduk, O. N. (2002). Personality in Context: An Interpersonal Systems Perspective. *Journal of Personality, 70*(6), 851–900. https://doi.org/10.1111/1467-6494.05026

Viola Sallay, Ph.D., is a clinical health psychologist and assistant professor at the Institute of Psychology, University of Szeged, Hungary. She is a certified couple and family therapist and a European Family Therapy Association (EFTA) board member. Her research interests include relational and emotional self-regulation processes, family functioning, and the role of the social-physical environment in healthy functioning. She specializes in qualitative methodology and regularly publishes qualitative research papers in high-impact scholarly journals. She received Fulbright Visiting Researcher Grant in 2022 to work at the University of Maryland, College Park, Department of Family Science. She obtained her Ph.D. from Eotvos Lorand University, Budapest, Hungary.

Attila Wieszt, Ph.D., is an economist, family business researcher, and lecturer at the Center of Family Business at Corvinus University, Budapest. His research interest includes family business governance, succession, and strategic management in family firms focusing on the relationship between family governance and strategic management procedures of the firm. He received his doctorate from the Corvinus University of Budapest.

Szabolcs Varga, Ph.D., is a sociologist, economist, and mental health specialist. He is an assistant lecturer at the Department of Social Sciences at the Faculty of Health Sciences at Semmelweis University, Budapest. His research interest includes the sociologic and economic aspects of corruption, the social and mental processes in the family, and the role of schemas in human functioning. He obtained his Ph.D. from the Corvinus University of Budapest.

Tamás Martos, Ph.D., is a clinical health psychologist and full professor at the Institute of Psychology, University of Szeged, Hungary. He is a certified couple and family therapist. His research interests include the role of motivational processes and goal constructs in healthy human functioning and positive psychology and the role of self-regulation processes in close relationships. He works with an extended team of international scholars in research projects and publications in family and relationship oriented high impact journals like the Journal of Personal and Social Relationships, Personal Relationships, and the Journal of Personality and Social Psychology. He obtained his Ph.D. from Semmelweis University, Budapest, Hungary.