

What Second-Generation Internal Family Business Successors Think: A Case of Construction Family Businesses in India

Harish Kumar Singla¹, Pradeepta Kumar Samanta^{2*} and Srividhya Sridharan³

¹Dean, NICMAR Business School, NICMAR University, Pune, Maharashtra. E-mail: bsingla25@gmail.com

²Associate Professor, NICMAR Business School, NICMAR University, Pune, Maharashtra. E-mail: samanta.pk@gmail.com

³Assistant Professor, NICMAR Business School, NICMAR University, Pune, Maharashtra. E-mail: casrividhyaraju@gmail.com

*Corresponding Author

To cite this paper

Singla, H.K., Samanta, P.K., & Sridharan, S. (2023). What Second-Generation Internal Family Business Successors Think: A Case of Construction Family Businesses in India. *Orissa Journal of Commerce*. 44(3), 45-58.

Keywords

Succession; Construction; Family business; Internal succession

JEL Classification

L21, L26

Abstract: This study is aimed at understanding the perception of second-generation internal family successors, towards their family business with specific reference to the construction sector in India. In a country like India, over 90% of the construction business houses are family held, thus there is an increasing need to understand motivators to succession in this sector. The study examines four cases using an inductive research approach, and establishes a link between the factors identified from literature and cases. Several hypotheses are tested using the survey technique with a unique sample of 47 second generation construction family business entrepreneurs. The study findings are significant, confirming the existence of internal motivation amongst successors in the construction sector. An independent sample t-test establishes no signs of interjected or forced motivation for this sector. In summary, parents are found to give a free rein to their successors as far as career choice is concerned. A linkage between Self Determination Theory and sector specific successor motivation is established by this study.

1. Introduction

In family business, it is expected that the next generation will take up the mantle of business responsibilities. The founding family members pass on the responsibility of their family business (FB) to the next generation and this process continues through succession planning (Sambrook, 2005). As the activity is not restrictive in nature, it allows a company to search for both internal as well as external successors. There are several studies which claim that the internal or external choice of successor depends on the nature of industry, the competition, complexity of business, the kind of education requirement etc. For instance, the business, where tacit knowledge (knowing by doing) and relationship is key, an internal successor is preferred (Boyd and Royer, 2012). Certain sectors have relatively simple

technologies and require application of idiosyncratic or tacit knowledge (Polanyi, 1996). Hence applying transaction cost theory, the cost of passing down such sticky knowledge is lowest when the successor is an internal family member (Bjuggren and Sund, 2002). Further, in businesses with relatively simpler technologies and where knowledge of local conditions, labour availability, and political influence is of utmost importance for profitability, such as agriculture and construction related businesses, a potential internal successor greatly reduces the transaction cost of succession (Royer *et al.*, 2008).

However, the question of internal family succession based on sector has not received much attention (Brockhaus, 2004). The issue of internal family succession is important and worth an examination because the choice of successor is dependent on the type of business as noted earlier. Amongst several types of businesses, construction business is a complex one, as it relies on tacit knowledge and relationship building. However, at the same time it also requires a great deal of technical knowledge about construction and skill-set related to the sector. Therefore, it becomes important to study the succession planning aspects in family-owned construction firms. There are few studies that have examined succession planning in the construction industry; however, those studies are uni-dimensional (Perrenoud and Sullivan, 2017). Those studies highlight overall construction firms, rather than family-owned construction firms. Further, those studies have been conducted from the succession planner's perspective and the successors' view is absolutely ignored.

India would need to spend \$4.5 trillion on infrastructure by 2030 to realise the vision of a \$5 trillion economy by 2025 and continue on the escalated trajectory until 2030. India needs to spend about \$1.4 trillion over these years on infrastructure (Mohanty *et al.*, 2022). Infrastructure projects under the National Infrastructure Pipeline (NIP) will receive an equal share of contribution in terms of capital expenditure from the Centre and States of 39% each while private sector share being 22% (Samanta *et al.*, 2022). The Centre for Monitoring Indian Economy (CMIE) database reveals that there are more than 400 listed companies and 4000 unlisted companies in India, that are dealing with construction related business. However, there is a commonality amongst all these big or small-scale construction firms, i.e., they are dominated by family-owned business houses. Hence, the question of internal succession in construction FB is all the more important.

However, the current study focuses only on the second-generation entrepreneurs (2nd Gen) as previous studies have shown that succession of 2nd Gen to control FB created by their parents is a challenging and unsatisfactory process. Since the parent is the founder owner and associates very closely with the business, there is an understandable difficulty experienced in handing over the reins to the 2nd Gen (Osborne, 1991). There is a pressing need to examine internal succession with specific reference to the construction industry's 2nd Gen. In order to fill this research gap, authors in the current study examine the perception of this particular category of family successor about the succession process associated with joining their family construction business.

2. Literature Review-Motivators to Join Family Business

Factors influencing internal family succession have been discussed under four heads – Individual, Relation, Contextual and Financial (De Massis *et al.*, 2008). Family Business researchers have considered the successors willingness to join business, ability, life span of business, conflicts between parent and

child, change in technology, successor training, and feedback and family communication at length, as important issues.

The risk-taking capability of the successor plays a major role while opting for FB in construction. If the parental business enjoys good reputation in the market, the successor may be motivated to take it forward. However, keeping in mind the risk and uncertainty of the business/sector as an important factor, it always depends on the leadership support from the parent and inheritance of problem-solving skills/knowledge by the successor. As construction is a short-term capital-intensive business and it requires more working capital than fixed capital, the successor not only needs to be good at technical skills, but should also have a better understanding of financial markets and managing financial resources.

Hence it follows, that there must be some common factors or drivers that motivate and influence the choice of career of internal family business successors from these sectors. Table I below summarises the drivers for effective internal succession that flow from literature.

Table 1: Effective Succession Drivers for 2nd Gen

<i>Driver No.</i>	<i>Driver (Authors)</i>	<i>Explanation</i>
1	Internal motivation (De Massis <i>et al.</i> , 2008; Murphy <i>et al.</i> , 2019; Pattanayak & Kakati, 2021; Porter & Lawlor, 1968; Sharma <i>et al.</i> , 2001; Vroom, 1964)	Self-behaviour of the successor and willingness to join the FB depends on his own interest, risk taking ability, capacity for problem solving
2	Influenced motivation (Dawson <i>et al.</i> , 2013; Lalhunthara, 2019; Sharma & Irving, 2005)	Mind-set of “having to” or “needing to remain” within the family firm created out of an external locus (family loyalty, social persuasion, expectation of parents or perceived lack of opportunities outside FB).
3	Personal relationship of incumbent with successor (Chrisman <i>et al.</i> , 1998; Venter <i>et al.</i> , 2005; Sharma <i>et al.</i> , 2001)	Existence of trust and respect of actively involved family members towards successor and ability to <i>get</i> along.
4	Family communication (Venter <i>et al.</i> , 2005; Rautamaki & Paakkanen, 2016, Murphy <i>et al.</i> , 2019; Bloemen-Bekx <i>et al.</i> , 2019)	Open and earnest communication combined with willingness to acknowledge each other’s achievements and lacunae, characterised by a good parent-child relationship.
5	Financial factors (Dumas <i>et al.</i> , 1995; De Massis <i>et al.</i> , 2008; Nomani & Sen, 2018; Sharma, 2004; Venter <i>et al.</i> , 2005)	Perceived expectation of monetary rewards from business coupled with offer of monetary security and allied benefits, characterised by healthy working capital, leverage and profitability.
6	Education requirement (Chrisman <i>et al.</i> , 1998)	Attainment of knowledge, skills and abilities to enhance competence through formal means (education).

contd. table 1

<i>Driver No.</i>	<i>Driver (Authors)</i>	<i>Explanation</i>
7	Successor training (De Massis <i>et al.</i> , 2008)	Formal leadership training plans involving work both inside and outside the FB
8	Successor availability (Getz & Petersen, 2004)	Existence of a viable heir within the family who can be considered for succession.
9	Nature of Industry (competition) (Stavrou, 1999; Royer <i>et al.</i> , 2008; Getz & Petersen, 2004)	Existence or lack of industry specific barriers (seasonality of demand, location constraints, government restrictions, taxation) to inheritance amongst family members.
10	Technical complexity (Royer <i>et al.</i> , 2008)	Requirement for successor to possess experiential, general and industry specific knowledge in varied proportions.
11	Successor personality (Chrisman <i>et al.</i> , 1998; Dawson <i>et al.</i> , 2013)	Complex psychological characteristics of the successor which enhance motivation to join FB, such as need for independence, creativity, risk taking capability, leadership, ability to take up responsibility, assuming locus of control, integrity, aggression to name a few.

Source: Compiled by Authors from Literature

3. Research Methodology

This study was carried out in two phases. In phase one, case studies were used (inductive research approach) for recognizing microlevel stimuli of successors and their insight about the FB. Cases are identified as real-life phenomena in their naturally occurring environment (Yin, 2003). Such cases are well-matched for the determination of explaining on the prevailing theories or generating a new theory emergent from the data (Eisenhardt, 1989).

In phase two, a link between the factors identified from the literature and the factors extracted from the cases was established to test the hypothesis. For hypothesis testing, a comprehensive questionnaire was developed. Snow ball sampling technique was followed to identify second generation successors of family construction business. Respondents were identified from business directories for construction and allied areas and profile of successors was cross checked with the company website and CMIE Prowess owner data (where ever available). Authors identified more than 200 such respondents who were 2nd gen entrepreneurs, however, only 47 of them responded to the survey. The questionnaire was divided into two sections, where section one was about the demographic profile of respondents and two was the main part. The questions in section two of the questionnaire were asked on five-point scale. A value of one (1) would suggest strongly disagree, two (2) suggest disagree, three (3) suggest neutral, four (4) suggest agree and five (5) suggest strongly agree. The responses of these questions were examined through basic descriptive analysis and one sample t test. The demographic profile of the respondents and basic information of business is provided in Table 2.

Table 2: Demographic Profile and Business Information

<i>Description</i>	<i>Nos.</i>	<i>Appx. Percent</i>
Type of business (Multiple options allowed)	47	
<i>Real Estate</i>	26	55.30%
<i>Construction & Infrastructure</i>	26	55.30%
<i>Consulting</i>	5	10.60%
<i>Other Related</i>	6	12.80%
Age		
Between 21 to 30	39	83%
31 to 45	7	14.90%
45 to 60	1	2.10%
Highest Education Qualification		
Civil Engineer - Graduate/ PG	30	63.85%
Architect - Graduate/ PG	5	10.65%
Other branches of Engineering -Graduate/ PG	1	2.10%
Graduate in areas other than the above	4	8.50%
Post Graduate in areas other than the above	7	14.90%
Gender		
Male	43	91.50%
Female	4	8.50%
Annual Turnover of your family business		
10 to 50 million INR	16	34.00%
50 to 200 million INR	14	29.80%
200 to 500 million INR	9	19.15%
Above 500 million INR	8	17.05%
Since how long are you actively engaged in your business		
0 to 5 Years	35	74.50%
5 to 10 years	7	14.90%
10 to 20 Years	3	6.40%
More than 20 years	2	4.20%

Source: Authors' compilation

4. Data Analysis

4.1. Case Analysis

The study is investigative in nature, and the existing literature does not relate to the construction sector. Hence, in order to understand the perception of second-generation successors in construction family, the study engaged an in-depth analysis of four suitable firms as case examples. According to

Yin (2003) there are no fixed ways to select the number of cases, however, it is suggested that multiple cases provide better outcome. Further, a greater number of cases can help improve clear reflection of the phenomenon (Gerring, 2004; Ketokivi and Choi, 2014; Prakash and Phadtare, 2019). Case studies also help the investigator to use various indications and arrive at findings.

In the present study, the cases selected are small and mid-sized firms working in construction sector and geographically spread across the India. The data was collected through interviews. These interviews were conducted and recorded between February 2023 and May 2023 on and each of the interviews were carried out for approximately 45 minutes to 1 hour. All interviews were recorded and transcript were used for further analysis. On account of confidentiality of information, the original names of the firms and the successors interviewed are not disclosed. They can however be obtained upon contacting the authors of this paper.

Background of Firms

Firm A was established in the garden city of Bengaluru a very busy metro in the southern part of India, in the year 2005 by (Respondent one) R1's father. It began as a partnership firm and was then incorporated into a limited liability company later, as the business grew. R1 was ten years old when his father began his entrepreneurship journey. The business currently has completed around 120 live projects. The number of permanent employees is around 140. R1 is the only child of his parents and is a civil engineer by profession.

Firm B started in 2001 by (Respondent two) R2's father and uncle as small-scale building contractors Raipur (a tier 2 city in central India). Their initial contracts consisted of standalone small properties. Today they work with around 30 permanent employees, 20 sub-contractors and 200 labourers on site. When R2 joined the business, the firm had begun a huge luxury project of 125 bungalows with state-of-the-art amenities in the city of Raipur (Central India). R2 grew up in a joint family with his paternal uncle playing the role of mentor to him.

Firm C started as a textile company in 1992 in New Delhi (capital city of India, located in the northern part of the country). The business diversified into real estate and hospitality in 2005. Currently they have also expanded into manufacture of construction chemicals. They have approximately 150 full time employees.

Firm D is a 25-year-old business based in Bhubaneswar (an ancient temple town and now rated one of the best smart cities, in the eastern part of the country). The firm started with taking up small contracts for civil works. In 1995, the founder owner diversified into the real estate sector. The business model moved into buying land, constructing residential and commercial properties ranging from small studio apartments to high end luxury villas. The approximate full-time employees are 300.

Although the firms belonged to different parts of the country and the family backgrounds varied, authors were able to identify a focal behaviour amongst all the successors from the interviews.

Case Discussion

Every one of the successors had been introduced to the business before their education was complete. A small internship or an informal site visit seems to have been the method used to motivate the

successor to consider joining the FB. A small aspect of the business has been introduced to the successor to begin with (*I understood the labour aspect, R1*). The successors seem to have been more and less internally motivated. In course of the conversation, authors did not come across any interjected or forced motivation except probably to some extent in case of R2 (*brought up in a joint family... expected to return to the business*)

The parents in each of the cases have given a free rein as far as career choice was concerned. In fact, R2 reveals that his sibling was supported by the family to venture into an unrelated area (*My younger brother was not very keen on the core business. He has started a fashion school. We support him in it*). In two cases, parents have even put off the decision regarding succession for later (*He talked me into moving ahead with studies. You will get your way don't think about it now, he said*). Obtaining a good educational background has been given priority over the decision to take up FB as a career choice *if you don't do well in studies, I won't allow you to join (R3)*.

Each of the successors being more or less internally motivated at a young age have chosen to graduate in areas aligned to their respective FBs. In fact, some of them have taken up a post-graduation specialising in their FB (*I felt by doing civil (engineering), I could substitute what my father was not able to do (R2)*).

In spite of being technically fairly skilled, each of the successors have stressed on the importance of tactical skill in running the business in alignment with findings by Royer *et al*, 2008. Knowledge of local conditions and ability to handle labour is of high importance in the construction industry. This gains precedence over requirement to have technical knowledge. (*For plant and machinery etc., we always call experts to solve the problems – R1; you got to keep your ego aside and learn from other experienced people - R2; Business is about winning hearts – R4*)

None of the successors expressed a strong desire to have their children take up FB. They were quite open about leaving career choice to their children. Since the interviewees were in the early stages of succession, they have understandably expressed a desire to achieve much more and have not rated their satisfaction at highest levels. Their standards for measurement of success do not seem to be financial in nature. Currently they measure success by number of projects completed, satisfaction of employees and level of confidence to do well in future. (*Their families depend on me. So, I have a responsibility towards them, R1*) Responses show uncertainty when it comes to continuing the succession to the next generation (*It's difficult to see so far into the future, R4*).

The above lead authors to believe that there are several commonalities in the factors influencing internal succession in the construction business. In order to test the validity of the constructs, appropriate hypotheses were developed based on theory and the above case inferences. They are then subject to further tests using sampling techniques.

4.2. Hypotheses Development and Testing

In stage II, authors attempt to look at the relationship between the drivers. In an industry with high tacit knowledge requirement and low requirement of technical expertise, the locus of motivation for an internal successor to enter the family business is expected to be internal. In other words, a successor to such family businesses will take over the mantle voluntarily by choice (autonomous motivation) rather than by force (interjected motivation).

This is based on self-determination theory (SDT), proposed first by Deci & Ryan (1985), which classifies reasons for individual's behaviour into self-determined (autonomous) and non-self-determined (controlled). A young family member who perceives lack of opportunities outside the family business on account of high entry and exit barriers or who perceives parental dissatisfaction on not choosing the family business as a career would also be motivated to join the family business but the same would fall under the category-controlled motivation. On the other hand, when a successor is motivated to join the family business which is in a sector with low entry and exit barriers, the motivation to do so must be of an autonomous nature (Schroder & Rodermund, 2013). Preparation level of the heir in terms of training, knowledge and skill development is usually considered a key element in internal succession (Morris *et al.*, 1997). A business not requiring high technical skills, simplifies the succession process, removes the barrier of high skill requirement of the successor and in turn becomes a reason for motivation to join the family business. This can also be seen from the cases wherein all successors agree that in construction line of business, high technical skill may not be a top priority in comparison with the need for high tactical skills. Since entry and exit barriers are relatively lesser in such industries, a successor who takes up family business will do so voluntarily. It needs to be kept in mind that a successor to family business in such as industry has chosen to take up family business despite availability of ample opportunities outside the family business. This statement is corroborated with live experiences of respondents in the cases. R2 confirms that in spite of getting a campus placement; he turned it down in favour of the family business. Similarly, R3 also worked for two years in the industry in reputed firms before moving back to his family business.

Hence, authors test the hypotheses 1 and 2:

H_{a1} : *The successors in construction sector are high on autonomous motivation*

H_{a2} : *The successors in construction sector are low on interjected motivation*

According to SDT, parent's relational support is an important factor that determines offspring's motivation to choose a particular career. Most parents in family firms encourage their offspring to take on succession in family business. Yet research shows that succession rate of the second generation is less than 30% and this rate is further reduced to 10% in the third generation (Mahto *et al.*, 2019). It has been established that lack of trust in the potential successor by the parent and lack of sufficient knowledge and skills by the potential successor greatly contribute to succession failures (DeMassis *et al.*, 2008; Venter *et al.*, 2005). Hence it leads us to believe that in an industry which does not require high technical skills, there are lesser reasons for the parent to display lack of trust in the offspring.

Availability of easy entry and exit options would lead to a more positive and relaxed approach by the parent in terms of motivating the offspring in taking family business as a career choice. The parent may even be willing to let the successor *try flying out in the world, before returning to the nest*". Responses from R2 show that while he got into the family business after taking some experience in the industry, his brother who was not inclined to join the FB is running his own fashion school. All the respondents unanimously agree that they were not forced by their family to take up the FB, with the exception of only R2 who faced some emotional pressure to take up FB since he was from a joint family. This leads authors to hypothesise that in such sectors, a successor would have experienced very less parental control in his/ her career choice. Hence hypothesis 3 can be stated as follows:

H_{a3}: In Construction sector, the successors' motivation by way of parental control in career choice is minimal

Career choice of an individual is to a great extent dependent on the educational qualification of the individual. The ideal age group within which an individual makes a choice regarding educational qualification would be between the age of 16 and 21. A potential successor who is motivated autonomously to join the family business may build up such motivation by way of formal methods such as short stints of training at the work site during vacations or by way of informal methods such as dinner table discussions, stories, sharing of experiences by adults etc. All respondents in our cases had been introduced to some jobs on their FB's construction site at the time of high school or college. The parents have taken a particular interest in exposing the children to the extent of difficulties they would face on site if they joined the FB. One such candid case is R3 where his father tells him that he will be allowed to join the FB only if he performs well in the academic front. Another such case is R1 who says his father wanted him to know that site management involved a lot of ground work. They have all narrated stories of particular activities they took up and the way in which they aligned their educational qualifications with the requirements of FB. Hence, authors hypothesise that choice of education for successors under discussion would be more or less in an area that is related to the family business and such choice would be voluntary and not forced by the parent or society. Hence hypothesis 4 and 5 could be stated as follows:

H_{a4}: in construction business, the parents use informal methods to motivate successor to join family business

H_{a5}: in construction business, the successors' choice of education would be autonomous

However, needless to say, even if the industry has low entry exit barriers or is not very technically complex, internal succession may fail to occur on account of factors such as unavailability of a successor, unwillingness due to personality of the potential candidate or financial unattractiveness of the business. Some aspects of the cases reveal that although the successor had taken up FB voluntarily, there are certain points of time when the successor feels a sense of working under the parents' control. It can be inferred from what R2 says about taking ten years to begin working on a project independently. Levels of satisfaction in all three cases were also not very high. Although this could be attributed to the fact that the successors in the cases were young, it cannot eliminate a chance of discontinuation. Yet it is interesting to explore the above-mentioned hypotheses with regards to succession, from a sectoral point of view in the construction industry.

In order to test the first hypothesis i.e., "The successors in construction sector are high on autonomous motivation" three questions are asked.

1. I have always felt a desire and need to join my FB
2. The decision regarding my education was taken by me to further my interests with my FB
3. I am motivated to carry forward the legacy of my FB

The results in Table 3 reveal that the responses have a mean of more than three. Since, three stands for neutral, a one sample t test are conducted, where the responses are compared with a standardized value of three. The results suggest that there is a positive significant mean difference, hence H_{a1} is accepted.

Table 3: Descriptive Analysis and One Sample t-test

Question	Mean	SD	Skewness	T (test Value=3)	Sig. (2-tailed)	Mean Difference	Hypothesis Status
I have always felt a desire and need to join my FB	4	0.84	-0.5	7.94	0.00**	1	H _{a1} -Accept
The decision regarding my education was taken by me to further my interests with my FB	3.89	1.15	-1.32	5.13	0.00**	0.89	H _{a1} -Accept
I am motivated to carry forward the legacy of my FB	4.18	0.92	-0.94	8.5	0.00**	1.18	H _{a1} -Accept
I had no alternative choice but to join the FB	1.86	1.03	1.1	-7.35	0.00**	-1.14	H _{a2} -Accept
I joined the FB as my parents desired it	2.59	1.17	0.5	-2.32	0.02*	-0.41	H _{a3} -Accept
I joined the FB due to social pressure from Friends and family	1.59	0.79	1.18	-11.88	0.00**	-1.41	H _{a3} -Accept
While growing up, I have heard narratives/ stories of older generation related to the FB	3.57	1.23	-0.52	3.07	0.00**	0.57	H _{a4} -Accept
The decision regarding my education was taken by my parents	2.34	1.1	0.81	-3.98	0.00**	-0.66	H _{a3} -Accept

Source: Authors' Compilation

**Significant at 1%

*Significant at 5%

In order to test the second hypothesis i.e., “The successors in construction sector are low on interjected motivation”, one five-point scale question “I had no alternative choice but to join the FB” is asked. The mean difference is negatively significant; hence, authors can conclude that successors in construction sector are low on interjected motivation. For the third hypothesis, “in Construction sector, the successors’ motivation by way of parental control in career choice is minimal”, another set of two questions are asked. These questions are “I joined the FB as my parents desired it” and “I joined the FB due to social pressure from Friends and family”. The results show a negative mean difference; hence, authors conclude that in construction sector, the successors’ motivation by way of parental control in career choice is minimal. Finally, in order to test the fourth and fifth hypothesis the following questions are asked.

1. While growing up, I have heard narratives/ stories of older generation related to the FB
2. The decision regarding my education was taken by my parents

The results for fourth hypothesis show a positive mean difference, hence authors conclude that “in construction business, the parents use informal methods to motivate successor to join family business”. For the fifth hypothesis the mean difference is negative, hence it can be said that “in construction business, the successors’ choice of education would be autonomous”.

5. Discussion and Conclusion

In presenting live interview transcripts alongside survey results, we have striven to explore some of the fine-grained details of motivators for succession amongst 2nd generation entrepreneurs, in construction businesses. In doing so, a linkage between the Self Determination Theory (SDT) and sector specific successor motivation is established. Our results reveal stark similarities in succession drivers, when an inquiry is made at a sector level. Since the construction sector is high on tacit and sticky knowledge, an internal successor who takes up the mantle does so, willingly. The results from both the interviews as well as the survey show very high levels of automatic motivation amongst the successors. The study also reveals that parents who are first generation entrepreneurs in this industry, did not display a tendency to push the offspring into following in their footsteps. Hence successors are very low on interjected motivation.

Insights from the real world are helpful in understanding the role that sector plays in successor motivation. A sector where the entrepreneur learns by doing and observing, attracts internal successors through self-efficacy. This is a very important finding in the field of research where many avenues are being explored to encourage internal motivation rather than coerced motivation, in a successor.

It flows therefore naturally that career choice of the successor is self-determined, rather than controlled by the parent. Our study finds that for the sector under study, the successor makes the choice of career at an early age and this is influenced through both informal and semi-formal means like casual discussion at the dinner table, an opportunity to take up an internship at the family business, while the potential successor is still in high school or college. This in turn influences the successor’s choice of higher education and career path. The interviews even reveal that parents are willing to let their offspring gain work experience at other organisations and try making a career outside the family business, in case the offspring is not inclined to take up the mantle. In a business with high entry

barriers and where related technical qualification of a successor is of paramount importance, parents would be under pressure to induct the offspring into the family business, so that the benefits accumulated over the years are not lost to the next generation.

We extend the argument further, to propose that such natural acquisition of knowledge in the manner of “learning by doing” combined with autonomous motivation and related education, boosts ESE in 2nd generation successors of the construction industry. (Royer *et al.*, 2008; Sardeshmukh & Corbett, 2011; Vallejo, 2009).

The study has not examined the behavioural aspects of 2nd generation entrepreneurs or the comparative financial performance of businesses before and after succession. Since the focus of the study is only family-owned construction businesses run by successors, the sample size is limited. Sector wise similarities, in motivation determinants for 2nd generation entrepreneurs, can be explored in industries which are high on technical knowledge and experiential knowledge to yield interesting results. A similar study on the agricultural sector, which resembles the construction sector in terms of knowledge requirements, can validate the results already obtained from the construction sector.

References

- Bjuggren, Per-Olof & Sund, Lars-Goran. (2002). A Transaction Cost Rationale for Transition of the Firm within the Family, *Small Business Economics*. 19: 123-33.
- Bloemen-Bekx, M., Voordeckers, W., Remery, C., and Schippers, J. (2019). Following in parental footsteps? The influence of gender and learning experiences on entrepreneurial intentions, *International Small Business Journal: Researching Entrepreneurship*, doi:10.1177/0266242619838936.
- Boyd, Britta & Royer, Susanne. (2012). The suitability of internal versus external successors: Relevant knowledge types in family business succession, *International Journal of Management Practice*, 5: 361 - 382. 10.1504/IJMP.2012.050315.
- Brockhaus, Robert. (2004). Family Business Succession: Suggestions for Future Research. *Family Business Review*, 17: 165 - 177. 10.1111/j.1741-6248.2004.00011.x.
- Chrisman, J., Chua, J., and Sharma, P. (1998). Important attributes of successors in family businesses: An exploratory study, *Family Business Review*, 11: 19 - 34.
- Dawson, A., Sharma, P., Irving, P. G., Marcus, J., & Chirico, F. (2013). Predictors of Later-Generation Family Members' Commitment to Family Enterprises. *Entrepreneurship Theory and Practice*, 39(3): 545–569. doi:10.1111/etap.12052
- De Massis, Alfredo & Chua, Jess & Chrisman, James. (2008). Factors Preventing Intra Family Succession, *Family Business Review*, 21: 183 - 199. 10.1111/j.1741-6248.2008.00118.x.
- Deci, E. L., & Ryan, R. M. (2012). Self-determination theory. In P. A. M. Van Lange, A. W. Kruglanski, & E. T. Higgins (Eds.), *Handbook of theories of social psychology* (p. 416–436). Sage Publications Ltd. <https://doi.org/10.4135/9781446249215.n21>
- Dumas *et al.* (1995). An Optimal Algorithm for the Traveling Salesman Problem with Time Windows, *Operations Research*, 43: 367 - 371.
- Eisenhardt, K. (1989). Building theories from case study research. *Academy of Management Review*, 14 (4): 532–550. <https://doi.org/10.5465/amr.1989.4308385>.

- Gerring, J. (2004). What is a case study and what is it good for? *American Political Science Review*, 98 (2): 341–354. <https://doi.org/10.1017/S0003055404001182>.
- Getz, D., & Petersen, T. (2004). Identifying Industry-Specific Barriers to Inheritance in Small Family Businesses, *Family Business Review*, 17(3): 259–276. doi:10.1111/j.1741-6248.2004.00017.x
- Ketokivi, M., and T. Choi. (2014). Renaissance of case research as a scientific method. *Journal of Operations Management*, 32 (5): 232–240. <https://doi.org/10.1016/j.jom.2014.03.004>.
- Lalhunthara. (2019). Factors Inducing Entrepreneurship: A Study of MSMEs in Aizawl District, Mizoram. *SEDME (Small Enterprises Development, Management & Extension Journal)*, 46(1), 8-17 <https://doi.org/10.1177/0970846419829970>.
- Mahto, Raj & Davis, Peter & Pearce, John & Robinson, Richard. (2010). Satisfaction With Firm Performance in Family Businesses, *Entrepreneurship Theory and Practice*. 34. 10.1111/j.1540-6520.2010.00393.x.
- Mohanty, M.K., Mohapatra, A.K., & Samanta, P.K. (2022). Dichotomy of Infrastructure Projects in India: Improved Performance amid Persistent Overhangs. *Orissa Journal of Commerce*, 43(1), 1-8.
- Morris, M. H., Williams, R.O., Allen, J. A. & Avila, R. A. (1997). Correlates of success in family business transitions, *Journal of Business Venturing*. 12: 385-401.
- Nomani, R. F., & Sen, A. (2018). Understanding Motivations for Entrepreneurship: A Case Study In Dibrugarh District of Assam. *SEDME (Small Enterprises Development, Management & Extension Journal)*, 45(3), 1-11 <https://doi.org/10.1177/0970846420180301>.
- Osborne, R.L. (1991). Second Generation Entrepreneurs: Passing the Baton in the Privately Held Company. *Management Decision*, 29(1) <https://doi.org/10.1108/00251749110141185>
- Pattanayak, S., & Kakati, M. (2021). An Empirical Study on Key Entrepreneur Motivations and Their Influence on Enterprise Success. *SEDME (Small Enterprises Development, Management & Extension Journal)*, 48(1), 7-27 <https://doi.org/10.1177/09708464211061895>.
- Perrenoud, A. J., & Sullivan, K. T. (2017). Analysis of executive succession planning in 12 construction companies. *International Journal of Construction Education and Research*, 13(1): 64–80.
- Prakash, A., and Phadtare, M. (2019). Exploration of Logic in Project Marketing Using Interpretive Structural Modeling. *Journal of Construction Engineering and Management*, 145(11): 04019066-1-13.
- Rautamäki, Hannele & Römer-Paakkanen, Tarja. (2016). The next generation's commitment and willingness to continue the family business: Reflecting on potential successors' experiences and pondering. 27. 52-70. 10.1504/IJESB.2016.073356.
- Royer, Dana & McElwain, Jennifer & Adams, Jonathan & Wilf, Peter. (2008). Sensitivity of leaf size and shape to climate within *Acer rubrum* and *Quercus kelloggii*. *The New Phytologist*, 179: 808-817. 10.1111/j.1469-8137.2008.02496.x.
- Royer, S., Simons, R., Boyd, B. and Rafferty, A. (2008). Promoting family: a contingency model of family business succession. *Family Business Review*, 21 (1): 15–30.
- Samanta, P.K., Mohapatra, A.K., & Mohanty, M.K. (2022). Infrastructure Financing through Asset Monetization: Is it Sustainable in the Long-run? *Orissa Journal of Commerce*, 43(2), 1-8.
- Sambrook, S. (2005). Exploring succession planning in small, growing firms. *Journal of Small Business and Enterprise Development*, 12(4): 579–594.
- Sardeshmukh, S. R., & Corbett, A. C. (2011). The duality of internal and external development of successors: opportunity recognition in family firms. *Family Business Review*, 24(2): 111-125.

- Sharma, P. (2001). Stakeholder management concepts in family firms. *Proceedings of International Association of Business and Society (LABS)*: 254-259.
- Sharma, P. (2004). An Overview of the Field of Family Business Studies: Current Status and Directions for the Future. *Family Business Review*, 17(1): 1–36. doi:10.1111/j.1741-6248.2004.00001.x
- Stavrou, E. (1999). Succession in family businesses: exploring the effects of demographic factors on offspring intentions to join and take over the business. *Journal of Small Business Management*, 37(3): 43–61.
- Venter, E., Boshoff, C., & Maas, G. (2005). The Influence of Successor-Related Factors on the Succession Process in Small and Medium-Sized Family Businesses. *Family Business Review*, 18(4): 283–303.
- Yin, R. K. (2003). *Case study research: Design and methods*. 2nd ed. Thousand Oaks, CA: Sage Publications.