Practices of Communication in the Strategic Context of Succession

Kajsa Haag

Jönköping International Business School.

Box 1026, SE-551 11 Jönköping. Sweden.

Telephone +4636101835. Fax +4636161069

E-mail: Kajsa.Haag@jibs.hj.se

Jenny Helin

Jönköping International Business School.

Box 1026, SE-551 11 Jönköping. Sweden.

Telephone +4636101838. Fax +4636161069

E-mail: Jenny.Helin@jibs.hj.se

Leif Melin

Jönköping International Business School.

Box 1026, SE-551 11 Jönköping. Sweden.

Telephone +4636101850. Fax +4636161069

E-mail: Leif.Melin@jibs.hj.se

INTRODUCTION

The importance of communication for organizing/strategizing research has been recognized by scholars in the field. According to Czarniawska-Joerges: *"There is a growing awareness that communication may well be the central aspect of all organizing"* Czarniawska-Joerges (1994, p. 17). There have been a call to better understand the "communicating organization" (Ruigrok, Achtenhagen, Ruegg-Sturm, & Wagner, 2000, p. 180). They are also arguing that there is a need to encourage more communicative intensive organizations. Because communication is a central activity in the organization (Czarniawska-Joerges, 1993; Weick, 2001). To work strategically, is to have an on-going dialogue about strategic issues (Pye, 1995). Unfortunately, current literature has stopped at the identification of the importance of communication in strategy making. So far, we do not know much about communication practices in strategizing. In this paper, we will take the discussion one step further.

We are contributing to the organizing/strategizing literature by exploring the practices of communication. The specific strategic issue in focus is the succession of ownership in family- and owner-managed firms. Succession is one of the most important strategic issues in family firms (Chua, Chrisman, & Sharma, 2003; Ibrahim, Soufani, & Lam, 2001) but also one of the most difficult issues to handle (Handler & Kram, 1988; Lansberg, 1988). The succession process can be understood as reciprocal actions between actors where communication is essential. It is by responding to each other in the ongoing conversation that shared understanding can be developed (Shotter, 1993). This can be described as a mutual process where parties involved in the succession adjust their behavior to others involved (Handler, 1994), and where conversations *"…form the basis for guiding a family firm into the future"* (Friedman, 1991, p. 12).

One important aspect of communication practices within the succession process is the interplay between power and communication. The organization is a micro-political system of individuals (Whittington, 2001) where internal processes constitute a continuous series of activities. These activities include different types of communication interactions, which in turn are influenced by the power relations between the actors (Gustafsson, 1979). In the process of succession, power relations are challenged as succession eventually means a definitive change in the relations between influential actors

in the firm. Furthermore there is a specific mutual dependence between the predecessor(s) and the potential successor(s) where the predecessor must be willing to leave the current position and the successor must be willing to take over.

Current research shows that family business is an appropriate context for developing understanding about strategizing (Hall, 2003; Nordqvist, 2005). Together with the centrality of communication in family firm succession, this context is suitable for the research purpose here. Our aim is to give three types of contributions. Firstly, we contribute with new understanding of the practice of strategizing by focusing on communication practices. Secondly, even though the nature of power and communication makes them intertwined and appropriate to study together, there are few empirical studies covering these aspects (Alvesson, 2002). In this paper, we are presenting three case vignettes, discussed form a communication-power perspective. Thirdly, we contribute to family business by focusing on the strategic issue of succession. We are doing so by particularly drawing attention to these four questions: Which actors take part in succession conversations (e.g. who is included and who is excluded)? Whose voices are heard? In what contexts and on which arenas do communication take place? How is the succession process negotiated over time and what alternatives are considered?

The paper is organized in the following way. First we present our framework where strategizing is linked to communication and power. Thereafter, the empirical study is presented. That section describes the method, the empirical context of succession in family firms, and condensed versions of the three cases. In the analysis we discuss the four questions raised above. And, from that, a typology of communication practices and its interconnectedness to power relations is developed. Finally, some concluding remarks are discussed.

UNDERSTANDING STRATEGIZING THROUGH COMMUNICATION AND POWER
In this paper, we are introducing a theoretical framework consisting of three interrelated concepts to furthering our understanding of communication practices in strategizing. These concepts are strategizing, communication and power. We are first introducing strategizing as our overall perspective which leads our attention to micro processes and

everyday activities. The activities in focus are communication practices and its interconnectedness to power relations.

Strategizing

Strategizing is what people actually do when they run businesses – it is the activities performed. This is however not the common perception of strategy. The strategy field has, during its relatively short history, been preoccupied with strategy as formulation of more or less rational plans (Gibbons & O'Connor, 2005). Therefore, we suspect a gap between the research tradition of strategy and the actual strategy work practiced in most firms. There is however one stream of research within the strategy field that have been arguing for research focused on the process of strategy, and acknowledging its complex nature – the process perspective of strategy (Pettigrew, Thomas, & Whittington, 2002; Whittington, 2001). Lately a group of scholars have taken this perspective even a step further, deeper into the organization, focusing on the activities actually carried out –*the strategizing perspective* (Johnson, Melin, & Whittington, 2003). Strategizing is concerned with *"the detailed processes and practices which constitute the day-to-day activities of organizational life and which relate to strategic outcomes"* (Johnson et al., 2003, p. 14).

Strategizing/organizing is a vibrant research stream where several different directions coexist. We view strategizing as enactment. Enactment means that actors actively create their world through social interactions (Smircich & Stubbart, 1985). Czarniawska-Joerges describe enactment as: *"the creation of reality by linguistic means"* which points to the centrality of communication (Czarniawska-Joerges, 1994, p. 9). Enactment is both a process (enactment) and a product (an enacted environment). The product is a social construction where multiple interpretations of reality is possible (Weick, 1988)

We embrace this strategizing perspective for its interest in actual practices and activities at the micro-level. We believe that it has high relevance for family business research to better grasp their complex processes in depth. Hall, Melin, & Nordqvist (2006), claim that: *"an understanding of family business strategy must be built on the particular dynamics of the family business, taking into account micro aspects of human interaction. This is essentially what the strategizing perspective sets out to do"* (Hall et al., 2006, p.5).

Hall (2003) uses the strategizing perspective to interpret strategic renewal in family business, and explore the importance of genuine relations in strategizing. Furthermore, Nordqvist (2005) focuses on the role of ownership in family firms by exploring the actors and arenas of strategizing. According to him, the strategizing arenas in family firms are arenas of family or firm context, and arenas that are formal or informal in nature (Nordqvist, 2005).

Common for strategizing studies is that the social context is crucial in the interpretation of the underlying reason for actions undertaken by the actors. Context is however not a static phenomenon, because our contexts are constantly developed in communication between people. We will continue to elaborate on that in the next section, where we introduce communication as a practice.

Communication

This section of the paper will first define communication as practice and develop how communication is viewed in this paper. This will be followed by a discussion about two communicating characteristics that appear especially important in the interplay between communication and strategizing. The first is communication including but not being limited to oral speech, and the second is to take a relational view on the communication activities.

A practice can be defined as*: …"a coherent set of activities that are commonly engaged in, and meaningful in particular ways, among people familiar with a certain culture"* (Craig, Forthcoming, p. 2) Yet, practices are not limited to engaging in certain activities, it also includes talking and thinking about those activities in specific ways. As a practice is evolving, a discourse for that particular practice is developed, which is one part of the actual practice: *"For communication per se to be a practice, there must be a cultural concept of communication referring to the general kind of practice that people are engaged in whenever they communicate"* (Craig, Forthcoming, p. 6).

Weick (1995) is underlining the importance of understanding communication as essential activities in the life of an organization: *"If the communication activity stops, the organization disappears. If the communication activity becomes confused, the organization begins to malfunction. These outcomes are unsurprising because the communication activity is*

the organization" (Weick, 1995, p. 75). The need of communication has also been recognized in the succession process of family firms (Friedman, 1991).

That communication practices include oral speech acts is somewhat taken for granted. Nevertheless, it is important to underline that "talking" is a crucial and special kind of activity going on in the organization. Because in talk, understood as social activities, the organization is created, maintained and reproduced (Czarniawska-Joerges, 1993; Weick, 2001). However, to emphasize that communication is not limited to oral speech means to recognize that communication practices are more than using words. What is not said - the utterance that was never told - is also a communicating activity in itself. Also, the smallest activity to express oneself (an eye wink, a change of body position etc.) to another is an act of communication. The communication process includes gestures, facial expressions and other types of interactions, which are all integrated, because spoken words and bodily movements can not be separated (Andersen, 2005). In the same line of reasoning, the context where the communication takes place also needs to be taken into consideration. Context is not only there in the background, but intertwined in the interaction: "*Recognizing this interdependency between context and utterance inexorably leads to the recognition that all knowing is generated in context; specifically, in the context of communicating*" (Penman, 2000, p. 12). The implication of this view on communication is a shift in focus from communication as a tool where the output is the meaning to the communication process itself. This is because words per se do not have a meaning in themselves, but in the interaction between people and the surrounding where the activity takes place, a meaning is constructed (Shotter, 2004).

This relates to the next communication characteristic, namely to take on a relational view on communication where focus is on the relationship between people in interaction. This view is surprisingly rare when studying communication, where the focus uses to be on the individual agent, as Gergen, Gergen and Barrett (2004) critically comments:

"It is the individual who speaks, writes, gestures, and so on; it is the individual we credit for effective speaking, just as it is the individual's ineffective listening that invites discredit. This tendency to focus on individual acts of expression is indeed unfortunate because it suppresses perhaps the central feature of such actions, their function within relationships. Indeed... it is from the relational matrix that the very possibility of individual sense making comes into

being, and without the existence of ongoing relationships communicative acts lose their status as communication". (Gergen et al., p. 1)

Also Morris, Williams, Allen, and Avila (1997) in their article on premises for successful succession processes concludes that the focus needs to be moved from the individual to the relational. One possibility that opens up when focusing on the relational is to appreciate the uniqueness that is co-created between people in interaction, in the so called 'joint action' (Shotter, 1993). That is because an utterance by someone is always building on earlier utterances, but also adding something new, meaning that every utterance is creating something new that has not existed before. That 'something' would never have been possible for an individual agent (Shotter, 2004). That is why, even in everyday small talk, every utterance put forward is *"another first time"* (Garfinkel, 1967).

To take on a relational view on communication is important for studying succession processes in family firms. Firstly, the 'joint action' is a relational activity that can create succession possibilities that would not have been discovered otherwise. Second, succession is per definition a relational process, where parties involved in the succession adjust their behavior to the others involved (Handler, 1994). This is because it is always a relational mutual dependence between the predecessor(s) and the successor(s), where the predecessor must be willing to leave the current position and the successor must be willing to take over. When integrating the notion of power in the study of communication practices, a relational view is suitable, because power is always relational; based on the interplay between people (Foucault, 1980).

Power

Previous research has shown that communication and power are closely linked (Alvesson, 2002), but also that power is important in succession: *"Certainly one of the most critical political processes in any corporation is that of managerial succession"* (Allen & Panian, 1982, p. 538). To understand their actions we must acknowledge that humans have limited ability to grasp their environment and thus create their understanding of the world under influence of other humans, their previous experiences and knowledge (Weick, 1979). Power cannot be localized to individuals because people are active in reproducing it through discourse (Foucault, 1980). It is so, because: *"Power is generated, maintained, and*

lost in the context of relationships with others” (Pettigrew & McNulty, 1995). In that way power is enacted through communication.

Power is never static; it differs between situations and over time (Gustafsson, 1979). According to (Foucault, 1980) power does not belong to individuals but circulates between people and produces affects in activities. He thereby objects the view of power as a possession to have, or to win or lose (Hörnqvist, 1996). That is because power is everywhere - not delimited to governments or managers, and expressed through micro-activities (Alvesson, 2002). Foucault (1980) is saying:

“Power is no longer substantially identified with an individual who possesses or exercises it by right of birth; it becomes a machinery that no one owns. (…) It’s a machine in which everyone is caught, those who exercise power just as much as those over whom it is exercised”. (Foucault, 1980, p. 156)

Visible actions are one of the faces of power; the other is the intangible elements that are inconspicuous yet highly influential. If power is reduced to concrete decisions one misses out on power used to suppress alternatives and excluding issues from the process of decision-making - the “nondecision-making” (Bachrach & Baratz, 1972). This second face of power is very difficult to study but important for understanding why activities are carried out, or why some activities are not carried out. Understanding the complexity of power relations can help explain the difficulty for family members to communicate about succession. Are there activities that create non-activities and, if so, what is their impact on strategizing?

Power often gets an undeservingly negative connotation. Power is not just a goal in itself but rather the means for people to fight for their beliefs and also a means to just get things done. To exercise power is natural, the question is more how it is exercised and at what cost.

Power can also be indirect or interrelated with other aspects such as knowledge or emotions. Knowing that the other will be disappointed or happy with your action can be very persuasive, especially in the family business context. The more intimate the parties in a power-relation are the more complex and subtle is the means of power likely to be.

Dahl (1957) proposes a broad definition of power suggesting that it basically boils down to something as *"A has power over B to the extent that he can get B to do something that B would not otherwise do"* (Dahl, 1957, p. 202). Nevertheless, when studying power one must also be sensitive to the underlying meanings. It can appear as if A has power over B because B does as A suggests where it actually is A that fears to suggest anything else than A knows B would approve of. In family firms we see cases of children taking over the family firm because they do not want to hurt their parent's feelings by not continuing the family tradition. Good communication can help to convey the actual desires of people so that a solution that fits all can be strived for.

If we reduce power to positional characteristics, power in the organization can be divided into four categories; structural power (hierarchical authority), ownership power (shareholding and relation to shareholders), expert power (expertise and relation to experts), and prestige power (personal status and relation to prestigious people) (Finkelstein, 1992). The formal basis of power can be problematic in family firms when the family system is mixed with the business system. Hierarchy in the family might not coincide with the formal hierarchy of the firm. The inherent complexity of the hybrid of family and firm means multiple roles as well as conflicting roles. The same person might for example be owner (ownership power), manager (structural power) and the patriarch of the family (prestige power). There are also cases where the leader of the family is not the same person as the leader of the firm. These power relations largely affect succession but are at the same time also largely affected by succession. The formal expression of power is, as discussed earlier, only one part of power. Power can be enacted in both explicit and implicit ways. Organizational power is hence most often enacted in ways that are far from obvious. To understand power one must go beyond just observing the explicit attempts of influence (Provan, 1980). To sum up, power is a difficult concept; it is to a large extent invisible yet highly influential. As pointed out by Pfeffer it is foolish to think that *"by ignoring the social realities of power and influence we can make them go away"* (Pfeffer, 2004, p. 253).

THE EMPIRICAL STUDY
In this section we will first describe the method used in this study. Thereafter, we will give a background to the empirical context; succession in family firms. Finally, the three

cases will be briefly introduced to give a picture of the different succession scenarios. More specific examples from the cases are added in the analysis and discussion section.

Methodological note

We use a qualitative case study approach, mainly based on open ended interviews with key actors within three firms with different succession experiences. These firms are all owner managed. Two of the firms are owned and managed by a family, and one is partner owned. The cases were selected based on a telephone interview and a mail questionnaire as part of an extensive research project on owner- and leadership succession in the region of Jönköping, Sweden (NUTEK, 2004). Thereafter in-depth interviews were conducted with the current CEOs[1]. The names in the cases are fictitious to preserve the privacy of the persons involved.

Succession in the family business context – a brief literature review

Succession is by definition an important issue in the family business context. Chua et al. (2003) found succession to be the No.1 concern of top executives in family firms and Ibrahim et al. (2001) argue that it is the most critical issue facing family firms. If so, why are so many firms found unprepared for the matter? Maybe some light can be shed on the question by looking further into the characteristics of family business succession.

In general management literature succession is the process of replacing one leader with another (Bass, 1990). Such a process is a political one, associated with transfer of power followed by major changes in the organization and its strategy. The main goal of succession is hence to achieve organizational and strategic renewal. Furthermore, Bass (1990) found the average tenure to be just above five years. On the contrary, management succession in *family firms* are often forced upon the family due to need for retirement and the successor is often selected with the purpose of continuing the family tradition (Churchill & Hatten, 1997). Hence, management succession in public firms is different from management succession in family firms. One difference is the intertwinement of ownership and management in family firms that leads to a different logic concerning priorities. CEO succession in family firms often coincides with ownership succession, or at least, is tightly intertwined with ownership issues.

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1 All quotations in the case vignettes are from the CEO if not stated otherwise.

Family Business ssuccession is not a single event; it is a complex process that always takes time (Gersick, Davis, Hampton, & Lansberg, 1997; Sharma, Chrisman, & Chua, 2004). The succession process is commonly described as consisting of several phases that most often contain elements of initiation/preparation phase, integration phase, joint management phase and finally retirement of the predecessor (Cadieux, Lorrain, & Hugron, 2002; Murrey, 2003). Succession in family firms are furthermore not primarily governed by market values but the relationships within the business and the family (Churchill & Hatten, 1997).

According to Santiago (2000), many researchers find succession planning to be the key to successful successions. They also bring forward, that if the succession process is in line with the values of the family, succession is more likely to be successful, formally planned or not. If the children are involved in the family business early on it increases the chances of a smooth succession process. This is in line with the finding of Goldberg (1996) who found successors with extensive prior experience from within the family firm more successful than late entrants. Although no formal plans are made there can be both informal and unintended preparations like early exposure of the family business to family members (Santiago, 2000).

While the issue of *not* preparing for succession is often identified as problematic in research reports, it is usually not discussed or treated further. Lansberg (1988) identifies the lack of succession planning as the main reason why so many (70%) first-generation family businesses do not make it to the second generation. We seem to lack sufficient knowledge about *why* succession is not planned for, although some important indicators are reported. Both Lansberg (1988) and Handler and Kram (1988) address several hindering factors mainly concerning that it deal with emotionally loaded issues and the different interests of stakeholders. According to them, families do not plan because they do not manage to communicate on sensitive issues. Lack of communication is promoting resistance towards succession planning while honest, informed communication is reducing resistance. If communication about succession is not organized, the discussion will easily get postponed.

Predictors of a successful succession process are found to be dependent on the incumbent's willingness to step aside, the successor's willingness to take over, consensus

among family members on how to carry on, and succession planning (Sharma, Chrisman, & Chua, 2003b). The planning of succession is largely depending on the incumbent owner manager (Sharma, Chrisman, & Chua, 2003a). If this person is reluctant to tend to succession issues it is likely to lead to an unplanned succession sooner or later (Ibrahim et al., 2001). Several researchers have stressed the importance of the relationship between incumbent and successor as an important factor for the outcome of the succession process (Le Breton-Miller, Miller, & Steier, 2004). Lansberg (1988) suggests different solutions for different stakeholder groups, where the relationship can be developed. The founder can discuss with his peers. The family can create a family council where structured meetings can take place. In these meetings, the role and aspirations by different actors can be articulated and different family subgroups that do not meet otherwise will have a chance to participate.

Previous research also shows that the family members' perception of shared beliefs is important for collective action in the family firm (Habbershon & Astrachan, 1997). Therefore, family meetings where people socially interact are important, because they can lead to reframing and renegotiation which in turn can lead to collective action. Barnes and Hershon (1989) suggest both informal and formal meeting places for different stake holder groups and to mix these groups to open up the communication:

"They can help to begin a practice of open dialogue that cuts not only across age levels but across the different perspectives of family managers, relatives, employees, and outsiders. The dialogues can aid in manpower planning and in managing the transitions". (Barnes & Hershon, 1989, p. 200)

In summary, succession in family firms is a complex and sensitive process with overlapping systems of family, ownership and management. The overlapping roles are changed by succession leading to complicated power relations between the actors. It is easy to see how communication is an important factor for a successful succession – how to actually accomplish this is another question.

Three case vignettes of succession strategizing
Carpenter & Co.

This case illustrates an emergent approach to succession within the family. There has been an ongoing dialogue between key family actors, allowing for a well planned succession process where the key actors have been given time to grow into their roles.

The owner manager belongs to the third generation manufacturer of high-quality designer furniture in classic Scandinavian design. There has been a high family concentration in the firm since its inception in 1898. It took more than 25 years before the first non-family member was recruited. Today they employ about 20 people. The current board of directors consists of the owner manager, his three children, and an external member, there on his merit as a knowledgeable person in marketing, but also to bring some insights from the "outside world".

The three children have been integrated into the firm, following the same pattern, but not at the same time. All of them have higher education from different disciplines. They have been away from the home town, doing their own thing. The middle daughter was the first to come back some ten years ago. There was an opening in sales when one of the old champs retired and she showed an interest for that position. The other two children have followed her example. The oldest daughter is now responsible for key accounts and the son, the youngest child, is responsible for product development (with a little push from his father). He is also thought of as the next CEO. The owner manager is very happy with the development: *"This solution has emerged gradually when the children have come one by one and said: yes, we would like to work here" and they complement each other and it is functioning very well".*

When this solution started to emerge, the owner manager never evaluated any other alternatives. The children are the ones that can carry on the legacy – they are the ones that know the heart of Carpenter & Co. He wanted this solution and they have developed it together. In this way the next generation has prepared gradually to take over. The succession process will continue for several more years, and eventually, also the CEO position and the remaining 50%[2] will be transferred to the children.

The Brunson Brothers

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2 In the current ownership structure, the three children together own 50 percent of the shares and the father owns the other half.

This case illustrates a situation where the succession issue is taboo and communication is minimal. Three brothers (73, 79 and 84 years old) are majority owners. The CEO, the son of one of the brothers, is struggling to get the succession issue on the agenda.

In the 1940s four brothers and their cousin founded a metal cutting business. They started out small but invested in good machinery and grew steadily over the years. Today the firm is still profitable but a small player on the market with 22 employees and a turnover of 28 million SEK. CEO of the company is the son of one of the brothers (age 36). He took over after his father some years ago but had been working in the firm for more than ten years before that. The CEO has many ideas for how the business could be developed but the owners are happy the way things are. This is becoming a problem since they are standing still when competitors are moving forward. Our CEO has tried to explain to the others but: *"it costs money and they [the owners] are comfortable the way it is (…) they are satisfied with what they have and do not want to make any new investments".*

The owner group had an agreement that when an owner turned 65 he should retire and also sell his shares to the others. Considering the age of the current owners (73, 79 and 84 years old) this plan is not working. It was also agreed that the CEO should get a share option when he took on the job but no one has signed the deal. When the CEO tries to bring up succession they are avoiding the topic and carry on business as usual. Neither are they interested in listening to any external advisor – the CEO thinks it is a trust issue. They do however have a new accountant since their old one quitted on them at the age of 78. This new person has also carefully tried to bring up the succession issue.

The CEO is growing tired of the situation and is starting to consider leaving. This could be very harmful to the firm since he is the one that has handled everything from paperwork to customers for a long time now. On the other hand – carrying on the same way as now will not be working much longer.

Floor Fixers Inc.
In a company owned by four partners (25 % each) one of them, who also are the CEO, wants to become majority owner. In order to achieve his goal, he has started a succession process that has become colored by negotiations and coalitions.

The business was first created as a subsidiary to a large firm in another part of Sweden where the current owner-manager was hired to manage the subsidiary. When it was time for succession of the mother company due to retirement, the CEO wanted to buy the subsidiary he had run since the startup. The owner was happy to sell that part to employees but required that all four that had been there from the beginning should get equal shares. So, in 1999 the current company was founded with four owners. As a precaution, detailed contractual agreements were written with the aid of a lawyer. The former job descriptions were also agreed to continue; one as CEO and the other three in production. This was a solution wanted by all of them – the three workers needed someone to take care of business aspects and the CEO wanted to tend to those issues and develop the firm. Since 1999 the company has grown from four to a 16 million SEK turnover and it is currently employing 11 people.

The initiative of succession came from the CEO. After a few years he grew tired of the others acting as employees showing no interest in ownership issues. However one of the other three had been willing to learn more about running the firm and was trained by the CEO to help out more and more - this person was considered an asset and welcome to stay. So, last November the CEO summoned a board meeting. (The board consists of the four owners and an external chairman; a lawyer.) At the meeting he proposed to buy out the other two owners together with his disciple. The reactions were strong. One of them got angry and refused to sell – the other got angry about the level of the bid. Here the plans took a halt and the CEO *"waited for things to cool down a bit"*.

The conflict took quite a surprising turn. One of the two that was offered to sell turned around and took an interest in his role as an owner and started engaging in ownership issues. The other one is caring even less than before but is refusing to sell his shares or to leave his job. The plan now is by the other three to get rid of this forth person. As the CEO says: *"It is easier now when it is three against one"*. How the shares will be distributed among the remaining three is however not settled yet.

ANALYSIS AND DISCUSSION

The following interpretation of the three case vignettes is based on the strategizing perspective and focused at the practice of communication and its relation to power. The analysis is organized in two parts, where the first part elaborate on the four questions raised in the introduction. In the second part a typology is developed. The typology helps

us to further the understanding of communication practices and power relations in succession.

Which actors take part in the succession conversation (e.g. who is included and who is excluded)?

It is striking that the succession process seems to be closed in the sense that only a few immediate core actors are included in the discussion about the future of the firms. In these three cases, they seldom let "outsiders" in to take active part in the discussions regarding different succession alternatives.

The case of Carpenter & Co. has had a fairly long process (ten years) to bring up the children into being successors. It is still ongoing, because the father is the current CEO and he owns fifty percent of the shares. During this period of time, they have taken the possibility to talk through important issues when they appear. They are involved in different networks, go to trade fairs and have an external board member to get some inspiration and new ideas. But, nevertheless, discussions regarding succession issues are something kept within the family; these discussions have taken part between the children and their father. They appreciate external actors for their expertise, but they do only include them to arrange with technicalities, such as tax solutions, contracts and alike: "*You need to have experts that are working with other experts…I mean, our auditor asks his tax specialists so that they can discuss different alternatives and possible solutions*" (The CEO of Carpenter & Co.). They only take in auditors and company lawyers that they have known for a long period of time. It is important to them that the experts knows the business and their situation, it is also important that the relation is built on mutual trust.

The key actors in the Floor Fixers' succession are the four owners, the external chairman of the board and the accountant. There are no family connections between the partners. One of the owners is also the CEO in the firm. He is the one who completely drives the succession process. There is one other owner, his disciple, which he has strategic discussions with. They are discussing issues before approaching the other two: "*…it started already last year, because we were tired, if you have two partners that are not interested in the company in the right way, they are only working as employees. Most importantly, they were thinking like employees. That was not good…*" (The CEO of Floor Fixers Inc.). It is also he who came up with suggestions and ideas about future ownership structures. He

has an important communication partner in the externally recruited chairman of the board. The chairman (a lawyer) is also a close friend to the CEO. He is happy to have included him on the board: "*It is good to have him…for this type of questions as we have quite different opinions. It easily becomes defamations otherwise*" (The CEO of Floor Fixers Inc.).

In The Brunson Brothers, the main problem (from the eyes of the CEO) is the non-existing succession process in the firm. The CEO has together with the accountant tried to include the owners in a discussion regarding succession, but the owners do not want to get involved in such a discussion - they "exclude themselves". The owners are happy with the situation and neglect his proposals to open up for discussions about the future of the firm. He has also failed to find support from external actors, because the owners do not let any "outsider" into the firm.

The dialogue about succession is a fairly closed activity in all three cases. Only actors already involved in the business are included. To take in a third party to help facilitate the succession dialogue, an often suggested alternative in the literature, has not been any alternative in Carpenter & Co. or The Brunson Brothers. An exception is Floor Fixers Inc. where the CEO includes external actors. They are however not selected by the owners collectively but rather serve as extra support for the CEO.

While the communication is closed to new actors, there is often an evident impact by communication traditions from previous generations. In this way people from previous generation are present in current daily life even though they are not there physically. For example, in Carpenter & Co. they meet occasionally and discuss all sorts of questions within the family, following the tradition from the four brothers in the previous generation. In Floor Fixers Inc. the current CEO is still struggling with his three co-owners because this owner constellation was the wish of the previous owner of the company.

In what contexts and on which arenas does communication take place?
The arena for communication is of course closely linked to the actors included in the succession process and the relationship between them. Carpenter & Co. talk about succession whenever they are gathered and an issue arises; it can be at a management

team meeting, during a coffee break or in the car. The company is informally managed and decisions taken when they feel a need thereof: *"…we have management meetings every month when we try to sit down, but we do also take decisions in coffee breaks in between"* (The CEO of Carpenter & Co.).

In Floor Fixers Inc., the board is used by the CEO as an arena to deliver information. He also uses the board to inform the other owners about his suggestions for future ownership structures. The other owners take part reluctantly and express their disagreements, but they do not creatively work on the succession issues together.

In The Brunson Brothers, the board is an arena with low activity where the issue of succession is neglected. The CEO and the owners of The Brunson Brothers have very different views where the owners see no reason to change their sufficiently successful business, while the CEO sees that they need to go on in the succession process before it is too late for the firm. *"Planning for the future is not one of their favorite things"* the CEO expresses mildly.

Taken together, all three firms have a board. However, this arena does not seem to be the place where the succession process is creatively worked through. This is mainly because strategic issues are worked on at other arenas. There is no firm that has created any specific, formal ownership arena to discuss ownership issues. In Floor Fixers Inc. the CEO is not interested in a common arena for discussion because he wants to create a solution where some of the owners are excluded. He seems to believe in politicking and hidden agendas to fulfill his purposes. In the two family owned firms, they informally discuss when they happen to meet.

Whose voices are heard?

The voices heard are closely related to the power relations between the people involved. It is not only formal power held by actors due to their position that is important in these cases. The enactment of power, created in the relation between people is inevitable and goes beyond formal means of power. And some actors are more successful in empowering themselves through communication than others.

Letting everyone in the family have their say is treasured in Carpenter & Co. In their ongoing dialogue the family members have together made decisions about wanted solutions. Through communication they have created an understanding which guides them through the succession process. The owner manager underlines the importance of an open communication between family members: *"You need to be open with what you think…we need to accept that you are not talking only on behalf of yourself, you are arguing because of something for the firm…and ask yourself; are we doing the right things?"* (The CEO of Carpenter & Co.). He explains that it is in the discussion that you can see things from different points of views. In the informal communication, they also prepare for post-succession, the owner manager explains: *"…there are so many questions, theoretical questions that you need to be able to handle – insurance, taxes and what not. We take a few hours now and then to make it work, and we take the opportunity to talk when we are together in the car and things like that"* (The CEO of Carpenter & Co.). But they do not only talk with family- or organizational members. A lot of inspiration and knowledge is gained from different networks and associations they are part of: *"It is the natural way to find new paths, maybe also new ideas and thoughts"* (The CEO of Carpenter & Co.). This inspiration does however mainly concern the business in general and not the succession issue.

In Floor Fixers Inc. mainly the CEO is heard. From the beginning, he was the only one to take on an ownership role. He is the boss of the other three and the one with management skills. He has selected the external chairman of the board and has trained the one among his co-owners that gets most responsibility. The others' voices are not heard mainly because they do not claim their rights as owners. The CEO explains that his partners are not used to talk at all, and when they do, they are emotional: *"…I almost have to force them to talk and express their opinions. I almost feel a little bit sorry for them; you can not involve those feelings. I see this from a pure business perspective, because it is all about managing a firm…* (The CEO of Floor Fixers Inc.). Although the formal power, in terms of ownership, is equally distributed among the four, the informal power is heavily skewed. The CEO can use all four of Finkelstein's (1992) categories of organizational power (structural, ownership, expert and prestige) while the other three only are associated with ownership power.

In the Brunson Brothers the CEO is "talking but not heard" – almost the opposite situation compared to Floor Fixers Inc. Although he is the CEO of the firm his structural power can be questioned if one considers his position in the family towards the owners, being their son and nephew.

There are internal conflicts about the succession process in two of the cases; The Brunson Brothers and the Floor Fixers Inc. This conflict is however managed in different ways. The CEO in Floor Fixers Inc. takes the initiative to suggest ownership solutions to his partners. He also manages to recruit the external chairman of the board to strengthen his position. Meanwhile, in The Brunson Brothers, the CEO has not managed to make succession an issue on the agenda. He feels like a helpless victim, restricted in his power to take decisions for the firm he is managing, due to the strong owners.

How is the succession process negotiated over time and what alternatives are considered?
There is no thorough evaluation of different alternatives in any of the cases, for different reasons. In Carpenter & Co. they are realizing their favorite solution and therefore see no point in evaluating alternatives. Since they have known for a long time what the solution would be, they have had time for planning and preparation and to transfer knowledge and networks from the CEO to his children. Also investments have been worked on to secure this solution for the owners and their firm.

The CEO in Floor Fixers Inc. is very much forming the communication in the firm. His communication style is characterized by power games and a sender-receiver view on communication. He is using a language inspired by military vocabulary with expressions such as *"live ammunition".* To him, communication is something that can be delivered between actors. He does not seem to reflect over sense making processes and does not understand why the other owners did not accept his suggestion to buy them out at the first offer a year ago: *"…we gave them an offer, but it turned out to be two strange reactions. They did not like what we suggested. One got angry and refused to sell at all…the other one thought it was too little money…"* (The CEO of Floor Fixers Inc.). The reaction after this meeting was that one of the owners became even less interested in ownership issues, something that the CEO has difficulties to understand. But the CEO has not given up on his effort to become the sole owner of the firm. He first formed a coalition with the chairman and his disciple to outmaneuver the others so that only his alternative was

considered. The first coalition (two against two) was a dead end since the shares are equally distributed: *"If a conflict among owners arises in this type of firm it goes down the drain rather quickly, and four [equal owners] is probably the worst number to be"* (The CEO of Floor Fixers Inc.). The coalitions have changed over time as the CEO has been successful in getting first one and then another owner on his side.

In the Brunson Brothers the negotiation issue is about if the succession should be discussed at all. So far the coalition in favor of avoidance and denial of the issue has been the most successful: *"If I should decide to push the issue of succession they would think that I was trying to take the company from them. They lack the knowledge to deal with succession themselves and do not trust anyone to do it fore them."* (The CEO of The Brunson Brothers)

Communication practices and the role of power

The strategizing activities discussed above can of course be interpreted in many different ways, focusing on different aspects of communication and power. In the following, we will present one interpretation of the relationship between communication and power. In a typology where one dimension of communication and one dimension of power are integrated, four "types" of communication practices are presented. The communication dimension considers open or closed communication. The power dimension considers enacted power as centralized or shared. We choose to focus on these dimensions because they provide us with a rich understanding of the case material. The typology will be developed in two steps. In the first step, the cases are plotted along the dimensions of power and communication (Figure 1). This is followed by an interpretation of each case based on its communication practices. In the next step, we leave the specific cases to develop a generic typology of communication practices in succession (Figure 2). But first, a presentation of the two dimensions.

The communication dimension

As discussed in the theoretical framework, it is in the "joint action" (Shotter, 1993) that new ideas, perspectives and evaluation of ideas can occur. From that, it is important to invite different voices into the dialogue about succession. Therefore, it is also important to take into consideration who takes part, and who is heard in that dialogue. Here, the dimension of communication is in a continuum from being open to being closed. Open communication refers to the issue of succession being open for discussion and where both

internal and external actors are participating. On the other end of the continuum, closed communication occurs when nobody talks about communication. The communication dimension is displayed on the *x*-axis.

The power dimension

In the theoretical framework, we introduced power as enacted. Meaning that power does not belong to individuals but is a social phenomenon where people are enacted as powerful. Here, the dimension of power is in a continuum from being centralized to being shared. Power is centralized when in practice, one or a few people is powerful. On the other end of the continuum, shared power occurs when all actors are equally powerful. The enacted power dimension is displayed on the *y*-axis.
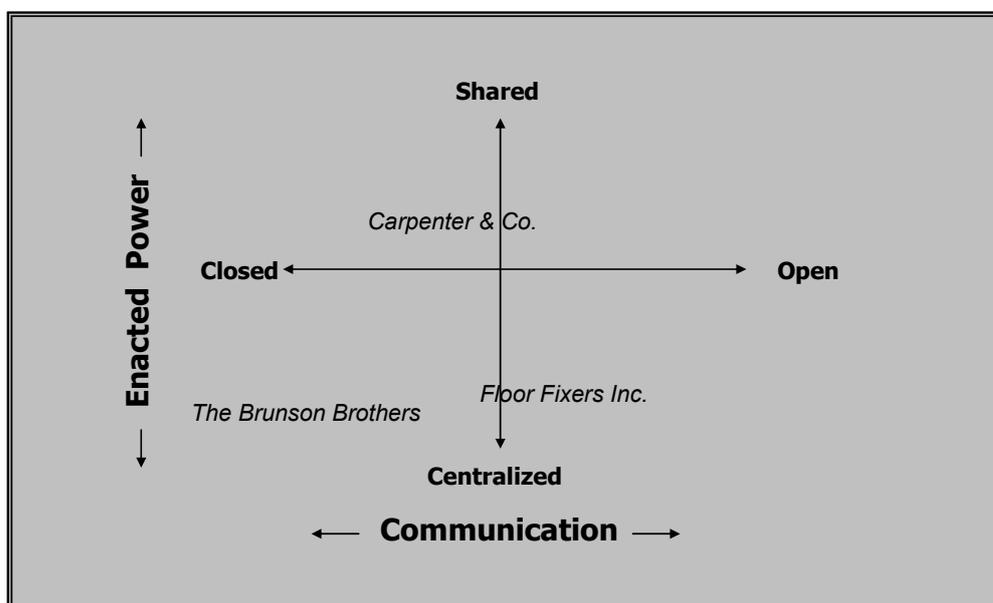

Figure 1: The cases plotted in the dimensions of power and communication.

Carpenter & Co.

In Carpenter & Co. succession is certainly on the agenda and has been so for several years. The succession issue is frequently discussed by the CEO and his three children. They feel equal in the discussion and create solutions together. The father is however the patriarch and could probably put himself in a more central position if that had been his desire. Although experts are consulted occasionally, the succession conversation is closed for outsiders. It consists of the primarily concerned people – the successors and the predecessor. In this way communication is open among these four people but closed to others.

The Brunson Brothers

In The Brunson Brothers power is centralized to the owners causing unbalance in the process. The CEO wants to open up the communication about succession but the owner brothers use their power to close it down – a non-communication situation. Since the powerful owners want to avoid the succession issue, the process has stagnated.

Floor Fixers Inc.

In Floor Fixers Inc. power is also centralized. In this case the CEO is in power to set the agenda and have more or less forced communication about succession. The power games and rivalry between actors makes it difficult to create a communication climate in "joint action". All four owners hold equal shares so the CEO is however not free to make ownership decisions on his own. Therefore he uses communication to empower himself and also invites external participants that are on his side. Everyone is speaking but mainly one - the CEO - is heard.

Four types of communication practices in succession

In Figure 2, we leave the particularity of individual cases and develop a "generic" typology. In this typology, four types of communication practises are created. Each type of communication practice consists of a different interrelation of communication and power.
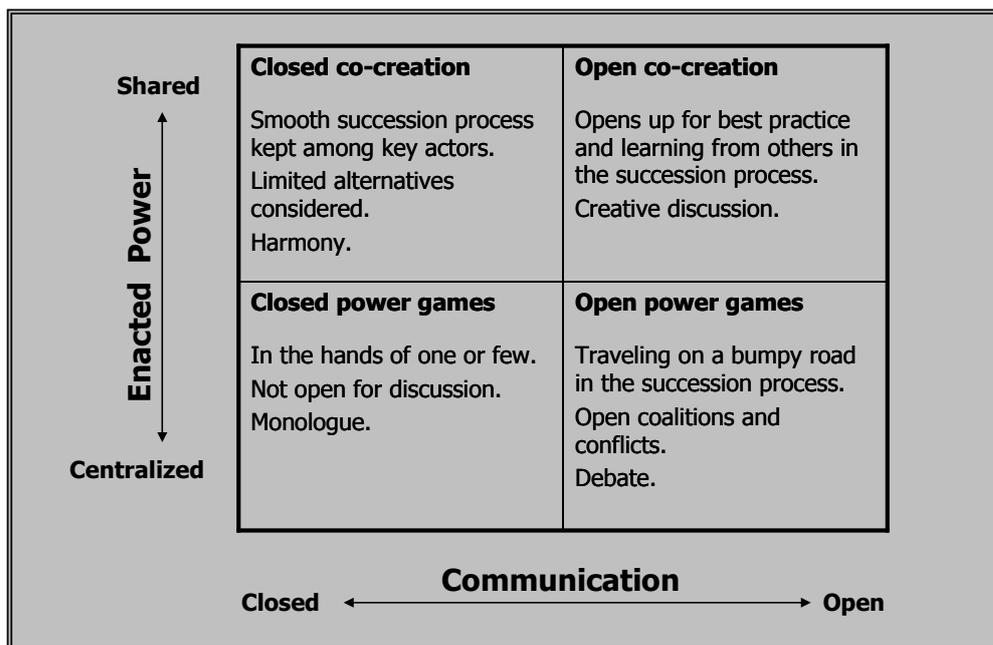
Shared	**Closed co-creation** Smooth succession process kept among key actors. Limited alternatives considered. Harmony.	**Open co-creation** Opens up for best practice and learning from others in the succession process. Creative discussion.
Enacted Power	**Closed power games** In the hands of one or few. Not open for discussion. Monologue.	**Open power games** Traveling on a bumpy road in the succession process. Open coalitions and conflicts. Debate.
Centralized		

Communication

Closed ← → Open

Figure 2: Typology of communication practices.

Closed power games

In this type of communication practice, power is centralized to one or a few actors and the communication is closed. This leads to a situation where the succession process is highly depended on the will of very few people. The lack of communication limits the evaluation of ideas and the number of alternatives considered. The communication will more or less resemble monologue.

Closed co-creation

In this type of communication practice, power is shared between the key actors but the communication is closed. A small, exclusive group is co-creating the succession process in harmony without disturbance. Communication is good within the group but closed to others. It creates possibilities for shared understanding between the actors because of common history and closeness in the sense-making process. A risk is however that it is limiting the idea generation in the succession because the actors share similar experiences from belonging to the same family and/or firm.

Open power games

In this type of communication practice, power is centralized to one or a few actors and the communication is open. This leads to a situation where the succession is on the agenda, but it is characterized by individual actors working to get things their way through power games. Since the communication is open, it can create a situation characterized by bargaining where internal competition becomes in focus instead of the succession solution. Communication becomes a debate between coalitions, how lengthy depends of the strength of the coalition in power.

Open co-creation

In this type of communication practice, power is shared between the actors and the communication is open. This leads to a situation where the succession process is discussed thoroughly between equal partners. In the open communication, external actors are invited to contribute with learning's and ideas. When communication is open and the power is shared, the prerequisites are promising to create a succession solution suitable for the involved actors and the firm.

As with all typologies, this one shows archetypes rarely found in actual succession processes. Nevertheless, it is useful for understanding the micro-activities going on in the succession process. The typology can be used as a base for discussion. It can enhance the understanding of why certain activities are carried out, in certain ways, by certain actors. It can also to initiate change: if a succession process is characterized by closed co-creation - how can they open up communication without loosing their harmony from shared power relations? And, if a case is characterized by closed power games - would inviting external participants lead to open power games, or help the group towards shared co-creation? Or, if power is highly centralized - how can the excluded actors be invited to take part in the process?

Both communication and power are multidimensional concepts. To focus the analysis on two dimensions only is of course to make limitation in these concepts. On the other hand, by focusing on these two important aspects, we are able to go deeper in the analysis, thus providing us with new insights on the practice of communication.

CONCLUDING REMARKS

This study makes clear that communication as practice is important for developing our understanding of strategizing. From the developed typology we can deepen our understanding of the activities performed in succession, and how this is happening in the on-going communication between key actors. This in turn, can shed some new light on why a particular strategic outcome in the succession process has evolved. In the light of the results from this study, we have to question the succession literature based on rational assumptions. At least, this is an alternative view, fruitful for situations when there is a need for something else than the planning perspective of strategy.

According to Alvesson (2002) there are few empirical studies that is integrating communication and power. When integrating these two concepts into one framework, it is evident that they are intertwined. In this study, we have been able to show how this is happening in the communication practices. What is said, by whom, who is listened to etcetera, is not a pure communication issue, because it is depending on the power relations. To study power beyond structural aspects, such as hierarchical positions and

ownership structure, is also needed. In this study, the concept of power as enacted provided us with a richer understanding.

The results from this study are in line with previous family business literature, in the sense that strategizing in family firms are informal in nature, including a restricted number of people, where communication is essential (Hall et al., 2006; Nordqvist, 2005). However, this study opens up for a deeper understanding on how this is actually happening. The type of communication practiced will furthermore affect the succession journey and can help to understand the link between the succession process and its strategic outcome.

Taken together, the nature of communication practices and its relation to power are vital parts of the succession process in the firm. Even so, both communication and power are often ignored. Therefore, we seldom pay attention to their characteristics and interconnectedness. By that, the complex web of relations between people in interaction is simplified, meaning that we are limiting our understanding of human interactions. When working in the family firm or together with family businesses, we need to acknowledge those interactions between key actors. Certainly, we also need to pay attention to our own role in the co-creation of communication practices and power relations.

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