2016

Factors Involved in Successful Second-Generation Legacy Perpetuation in Independent Insurance Agencies

Christina Marie Rosensteel
Walden University

Walden University

College of Management and Technology

This is to certify that the doctoral dissertation by

Christina Rosensteel

has been found to be complete and satisfactory in all respects,
and that any and all revisions required by
the review committee have been made.

Review Committee
Dr. Steven Tippins, Committee Chairperson, Management Faculty
Dr. David Banner, Committee Member, Management Faculty
Dr. David Bouvin, University Reviewer, Management Faculty

Chief Academic Officer
Eric Riedel, Ph.D.

Walden University
2016

Abstract

Factors Involved in Successful Second-Generation Legacy Perpetuation in Independent Insurance Agencies

by

Christina Marie Rosensteel

MBA, Wagner College, 2001

BS, Wagner College, 1999

Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Philosophy

Management

Walden University

May 2016

Abstract

The purpose of this study was to examine the factors involved in successful second-generation legacy perpetuation in independent insurance agencies. This study examined the role of parent and child throughout the process in an effort to thwart the current high failure rates. This research aims to promote healthy business activity, improve success and sustainability, and add positive social stewardship in communities. Education and preparation of successor, timing of transition, financial considerations, and processes of succession were addressed. Two frameworks guided this study: Bertalanffy's systems theory and Bandura's theory of self-efficacy. Nonrandom, purposeful samples of 3 profitable, second-generation agency owners of 10 years or more in Pennsylvania provided information rich, in-depth interviews. Interviews were transcribed for patterns and cross-case analysis helped reveal commonalities. Themes identified suggested that successful agencies hired professional consultants. A key finding was having a written plans detailing payoff considerations. The primary recommendation from the study is to hire a professional to guide the process. This study has implications for positive social change as it contributes to the education of legacy-perpetuated transition and prevention of failure. Helping to keep family businesses thriving can, in turn, promote positive social change within communities.

Factors Involved in Successful Second-Generation Legacy Perpetuation in Independent Insurance Agencies

by

Christina Marie Rosensteel

MBA, Wagner College, 2001

BS, Wagner College, 1999

Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Philosophy

Management

Walden University

May 2016

Dedication

This dissertation is dedicated to my spouse and family. I owe my deepest gratitude to my husband, Mike Raborg, for supporting me through the completion of this milestone in my life. Thank you for always giving me the space and time to get my school work completed and for bringing me love and laughter when I needed it most. May we continue to grow into the people we are meant to be as we support each other's higher order in life. Thank you for believing in me and giving me what I needed to reach this special goal. I love you forever, and I know because of you I am blessed.

I owe my family so much and words cannot express the amplitude of my heartfelt appreciation. Feeling your pride gave me energy and faith that I would one day graduate. I will forever be grateful for your unconditional love, respect, and unwavering support, and for all the invaluable joy you have brought me and continue to bring to my life. Thank you for supporting my efforts and thank you for shaping my life; I love you all so very much.

To anyone who reads this, know you have the potential to achieve whatever your heart desires. It may not be easy; you may have to employ new methods, and you may have to see through new eyes, but you can achieve, accomplish, and reach your mightiest goals and fulfill your loftiest dreams. Be open and learn from everyone you meet; choose the path of educated thoughtfulness, dare to achieve something great, and impart your footprint on a positive social change in the world.

Acknowledgments

Thank you, first and foremost, to my chair and mentor, Dr. Tippins. I could not have done this without your guidance and simplification of the process. Your knowledge and sense of adventure will remind me to continue to explore my many interests and the unending opportunities life has to offer. And your humility and sincere desire to see your students succeed will never be forgotten. My sincerest thanks and appreciation go to my committee, Dr. Banner and Dr. Bouvin. Thank you for your help in navigating me to a very special graduation day. Thank you to all my past professors at York Country Day School, Wagner, Walden, and beyond. It is your love of education that fueled my desire to learn. A most sincere thank you goes to my editor, Jeff Zuckerman. Your kindness to answer emails after your work was completed and your levity helped me to smile more than expected on the last leg of this lonely marathon. Thank you to my classmates for positively affecting me and my study. I am directing a very special thank you to my friends, colleagues, coaches, bosses, and family, who did not abandon me when I abandoned them for my research. It takes a special person to live with compassion and share sincerity in others' achievements, and that means more to a friend than you know. Remember, not all teachers hold the title. Each of you was integral in making this process a journey. I will be forever grateful.

Table of Contents

List of Tables

Chapter 1: Introduction to the Study

Introduction

Independent insurance agencies frequently transfer ownership from parent to child. In 2005, the overall failure rate of ownership transition from first to second generation, or legacy perpetuation, was 70% (Zultowski, 2005). In the insurance industry, 75% of insurance agencies had planned to transfer ownership in the next 15 to 20 years to family members (Hanson, 2001). Independent insurance agencies typically sell a wide variety of policies for homeowners and business owners. Such products include coverage for automobiles, umbrella (excess liability), life, health, workers' compensation, medical malpractice, liquor liability, farms, disability, and long-term care.

Additionally, many insurance agents extend their life and health license to include financial planning products, such as annuities and IRAs. Independent agencies also represent and hold authority to several insurance companies with the intention of being able to service a multitude of clients with many different needs. These agencies can select how many companies they want to represent as well as how many product types they wish to offer. Therefore, the size and number of employees can vary among agencies to suit the specific needs and the size of the client base.

Independent insurance agencies, whether large or small, might offer the same services serving customers with the authority of companies across the nation in various locations. Independent insurance agencies provide the public with agents who can review personal risk and advise clients in meaningful, specific, and personalized ways.

Alexander (1995) noted that to be an insurance agent, one must have the appropriate past and continuing education and pass a state test to hold a license, of which there are multiple types based on the insurance product one wishes to sell.

An agent acts as an advocate for the customer. Hsu (2014) explained the importance of customer service and of understanding clients' needs before advising them or selling a product. Agents also help customers at the time of a claim or indemnification, when having insurance is most important to the consumer. Indeed, the purpose of insurance is to indemnify, to make someone whole again through monetary compensation due to a covered (or insured) loss.

Citing K. Crerar, president of the Council of Insurance Agents and Brokers (IA&B), Moynihan (2014) reported that the average age of insurance agents is 59 years and of independent insurance agency owners is 60 years. The aging population of insurance agents and owners has led to the estimation that 400,000 positions will need to be filled in the industry by 2020 (Moynihan, 2014). Therefore, many agencies will be in need of a successor in the near future. Linnert (2012) found that 61% of insurance agencies lack a plan for perpetuation, which is the root cause for agency transition failure (Moynihan, 2014). With such a high percentage of agency owners transferring to family heirs, working on improving this dynamic of transfer would strengthen independent insurance agency industry retention and help to prevent small independently owned insurance agency business failures.

Parent-child ownership transition is popular and has been well researched in general. Still, Lussier and Sonfield (2012) argued that researchers need to determine why some family businesses are able to succeed through this transition. Laakkonen and Kansikas (2011) added that a limitation of research involves identifying the kinds of struggles that occur in family business succession. Hytti, Stenholm, and Peura (2011) identified a gap in the literature due to a lack of longitudinal studies spanning the time of succession planning to the execution of the plan. To support this notion, Freiling and Gersch (2011) asserted the need for research specifically, a case study examining the time soon after formal succession occurs. Moreover, little has been published highlighting independent insurance industry failure specific to parent-child ownership.

Themes in current literature on this topic include proper grooming of the heir, having a formal succession plan, managing the succession, communication through the transition, funding options, and the interests of other family members. Several studies have demonstrated the overwhelming trend of second-generation ownership failures. Giarmarco (2012) found that more than 70% of cases of family-owned business succession from the founder to the second-generation end in failure. Others have found that fewer than 30% of family-owned businesses achieve a successful second-generation transition (Bracci & Vagnoni, 2011; Gallo, 2013). In sum, the theme of failure in family business succession is widespread in the literature.

Background of the Study

The Family Firm Institute (as cited in Zultowski, 2005) reported that 12 million Americans are small business owners. Many business owners, including owners of independent insurance agencies, aspire to have a child inherit and carry on the family business through ownership transition. Royer, Simons, Boyd, and Rafferty (2008) explained that intergenerational business handover involves the assumption that the successor (family member) is right for the job, to be the priority of the transition. However, independently owned insurance agencies have a high failure rate when faced with family ownership transition.

Royer et al. (2008) promoted family succession through a conceptual model, defend knowledge characteristics and a transactions atmosphere to maintain competitive advantage for the family dynamic. Ismail and Mahfodz (2009) gained insight into family succession in relation to business performance, including preparedness of the successor, family interrelationships, and activities regarding planning and control. These authors concluded that family relationships weighed most heavily as a factor in business performance, with succession planning being the most critical component of continuity and operations.

Johnson (2010) discovered that reasons for succession failure include a lack of a plan, lack of training and qualifications, poor organization, and lack of respect. Johnson advocated communication involving employees, clients, and the board of directors to facilitate the best decision-making practices. Linnert (2012) reported that only 39% of insurance agencies prepare for perpetuation, and most lack a plan for the transition process, which may lead to failure. Lieblein and Wevodau (2003) studied why family businesses fail, and suggested preparing for succession for a minimum of 5 years but preferably 10 years. Preparation of the child includes planning, grooming, and education, all of which are critical steps to help the transition process (Freiling & Gersch, 2011). As cited previously, the literature has indicated that taking the proper steps can ensure that a child is prepared for the job.

Lieblein and Wevodau (2003) also studied financial burdens on transitions and identified buy-sell agreements, joint ventures, partnerships, and the sale of business as options. Panko (2005) stated that parent-child buy-outs can be problematic because of financial burdens during the transfer. The authors explained that life insurance could be one vehicle to safeguard against economic failure and to fund buy-outs. Many independent insurance agencies do not have capital that is liquid and accessible for large buy-outs; therefore, they need to find creative ways to fund transitions.

Waldo (2004) examined the dynamics of clients and employees and the need for strong communication at the time of transition, which can help with retention and failure prevention. Understanding roles through succession is also vital to successful transitions. Avila et al. (2003) focused on a set of criteria for transition to the next owner, including entity structure, successors, funding mechanisms, and satisfaction and confidence in current transition planning. Avila et al. argued that abiding by their five criteria could help increase the number of successful family business successions. Limitations and challenges imposed on estate plans, federal inheritance tax structure, and interests and wishes of family members, along with the desire, ability, and willingness to pass on a business were the primary pitfalls found with lack of a written plan. Purposeful planning can result in a richer and more successful transition (Avila et al., 2003). The results also showed that nonplanners had a more antagonistic experience, in contrast to planners, who the experience as enjoyable.

Morris, Williams, and Nel (1996) described a family firm as an emotional kinship group. The ownership/management arrangement, which often differs from typical models of organization, also influences factors of succession. George (2013) explained that 52% of family-owned businesses plan to transition ownership to family members. Five major steps in successful planning are identifying high-potential candidates; defining the knowledge, skills, and abilities of a capable successor; assessing candidate strengths and weaknesses; identifying developmental opportunities; and monitoring, supporting, and evaluating progress (George, 2013). Therefore, heir preparedness and positive family relations contribute to successful transition.

In the face of high failure rates when business ownership is passed to heirs, family-owned independent insurance agencies have a need for direction and additional research to improve the legacy perpetuation process. Royer et al. (2008) argued the first step is knowing that the child is right for the job. Prince (1999) identified traits that cannot transfer with success, including personal relationships with clients, which come from years of building trust, service, and loyalty. Johnson (2010) noted that additional reasons for failure include lack of training, failure to plan, inadequate education and qualifications, poor organization, and overall lack of respect.

Panko (2005) suggested that economic issues are a cause of failure at the time of transfer and suggested options to increase successful economic scenarios, such as life insurance to fund parent buy-outs. Waldo (2004) stated that clients must also be included in the transfer of ownership process with open lines of communication in order to improve retention. Independent insurance agencies need to improve direction and the execution of the process of legacy perpetuation.

Research Problem

Giarmarco (2012) found that more than 70% of family-owned businesses fail when transferred to the second generation. Mehrtak, Vatankhah, Delgoshaei, and Gholipour (2014) explained the need for systematic succession planning to facilitate a systems thinking process, or career path, of knowledge transfer instead of wasting resources and working to reinvent the process. Cole (2015) found that planning for succession is not a priority, gets low attention, is often associated with poor funding and lack of knowledge, and can be crippling during times of unplanned reorganization. The problem of failure extends to that of the independent insurance agency when transfering from parent to child. The transition needs research to identify guidance and direction that may lead toward greater success.

Amato (2013) found that only 21% of business owners plan for succession. Whatley (2011) stated that 90% of businesses are family owned, representing significant contributions to society but representing a looming issue of failure in succession. Amato (2013) found that 79% of firm owners recognize succession planning as a significant issue for business within the next 10 years. Thus, although literature has shown statistics indicating lack of planning, it is unclear why this is the case and how this relates to failure.

Purpose of the Study

The purpose of this research was to discover through a qualitative study which processes of total system transfer lead to success in second-generation ownership in the independent insurance industry. This case study explored the procedures of progression in successful agencies. The population included second-generation-run insurance agencies in Pennsylvania.

Delving into factors already identified from past research on family succession outside the insurance sector, assisted in understanding ways to improve and develop the transition process. I attempted to gain an increased understanding the problem of failure and success in transitions. Wiklund, et al., (2013) found in literature that ownership perpetuated to the next generation is the method of transition that is preferred. Identifying ways to improve legacy perpetuation offers potential to prevent business failure and help communities to prosper from healthy business activity, thereby enabling positive social change.

In part because of my own experience working in an independent insurance agency, I was able to observe various dynamics associated with the industry’s unique characteristics. This research could foster awareness and better understanding of factors that contribute to ownership transition. Insights about whole-system transfers in legacy-perpetuated businesses can contribute to positive social change by helping future agencies follow the path to success.

Research Questions

The research questions were designed to investigate the factors involved in successful second-generation legacy perpetuation in independent insurance agencies. This qualitative case study maintained two anchor questions. In this way, focus, attention, and direction remained geared toward the central research question in order to enhance the breadth, insight, and understanding of the study.

Central Research Questions

RQ1: What contributed to success in transferring the whole system process in legacy perpetuation of the agency?

RQ2: What were the roles of the parent and child through the evolution of the owner transition and how did they change over time?

Subquestions

Subsequent questions were established to provide an opportunity to refocus and elaborate on the central research question. These questions prompted participants to devote greater thought to the process without swaying or influencing the direction or tone of their answers. Subsequent research interview questions included the following:

RQ3: What education, grooming, and preparation occurred and what do you wish you would have done that you did not do regarding education?

RQ4: What centers of influence (people or organizations that value and support your worth) were involved to assist in guiding the process?

RQ5: What were the financial considerations in the transition?

RQ6: How was the change communicated internally and externally?

RQ7: In hindsight, is there something that you could have done to make the process of transition easier?

The research questions used in this study also helped to account for the goals of the study, while linking back to the topic and providing a path for me to continually seek and understand factors involved in successful second-generation legacy perpetuation in independent insurance agencies.

Conceptual Framework

The central research questions helped to link all subsequent questions in order to guide the research. Similarly, a conceptual framework allows a theory to serve as an anchor to the central research questions. Theories are used to help qualitative research maintain and develop a conceptual framework, which involves illustrating ideas from literature and applying them to ground the research being conducted. During data collection, when the elaboration of open-ended questions occurs, a conceptual framework helps to prevent derailment and the unproductive use of time.

Systems Theory

The first theoretical framework used in this study was systems theory. Systems theory can be used to examine the relationships among family members when conflict exists due to different perspectives on business issues (O'Gorman, 2012). Bertalanffy (1972) pioneered systems epistemology, which reflects a humanistic concern and methodological maxim. Bertalanffy was the founder of general *systems theory*, often referred to as systems theory. It is composed of three parts: systems science, systems technology, and systems philosophy, which explore material, informational, and conceptual systems (Ludwig, 1972). Systems theory was relevant to this study because it explored self-regulated systems.

Pouvreau (2013) studied the work of Bertalanffy, which spanned from 1926-1944, and realized the various scientific and philosophical cultural origins of the theory. Senge and Fulmer (1993) furthered systems research to explore systems thinking and the systems dynamics that make significant contributions to organizational commitment, design, and learning. Wheatley (2007) studied organizational behavior and explored the ideas of living systems and systems thinking in a world that is changing. Wheatley's work involved shifting the lens with which events are interpreted.

Self-Efficacy

The second theoretical framework used for this research was the cognitive theory of self-efficacy. According to the theory's founder, Bandura, a person's attitudes, abilities, and cognitive skills comprise what is known as the *self-system*, which impacts behavior and motivation. This theory emphasizes the role of observational learning, social experience, and reciprocal determinism in the development of personality.

This system plays a major role in how people perceive situations and how we behave in response to different situations, and self-efficacy plays an essential part in this self-system. According to Bandura (1995), *self-efficacy* is "the belief in one's capabilities to organize and execute the courses of action required to manage prospective situations" (p. 2). In other words, self-efficacy is a person's belief in his or her ability to succeed in a particular situation. This theory provides a foundation for the role of legacy perpetuation and ownership of a business, as it is critical to be confident in one's potential to succeed as well as self-motivate as one's own boss.

Throughout the interview process, the case study approach was rooted in systems theory and the theory of self-efficacy. I recognized the family dynamic as including ownership, family, and business dynamics. In addition, I asked follow-up questions about these relationships to determine the integration of family and business. These questions related to the theoretical systems model and dynamics of cohesion, flexibility, and communication. Keeping these theories constant through the interview process helped me to maintain focus and clarity when questions began to deviate from the predetermined list as opportunities arose to unveil deeper understanding.

Nature of the Study

The intent of this unstructured, qualitative case study with purposeful sampling was to attain in-depth understanding by conducting interviews regarding successful second-generation family-owned independent insurance agencies. For the purposes of this study, I defined *success* as pertaining to an agency that had remained in business and maintained its staff and clientele.

Parent-to- child succession carries an informality that may often be the culprit in failure. Many independent insurance agencies are small in terms of number of employees. Having the attributes of small companies, such as relatively few employees, often amplifies the casual environment, which may lead to a lack of procedures necessary to ensure business success through periods of transition.

The goal of the interviews was to understand the factors involved in successful second-generation legacy perpetuation in independent insurance agencies and to identify the participants' experiences. In doing so, data were recorded for themes from the participants, such as variables, inhibitors, and other identifiable factors that contributed to second-generation success. In addition, any difficulties, complications, unforeseen problems, and hardships through the legacy perpetuation process were recorded and acknowledged.

Assumptions

Having worked in an independent insurance agency, I brought several assumptions into this research. Business succession has been well studied, and perpetuation planning appeared from the literature to be the key the process. Therefore, my first assumption was that any successful second-generation independent insurance agency would have had a formal plan in place and followed it in order to garner positive results.

I also assumed that a parent-child relationship is trusting and comfortable enough to allow for less stringent guidelines, checkpoints, and formality in the process of succession. In this situation, lack of a formal plan may result in failure. Consequently, I anticipated that these assumptions would work against each other, if proven accurate. These assumptions were included in an effort to address the unique dynamics of transition as they relate to business and family complexities.

Scope and Delimitations

The scope or extent of the area and subject matter this research addressed was successful factors in second-generation legacy perpetuation in independent insurance agencies in the state of Pennsylvania. Based on a specific line of questioning, the steps and actions taken were identified to create better awareness and understanding of measures of success.

Limitations

One potential design or methodological weakness of the study is that the results may not be generalizable. Although the intent of purposeful selection is to establish greater generalizability through in-depth qualitative studies, a higher quantity of cases may decrease the study's depth (Maxwell, 2013). Other limitations include boundaries of time, events, and processes. These weaknesses are recognized individually in the paragraphs that follow.

Purposeful selection contributed to the criteria of the study being second-generation, legacy-perpetuated owner, to thwart such limitations. Additionally, boundaries included the location, length, and number of interviews, along with opportunities and time frames for participants to review notes from their responses for accuracy. I also developed a strong rapport with interviewees to ensure trustworthiness and openness. The need to maintain reliability and integrity was continually addressed and acknowledged.

Maxwell (2013) explained that trustworthiness involves more than generalizable statements and entails specific methods that offer validation. Miles, Huberman, and Saldana (2014) shared how using codes offers confirmation and validation of conclusions. Strategies to obtain credibility or internal validity can work to help identify discrepant cases and negate threats through the use of triangulation and linking prior theories and different sources to gain evidence into perspectives. In addition, using codes to help identify commonalities that assist and reveal patterns and themes can display greater reliability and credibility.

The recorded responses were reviewed through the analysis period. This review process offered the opportunity to ensure accuracy. Hand written notes were also used to add to the analysis for increased insight. Interview questions were emailed in advance to allow the interviewees the opportunity to review them prior to the interview. This was done with the intention of garnering answers reflecting greater depth and thoughtfulness, and elicit information-rich answers from the participant at the time of the interview.

Significance of the Study

A gap in literature exists in regard to legacy perpetuation (ownership transfer from parent to child) specific to the independent insurance agency arena. Additional research was needed on a whole system transfer for long-term sustainability. This study is important to any independent insurance agency owner looking to retire in the next 15 years. The intent was to understand successful second-generation agencies that transferred ownership from parent to child, which, coupled with sustainable measures for whole-system transfer, was the platform for research.

Given the high level of family succession in business, the knowledge and understanding generated by this study may be transferrable and therefore important to family business owners in other professional organizations. The goal was to contain high failure rates and allow independent insurance agencies to remain a strong force in the business world and continue to represent clients' best interests.

This research is unique within the literature on legacy perpetuation, as it is specific to the industry of independently owned insurance agencies in Pennsylvania. The study addressed the whole system transfer process of already successful second-generation operations. The study offers insight for those seeking a successful agency transition process. Studying successful second-generation companies adds to the existing body of work and enriches the depth and breadth of knowledge of the impact of legacy-perpetuated companies in independent insurance agencies on clients and employees. The whole-system transition design includes grooming the offspring, as well as preparing clients, employees, and vendors.

Ultimately, this study was undertaken to improve currently devastating failure rates in a field heavily dependent upon child ownership transition. The benefit of this research can foster positive social change by improving long-term success and sustainability of second-generation ownership transition.

Positive Social Change

By conducting this research, I sought to fulfill a scholar-practitioner role and to improve the performance, survival, and long-term outcomes of legacy perpetuated insurance agencies. Knowing what worked for other businesses of similar kind and quality can foster confidence and support in implementing steps to protect and ensure sustainable success. Exploration of successful second-generation independent insurance agencies and the sharing of this knowledge may strengthen the insurance industry for generations to come. A strong and successful insurance agency has the ability to foster individual worth, dignity, and development, while creating and maintaining positive and lasting social change through corporate social responsibility.

Summary

In developing awareness and increased understanding of successful second-generation legacy perpetuated independent insurance agencies, I saw an opportunity for learning and contributing to the greater good of society. Reinvigorated efforts based on new knowledge can inspire resilience, sustainability, life wealth, and principles that liberate greater human potential toward lasting success. Adjusting organizations' managerial responsibilities and directives during times of legacy perpetuation can offer a compass of proven, effective ways to navigate toward sustainable long-term success.

This research provides evidence from participant interviews and past research. These have been anchored with the conceptual framework to align the purpose and vision of legacy perpetuation and intellectual capital. Leveraging findings to offer intrinsic value to businesses and boost energy in alignment with systems theory and self-efficacy can help to signal and strengthen intangible aspects of legacy perpetuation.

Kay (2012) explained the drive to understand social systems and challenge conventional wisdom with a goal of improving efficiency and effectiveness through social and economic balance. This research focused on improving independent insurance agencies undergoing legacy perpetuation. The findings may improve the chances of such agencies achieving sustainable success and may thus lead to social change. In this way, social responsibility and empowerment can also be transformed through knowledge sharing workers (Mitchell & Meachean, 2011). Identifying and understanding successful changes in ownership to a child heir may reveal practices that support managerial and leadership achievement. Such understanding may add to the comprehension of successful methods for future organizations to consider implementing to garner long-term sustainability.

Chapter 2: Literature Review

Introduction

In this literature review I examine the most relevant and current published information concerning the factors involved in successful second-generation legacy perpetuation in independent insurance agencies. The term *successful,* for the purpose of this study, refers to operating with a profit. Bracci and Vagnoni (2011) reported that 70% of second-generation businesses were failing and 90% of business were family owned (Whatley, 2011). Therefore, the problems related to family-owned business success and perpetuation need continued attention.

Legacy perpetuation refers to business ownership transfer from the first to the second generation with the intent to enable the successful continuation of the business (Pillsbury, 2005). An insurance agency represents an insurance company and offers licensed professionals to work on the behalf of clients. Agents also work for clients throughout their relationship to help with changes in their insurance (e.g., adding coverage, deleting a covered automobile, or helping at the time of a claim). Whereas some agencies are dependent and work for only one company, most agencies are independent and offer the ability to shop a clients' information to provide the most comprehensive and competitive coverage available from multiple companies. In addition, most independent agencies offer a variety of lines of insurance ranging from, but not limited to, automobile, homeowners', business, farm, commercial, life, health, and annuities. Clients are not charged to have an agent.

Although family-owned business succession has been well researched, the literature has focused mostly on failures, and few articles have been industry specific. This literature review is focused on family-owned businesses problems, the minimal understanding of this topic, and the gap in the literature on successful legacy perpetuation. Whatley (2011) documented that 40% of family-owned businesses pass down to the next generation. Chaimahawong and Sakulsriprasert (2013) explained the need to study succession post-succession. In doing so, the study of perpetuated family-owned business failures in second generation businesses could begin to focus on what others have done to succeed.

As independent agency owners get older, they must prepare successors so that the legacy of their life work can be sustained over the long term. Therefore, family-owned independent insurance agencies need research on successful legacy perpetuation processes. Businesses can then prosper, and the number of failures can shrink. The focus of this study, therefore, was legacy perpetuation for the sustainability of the independent insurance agency arena. Understanding what has led to success in past family business successions may help businesses prosper and lead to healthier communities and positive social change.

In this chapter, I uncover the foundation for the study of legacy perpetuation. The following topics are discussed: the literature search strategy, options for business succession, tax benefits, reasons noted for success and failure, and past findings on family-owned business transition, which, when possible, are specific to the insurance industry. Detailed explanations of the overarching research questions, subquestions, and variables are presented.

Organization of the Review

This literature review begins with an overview of legacy perpetuation within the context of the family business life-cycle. Insurance agencies, which makeup the industry studied, and family-owned insurance agency succession are discussed. The importance of preparing for change is also discussed in conjunction with family-owned business succession and its impact on long-term success. The gap in the literature that this study id intended to fill is addressed, as well as the benefit of the research and how it was designed to foster positive social change.

Literature Search Strategy

Databases and Search Engines Used

The Walden University Library was the main source for articles and other documents related to the topic. Search engines used were EBSCOHost, ABI/INFORM Complete, ProQuest, Academic Search Complete, Business Source Complete, and Sage Premier. I conducted extensive research with the goal of exhausting the current bank of knowledge on *legacy perpetuation* in the *insurance industry*. However, because of the limited nature of peer-reviewed research available on this topic, I sought articles on *family-owned business succession* as it applies to other industries. Other search terms included *insurance agency*, o*wnership transition among family-owned business*, and *business succession*.

Because of the scarcity of peer-reviewed journal articles on legacy perpetuated independent insurance agencies, I also examined insurance industry publications such as *Rough Notes* and *IA&B* (Insurance Agents and Brokers). Social media sources were used when significance to the contributions of the study.

Systems Theory

Systems theory was first introduced by the biologist Bertalanffy as a systems epistemology that looked to categories of the human condition and knowledge that offer action and reaction to reality. Critical systems thinking can inform "boundary judgments" and guard against analogies that may be superficial (Bertalanffy, 1968). Systems theory takes conventional models of an organization and presents alternatives to emphasize holism and organism (continuous, natural whole systems) working together. Wheatley (2007) was a major contributor to systems thinking and furthered the notion by adding the dynamic and theory of living systems. It is important to note that shifting the lens of interpretation, or seeing things from a different perspective, can broaden comprehension.

Labaki, Michael-Tsabari, and Zachary (2013) studied systems theory in the context of family, which encompasses boundaries, differentiation of self, cohesion, and adaptability (p. 304). Family systems theory explores the heightened tension and anxiety that may arise in the family dynamic, including differentiation of self, but also recognizes the cohesive and protective nature of family (Labaki et al., 2013). Systems theory uses systems thinking to adapt to changes.

Baur (2013) used systems theory to provide universal concepts that align family businesses to the dynamic of stresses and reciprocity of business, family, and ownership and its subsystems. Another example of a study that used systems theory to effectively align with family business ownership is that of Dyer and Dyer (2009), who focused on systems in family business to better understand relationships, management, and success. O'Gorman (2012) shared ways in which systems theory can be incorporated in business to address conflict resolution. Therefore, systems theory presents ample opportunity to increase comprehension for this research.

Bleich (2014) showed how systems theory can help develop systematic thinking to improve competencies and professional development. Improved ability to determine influencers ("upstream and downstream") ultimately gives intention to the decision-making process by making it possible to evaluate events from different perspectives and realize that systems are nested and integrated with other systems (pp. 201-202). These include differentiating cause-and-effect algorithms for greater awareness in designing processes and procedures.

Palombo (2013) used a qualitative case study with the framework of systems theory to research the management of a small business, specifically, a machine shop. Palombo noted the benefit of this theory in the research, as small businesses face challenges on different scales than large businesses do, allowing the system to be analyzed and improved for positive results (p. 11). Systems theory was a conceptual framework for exploring times of change specific to a small business industry.

Roh (2013) contributed research using systems theory in organizational cultures to lead to positive behavior changes. Roh used the theory to enhance performance and success in relation to behaviors of business leaders and employees in organizations. Ashmos and Huber (as cited in Roh, 2013) described the multifaceted network of organizations referred to as *composite systems*, which make up organizational identity (pp. 11-12). Therefore, systems theory has the ability to reveal and improve productive outcomes in times of change.

The aforementioned examples help to delineate the appropriateness of systems theory to research on legacy perpetuation in small independent insurance agencies. Raisch, Birkinshaw, Probst, and Michael (as cited in Roh, 2013) identified systems theory as a contributor to the effort to identify components that build upon and relate to behavioral, processes, and organizational designs, making the conceptual framework of a system essential to achieve improved organizational success (pp. 11-12). These authors integrated systems theory as a conceptual framework in ways similar to the current research.

Theory of Self-Efficacy

Bandura (1986) developed the concept of self-efficacy as a guiding tool used to judge an individual's capabilities to perform a certain desired outcome. Self-efficacy is the personal confidence that one has to execute strategy and to attain designated goals (Bandura, 1986). Self-efficacy has four sources: mastery experiences, modeling, social persuasion, and physiological states (Bandura, 1986). The higher an individual's self-efficacy is, the more challenging goals the individual will embrace, and the more motivation and effort the individual will put forth to meet goals.

DeNoble, Ehrlich, and Singh (2007) researched self-efficacy in terms of effort versus performance in family-owned businesses. Wagener, Gorgievski, and Rijsdijk (2010) were the first to conduct a study of entrepreneurship, small business owners, and their relationship to self-efficacy. The authors found that business owners with high self-efficacy found higher levels of success than those with low self-efficacy because they believed that goals were attainable. Tsao, Chen, Lin, and Hyde (as cited in Wyk, 2009) noted that self-efficacy creates high-performance, leading to advanced results. Banfield and Wilkerson (2014) further noted that when intrinsic motivation increases, self-efficacy helps to improve performance and effort levels. The authors measured unique challenges that face family-owned business successors, including establishing credibility and increasing business resources by looking at successors' abilities through self-efficacy measures.

Sardeshmukh and Corbett (2008) explored family succession and new growth opportunities guided by self-efficacy and offered strategic renewal to aid in the success of new ownership. Maddux (as cited in Wyk, 2013, pp. 1025-1026) conducted a meta-analysis of 114 studies that resulted in positive correlations of work-related performance and self-efficacy, thereby indicating the need to foster a culture of self-efficacy in the firm. Douglas and Fitzsimmons (2013) added to the research that self-efficacy shows a direct relationship to a person's intentions and positive relationship to engaging in entrepreneurial behaviors (pp. 127-128). Therefore, self-efficacy is a vital theory that can contribute to greater understanding of success in ownership.

Research points to the need for management to continually foster self-efficacy in employees to improve efforts made toward reaching goals. Chrisman, Chua, Sharma, and Yoder (2009) found that self-worth and personal finance well-being are key contributors to second-generation business success. Trustworthiness and strong relationships with predecessors are of paramount importance to self-worth and confidence. These traits complement the theory of self-efficacy, which often exists naturally in the relationship dynamics of parent and child.

Abigail and Lebbaeus (2013) used descriptive questionnaires to study 15 financial institutions, seven of which were insurance organizations, to assess their self-efficacy in quality work life. The authors recognized the importance of having self-efficacy and of believing in one's own abilities to successfully complete job duties and perform in the work place overall (p. 196). Quoting prior work by Prilleltensky and Prilleltensky, Abigail and Lebbaeus indicated that "self-efficacy beliefs as well as family or other roles can interact and contribute to personal growth and quality of life in very positive ways, including quality of working life" (p. 197). Individuals with low self-efficacy more commonly were found to give up on challenging tasks. However, individuals with higher self-efficacy were found to be able to take on and master challenges regardless of age or gender.

These findings support the use of self-efficacy theory, as the research suggests that self-efficacy is an important driver of success in goal difficulty, fortitude, and resilience. As mentioned, self-efficacy is found in successful owners and helps to explain and justify their belief, confidence, and motivation to garner sustained efforts and improved outcomes. The application of self-efficacy theory was expected to facilitate greater comprehension and an improved understanding of the results found in the data collection stage of this study.

Family-Owned Business Succession

Boone (1993) explained how late ownership transition planning often results in owners continuing to work beyond retirement age to maintain an income because successors may lack funds for a payout. Nevertheless, if the outgoing owner stays on to manage key accounts, the clients will most likely stay with the company and not go elsewhere and hinder the future success of the agency (Boone, 1993). In this situation of late planning, owners (parents) can help maintain the business; however, this may also thwart growth and the implementation of new ideas by the successor.

A problem remains in relation to the need to plan for legacy perpetuation by obtaining a valuation of the agency and implementing preparation measures thereby making an effort to protect the agency’s future success. Unguided business succession not only leaves the new owner exposed to greater potential failures and unpreparedness, but also leaves employees and clients fearful instead of confident in the future of the company. Lack of a written formalized plan is a common pitfall of ownership transition.

In many independent insurance businesses, parents offer heirs the opportunity to capitalize on natural selection for succession by growing up in the business and being familiar with the norms of running and being at the helm of the organization. Goldbart and DiFuria (2010) explained a unique blend of business and family that is strengthened by the synergy of family and consistent attention to a value system in business practices that remains intact through the transition. Cooper, Kidwell, and Eddleston (2013) cautioned that the complexities of family relationships may cause discord and even failure in family-owned business, arguing that clearly defining work-family roles can help to establish understanding and lasting success. The evolution of the business should therefore be communicated to all family members. This issue is discussed in greater detail in Chapter 2.

Filser, Kraus, and Märk (2013) explained other areas of potential failure. The successor may have different ideas and goals than the predecessor; therefore, strong family ties and boundaries are required during the succession process, in addition to effective communication when conflict arises. Qurashi, Hussain, Mushtaq, and Assad-Ullah (2013) found that success in family transitions requires the maintenance of boundaries when mixing business, personal, and family life to avoid volatile situations. In addition, decisions regarding roles and responsibilities should be agreed upon and divided appropriately, weekly meetings should be conducted to resolve conflicts and vocalize differences of opinion, and a professional advisor should be hired to develop and plan and eliminate family members' suffering (Qurashi, et al., para. 63). It therefore is evident in literature that good communication is necessary during times of transition.

Morris, Williams, and Nel (1996) described a family firm as an emotional kinship group and pointed out that ownership/management arrangement, which often differs from typical models of organization, an influencing factor in succession. In addition, Gallo (2013) emphasized business skills, trust, and how they are incorporated into family governance can offer greater direction to the framework and process of maintaining profitability in the operation of transition. Therefore, heir preparedness and positive family relations contribute to success in transition

Levin, Bozer and Charmine (2008) explained how a family business encompasses unique dynamics included in an adaptive family culture, which takes additional skills to face challenges in executive coaching. Having a support system of advisors to help with the planning stages allows professionals in fields such as law and accounting aid in the process. Levin et al. found that another method, an advisory board, aided in successful family-owned business transition. It has become common in family business succession to see the documented use of advisors or professional/executive coaches.

Baur (2014) imparted the need to communicate the changing hierarchy to all and to have clear signs of transition such as a ceremony. Levin et al. (2008) conducted research that found that how the founding parent deals with the transition has a large outcome on how non-family employees react to the new helm. Vozikis, Liguori, Gibson, and Weaver (2012) found that preventing intrafamily succession is associated with the owner's age, the degree of business formalization, outside potential options for successor, and financial issues of low capital and variability of earnings (p. 102). Many hindrances to family-owned business failures exist and are rooted in taking time to formally plan and convey and execute a plan.

Funding Options and Implications

During times of legacy perpetuation, parents may wish to pass on a business to a child. While gifting may occur at this stage (versus a sale), the need still exists for lifetime security or compensation, without creating greater economic hardship on the heir and business in order to continue on the path to success. A. Diamond (cited in Panko, 2005, p.70) of the Agency Consulting Group identified half of independent insurance agencies are perpetuating their business versus selling. Perpetuation is often a problem, as owners do not want to create a financial burden on the successor at the time of exit (Lieblein & Wevodau, 2003). Fitts, Weeks, and Rowe (2012) recommended a team with specialized skills to aid in transition and at the helm an experienced and well-versed estate and trust attorney to achieve professional objectives. The support of tax professionals can also help to guide the transition for the best tax benefit options.

Managing money and financial literacy must occur in conjunction with overall goals to help thwart the failure rate of second-generation succession (Gallo, 2013). Koropp, Grichnik and Gygax (2013) identified the major reasons why family succession fails: financial management challenges including transaction costs, taxes (inheritance or income tax), compensation payments to predecessor, and external debt. In addition, payments to other family members make finding the appropriate financing choices a crucial part of ownership transition success (pp. 316-317). Giarmarco (2012) found estate taxes can claim up to 35% of the value of a business, thereby being a top factor for failure. Finances are a theme in literature that cause problems or complications in ownership transfer.

While some parents consider "gifting the business" with a continuous paycheck, other incumbents want to completely retire and require immediate financial compensation. Financial needs therefore change due to circumstances and preferences. Portions (cash, property, or interests) of the family business can be gifted over a lifetime tax-free up to $14,000 a year and can include the spouse to double this benefit, which could exceed $400,000 in 15 years (Witkor, 2014). Situations may vary, and there is a need to explore what options best fit the transition

Later in this chapter I will discuss lengthening the time frame commitment of payouts to parents in an effort to keep the payments lower. Using this method in conjunction with gifting can maximize beneficial financial standing, particularly combined with bonuses and deferred compensation (Miller, 2012). This will serve as a financial advantage for perpetuation to not create an immediate excessive financial burden to the child

Fuller (2009) explained the need to conduct a business valuation for IRS purposes to assist in unlocking liquidity. Ray (2008) shared a way for business to garner a valuation of their business is by using the International Succession Planning

Association's (www.ispassociation.org) statistically validated assessment (paras. 7-9). International Succession Planning utilizes ten interdependent factors, including owner motivation and perspective, personal finance planning, business structuring, business performance, strategic planning, leadership and management continuity, successor preparation, management synergy and teamwork, family dynamics, and governance (Ray, 2008, para. 12). Fitts and Rowe (2011) explained the importance of creating a basis for wealth transfer using valuations, also used to establish a good reference point and to validate family member perceptions (p. 22). Additionally, agency valuations are a necessary part of transition for tax filing purposes.

Tom Cunningham, of Optis Partners, LLC, a Chicago-based consultant, found agency value measureable by looking at earnings before interest, taxes, depreciation, and amortization. This is a popular method as Kevin Donoghue (Mystic Capital) included EBITA (earnings before taxes, interest, and amortization) as one of the 10 factors that affect the value of the agency. Also included are business structure (C-corp, S-corp, etc.), employment agreements, concentration risks, market, competitors and trends, key personnel, intangibles and premiums, balance sheet, methodologies, and risk reward (Boone, 2006, pp. 31-32). In addition, C-corps are worth less than S-corps on an EBITA basis and employment agreements offer greater proofs of ownership to enhance agency worth (Donoghue, as cited in Boone, 2006, p. 30). Involving a tax professional the time of transition can aid in obtaining the best valuation.

In addition, Boone (2006) noted that the IRS allows $1 million in tax free gifts plus $12,000 (this number has now increased to $14,000) a year, and a family limited partnership allows owners to transfer 99% of the business, allowing the incumbent to retain control (para. 30). Self-cancelling installment notes or private annuity trusts allow the buyer to pay the owner installments until the time of their death or a grantor-retained annuity trust for a specific period of time in which equity transfers to heirs (para. 30). Lastly, an intentionally defective grantor-trust "allows one to sell the business to a trust in your family's name in return for a long-term installment note" (Fuller, 2009, para. 30). Benefits can come from discounts as will the benefits of the lack of marketability (if there are transfer restrictions) and minority interest discounts (Witkor, 2014, p.71). Benefits will be discussed further in this chapter.

Buy-Sell Agreements

Brooks, Landeo, and Spier (2010) acknowledged the popularity of the buy-sell agreement for owners who want an easy exit strategy. Lieblein and Wevodau (2011) added that buy-sell agreements are popular due to the opportunity to customized transitions to fit specific circumstances of business control needs and timing of ownership based on terms and pricing (p. 24). Katt (2010) acknowledged that buy-sell agreements can be funded by life insurance and should be planned for in the estate planning process in the event unexpected death would occur, and taking into account the need to fund additionally for estate tax obligations.

Popular options with buy-sell agreements include Employee Stock Ownership Plans (ESOPs) and/or life insurance to afford greater tax benefit options for the seller. In addition, ESOP benefits allow stockholders to sell shares to the ESOPs and in doing so defer capital gains. Other benefits include, contributions to ESOPs are tax-deductible, ESOP distributions get preferential tax treatment, dividends on employer securities are tax-deductible if used to amortize related debt, and lastly tax deductible contributions to ESOP (Buxton, 1990, p. 34). Therefore ESOP's can be used to increase cash flow and/or net equity by acquiring more shares.

Partnership or Joint Venture

A joint venture operates on a more gradual level that can allow for less risk and more time to align operations and processes more effectively before completely relinquishing control (Lieblein & Wevodau, 2011). Partnering with another firm is an attractive option as it can help to fund the retirement of the founding owner when partnering with a business of equal or greater size (Lieblein & Wevodau, 2011). This occurs by integrating expenses as profit sharing can unlock economic capital to then fund buy-sell agreements effectively and without burden of financial hardships. In partnerships and joint ventures, the key is open communication and for modifications that lead to a common desired goal. Typically, a neutral, unbiased party can best facilitate focus, goals, and missions for future business.

Selling the Business

Selling a business presents the most liquidity, however in order to collect the greatest sale price, owners are typically looking at three years of staying on board in the current position of owner post-transaction (Lieblein & Wevodau, 2011, p. 25). The possible downfall is that while buy-sell agreements and joint ventures can most always also be "undone," a sale would have a finite ending (or suffer the greatest financial loss during buy-back) and therefore requires 5 to 10 years of planning (Lieblein & Wevodau, 2011). Having ample time to plan is also a common thread in literature.

Trusts

Grantor retained annuity trusts or GRATS, installments sales, or dynasty trusts all offer the potential to combine with gifting strategies to become more appealing to tax burdens (Wiktor, 2014). Using a GRAT can produce benefits of the generation skipping tax exemption and may pass to beneficiaries income-tax free (Witkor, 2014). GRATS are essentially an estate freezing technique that gives access to a grantor who is the person making contributions to the trust and can be held for a term of a set number of years or a lifetime.

Witkor (2014) explained the basis step-up allows the incumbent to gift the property prior to death and receive a carryover basis and the asset will be stepped up to date-of-death value. This will require review of capital gains and estate tax to thoughtfully plan for the greatest benefit in transfer (p. 69). In a step-up basis, the "buyer recognizes less gain on the assets eventual sale and greater depreciation and amortization while they are owned" and thereby limits exposures to liabilities (Miller, 2012, p. 26-28). This will also avoid capital gains tax while inflating the estate.

Intentionally defective grantor trusts secures tax benefits by keeping the grantor as the payer of income tax, thereby keeping more assets in the trust. Consequently, trustees can reimburse the grantor fees paid from the trust as long as assets do not become part of the estate at the time of the grantor's death. In addition, if the family business is sold to an intentionally defective grantor trust as an installment sale, in exchange for a note, "no gain is realized on the sale nor is any income recognized by the grantor from interest payments on the note made by the trust to the grantor" (Witkor, 2014, p. 73). Once again, this is another estate freezing technique that offers family-owned business a valuable alternative to seek out the most tax beneficial way to transfer the business to an heir.

Siblings

Solomon et al. (2011) identified problems that exist with siblings at the time of legacy perpetuation to include jealousy, longingness, competitiveness, and favoritism, which can create superficial relationships and can lead to cut-offs. In addition, the child-successor can often become disillusioned and resentful from years of work and sacrifice in the primary estate, the business, and resolution can be made with siblings by the realization that the chosen child successor brings continuity and strength to the family business (Solomon et al, 2011). Whether part of the business or not, siblings can be resentful of the child who is a part of the business and therefore transition plans should be shared with the entire family to avoid potential discord.

Another option that is becoming common is adult adoption. Ratliff (2011) explored the options for legally adopting a step-child or other to circumvent laws to reap benefits including taking advantage of the "principals of estate law," including intestate and beneficiary opportunities. If an owner dies intestate (without a will) inheritance may then go solely to adopted adult child and the adopted child would supersede all other biological relatives (Ratliff, 2011). This seems to be accounted for in literature most frequently with step-children.

Being Prepared for Change

Crowne (2013) discovered retirement ages to be on the rise due to the need of supporting other people financially or because they enjoyed working, found the choice to be a healthy alternative to retirement, or they just enjoyed people they worked with. Koladkiewicz (2013) found that second-generation succession tends to keep tradition rather than being a change agent. During the time of second-generation transition, the heir has greater capabilities and management skills through the use of modern communication technology (Koladkiewicz, 2013). More importantly is the need to plan for change as it may be expected, but can also be unexpected.

As mentioned, research overwhelmingly shares a lack of planning to be the culprit of business failure. Wiktor (2014) shared the failure to plan can result in one's life work to be dwindled away due to poor management, estate taxes, and/or family disagreements and brings focus to the importance of "timing, transitions, and taxes" needing to be clear and concise to all parties involved (p.66). Change will happen whether chosen or not. Keeping the conversation active and in the forefront of business planning process is a reality many small business owners ignore. In order to reduce failure rates of small business this critical part of the business process must be put in the spotlight and acknowledged in conjunction with other business activity that is critical to sustainable success.

Succession Planning

Being prepared for change is the responsibility of management to prepare their teams for the experience ahead. Bordia, Restubog, Jimmieson, and Irmer (2011) discussed how management can shape employee behavior and attitudes during times of change and how past poor change management can have lingering effects on future change. Therefore, management must work to promote retention, job satisfaction, and positive experiences during critical times of change.

In smaller businesses, it is the owner's job to prepare the successor for the time of change to come. Hopwood and Donnellan (2010) shared the need for a common factor analysis to gauge employee personalities to recognize an appropriate fit to the business. The authors stated it is important for a successor to be properly aligned with the duties and responsibilities.

Lee, Jasper, and Goebel (2003) shared ways to assist family businesses with formal succession plans by following strategies used by financial professionals:

1. Develop and conduct educational sessions regarding succession planning for family business owners and their families.
2. Develop procedures that clearly identify the steps that need to be taken to successfully complete the succession planning process.
3. Provide examples of the types of succession plans that other family business owners have implemented.
4. Set up future dates with the family business owners to review succession plans.

Addis (2014) reported 70% of insurance agency business owners have no written retirement plan, which was also referred to as mortality protection. Lee, Jasper, and Goebel (2003) used data from the 1997 National Family Business Survey to discover that a mere 20% of 673 family-owned businesses had a written plan for succession, 14% had a valuation, and 13% met with a business planner (para. 1). Catherine Oak (as cited in Boone, 2002), of Oak and Associates consulting firm, stated 90% of independent insurance agencies do not have a strategy for retirement. The trend of nonplanning when family is involved seems to be the norm in literature.

Understanding and adapting to change presents advantages and opportunities to strengthen core competencies to promote corporate competitive advantages and positioning in the marketplace. Ip (2009) explained the importance of knowledge and experience in sales, technical matters, and customer service along with the ability to manage and organize small business as the critical components to successful transition (p.

367). Being prepared for change is not limited to the owner and successor, but it includes all aspects of the business function including employees, vendors, customers, and community.

Borgogni, Dello Russo, and Latham (2011) recognized the importance of employees as the critical element to change process and reminded the need of management to recognize group collective efficacy and job satisfaction acknowledged. Employees are the front line representatives of the company to the consumer, and they must have a clear understanding of the change processes to effectively communicate the wishes and mission of the company. Maintaining a culture of knowledge learning based on clear and open communication at the time of change will allow employees to help each other in positive and productive ways versus fearing the unknown.

Kupritz and Cowell (2011) further recognized times when face-to-face communication is paramount and how the path of communication taken can heighten employee perceptions during times of change. In a media rich society, there are times when face-to-face communication can offer greater impact to organizational justice, humanization awareness, and best practices to social presence (Kupritz & Cowell, 2011). Change is a critical time for business and presents vulnerability. The better the communication process is and the greater attention to the understanding of employee importance will help determine the preparation to change.

Grooming

Bocatto, Gispert, and Rialp (2010) found that 65% of family-owned business nominated a family member for succession. Pricewaterhouse Coopers' 2012 Family Business Survey stated 52% of business owners plan to transfer ownership to family members and additional findings, supported that 50% of these owners questioned the preparedness and aptitude of the successor (as quoted by George, 2013, p. 21). Mischel and Iannarelli (2011) found children of entrepreneurs learn throughout their lifetime through participant observation and experience accumulated knowledge as well as learned business skills that come naturally that encourage learning (p. 274). Therefore, the entrepreneurial spirit of the parent seems to frequently foster similar attributes in their offspring.

Schaeffer (2014) explained there is more to inheriting a business; there is also the inheritance of social status and resources that go hand-in-hand with the family money and business and therefore require appropriate conduct for continued success. There is a social meaning attached to the inheritance (which is the achievement of a parent or unachieved wealth) that involves strong morals and family support, economic ambition meeting expectations, and independence (Schaeffer, 2014). Maintaining the sustainability of the business at the time of transfer will require continued responsibilities the incumbent represented.

When there is more than one child, there is often a challenge of interested individuals versus qualified individuals (Goldbart & DiFuria, 2010). It quickly becomes evident that the high failure rate falls on the shoulders of the child, not the parent in a community or society context. However, it should be noted that the child who is to take the helm of the business must be adequately trained and prepared for the journey and responsibility.

Ismail and Mahfodz (2009) gained insight into the study of family succession in relation to business performance including preparedness of the successor, family interrelationships, and activities regarding planning and control. Prince (1999) acknowledged that certain characteristics and traits could not transfer with the business such as current relationships, trust, and loyalty with vendors, customers, and employees. Cabrera-Suárez and Martín-Santana (2012) noted the importance of the successor to be committed to professional growth, development, and leadership. Much goes into a business staying successful beyond a willing heir. The aforementioned are dynamics that must be cultivated and highlighted in the perpetuation process.

Sinkin and Putney (2014) added the importance of client relationships and the paramount importance of the incumbent’s role in aiding client retention. Nawrocki (2005) added that heirs should be in the mindset of earning the business, not deserving the business, and respect the esteem that ensues with regard to the value of the estate. These traits grow stronger over time and with attention so that the new owner and the vendors, customers, and employees are prepared to carry on the status quo or initiate change from a place of knowledge as previously discussed.

Royer, Simons, Boyd, and Rafferty (2008) acknowledged that knowing the child is right for the job is a critical part of the making a positive motion toward the first stage of transition. Also important to the success is the child coming into the business by their own wishes (Cabrera-Suárez, & Martín-Santana, 2012). George (2013) identified steps of transition to be the identification of abilities, experience, knowledge, and skills, assesses weaknesses and strengths, identify opportunities for development, and support, monitor, and evaluate progress. The succession planning process studied in depth, as stated above, does differ in detail; however, the steps are essentially the same in identifying successor candidates.

Schroder and Schmitt-Rodermund (2013) discovered the importance of parental involvement, including solid relationship support to the child heir, contributed to perceived entrepreneurial competence and was also a predictor of autonomous motivation, and that parental control related to introjected motivation (internal tension or guilt), and autonomous motivation related most positively to the likelihood of success in family firms. Qin and Wang (2012) identified successful transitions involved the heir being involved in all sections of the company in order to absorb relevant knowledge in a learning-by-doing tactic. Duh (2014) discovered similar findings, and stated the involvement of successor in multiple aspects and function of the business was critical to successful ownership transition. Zahrani, Nikmaram, and Latifi (2014) found another important dynamic to the transition being the desire of the incumbent as the necessary component to effective succession planning due to the availability and willingness of a successor to do the work needed to ensure success. An amplitude of author's recognized the importance of willingness, motivation, and planning to succeed in legacy perpetuation.

Zacher, Schmitt, and Gielnick (2012) found critical to successors readiness was the upper echelons theory, which aligns the successor’s personality, values, and experiences with how situations are interpreted and reacted to in action. Hambrick and Mason (1984) looked to characteristics such as age to be influencers of managerial action and decision making, which are directly associated with core values, capabilities, and perceptions. Baur (2014) sought to identify success factors in family-owned business through the perspective of the successor, and found that having a “road map for succession” was most critical to identifying changing roles of leadership (para. 17). Again, planning with core values at the helm were found essential in ownership transition.

Daughter Successors

In male dominant fields, daughters are increasingly gaining attention. Mischel and Iannarelli (2011) found that daughters who took over a family business faced challenges of stereotyping and gender discrimination (p. 275). Vadnjal and Zupan (2009) found interlocking family and business supports and improves the role of a female at the helm and afforded less gender challenges. Smythe and Sardeshmukh (2013) observed a growing trend of daughter successors, noting better communication contributing to a better understanding of the father’s shadow. Also noted were daughters found using the business was a way to further bond with and build relationships with their father (Smythe & Sardeshmukh, 2013). In addition, this research found improved assistance and negotiation to the succession process and confirmed excellent relationships between parent and child.

Education

Eric Levitt (cited in Panko, 2005), president of the Levitt Group, commented that in order to continue independent agencies, young blood must come into the insurance arena as it takes between seven and 10 years of experience before adequate education and experience become a solid learned foundation for perpetuation (p. 72). Beige and Axhausen (2012) noted the correlation of education in a field to the longevity in that field. Betit (2008) explored education as an investment for companies to increase efforts and have positive effects on profitability. Abigail and Lebbaeus (2013) added to this notion from research conducted which emphasized and confirmed the importance of continuing education and encouragement from management to improve self efficacy levels. Notwithstanding, the changes in products offered that must also demand further education to sell.

Educating and preparing for change among not only parent (owner) and child (successor), but employee, customer, and vendor will enhance the experience to support the long-term sustainability of the organization. Some insurance companies offer education to help perpetuation and to engage agents in the required 24 credit hours of continuing education required every two years. Companies also offer new producer training to help get new hires on a path to generate business premium to the agency.

Although such conferences have ended, Westfield Insurance Group held a conference called “INSIGHT” to share perpetuation guidance. Training is now offered to new agents in a “TAPP” program, and Westfield has its own bank to help fund perpetuation needs (Boone, 2006, p.29). Costs of the education can be recouped by placing business with the training company or utilizing services of professional consultants, accountants, and attorneys.

Current Research

The majority of this chapter explores current research on the topic of family succession. Literature on succession failure does explain how independent insurance agencies fail in legacy perpetuation due to poor planning and a lack of process and procedure to transition (Burand, 2008). Giarmarco (2012) documented that family business acknowledged the benefits of a formal perpetuation plan, but still fail to execute them. An estimated 70% of second-generation-perpetuated businesses fail (Giarmarco, 2012). Poor planning is often documented as a lead culprit to failure.

Kimhi (2009) added the small business heir should work together with the successor in devising a valuable plan for succession. Hopkins, Jamie, Lipin, and Whitham (2014) added that part of the planning process needs to include a digital asset succession plan to aid in the transfer. Using wills or trusts should require careful attention to the transfer of private and protected property such as computers, hard drives, management systems that house sensitive information including a client's personal information (Hopkins et al., 2014). Even more important is the threat of violating federal law by taking improper steps in haste or as a cost saving mechanism.

Family succession should adopt a culture that inspires growth and an opportunity for advancement for all employees, by identifying core competencies for the organization, developing plans to showcase employee talents, and setting goals to keep employees motivated (Hicks, 2013). It is the role of the outgoing leader to introduce and familiarize successor in effective ways with staff, clients, vendors, and companies. Deschamps and Cisneros (2014) recognized that business failure can be rooted in the outgoing leaders' involvement, which can be in the form of neglect. It is essential to highlight the importance of all individuals contributing to the success of the organization's success and to be demanding in equal proportions on family members and employees (Hicks, 2013). Therefore, everyone's importance must be communicated in order to prevent top performers from being jaded by a child successor.

The recognition of the founder's aging mortality, and the resistance to relinquish control, are two components that influence hurdles to transition (Levin et al., 2008). Baur (2014) shared a problem frequently found is parent-owners having a hard time letting go and suggested one way to combat this is to give them a role that allows them to be involved after the transition. Further research showed potential reasons for this hardship. Sukay and Vredenburg (2012) shared a sometimes harsh realization that owners must face their own mortality and realize the need for an agency valuation, which also measures one's life work. And many insurance owners are able and willing to work beyond retirement age.

Current research reveals a tradition of independent insurance agencies choosing legacy perpetuation. In addition, Xu and Yan (2014) found owners looking to retire want to protect their corporate compensation and showed conservative actions toward taking personal risk such as in innovations and investments with the intent to improve long-term business growth (p. 572). Sinkin and Putney (2014) shared the importance of managing the transition and finding affordable payoff terms such as 15 years versus 5 years to decrease financial hardships on functioning business capital. Additionally, limiting new owner salary raises and ownership percentage over time are other ways to aid in transitions (Sinkin & Putney, 2014). As previously explained legacy perpetuation often lends to a lower sales premium, resulting from limited cash flow.

Panko (2005) emphasized the difficulties of financial planning involved on family business succession such as parent-child buy-outs and the worry of leaving the heir a financial burden. Avila et al. (2003) focused on five criteria perception of transition to the next owner: entity structure, successors, funding mechanisms, and satisfaction and confidence in current transition planning. The demand for succession is highly prevalent. The identification of successes can compliment past failures unveiled to formulate a broad framework to help guide the legacy perpetuation process.

Nordqvist, Wennberg, Bau', and Hellerstedt (2013) conducted a literature review and found a significant effect pursuit to opportunities was the incumbent’s difficulties and need in granting autonomy to successor. Karima and Affes (2012) found parent-owners conduct preliminary informal actions considered planning in the stage of selecting a successor; however, formal written plans were not popular. Therefore, research showed that having a written plan with a time line for handing over the reins of the business may ease this emotional change.

Family succession should adopt a culture that inspires growth and an opportunity for advancement for all employees, by identifying core competencies for the organization, develop plans to showcase employee talents, and set goals to keep employees motivated (Hicks, 2013). It is essential to highlight the importance of all individuals contributing to the success of the organization's success and to be demanding in equal proportions on family members and employees (Hicks, 2013). Bocatto et al. (2010) found that family businesses are usually smaller and, therefore, are managed by a smaller structure. Keeping in mind that everyone contributes to the team success can help foster a positive work culture.

Communication is so important to success is also important because in a larger company, one or two employees leaving after a change in ownership may not present a problem; however, in a small company such changes could be devastating. Goldbart and DiFuria (2010) also noted that if a family-owned business is strong and successful, it affords great nepotism to other family members and presents opportunities that may not otherwise exist, such as affording opportunities such as jobs to family members. While this is also true in a larger corporation, in a smaller agency the ripple of change reaches more people.

Gap in Research and Benefits

While much literature exists among failure of family-owned business succession, there is limited resource in the insurance industry and a lack of successful identifiers to transition. Laakkonen and Kansikas (2011) explained the need for future research to understand how evolution occurs in family business including struggles specific to the family dynamic. Filser, Kraus, and Märk (2013) noted the need to identify education levels in family-owned business succession. Having longer periods of time working in the agency before transition takes place could also help with education of current processes and procedures.

There is also a gap acknowledged after the transition under the successors reign to identify post-succession phase in family business models. Chaimahawong and Sakulsriprasert (2013) shared a limitation in research of succession post succession. Nye, Brummel, and Drasgow (2010) recognized the importance of longitudinal studies, but also acknowledged the many hindrances and unpredictability of events that are not synonymous with all research. Internal and external artifacts, self-reporting, and changing variables are all culprits that can skew outcomes from case to case. Understanding these dynamics will be prudent for the parent and child to improve the succession process.

Through their literature review, Nordqvist et al. (2013) identified a gap between family succession in specified industries. In addition, the authors found most succession research was on managing the transition not "explicitly on ownership transition" furthering the need for ownership succession and requiring more attention to better understand the complexity (p. 1110). Brockhaus (2004) added most research on family business succession has been written by consultants and therefore lacks field studies in large part due to a lack of interest and participation by family business owners (pp. 170-171). Minimal research is present from business owners themselves.

There is a gap in research and literature that explores a post-succession case study from the successor's perspective in independently owned insurance agencies. Qurashi et al. (2013) also identified a gap of research on the post-succession phase in family business, as stated "there are no existing and effective models, theories, and psychological assumptions of re-starting a business, even if it is within the own family" (2013, para. 53). Therefore, once again, there is a gap in the family-owned business research.

Lussier and Sonfield (2012) shared that future research needs to answer why some family business is able to succeed through the transition. Laakkonen and Kansikas (2011) added a limitation of research to identify what kinds of struggles occur in family business succession. Hytti, Stenholm, and Peura (2011) furthered the need for research and identified a gap in literature to occur for longitudinal studies at the time of succession planning to fruition of executing the plan. To support this notion, Freiling and Gersch

(2011) asserted the need for research, specifically naming a case study, to occur during the time after the formal succession occurs. Levin et al. (2008) also identified a gap of how executive coaching enhances outcomes and processes. So while the topic of family business seems very popular in research there are avenues where literature is lacking.

Baur (2013) stated while many attempts have been made to increase awareness and understanding to family-held business succession there is a lack of studies from the prospective of the successor. Baur utilized systems theory for qualitative study of 13 family-owned business successions and stated more research needs to be conducted. Freiling and Gersch (2011) researched family business succession and identified a gap of research in the very early stages after succession occurs (p. 22). In addition, these authors suggested a case study to better identify problems.

Koropp et al. (2013) confirmed the need for future research to identify personal relationship issues and the analysis of succession financing. Many authors pointed out gaps and holes in literature, especially industry specific. Esuh, Ossai-Igwe, Minai, and Adebayo (2011) addressed gaps in research on how continuity is affected by family business succession and founder, successor, and environment must work together for a smooth transition. Štangej and Škudienė (2013) found a need for future research to include “factors that contribute to effective succession” (p. 164). Therefore, many opportunities exist for future research in family business.

The Importance of Education in Legacy Perpetuation and Transformation

Promoting education, including acquiring designations, offers ways to stay ahead of the competition and create motivation born from positive knowledge filled relationships in the workplace. In a constantly changing world it is necessary to continue to refine, educate, and adapt to the needs of consumers and employees. Continuing education will help to accomplish this goal.

As stated earlier, continuing education is mandatory by companies. Companies often take this as an opportunity to self-promote company specific products. In addition, Sardeshmukh and Corbett (2008) found that external experiences helped successors to have knowledge of opportunities and that internal experiences aid in entrepreneurial and cognitive self-efficacy to venture on such opportunities through to fruition (p. 6). Nevertheless, maintaining license requirements, obtaining new designations, and participating in continuing education will sharpen competitive advantages in capitalizing on the greatest resource an organization has: the intellectual capital of its employees.

Improving the Internal Organization During Owner Transition

An even greater problem, in some cases, is identifying a successor for ownership, but also hiring new talent, as there is a dearth of young, interested, and trained people entering into the career of insurance agent. Panko (2005) suggested how hiring employees who have graduated directly from insurance training schools or after completing insurance internships is one way to capture new, skilled employees. Pies, Beckmann, and Hielscher (2009) promoted teaching value creation through improved orientation, communication, and reception to develop greater corporate competencies and foster ethical performance. Internships are also a way to help get individuals familiar with an insurance career.

Communication is essential to improving the internal organization. From validating and valuing employees, imparting beliefs and moral rules, to ethical awareness and accountability, it is imperative that employees and managers continually communicate to ensure the directives are clear, the goals are aligned with the corporate mission, and the production is in line with the organizations processes. Hardy (2008) explained the importance of communication as a medium to improved collaboration, which begins with, and is strengthened by the manager-leader acting as a role model to initiate actions and behaviors that will set the precedence, establish the organizational culture, and influence the appropriate behavior to promote organizational development and knowledge management principals.

Communicating is essential from managers, but it is also critical to solicit input from employees, especially during a time of ownership transition. Being conscientious of reactions, including the openness in feedback of employees will help gauge if communication is adequate and effective. It is important to lead employees with focus and a clear plan of action when working together toward the common mission of the organization.

Bass and Bass (2008) identified Salovey and Meyer as the founders to the theory and capabilities of emotional intelligence in 1990. Emotional intelligence is a way to connect with employees and offer greater insight and abilities of managers to assess, identify, and control the emotions of employees. Utilizing all vessels of awareness during a time of legacy perpetuation will help gain improved positioning for future implementations and alterations to the business plan. It is not just the sensitivities of cross-cultural dimensions, but also cross-generational comprehension in leadership that must be acknowledged as critical components of the education program of future owners and manager.

Responding to Change

The better prepared the whole business system is to react to change the greater the outcome and future sustainability of the organization. The change in succession can happen for many reasons. The recognition of the founders aging mortality, and the resistance to relinquish control, are two components that influence hurdles to transition (Levin et al., 2008). Mitchell, Hart, Valcea, and Townsend (2009) recognized the difficulties some predecessors have in relinquishing control; however, their expertise, experience, and "social capital" are needed, with discretion, to aid in continued success (p. 1213). Change is a certainty and being prepared for potential outcomes will help to prevent failure from erupting.

Levin et al. (2008) explored executive coaching, which is increasing in popularity when faced with a retiring owner. Kohli and Gupta (2010) also supported managerial coaching advice to improve the process beyond identifying the problem. These authors reported the estimate of there being 30,000 coaches worldwide, who have integrated skill sets to work with family-owned businesses by combining the succession planning process with the coaching industry to improve the objectives, dynamics, and environments when facing change.

Ip (2009) explored a modified quality function model integrated into the business succession model to help family succession protect prosperity and sustainability. Pellegrini, Scandura, and Jayaraman (2010) studied paternalistic leadership, where one treats employees like family members, and revealed positive results addressing a need for human interaction by employees. There are many models and theories in literature and these authors help find ways to adapt to and handle change.

Recognizing employees as key components to the business function has been shown repeatedly in literature to have positive outcomes on business productivity and practices. Zoogah and Abby (2010) researched the relationship between strategic motivation, organizational processes, and self-complexity as it relates to organizational behavior and found how personality characteristics effect motivation and hiring preferences. Therefore, hiring the right people to fit the organizations goals can also increase retention during times of change.

Pillsbury (2005) explained how encouraging employees to be involved in the community and in touch with what the industry offers will aid in modeling and agency toward positive growth in the direction of success. These two examples illustrate ways that management can continue to inspire a positive workplace during the time of ownership transition. Still, a distinction worth noting is the difference between financial and leadership perpetuation (Sukay & Sitkins, 2009). At the time of transition both most occur. One asks the question of who will own the agency, and the other answers who will lead the agency to future success. In many cases, this may be the same individual; however, understanding the importance of responsibilities and dedication to the critical elements of these roles that produce success is imperative to a legacy perpetuation plan as well as succession ownership transition.

Cotae (2010) explained that responsible leadership is rooted in an environment that encourages learning and improved decision-making processes, thereby fostering voluntarism, which occurs when employees proactively work beyond job descriptions to achieve greater accomplishments. Therefore, it is important to foster authentic leadership traits, including self-awareness, that resound in greater success in leading, retaining employees, and instilling job satisfaction in employees (Brittaini, 2012). Businesses must understand they are part of a larger picture and recognize the interconnectedness of action taken or not taken.

Summary and Conclusion

Family-owned business makes up a significant amount of the world economy. Price Waterhouse Coopers Family Business Survey of 2007/2008 (as cited in Chrisman et al., 2009) stated 84% of family business intended to participate in legacy perpetuation. For the sake of managerial processes, tax benefits, and family harmony, planning a minimum of 5 years in advance will offer greater preservation and acceptance (Chrisman et al, 2009). Succession is a leading topic in family-owned business research. Carter and

Justice (2010) noted that it is becoming common for multiple family members to be in leadership roles in family business. Cater (2011) commented that some do not want the stress and involved in dealing with family members in business. Feelings of entitlement, selfishness, and a lack of forgiveness for mistakes are common family obstacles (Cater, 2011). Nevertheless, there is a high population of family owned businesses.

Legacy perpetuation is more than a rite of passage. There are responsibilities that go with inheriting a parent's life work. That life work is time equity away from the family and it is important for all concerned to plan early for succession to thrive and maintain the sustainability of the business. Current research repeatedly states the high failure rates of second-generation family-owned business. Goldbart and DiFuria (2010) reported that 60% of United States businesses are family-owned, and less than one third survive perpetuation. Industry specific research of successful legacy perpetuated businesses can add to the potential of improving failure rates.

This research was designed to help to improve the comprehension of legacy perpetuation. Identifying ways to avoid pitfall and understanding processes that have led to success can help agencies from going out of business and to maintain sustainable success. In doing so, communities where they reside will benefit from healthy business activity and change agent initiatives brought about by active, successful business.

Chapter 3: Research Method

Purpose of the Study

The purpose of this research study was to unveil the factors involved in successful second-generation legacy perpetuation in independent insurance agencies. This case study examined data from in-depth interviews to discover effective total system transfers of successful second-generation ownership. Exploring procedures used by past successful agencies leads to greater knowledge of ways to transition. This study addressed concerns and precautions taken to prevent failures and other concerns related to ownership transfer. The study's purpose was to conduct interviews that would uncover factors involved in successful second-generation legacy perpetuation in independent insurance agencies and to reflect the experiences of the participants.

In this chapter, I present the research questions and explain the design and methodology used. This chapter describes my role and the ethical and reliable way in which data were captured. This chapter explores the difficulties of case study research and addresses the methods employed to maintain integrity of the data and protection and treatment of participants.

Research Design and Rationale

This qualitative study took the form of in-depth case study about successful ownership transition. Marshall and Gretchen (2006) stated that qualitative research methodologies are important in applied fields, including management relating to social sciences. Case studies entail participatory research to radically change processes

(Marshall & Gretchen, 2006). The goal of qualitative research is to confirm or to disprove existing theories while addressing gaps in literature, increase understanding on a topic, and create new research opportunities. More specifically, case study is an approach or methodology used to describe a phenomenon using the constraints of a bounded system. Bounded systems make the study limited by time (set starting and ending point), event (second-generation legacy perpetuated owners of independent insurance agencies), participants (defined population of people), and place (offices in Pennsylvania).

A qualitative study was chosen because it fit the inquiry and made it possible to identify specific cases to help understand a phenomenon. Case study offers real-life research through a strategy of in-depth inquiry by means of open-ended detailed questioning. Multiple sources of information were collected as available, including but not limited to interviews (recorded when permitted), observations, reports, and documentation provided by participants. Central research questions provided an overarching theme to emphasize, remind, and anchor the conceptual focus of the research. Subquestions were created to gain further knowledge on additional contributory factors or variables in the study. The research questions designed for this study follows.

Central Research Questions

RQ1: What contributed to success in transferring the whole system process in legacy perpetuation of the agency?

RQ2: What were the roles of the parent and child through the evolution of the owner transition?

Subquestions

RQ3: What education and preparation occurred and what do you wish you would have done that you did not do regarding education?

RQ4: What centers of influence (people or organizations that value and support your worth) were involved to assist in guiding the process?

RQ5: What were the financial considerations in the transition?

RQ6: How was the change communicated internally and externally?

RQ7: Is there something that you could have done to make the process of transition easier?

Theoretical Framework

Two theories were used to formulate a conceptual framework, which was used to help anchor and better understand this research. The conceptual framework offers a "system of concepts, assumptions, expectations, beliefs, and theories that supports and informs your research" (Maxwell, 2013, p. 39). Keeping the central research questions at the forefront of the study and using the theories as a framework aided in data interpretation.

The first theory used in this study was systems theory (Ludwig, 1972) to illuminate understanding of the science, technology, and philosophy of ownership transition. The second theory was the theory of self-efficacy established by Albert

Bandura. This theory helped in developing a better understanding of attributes found in successful leaders, including but not limited to a person's attitudes, abilities, and cognitive skills, which comprise the self-system and affect behavioral outcomes. Theories can inform a research design, and may be helpful in refining goals, assessing selected methods, developing relevant research questions and subquestions, and to identifying potential threats (Maxwell, 2013). Together, these theories gave support to this study.

Research Tradition Rationale

The research maintained the tradition of qualitative case study. The focus was in-depth questioning designed to provide comparable in-depth understanding drawing from a management background. As mentioned, the case study used multiple forms of data collection beyond the interview, including observation, as well as the review of documents and other available sources to further data analysis strategies. Data analysis strategies included descriptions of cases and themes from cross-case analysis and triangulation where possible. This case study was unstructured, with purposeful sampling of successful second-generation family-owned independent insurance agencies.

A case study allowed for a comprehensive study of the process taken in ownership transition, including hardships and hindrances in the process. Traditional case study was used because it presented the unique opportunity for follow-up questions. Using follow-up questions allowed for greater depth and was particularly important to the process to ensure understanding of participants' views. Qualitative research aligned with the need to further understand factors involved in successful second-generation legacy perpetuation in independent insurance agencies.

Role of Researcher

My primary role was to confirm the discovery of eligible participants in the state of Pennsylvania. Eligibility was limited to owners of successful second-generation independent insurance agencies who were willing to carve out time dedicated to this study. I also attempted to conduct the interviews at each participant's place of business in an effort to observe their surroundings and garner additional data. Participants were selected through recommendations by the head of an independent insurance franchise to fit the criteria for the study. Participants were not personal acquaintances and did not have professional relationships with me where supervisory power might exist over the participants or me as the researcher.

I had several important roles as the researcher. Perhaps the most important was anticipating ethical issues, more specifically, protecting the participants' personal privacy and the credibility, authenticity, and integrity of the study. It was of paramount importance to ensure that this study was presented in a highly professional way that reflected the level of respect, care, and attention requested and expected from the participants.

Israel and Hay (2009) highlighted the necessity of guarding against any misconduct due to problems and unexpected challenges. Being overly prepared, anticipating dilemmas, and acting in a professional manner at all times promoted reliability and evoked trust from participants. Conducting practice sessions with mock interviews also allowed for greater familiarity with questions and comfort with question organization and flow.

A great benefit of and reason for selecting a case study approach was the ability to ask follow-up or additional questions when the participant introduced new information during the interview. The role of the researcher is a unique aspect of qualitative research. It was my role to be overly prepared in order to pay heightened attention to answers given and to scrutinize responses in an effort to explore context in greater detail. In addition, being mindful of action, reaction, body language, comfort, and general interaction and response added to my ability to gain greater in-depth insight by probing further into questions when and where it was beneficial to the study.

Careful attention was required to maintain trust, care, and a respectful relationship given the sensitivity of the information being disclosed. Professionalism in the line of questioning and a set of phrases serving as reminders of the importance and anonymity of the study were also provided to assure the participants of their value to the study. Moreover, it was extremely important that my efforts remain anchored in the central research question.

Another critical role of the researcher is to remain objective. Having been a second-generation independent insurance agency owner, I was aware not only of potential bias but also of measures to prevent any tarnishing of data. In addition, theoretical frameworks provided a foundation that aided in shaping and maintaining direction through the study.

Nevertheless, it was of the utmost importance for me to maintain conscientious objectivity and to be continually mindful of the purpose of the study and central research questions. With that said, qualitative research is an evolving and adaptable research structure that incorporates changes as new information in the field is discovered. Marshall and Gretchen (2006) explained qualitative research as being "pragmatic, interpretive, and grounded in lived experiences of people" (p. 4). Therefore, my role, ideology, and familiarity with the field were not only acceptable but were expected to help outline and form the study's effect.

I took utmost care to be objective and professional and manage any bias sensitively. I took accurate field notes on behavior and activities during the interview process. Another way in which I ensured objectivity was by ensuring that questions were clearly stated and not misinterpreted by the participant to ensure clear understanding.

Methodology

A case study of three people in Pennsylvania was deemed the most appropriate choice for this research. Maxwell (2013) explained that the benefit of case study methodology is the ability to explore real life in detail through multiple sources of information to discover case themes. The participants whom I interviewed had maintained successful second-generation insurance agencies.

Yin (2013) noted that case studies use a contemporary setting or context. Using the participants place of business as the location of research allowed for a contemporary setting. Case study was the best option for the methodology because there were clearly identifiable cases that could enable comparisons and in-depth understanding of the topic (Yin, 2013). Qualitative research is structured with a flexible, adaptable design that I used to guide the study of a unique social system change phenomenon: successful, second-generation independent insurance agencies.

Participant Selection Logic

Purposeful sampling was used to find three second-generation independent insurance agency owners in Pennsylvania. Maxwell (2013) explained that more than one case can dilute the overall analysis and stated that it is typical to choose no more than four or five cases. The selection of more participants or cases may lead to generalizability; however, by maintaining purposeful sampling, I ensured that the participants selected offered greater results, as they were willing to contribute appropriate, relevant, in-depth data.

I made initial contact after verifying with the Pennsylvania franchise representative that the individual franchise business owners were second-generation. Independently owned partner agencies make up the franchise in the Midwestern, Northeastern, and southern states in the United States. A franchise structure offers enhanced resources and support to get the benefits of a large corporation with the trust and service of a small-town agency. Therefore, the reporting vice president for the state insurance franchise of Pennsylvania helped to identify participants who were in a positive state of financial security and had been profitable in their time of their tenure as owner.

I made contact through an individual personalized email message that included the consent form (see Appendix B). Once the consent form was signed and returned, I made contact through email or phone to explain the study and its boundaries, and to explore whether the agent wanted to participate under the parameters required for the study. All participants needed to be interested, able, and willing to participate. I explained the study clearly, including ways of protecting anonymity, and the importance of the participant's time and dedication to the research. An appointment time was then set up to conduct the interview, and I gave instructions regarding interview questions, which were emailed 1 week in advance to participants along with the instruction to review them. This was done with the purpose of allowing greater thought, time, and consideration of answers.

Boundaries were consistent through each case study to maintain structure and uniformity. These boundaries included the approximate length of the interview, nature of the location, and the opportunity for the participant to review and refine answers for greater clarity. Using a bounded system of case study brought uniformity to time and place to help maintain reliability and confidence in the study, along with the consistency of detail needed to replicate the study. Formal phone calls were also made to ensure that participants had received emails and to confirm appointments. This follow-up was conducted to further emphasize the opportunity to provide thoughtful answers.

Instrumentation

In qualitative inquiry, the researcher is the primary instrument (Patton, 2002, p. 109). However, the data collection instrument in this study was ultimately Microsoft Word. Interviews were recorded with prior permission and transcripts were converted to Word. When needed, I took additional field notes on a laptop so that my handwriting would not be misinterpreted. Neither historical nor legal documents were used in this study.

Published Data Collection Instruments

Dou and Li (2013) conducted a case study of six businesses consisting of interviews on leadership transfer. Dou and Li's study was hinged on the belief that social relationships enhance corporate success and used opened-ended questions starting with “how” or “why” on interview questionnaires. The interviews were audio recorded and transcribed within 1 day of being conducted. Coding was used to find themes among the data. Cross-generation teaching balanced with trust and independence were found to contribute to successful leadership transfer.

Researcher-Developed Data Collection Instruments

Qualitative validity is achieved by checking the accuracy of findings and results by using certain procedures (Maxwell, 2013). Validity is further explained as a means of keeping and recognizing credible data. Accurate transcription ensured that misrepresentation did not occur and that there was greater objectivity in the study.

Disseminating pertinent, meaningful data was emphasized by identifying patterns and themes found in the case study comparison. Yin (2009) suggested that protocols and procedures should be established to help ensure reliability. Qualitative reliability results from keeping the interviews as consistent as possible from participant to participant in every way.

The interviews were recorded to find themes among the participants. Themes included difficulties, complications, unforeseen problems, and hardships through the legacy perpetuation process. The purpose was to gain greater awareness and to identify common experiences.

Procedures for Recruitment, Participation, and Data Collection

Patton (2005) suggested that a small group should be used to generate rich narratives in inductive analysis. Inductive analysis or the inductive analysis approach allows for synthesis from the immersion of details that form patterns (Patton, 2002). It allows the researcher to find emerging data and direct the themes without making prior assumptions (Patton, 2002). Inductive logic is a critical component of qualitative inquiry, along with exploration and discovery. In data analysis the researcher finds recurrent experiences and relationships to link patterns in data (Miles et al., 2014). Yin (2009) supported the use of inductive data analysis to generate descriptive themes and codes from raw data. Discovery requires the researcher to be open to all possibilities. This also promotes credibility and reduces bias.

Several research authors identified not more than four or five cases in a study should be used to adequately identify themes including cross-case theme analysis. The previously mentioned vice president had access to financial records to confirm the potential participants. Additionally it was confirmed that they were successful second-generation independent insurance agency owners.

As noted earlier, participants were aware of what was required of them were able to meet and complete the expectations of the research. This will include potential follow-ups to confirm and review answers. Phone and email was utilized respectively to gain clarity if needed by additional communication. Participants were also informed that no debriefing or exit strategies were necessary for this study. Written permission were obtained from participants prior to the interviews being conducted. Furthermore, confidentiality agreements were read and signed by participants before they were asked to be a part of the study.

Data collection was organized orderly and always in timely fashion from the collection date. Straits and Singleton (2010) explained that data can be categorized into four sections: interviews, observations, documents, and audio visual. Technology and other data published electronically or in the form of emails were also considered a data category. Each of these categories was considered to add to the benefit and contribution of this study.

Participants were given the letters A, B, and C for coding and identification purposes. Data will remain under my care, custody, and control to further ensure privacy and anonymity. It was critical to transcribe, organize, and analyze the data immediately following the interview process to ensure accuracy. This helped to keep the data fresh and current from the interview experience.

Interviews were also recorded to increase accuracy and add to integrity and validity of data. Data collected were coded, analyzed, and synthesized through cross-case analysis using multiple data sources, as available. Doing this increased the validity and objectivity, mitigating for bias and subjective perception. All data recorded in software, including audio and field notes, were backed-up and protected with security pass codes to further ensure integrity of the data.

Data Analysis Plan

Data were validated by using Computer Assisted Qualitative Data Analysis Software (CAQDAS). Using available CAQDAS programs offers ease and accuracy of transcription analysis, coding, and content interpretation. The software can organize and manage data quickly, freeing time and costs of clerical labor including intensive transcription. The benefits include increased validity of research, easier retrieval, cross-case analysis ability, and increased flexibility of data.

Leedy (2013) explained that data unveil patterns for the researcher to interpret, categorize, and identify by themes to reveal synthesized conclusions beyond a specific case (p. 136). The ability to have assistance from a CAQDAS aided significantly in the process of interpretation and understanding of data collected. The major drawback of using CAQDAS is the time it takes to learn the program. The benefits of adding validity to the research far outweighed this downside, and using CAQDAS was a necessity for completing the research study.

NVivo is a popular qualitative software program used in research due to its ease of use and benefits. NVivo was the CAQDAS program utilized to categorize the research. While it is a necessity to manually confirm transcriptions for complete accuracy, the capabilities of CAQDAS are highly beneficial. Wainwright and Russell (2010) added the need for extra attention in what is heard versus what is read, and it was ultimately my role to delineate data for proper coding, identification, categorization, and organization.

Issues of Trustworthiness

Credibility

In order to maintain credibility, checks and balances were in place throughout the study. Maintaining credibility means the reader and other researchers must understand what was done and how it was done; others may want to conduct a metasynthesis, with the ultimate ability and intent to replicate the findings (Miles, Huberman, & Sladana, 2014). Therefore, interviews were recorded and transcribed to confirm accuracy of vernacular and verbiage on all answers.

Participants reviewed transcribed answers to allow for elaboration or correction of any prior sentiments. This is important to prevent any misinterpretation of data. Peer review and member checks may also be utilized to further ensure credibility and validate terms and strategies. Appendix A shows the interview questions for added credibility and for future opportunities to conduct accurate research replication. This will also afford future researchers an opportunity to build from this study, including strengthening and modifying the research accordingly.

As prior mentioned triangulation is a way to maintain confidence, credibility, dependability, and authenticity in a study (Patton, 2002). Triangulation utilizes multiple sources including theories to gain greater insight and evidence of participant perspectives to enhance validity. Triangulation can also help to identify commonalities, patterns, and themes adding to the validation of research findings. The literature review conducted in Chapter 2 will complemented the process of disseminating and interpreting data.

Further credibility was brought to the data analysis stage by utilizing triangulation and cross-analysis. Coupling theories with patterns will provide triangulation, which offers an ideal-typical methodology strategy for qualitative research (Patton, 2002). Theories were used to help gain greater insight and evidence to enhance validity and identify commonalities.

Transferability

Miles et al. (2014) explained the importance of knowing if research results provide transferability to other contexts, thereby being generalizable. Erickson (as cited in Miles et al., 2014, p. 314) believed it is the responsibility of the reader and not the researcher to purport transferability of findings. Other ways to help maintain credibility and transferability include noting characteristics including a thick description of the setting, participants, and processes (Miles et al., 2014). Generalizing relies on interpretations to synthesize similar phenomena, including resonance, which again lends to high levels of description and clarity in a study. This is another reason to document with extreme detail and clarity every aspect of the study, process, and findings in responsible ways.

Coding is an instrument used in qualitative investigation that allows for greater clarity in interpreting data. Coding is the process of aggregating data into smaller and more manageable categories to seek out evidence that contributes to the emerging themes (Yin, 2009). Coding depicts the use of triangulation for cross-case analysis, which also aids in transferability.

If findings can be observed or reproduced in a new context, then they are most likely dependable (Miles et al., 2014). Standards of quality are necessary throughout a case study, as the work exists in a real, social world, allowing interpretation to render descriptive accounts. The congruence of data's transferability to extrapolate and connote findings from one application to another must be logical, thoughtful, and problem oriented (Patton, 2002). Moreover, merit, accountability, and rigor must be upheld to accurately report and deduce data

Dependability

Dependability is the qualitative equivalent to reliability and therefore was necessary to prove rigor was maintained through the research process to enforce and maintain confidence in findings. Proper conduct through the research defends dependability with use of quality and integrity of methods. Reasonable care lends to dependability as data analysis presents an opportunity for bias due to researcher life-experience, perspective, and worldview. Therefore, measures were taken to yield confidence in the study and maintain integrity in the work. Using clear questions framed in the study design and maintaining quality checks including third party reviews further heightened dependability levels.

Heuristic value is the researcher's insights and self-awareness that are brought to the investigation and discovery. A heuristic process allows a researcher to have a self-actualizing experience and allows the analyst to share in the intensity of the participant's phenomenon and finding discovery from being wide open to the connectedness and immersion of the experience (Patton, 2002, pp. 107-108). Heuristics, therefore, focus on the meaning not the measure, essence not appearance and experience, not behavior therefore complementing the qualitative study (Patton, 2002, pp. 107-108). Therefore, emphasis on personal knowledge and tactic knowledge can afford greater understanding and insight to legitimize indwelling and improve inquiry an investigation. Therefore, reflection can lead to more creative and appropriate synthesis.

Confirmability

After inductive analysis was conducted, patterns, categories, and themes emerge, which allows confirmability to commence, also considered external reliability (Miles et al., 2014). Confirmability may be deductive by testing or affirming analysis, coding, and deviations of data. It is important at this stage to dissect the categories and compatibilities with data to guarantee proper fitting. Once again, this stage makes explicit description to detail of data paramount to the research.

Understanding how the data collection took place and was processed aids in drawing conclusions. Qualitative researchers use judgments to unveil themes and patterns of meaningful data as they lack statistical tests of a quantitative study (Patton, 2002). Consideration to one's own life experience and intelligence must be reflected against the participant responses. Therefore, determining substantive significance versus meaningless data is a determination of the qualitative analyst and presents an evaluator authenticity. Assessing analysis for credibility in the data results offers confirmability. Full disclosure was upheld throughout the research process.

Intra- and Intercoder Reliability

The coding process began after the interviews were converted from audio to written transcripts. At this time, an exhaustive evaluation and coding process enabled a recreated picture of the interviews. Qualitative case study assumes rigorous attention to notes, observation, and participant responses. The coding structure reflected and ensures relevant data was studied thoroughly and comprehensively to produce categorized systems to ultimately reveal patterns and themes.

A manageable coding system to simplify the chaos and confusion is a challenge of content analysis from field notes and the complex undigested data from multiple forms of reality (Patton, 2002, p. 462). Codes were used to conclude back to the research question, or subquestions. NVivo and hand-coding were utilized to disseminate data.

Organized samples of evolved codes from pertinent first cut codes were used, and aiding in the reshaping and confirmation of new perspectives. Therefore, it is not just a filing system, but a tool in conjugating, differentiating, and integrating research data to the study.

Several systematic readings of data provided greater familiarity and unveiling of themes to code or classify. Patton (2002) called finding a reoccurring or emergent theme “seeing” and encoding this pattern called “seeing as” (p. 463). Open-coding can help to formulate categories first and then create subcategories for greater comprehension.

Miles et al. (2014) explored the difference and importance of using deductive and inductive coding to provide conceptual and structural unity. Deductive coding is a “start list” of codes rooted in the conceptual framework, variables, and hypotheses. However, inductive coding emerges progressively, potentially empirically, as the researcher is open to new factors which create new codes to better fit revealed data concepts including causes and explanations and relationships (Miles et al., 2014, pp. 81-87). Therefore, the analysis evolves as the research unfolds.

Coding affords the researcher a way to condense and manage large amounts of data to better focus on fieldwork and evolve to greater depths of understanding as codes lead to patterns. The application of coding aids in cross-case analysis and portraying a cognitive map for heightened directional and digestible purposes. Substantive-level theory emerges from the act of using field notes throughout the selective coding process. Coding provides a visual translation of the recorded data.

Ethical Procedures

Agreements, Permissions, and Informed Consent

The Institutional Review Board (IRB) did grant permission to conduct the research and the approval number is 07-02-15-0290177. This number was assigned to the study. As mentioned, participants signed explicit agreements that clearly and concisely stated the role of the participants, including expectations and purpose of the study. Time required, participants' duty, voluntary role, confidentiality, anonymity, who would handle and design the study, participant review, and benefit of the study were critical components of the written permission and action agreement.

The informed consent agreement was stated as well as written to make sure the participants understood it. Participants confirmed their understanding and agreement of lessons learned from the study and the possibilities of implementing them to potential positive applications and future efforts in the field. Maintaining proper ethical procedure contributes to the confidence, quality, and integrity of the study.

Ethical Concerns

Evaluation research is meant to offer an opportunity to improve current problems and bring greater awareness, understanding, and change to social issues. Maxwell (2013) explained that constructive observation from research means maintaining and evaluating validity including who benefits from the study and who may be harmed from a study. Therefore, ethical concerns must be raised in the research and be accessible to the readers for full disclosure and accuracy of the study. All participants who agreed to do the study did so voluntarily, knowing they would be recorded, and completed it without interruption. All audio materials are being kept in my custody, and are locked in a safe. There were no predictable ethical concerns regarding the recruitment processes or materials.

Treatment of Participants, Data, and Permissions

I viewed all data, including the informed consent, in confidence and security by throughout and after the study was concluded. The data was at no time outside of the researcher's possession with the exception of emailing to the participant for review. Data, including audio files and drives of stored transcriptions and interview data, will be stored in a fireproof safe for at least 5 years after the study has been conducted.

Summary

Independently owned insurance agencies need direction for the process of ownership succession. This purpose of this study was to focus on the discovery of factors involved in successful second-generation legacy perpetuation in independent insurance agencies. Legacy perpetuation, the transitioning of a business from parent to child, lacks a directional framework. Past research shows it often to be a painful and unsuccessful experience.

This study is specific to small-town, middle-class family-owned insurance agencies in the state of Pennsylvania. Burand (2008) argued the cause of failure of legacy perpetuated independent insurance agencies is poor planning, including a lack of processes and procedures. The gap in literature supported the need for research of legacy perpetuation in independently owned insurance agencies. Researching past perpetuated, successful processes could foster a positive social change and improve the failure rate of small independently owned insurance agencies.

Bowers (2001) explained that 90% of independently owned insurance agencies are family-owned, and Bracci and Vagnoni (2011) reported that 70% of second-generation ownership fails. Boneau and Thompson (2013) shared that poor communication is a culprit to failed business practices during times of change. Brittaini (2012) added that self-awareness is a main authentic leadership trait to help retain employees and maintain overall job satisfaction. Cotae (2010) suggested positive leadership traits during times of change along with a learning culture that promotes knowledge sharing roots the employees in a culture of continual self-growth and contribution. Blanco and Caplice (2013) also expressed the importance of continued education to enhance workplace collaboration, solve problems, overcome obstacles, and work together toward common goals. Several of the attributes above should be considered as critical to successful sustainability.

Such research has not been applicable to small businesses, specifically, legacy perpetuated businesses. Moreover, there is a dearth of research specific to the field of the independently owned insurance agency. Therefore, this single instrument, qualitative, case study was designed to explore successful second-generation legacy perpetuation in independent insurance agencies. Using a bounded system of purposeful participant selection, three case studies were considered to promote in-depth and rich information research to provide an improved understanding of successful processes.

Using the theories of self-efficacy and systems theory, a conceptual framework was established to help maintain a foundation of order to root the study and provide guidance for greater understanding and comprehension. Systems theory (Ludwig, 1972) incorporates science, technology, and philosophy of ownership transition to improve understanding. Bandura (1986) found that self-efficacy has an effect on successful leaders' belief in their ability to reach goals and complete tasks. Owners should adopt successful leadership practice and processes to adapt, problem solve, and promote long-term sustainability. Organizational success, self-awareness, and refinements can enhance refined competencies to adapt to challenges and demands of legacy-perpetuated success. This study was designed to unveil factors of transition that led to successful outcomes, with the intent of improving competency and fostering greater success.

Audio recordings of interviews were transcribed and coded using CASDAQ to improve confidence and reliability. All data remain in my own possession to assure anonymity and confidentiality of the participants. Informed consent and prequalification were upheld to add further integrity and respect in the scholarly study. Detailed research processes, including interview questions, were fully disclosed. The findings are presented in Chapter 4 and recommendations for future research will be suggested in Chapter 5.

Chapter 4: Results

Introduction

The purpose of this research was to discover the factors that contribute to successful total system transfer of ownership to the second generation. This study included inquiry about education, experience, grooming, financial considerations, other family members, and internal and external communications, among other issues. These results will provide greater knowledge to help prevent potential failures of family-owned insurance agencies, which are key contributors to many economies.

As mentioned in detail in Chapter 3, this qualitative approach used three case studies. DeMasis and Kotlar (2014) supported the need to promote case study research contributions in family business succession. Myers (2013) advocated qualitative research as the best way to study topics when limited research is published specific to a topic. Purposeful sampling allowed the ability to select information-rich participants to offer the greatest contribution to the study and the field of knowledge.

In this research, I used two theories to guide and offer support to the data analysis and the participants' answers. General systems theory (Bertalanffy, 1972) explored science, technology, and philosophy in three parts: material, informational, and conceptual system. Bandura's (1985) theory of self-efficacy suggests that how a person feels about his or her own ability, relates to the success the person can achieve though self-motivation. Both theories were described in greater detail in Chapters 1 and 3.

Research Questions

The central research questions and subquestions were as follows:

Central Research Questions

RQ1: What contributed to success in transferring the whole system process in legacy perpetuation of the agency?

RQ2: What were the roles of the parent and child through the evolution of the owner transition and how did they change over time?

Subquestions

RQ3: What education, grooming, and preparation occurred and what do you wish you would have done that you did not do regarding education?

RQ4: What centers of influence (people or organizations that value and support your worth) were involved to assist in guiding the process?

RQ5: What were the financial considerations in the transition?

RQ6: How was the change communicated internally and externally?

RQ7: In hindsight, is there something that you could have done to make the process of transition easier?

This study presents commonalities that appeared to exist among independent, second-generation-owned insurance agencies that led to sustainability and success. Factors that contribute to success may be revealed by commonalities. If so, results would add to the strength of the transition steps taken, and the potential effect on overall agency success. I chose to conduct in-person interviews because they held potential to reveal information and facilitate deeper comprehension (Janesick, 2004). Hatch (2002) explained that the benefit of interviewing is the ability to ask open-ended questions and follow-up questions to allow participants the freedom to elaborate and give the interviewer the chance to ask the interviewees to elaborate on previous answers. The insights garnered offered correlations, though not representative of causation, and showed the components needed to achieve sustainability through the transition process.

Preview of Chapter 4

This chapter presents a concise report of the qualitative case study and a thorough explanation of the procedures taken. I explain the recruitment process, response rate, and time frames for the research. Baseline descriptions and characteristic of participants are shared, as well as the setting of each interview. The overall organization of the chapter is based in the presentation of answers to the research questions and subquestions. Data collection, analysis, trustworthiness, and results are addressed.

This chapter is organized and built around the responses to the research questions of the study. In addition, the purposeful sample of participants is further explained. Evidence of trustworthiness is a resounding theme, as it is a critical pillar of productive research. Lastly, the data are analyzed and the results are expressed in full detail.

Research Setting

After identifying successful second-generation agencies from the franchise vice president for the state of Pennsylvania, I emailed the consent form to potential participants. After giving the potential participants 3 days to respond, I contacted them via phone to ensure that they understood the process. Participants emailed the consent forms back rather quickly, within 4 days. After I received the consent forms, we set up appointments for interviews. All scheduled appointments were kept except for one, which was rescheduled twice by the participant but which we successfully completed.

Although three interviews are reported, a total of five interviews were conducted. Two of the interviewees were technically third generation; therefore, the findings were not applicable to this study. While these interviews were still conducted, the data were separated from the relevant data on second-generation agencies.

The participants did not mention any changes in their businesses' or organizations' circumstances that would cause stress or influence their responses or experience with me. Examples of such changes are budget cuts, personnel changes, and traumatic events that can skew responses. In addition, I asked icebreaker questions to develop trust and comfort so that participants would speak openly and comfortably with greater detail about the topic. Additionally, there have been no indications since the interviews took place that any changes or negative organizational influences have caused any issues related to the study.

My willingness to meet with the participants in their respective insurance agencies, one a 3-hour drive from my home, showed the importance of the research and minimized any inconvenience to the participant. In addition, being in the owner’s place of business helped me to more closely connect to the research and offer heuristic interpretation through greater observation of and familiarity with the insurance agencies.

Participants also felt close to the subject matter and allowed for information-rich data opportunities. Therefore, using personal knowledge, tacit knowledge (based on insights and intuition), and indwelling (i.e. looking within to use all past experience for a more connected understanding) afforded greater comprehension and allowed for the opportunity to improve the inquiry and investigation. Furthermore, careful reflection during data analysis led to a more thorough synthesis or understanding by incorporating personal knowledge to cross-case analysis.

With a case study of three people, I had a critical need to function with the utmost integrity and professionalism, so that the participants' awareness of the importance of the study would be heightened as well. Therefore, I expressed verbally, in writing, and in action that their participation was purposeful and critical to knowledge in this field.

Demographics

Demographic criteria were simple. Each participant needed to represent legacy perpetuation, or be the child of a founding owner, thereby making the participant second generation. They also needed to live in Pennsylvania, the location of the study. My last mandatory criteria were that the participant needed to have been in the ownership position for a minimum of 2 years and classified as successful or making a profit greater than on the day of inheritance. All participants were married with children. Two were men; one was a woman. It took approximately two months from the initial email with consent forms for the final interview to be conducted and the research to be completed. The interviews lasted from 54 to 111 minutes.

Because I lacked access to an agencies financials, I needed the vice president of the franchise to verify successful agencies. Permission to proceed with these agencies is documented in Appendix C. At this stage, I was presented with the aforementioned agency owners who were not technically second generation. This process was nevertheless a productive and positive way to generate the leads necessary to conduct the research to completion.

Data Collection

In accordance with the approval and guidelines of the Institutional Research Board (Appendix A), I alone contacted the participants via email and telephone. Signed and dated consent forms were collected prior to agreement to participate in all cases, with the purpose of informing the participants of their rights and explaining that there would be no obligation to participate or compensation for participating. The form also explained the next steps that would be taken if the participant chose to participate, including a one-on-one, in-person interview, and indicated that an audio recording device would be used. Sample interview questions were included. The terms explained on the consent form were reiterated on the phone and in person before the interview began. Each participant agreed to what was expected and approved follow-up dialogue and review of recorded answers for accuracy. No concerns were expressed.

The data recorders were digital, battery-operated voice tracers by Philips. Two recorders were taken to each interview, one serving as a backup. After the interviews, I transcribed the audio recordings within 24 hours. Because the interviews lasted approximately one hour each, I did not transcribe word-for-word answers but rather formulated concise, thorough responses to the subquestions to allow for coding and data analysis.

I did take some field notes, and I used a legal pad to jot down follow-up questions. To meet legal requirements including data retention, all communications between me the participants and me were 100 % confidential. Moreover, at no time were group communications conducted, nor did any procedure occur that would be inclusive of multiple people.

After deciding it was in the best interest of the study and would emphasize that participation was a contribution to the betterment of future legacy-perpetuated agencies, I offered no compensation to participants. I did not want to cause disruption or bring attention to anything other than the desire to contribute to the body of knowledge on this topic. However, I did take muffins or cookies to the staff at each agency. Data collection occurred as planned, without any unusual circumstances or disruptions.

Data Analysis

Seventeen interview questions helped to guide the interview and answer the previously stated research subquestions. These 17 questions were carefully designed to guide the study toward answering the central research questions. In addition to the aforementioned transcripts process, audio recorded interviews were uploaded into NVivo 10 to help in developing codes and themes. In an effort to stay close to the research, I used hand-coding after written transcription in conjunction with the software.

Data analysis is a process that allows the researcher to seek meaning through data organization to discover explanations and generate theories (Hatch, 2002). I used open coding and labeling to seek patterns and categories. These were discovered by highlighting or circling meaningful words, which were color coded for the category. The process was repeated several times to ensure that coding was applied to all relevant segments.

Inductive analysis was used as a measure to help analyze the data. Moreover, I would be remiss to not mention the dynamic of heuristic inquiry in the interview process. Because of my involvement in the insurance field, I brought to the study additional investigative curiosity and experience, as well as awareness and knowledge of the studied process. In heuristic inquiry, the researcher must be the primary instrument, which occurs when the researcher has personal experience and a strong interest, and he or she can share in the intensity of the human experience.

Themes and Theories

The theories of self-efficacy and systems theory were used from the onset of the study when the questions were created. The theories served as anchors to assist in the grounding of the central research questions throughout the research. These theories also presented opportunities to link themes from participant responses back to the central research questions. By serving as a framework, the theories helped to ensure the interviews were productive.

Systems theory presented self-regulated systems within the agencies. Bertalanffy (1972) focused on self-regulated systems, which can be measured by a person's commitment and organizational behavior. Examples are detailed in the results section; however, they include the transparency of different perspectives in business practices. Systems theory was also presented the opportunity of shifting the lens, or changing perspectives, which were a shared common sentiment of parent versus child at the helm of the business.

Themes found in the data include high levels of self-efficacy. All participants reported paying themselves less, or earning less, during the period when they were paying the agreed amount to their parent per the agreement for ownership transition. Funds paid were not pure profit for the agency, though many reported using profit sharing. While there were only three case studies conducted this was a commonality. All three participants reported that this ownership motivated them all to work harder, worry more, and feel the responsibility of not only maintaining but improving the financial health of the agency. This was communicated to me by the new owners, who explained that they would work harder to make their respective agencies more profitable. Staffing and procedural considerations also contributed to agency profitability.

There was an overall sense of motivation and drive or self-system among the owners, which is indicative of self-efficacy. Each owner seemed to understand that he or she needed to not only work hard, but also act with the understanding that his or her behavior was self-motivated toward success. They each also acknowledged that even with the many years of experience they had, once they were in the position of ultimate ownership responsibility, they experienced a defined shift in their mentality or perceptions. However, they were confident that they had the ability needed to remain successful or improve the agency overall success. Therefore, they all had characteristics that are indicative of self-motivation driven by a positive sense of self-belief.

Evidence of Trustworthiness

Credibility

Checks and balances were kept in place throughout the research in an effort to maintain credibility. Throughout the interviews, answers and inferences were repeated or requested for further elaboration and probing so that sentiments, functions, and processes were clear for coding purposes. Ultimately credibility was reinforced by the advantage of using an audio recorder in an effort to eliminate the misinterpretation of data. The interview questions are listed below (as well as in Appendix A) to allow replication of this research, so that researchers may have the opportunity to build from this study and strengthen the overall understanding and comprehension of this topic in this field.

Further credibility was brought to the data analysis stage through the use of triangulation and cross-analysis. Coupling theories with patterns provide triangulation, which offers an ideal-typical methodology strategy for qualitative research (Patton, 2002). Theories were used to gain greater insight and evidence to enhance validity and identify commonalities.

Lastly, all communications between me and the participants were 100% confidential. At no time were group communications conducted, nor did any procedure occur that would be inclusive of multiple people. This effort brought a heightened comfort level to the participants and fostered information- rich interviews.

Transferability

Miles et al. (2014) explained transferability as the ability to transfer results to other contexts. In other words, it is the ability to take findings from one study and apply them to another in a similar setting. In an effort to make this study transferable, I have outlined and disclosed all steps, procedures, questions, demographics, and descriptions in as much detail as possible while keeping participant identity confidential.

Cross-analysis, described above, is also a measure that helps to increase or improve the opportunities for transferability of a study. Standards of quality were upheld throughout the study to allow an accurate interpretation to render descriptive accounts in data analysis. Accurate reporting and rigor are essential components to maintaining merit and congruencies of cross-analysis

Miles et al. (2014) explained what is needed to make a study transferable to include thick descriptions, explanations of theories used, and characteristics of participants. These are also aspects of this data analysis process. While it may offer the broader applicability where relevant, I do not claim the results are generalizable or universal. Nevertheless, there should be ample data provided in this dissertation to afford a future researcher to have a high chance of replicating this study.

Dependability

As previously mentioned, dependability to qualitative research is what reliability is to quantitative research. Proper conduct throughout the research helped to enforce rigor and confidence in the findings. Emailing questions prior to the interview, maintaining professionalism, and practicing interview methods of integrity increased the dependability in this research. Due to my experience in the field, as well as overall worldview perspectives in person interview, interviewing has the potential to bring bias to the research. However, imparting these quality measures of reasonable care, yield confidence and lend to heightened dependability.

It is critical to the legitimacy of the research that I established and maintained an audit trail of contact, steps, and procedures throughout the research study that were in alignment with the IRB process. Following these procedures closely enforce accuracy, consistency, acceptability, and ultimately assist in the reduction of bias by not veering off track to emotion and maintaining the professional rigor of the research. Additionally, my opinion was not expressed when asking questions or for elaborations. Every attempt to eliminate bias was utilized at all stages of the research and interview questions remained the same for all participants. Furthermore, the audio recording increased dependability and accuracy.

Confirmability

Yin (2009) defended that triangulation uses multiple sources of data and therefore confirms accuracy to the study. Rich explanations and descriptions also aid in the study to allow another researcher to ultimately arrive at the same conclusions, subjectively. Therefore, in order to maintain confirmability, it is a primary objective to report the data with precision and accuracy so that another researcher could conduct the same study with a similar outcome. Using specifics when presenting the methodology and disclosing all aspects of the study, with the exception of the confidentiality protection for the participants, have been examples of measures taken since the onset of the study.

Qualitative researchers use judgments to help identify themes and unveil patterns of meaningful data, versus the use of statistical tests found in a quantitative study (Patton, 2002). During the data analysis stage data is scrutinized to separate meaningful and relevant data from superfluous information in the interview. Identifying substantive significance in participant responses as opposed to meaningless data were evaluated and assessed for credibility and ultimately confirmability.

Research Results

Two central research questions guided the study.

RQ1: What contributed to the success in transferring the whole system process in legacy perpetuation of the agency?

RQ2: What were the roles of the parent and child through the evolution of the owner transition and how did they change over time?

Seventeen structured interview questions collectively provided applicable direction to further the understanding and ultimately answer these two questions.

Therefore, each question attempts to answer one or both of these questions. The interview questions asked were as follows:

- What education did you have in the field of insurance prior to working at the agency?
- When did you begin working for the agency and how long have you held ownership?
- What do you wish you would have done that you did not do regarding education?
- Elaborate on the time frame taken for the grooming period and ongoing education perpetuation plan?
- What centers of influence assisted you in the transition process?
- How did you fund the transfer?
- How often was progress reviewed?
- Were (or are) siblings involved in the agency?
- If you have siblings how was the agreement of ownership communicated?
- How was the change communicated internally and externally? (Employees/Vendors/Family Members/Community)
- How did you communicate with your parent about the transfer?
- Is there something that could have made the process less stressful?
- What has lead to success in transferring the whole system process in the agency?

- Is there something (in hindsight) you would have done differently?
- What did you do best?
- What did you do worst?
- Do you have any advice for someone getting ready to take ownership?

These 17 questions guided the study to answer the central research questions. An abridged overview of four subquestions is depicted below in Table 1. A detailed explanation of responses follows.

Table 1

Child Owner Responses

	Education	Financial	Communicated change	Centers of influence used
Participant A	Bachelor's in Insurance	30% gifted and a discounted valuation	None Father passed away ownership assumed	Hired corporate consultant
Participant B	7 years company experience	Paid agreed value based on total revenue	None absentee owner	2 attorneys 1 corporate accountant
Participant C	None	Purchased shares voting and nonvoting	Yes	1 attorney 1 accountant

Greater elaboration is required to fully understand the answers above. Therefore, this chapter will recall the centralized research questions and share responses from the interviews that address these question. Additionally, this chapter will incorporate the theories to help understand and answer the central research questions.

Education Questions

Participants were asked two questions on education. There were, what education did you have in the field of insurance prior to working at the agency and what do you wish you would have done that you did not do regarding education? Participant A attended a university that had an insurance major, and graduated as a licensed agent. (The university no longer has an insurance degree program.) He began working for his father part-time in 1983, and in 1985 he graduated and began working full-time. He felt he had adequate education and did not wish he did anything differently regarding education.

Participant B attended a professional insurance agents' school and worked for an insurance company in commercial lines for 7 years before working in her father's agency. At that time there was no licensing requirement to be an underwriter and this was how she began to learn the insurance industry. She also lived in the same building (upstairs) as the office, and she began working for the business full time in 1989. The building only had one phone line, so she was taught early on how to take automobile changes and what questions to ask in case she answered the joint home/business phone line and it was an insurance call. Through high school Participant B did help organize and file client files in the agency. She considers her education to be learning by doing versus a classroom atmosphere and did not feel that she wished she did anything differently regarding her insurance education. She considered her education to be real life experience and trial and error.

Participant C had no insurance experience prior to working in the family business. On a much different career track, he believed his parents always gave him direction to be an entrepreneur and be in control of his future employment, or as he referred to it, "my destiny." He believed these early employment lessons, which were heeded, were foreshadowing for his future as the family business owner. He did not feel that he needed any additional education than what he had. He decided "digging in" was the best way to learn, and he was self taught on many aspects and not afraid of work.

It is worth noting that all participants had pursued further certification and designations to accompany their insurance licenses. Additionally, being a licensed insurance agent does require ongoing education to maintain licensure. This requirement is 24 continuing education credits every 2 years. One credit is equivalent to one hour, and courses can be taken online with tests or in a conference center setting.

Agency Ownership

Participants were asked how long they had worked for the agency and how long they have had ownership? Participant A's ownership began to transition 13 years later after working full time for his father, in 1998. Participant B worked for the agency 10 years before ownership transitioned. Participant C worked for the agency for 19 years before ownership transitioned.

Grooming

Participant A wished his father would have been more of a teacher and had given him more direction. He was very macro in his practice and did not share and explore grooming potential. Though it was noted how his father was very active in the business and loved by the community, clients, companies, and colleagues, it was clear that there was a void in ownership training or sharing in preparation opportunities, and a wish that there would have been more involvement and direction.

After she became involved in the agency, her dad was what Participant B considered an absentee owner. Her father did not provide direction, training, or preparations were not things she experienced. Grooming of any sort was nonexistent upon her working full time in the agency.

Participant C did feel he was well groomed and prepared for the job as his father did actively share his talents and skills, such as going on appointments with his father. However, there were important aspects of the business he thought were missing in his grooming. One of which was being taught how to read a balance sheet and understanding a profit-and-loss statement. He did also acknowledge that his father may not have understood this himself in order to teach and pass the knowledge along to him.

Centers of Influence

Participant A hired a corporate consultant. Participant B hired two attorneys and one accountant. And Participant C hired one account and one attorney to help guide the process.

Funding the Transition

The questions asked to better understand how the transition was funded were, how did you fund the transfer and how often was the process reviewed? Participant A hired a corporate financial consultant to design a buy/sell agreement for the agency. There were no other centers of influence utilized to help advise the transition. The consultant did the work on behalf of the parent and child. It took the better part of one year to complete the agreement. The agreement was to first complete an extensive valuation of the business, which considers cash, debts, and premium volume. Neither side argued with suggested purchase price and felt that it was fair as advised by a third party consultant. The payout to the parent was decided to be handled as a monthly salary over a ten year period. The benefit of this arrangement was that it was paying after tax funds.

Thirty percent of the company was given to the son, now owner, and prior to 1998, when ownership was officially transferred. This ownership was gifted incrementally as allowed by law and recognized as a bonus for efforts given to the agency. Therefore, this portion was also not considered in the amount owed to the parent. The buy/sell agreement was not funded by life insurance; however, in hindsight, Participant A noted that life insurance should have been utilized or would have made the transfer easier as his father did pass away in 2004. At that time the remainder of the payoff was owed to the owner's mother. The owner's father enjoyed coming to his work and until he fell ill he was a regular and a very active employee of the agency. He did not function any differently than prior to the ownership transition in his daily work, but did recognize ultimate autonomy of the agency fell on Participant A.

Payments were made monthly. There were no formal meeting or progress reviews. As long as payments were made it was considered that all aspects of the agreement were being met. The accountant did complete owner revisions at year end that were reviews. There was one copy of the perpetuation plan and this was stored in house.

Participant B hired a corporate accountant to help direction perpetuation initiatives. There were no other centers of influence utilized in the process of ownership transfer. The parent and child each had their own separate attorney to advise and provide direction for their respective welfare. The transfer was completed as a buy-out over a seven year period with monthly payments made through owner financing. Profits from the agency paid the parent. There were no reviews of the process or plan once implemented other than on the annual tax return reviews. Benefits paid to the parent, such as health insurance, were deducted from the monthly purchase price. It took one full year for the agreement to be created.

Participant B's father was considered an absentee owner and completely removed himself from the agency once the transition was initiated. This seemed to suit Participant B, who he had taken over all owner functions 3 years prior to the transition. Her father stopped in occasionally at that time, but had no real contact or interest in managing any aspects of the business. The father was more of a social face to say hello and greet some customers and was never there for much time in one visit.

Participant C and his parents (as both were active in the business) utilized one attorney who was a family member to create the official perpetuation plan. A CPA was a center of influence that helped devise a creative arrangement. It took 3 years for the plan to be completed and it was commented on how it was an extremely large document. There was no gifting of the agency prior to ownership transition; however, the owner did note that he paid an extremely discounted price for the business, which was later stated as 50 percent less. Participant C paid a large lump sum up front (which was borrowed from a bank) and then the parent held the paper on the remainder owed. The payout was a 7-year plan.

The parents wanted a way to ensure there would be security for them if the child-owner decided to change career directions, so the parents devised a way to maintain interest. They created a total of 1,018 voting and nonvoting shares for the agency. Of these shares, 1,000 were nonvoting, which the child owned through the perpetuation plan and 18 of these shares were voting shares. Participant C's mother and father each held six shares and he also held six shares. Therefore, at any time, two of the shareholders could vote against the other shareholder. If something were to happen to his mother three shares would go to father and son and if something were to happen to his father all six shares would go to his son. Consequently, if something happened to his father the payments for the remaining 1,000 nonvoting shares would be made to his mother as she would remain the sole owner of the remaining shares.

This buy-sell agreement was also funded with life insurance to buy off the spouse in case of death. However, there were restrictions on whom the stock could be sold to. To date, Participant C's parents each hold one share of stock and will remain less than one percent share holder. Though not verbalized, the collective sentiments seemed like a warm dynamic of family respect to his parents as a way to honor their life's work. Additionally, part of this arrangement afforded the parents the entitlement of 25% of all profit sharing as long as the business was profitable. Profit sharing is money paid to the agency by a company when they have a profitable year, or low claims. In order to qualify, losses with the company are analyzed and payouts are in proportion to losses.

Sibling Involvement and Communicating the Transition Internally and Externally

The question of if there sibling, involved or not involved in the business was asked of each participant. It is important to understand how siblings take part in the family business dynamic during times of change. This section will also review how the transition was communicated internally and externally as well as with the siblings.

Participant A shared repeatedly that communication was lacking. It was not present in the grooming phase of ownership transition or in the conversation of perpetuating the agency. This was vocalized as a difficult and frustrating challenge. When further questioned Participant A believed he did not like the idea of the conversation in being forced to face his own mortality and believed that was the cause of his lack of communication.

Participant A now has his own son working in the agency and verbalized how the same lack of communication will not be the case for his son if he chooses to have ownership one day. Participant A reemphasized how everyone enjoyed his father's company and how you could not meet a nicer man. However, communication was difficult or nonexistent. It was in fact a third party who approached Participant A's father for a partnership opportunity that helped open the lines of communication.

Due to the fact of the timing of his father's passing and the ownership transfer being so closely aligned, nothing was formally communicated to the community, employees, or others. Both Participant A and his dad were very involved in the business and the family dynamic was known by all. The plan, however, was already executed at the time of his passing so there were no additional steps needed to be made. Payment, however, did transfer to his mother.

Participant A did have siblings; however, none of them were interested in the insurance industry. They were all also aware of the hard work and efforts their brother was making in the business and never felt anything was unfair in his ownership. They believed that Participant A had earned the right to be the sole owner. Though they were not privy to all the details of the perpetuation plan they were informed he was making payments and had a buy-sell arrangement. To date none of the siblings have shown interest in working at the agency.

Participant B noted there was never discussion with the staff that ownership was transitioning. She said it was a small office and she had been there so long it was assumed that she was the acting owner. Ownership change paperwork was submitted to the companies represented showing that Participant B had become the principal owner; however, there was nothing formal to the community or clients. Her father was again an absentee owner, so she was the face of the business for more than a decade prior to her purchasing the agency.

Siblings also were not an issue for Participant B's decision to be involved and take over the business. She had one brother who had no interest and a sister-in-law who works for a larger company, and they work well referring clients back and forth when the opportunity presents. There were never any sibling fights, issues, or concerns.

Participant C worked at the agency for nineteen years prior to taking ownership. In that time the agency had grown substantially. Additionally, it was the son's face on advertising billboards and the son's voice on the radio advertisements. Therefore, it was assumed by many that Participant C was the owner of the agency prior to his actual ownership status.

At the time of transition Participant C had a companywide meeting and announcement of ownership change. Everyone was in essence fired and rehired so employees could have employment agreements. Prior to this time there were no employment agreements. All were hired back except for one employee who refused to sign the agreement. It was encouraged for her to have a lawyer review, but she denied the opportunity. The business was also incorporated at this time.

Participant C explained he fought very rarely with his mother and father, but recalled one of the few major arguments they had was over bringing his sister into the agency. Participant C's sister had expressed interest to her father and her father had the discussion with his son. The father's intention was to bring the sister into the agency with immediate ownership and a high ranking title. Participant C (her brother) felt this would be a very poor decision as he had worked for several years before being honored with ownership stock and a title. Participant C e was insistent that in doing so, without her proving any value to the agency, would afford her less respect among coworkers.

Participant C shared that the argument ended with him saying he would run and build up the new location they opened and his sister could run and maintain the current location if that was the choice they would make. The following day his parents agreed with him after they had the night to think about it. In the end, his sister was brought in without the title and ownership. She was a very good employee, but did not stay more than a handful of years before going to work for her now husband. Participant C was complimentary about his sister and her abilities.

Whole System Transfer and Final Thought Questions

Each participant was asked if there was something that could have made the process less stressful? They were also asked what fat ors contributed to the success of whole system transfer? Each participant was asked to identify their individual best and worst aspects of the transition along with what advice they would give ton agency getting ready to perpetuate.

Participant A reiterated that having better communication would have made a world of difference in the experience being easier, more meaningful, and less stressful. Additionally, more communication from the onset of his employment would have made the process smoother. Participant A did explain that this was the worst aspect of the transfer. What he did best was his adoption of upgrading technology. They purchased an agency management system and did other technological advancements that have helped to make business more efficient. Diversifying and adding his Series 6 license was a positive move for his agency as it brought a lot of additional revenue. This afforded him the opportunity to build a new office that he rents space out of for additional income.

Participant B was also very vocal about the dearth of communication from her father in regards to business function, training and transition. She would have appreciated a better hand off in the transition. Her response to what she did best was spend money in the agency to give it a fresh look. From investing in info structure to technological upgrades, Participant B felt her dad never did these things which were very overdue. What she feels she does worst is hiring and training. They have a very seasoned staff and she knows they need to look for a new employee. Participant B commented on how difficult it is to find capable agents who are willing to work for a reasonable salary.

Participant C felt what he does best is manage a balance sheet and profit and loss statement. He continually assesses the company's financials and understands them thoroughly. What he does worst is manage people. Participant C has hired a COO to handle those issues and that has been a huge help for himself as he is a self-described deal maker. Participant C also added that what he felt added to his success was his parents allowed him to have the freedom to make mistakes. Participant C also stated he is not afraid of work and knew it was important to add value and prove his worth as a form of gratitude.

Summary

The purpose of this research, or case study, was to determine factors that contributed to successful legacy perpetuated insurance agencies. This included the whole systems process transfer and the role of parent and child throughout the process. This study included several considerations to ownership transfer including financial considerations, which is a theme of failure in family businesses as noted in the literature review section. This study used systems theory (Bertalanffy, 1972) and self-efficacy theory (Bandura, 1995) as a conceptual framework to help unveil patterns and uncover themes. These theories have been covered in Chapters 1 and 2 in depth.

The responses may not seem different than what one would expect from legacy perpetuated businesses in other industries. Some of the factors that contributed to the success of whole system transfer were based on several years of working in and learning the business as it functioned in day-to-day duty. The role of the parent and evolution of the relationship transitioning was also very different in all three cases. The examples include an absentee owner, to a leading by example, to teaching the extent of their own knowledge. A breakdown of specifics was elaborated upon in the prior data analysis section.

An in-depth discussion on the interpretation of the findings of this research, limitations of the study, recommendation for future research, and implications for positive social change will be presented in Chapter 5.

Chapter 5: Discussion, Conclusions, and Recommendations

Introduction

The purpose of this case study research was to discover factors involved in successful second-generation legacy perpetuated independent insurance agencies. This inquiry included the whole system transfer and the step-by-step process by which the agency transitioned. The study also focused on the role of the parent and child and the evolution of the relationship as the transition took place.

The research used two theories for a conceptual framework, systems theory (Bertalanffy, 1972) and the theory of self-efficacy (Bandura, 1986). Systems theory examines humanistic concerns and differences of perspectives in relationships between family members (O'Gorman, 2012). Systems theory is rooted in the notion of self-regulation and finding order and organization in open systems versus the entropy more often found in closed systems (Valentinov, 2012). Self-efficacy is also a self-system in which attitudes, abilities, and cognitive skills impact behavior and motivation. Self-efficacy, therefore, plays a major role in an individual's lens of perception and how he or she responds to or succeeds in different situations.

The qualitative inquiry used a case study methodology designed for in-person, face-to-face interviews. Interviews took place at each owner's agency. Qualitative inquiry was consistent with the desire to better understand the process and steps taken to transfer owner responsibilities to the child. Myers (2013) suggested that qualitative research is the best way to study topics when limited research is published specific to that topic (p. 9). Interview questions and purposeful participant selection were designed to allow for open, information-rich, in-depth responses.

Three participants were selected through purposeful sampling in order to make the study information-rich. Maxwell (2013) argued that using purposeful selection in qualitative research leads to greater generalizability. Miles et al. (2014) explained that too many cases make generalizability difficult, and that qualitative, information-rich cases can be two, three, or four people (p. 34). All participants were second-generation owners who had owned an agency in Pennsylvania for at least 10 years.

Because of the nature of the insurance field, although the study could be replicated, the results should not be expected to generalize to other studies. It is a fair assumption that no two legacy perpetuated transitions are identical. If findings can be observed or reproduced in a new context, then these findings are most likely dependable (Miles et al., 2014). However, it is the larger themes of successfully operated transitions that offer evidence of transferability in the research.

Giarmarco (2012) and Bracci and Vagnoni (2011) concurred that more than 70% of family-owned businesses failed when transferred to the second generation. Linnert (2012) found that 61% of insurance agencies did not have a plan for perpetuation. Moynihan (2014) identified the average age of an insurance agent as 59 years and the average age of an independent insurance agency owner as 60, thus illustrating the need to improve succession odds and processes for long-term sustainability. Therefore, studying factors that contribute to success versus failure can help future legacy perpetuated agencies to sustain long-term success.

Chapter 4 detailed the factors that surrounded the whole system transfer and the evolution of the relationship between parent and child through the transition process. These factors included education, centers of influence or support from other influential people, financial considerations, communication, and a look back to what could have been done to improve the process. While each circumstance and transaction was a unique experience, several commonalities arose.

Having the opportunity to conduct in-person interviews and ask questions to follow up on the 17 previously constructed questions allowed me to investigate the factors involved in the ownership transition. The whole system process includes, but is not limited to, intellectual capital; relationships with vendors, customers, and employees; tax and legal considerations; and positioning in the community.

Interpretation of Findings

Each of the current owners who was interviewed had worked previously for an extensive period of time at his or her respective agency, which the participant (and the parent) found necessary to acclimate to all aspects of the business. Prior to becoming a licensed agent, in each case the current owner began his or her career by doing menial tasks, even taking out the garbage or working on infrastructure and property improvements. Two of the three began this work at a very early age, continuing to work through high school and college as a part-time employee.

Mischel and Iannarelli (2011) observed that children of entrepreneurs learn over their lifetime through collective observation and accumulation of experience-knowledge through the natural parent-child relationship. This finding is aligned to the statements of Participant C, who believed that he had been in the early stages of grooming, though absent from the insurance business, when his parents had encouraged his entrepreneurial mindset as he ran his own business.

Education specific to the insurance industry was a common thread in the statements of the participants, and all of the participants had pursued higher designations in the insurance field beyond the required insurance licensing for conducting business. However, only two had attained prior experience or education before working for the agency. One had gone to college and obtained an insurance degree, and the other had worked for an insurance company (that is still in business) and came to the agency with company experience. Several authors were cited from prior research on the importance of an heir's readiness before having ownership. Each participant spent an extensive amount of time working at the agency before ownership was transitioned. This contributes to and confirms the notion of experience adding to success in ownership transition.

Grooming experiences differed greatly across participants. Grooming had been completely absent for one, as the owner was considered an absent owner and only occasionally stopped by the office to greet customers. Participant B considered her grooming to be of a “watch-and-learn” variety. She did not have verbal lessons but went to meetings with her parent and was in close proximity to hear or listen to the way in which the parent conducted business. The third was also taken to client meetings but had a very different personality than his parent; he was more detail oriented and less relationship driven. Therefore, the theme of self-efficacy did seem present in each participant's willingness to learn and excel in the business.

Schaeffer (2014) shared the strong need for family support coupled with independence to achieve successful transition. Schroder and Schmitt-Rodermund (2013) described the importance of solid relationships, support, and involvement of the parent though the process of transition. While these findings align with the statements of the majority of the participants, it seemed that the child-owner who did not have a parent present in the transition instead aligned with the theoretical framework of self-efficacy. Participant C proved himself through his determination, confidence, and self-motivation to produce the high level of performance and behavior that ultimately led to executing and attaining success.

The majority consensus through the interviews was a desire to have had greater direction or to have worked and learned more from the parent through the transition. One participant stated that he believed he had been directed to the best of his parent’s ability. Another stated that business had just changed drastically since 25 or 30 years ago when the parent’s method was to stop in to see clients in order to ask if there was anything they needed and to foster the relationship. This child-heir noted that people do not appreciate unannounced visits anymore and do not have time to stop what they are doing in order to meet.

Nevertheless, the drive, determination, and desire were present in all participants to navigate his or her own paths to success. They all shared that it had been a scary day when they took the reins of the company through ownership; however, each one found a way to capitalize on their strengths and abilities to achieve success. Notwithstanding, the majority of the participants did revisit the sentiment of wishing the grooming process had been given more attention, and they reiterated the sentiment when asked about what could have been done differently to make the process easier.

Financial considerations were similar for all participants in the process of setting up a buy/sell agreement. However, in one instance none of the agency was gifted, but the purchase price was reduced in the valuation by 50%; in another, 30% was gifted and the purchase price was reduced. The absentee owner agency merely agreed on a purchase price that both thought was fair.

Gallo (2013) explained the need for financial literacy to improve upon the grim failure rate of legacy perpetuated companies; each agency seemed to show competence in this area. All participants recognized that the parent-owner might not have given the "numbers" side of the agency as much time as they did upon ownership. Miller (2012) recommended gifting, earnouts, and deferred compensation to help combat financial hardships. In another section, I explain other creative ways that financial considerations were addressed to offer fortuitous arrangements.

Attorneys, accountants, and consultants helped to execute a written plan. The process took from 1 to 3 years to complete. In one case, a family member was an attorney and constructed the agreement; this 3-year agreement was the best I discovered. In the other two cases, consultants were used, and in all cases, attorneys were involved. None of the interviewees had conducted meetings to review the plan. The plans were made in agreement with both parties, and therefore the plan did not need to be called upon in any case. All parties held up their part of the plan and executed the agreement to the terms. Siblings were part of the dynamic for each participant, as were spouses in some cases through employment. One participant explained the need to verbalize the agreement to involved family members, most importantly, to siblings. Participants expressed that knowing that the child heir was paying for the agency was important to fill the need for security at the time of the parents passing. It was important that roles were clear so that there would be no misinterpretation of who held ownership and to prevent any misguided expectations of being gifted ownership or inheritance of agency investment at that time.

Lieblein and Wevodau (2011) described the popularity of buy/sell agreements. This type of agreement was adopted in all three cases as a means of transfer to protect the agency and to buy out the spouse of the new owner or other parent, if a death occurred prior to the purchase agreements completion. Additionally, the long-standing track record of the new owner working in the agency contributed to the helpfulness of siblings' understanding in the ownership arrangement. This also seemed to contribute, in the heirs' minds, to the ease of transition and lack of family resistance, conflict, or discontent.

In two of the three case studies, payoffs were made over 10 years; in the third case, the arrangement was 7 years. In only one case, a large down payment was made, which was borrowed from a bank, and then monthly payments ensued. All agreements were paid on a monthly basis and were taken from agency profits. In all cases, payments were made in the form of a paycheck so that funds were after taxes. Additionally, health insurance, car payments, and other such expenses contributed toward the payment plans to the parent.

In one case both parents were involved in the business. A creative arrangement was devised using voting and nonvoting shares. Decision-making power was thus held by parents to protect the agency against the child-heir taking the business in an undesirable direction. In this instance, the child held all nonvoting shares of ownership, which was the higher number of shares. Voting shares were owned in equal numbers. The voting shares would pass to the child at the time of the father's passing, half to the father and child if the mother passed, and to the father if the child passed. Additionally, if the child passed, all nonvoting shares would be bought from the spouse through life insurance-funded buy/sell agreements.

Wiklund et al. (2013) emphasized the need to shift incumbent owners' mindset from that of manager/operator to that of owner/investor. This sentiment was supported in the current research. Often, parents had a difficult time with change or with vocalizing their shift in role. Although the intent may be to transfer ownership, there can be difficulty in passing the reins and in shifting one's role to facilitate the shift's completion, or to simply make the shift smoother. Participant B mentioned that the parents shifted energy and time to hobbies and other exciting things, resulting in an easier transition.

Baur (2014) noted the difficulty parent-owners have in letting go and handing over ownership. Bauer suggested that one way to prevent these ill feelings is to assign a role to the parent that keeps him or her involved after the transition. This concept seemed to be present but unidentified as such in two of the three cases. In the use of shares, Participant C had found a way for the parent to maintain a very small percentage of ownership in the business. This participant said that his parent still wanted to be considered an owner and maintain a role in the agency to have that title and stature when dealing with potential, current, or past clients. Even a 1% stake allows a parent to maintain the owner title, which can address the ultimate sensation of being stripped of a title that has been so much of his or her identity throughout his or her life and work.

In the case of these interviews, the absent parent owner was not involved in the business after the transition. Another participant’s parent passed away and never got to see how successful the agency became. As noted, the third parent remains a 1% owner in the agency and works limited hours to the parent's and their child’s liking. It seems that the participants enjoyed the time they had spent or were spending working with their parents, and they did not express desire to have the parent exit the business upon transition.

Communicating with the parent was also expressed as a challenge. All participants seemed to express that ownership changes were often communicated nonverbally (through action), as the relationship of parent and child is developed over so many years that a child may not always feel that more communication is necessary, even if it would be preferred. The parent-child relationship encompassed a way of trusting each other and speaking in a way that would not have been possible if someone else had taken the business. For instance, a child knows when a parent is frustrated, perceives when it is a good time to talk about difficult topics, and understands how to present those issues. The relationship allowed for greater taking of direction through nonverbal learning and understanding. Participants expressed that having accountants, attorneys, and consultants made the transition conversation easier.

Building support with stakeholders through the transformation is critical in transition (Metcalf & Fernyak, 2010). It is not enough to communicate with leaders; communication to the broad organization will reduce stress and uncertainty. The popular opinion in current research is that there is a need for communication externally and internally; however, I found that this was not the case.

In the second-generation independent insurance arena, most children are in the position so long before transfer that they act as owners prior to being owners. In one case, when external communication was taken, it was confusing, as many clients assumed that the transition had already occurred or that the child was the owner (or part-owner). Therefore, clients acquiesced to the transition through prior actions taken in the client/agent relationship. Communication of ownership transition occurred internally in all cases.

Giarmarco (2012) found that family businesses benefit during times of transition from having a formal perpetuation plan. Likewise, much of the research is focused on grooming the child-heir. Most revealing and unexpected in the research was that the plans that the second-generation families executed had nothing to do with overall office processes, procedures, operations, management, roles, positions, expectations, and so forth. Instead, the plans devised were almost entirely exclusive to funding the transfer. In all cases, the child had worked at the agency for so long prior to the transfer that he or she was in essence already acting in the role of ownership in virtually all capacities of the business. This was another reason for not communicating the transfer to the public, as the child was so advanced, involved, and adapted to the role that the only piece that seemed absent was ownership on paper.

The interviews suggested that each owner developed himself or herself, and he or she was highly motivated to not only be in the position of owner but to achieve success. Van der Westhuizen (2014) explained that few family business successions are successful because of the lack of leadership needed to sustain the family business, and training is needed as new challenges arise that requires skill sets that need developed. Had the child owners not have had such deep rooted determination, high energy, and will to succeed there may not have been the same results.

For instance, in each case the child was self-taught in how to read the balance sheet and profit-and-loss statements to understand ways they could improve the bottom line and where money was being allocated. Two of the three participants expressed they were better trained or groomed by the parent in this regard. They added they were not sure the parent-owner had put time into dissecting such reports and overall operational numbers relating to business success. The parent may have reviewed numbers but not taken ownership in acting any differently after reviewing the numbers. This seemed to be a substantial difference in running the business from the first to second generation.

Duh (2015) found a need for succession to evoke the continuous habit of increasing personal and organizational knowledge. This was present in each of the participants. The consideration of constantly seeking of knowledge or networking with other parent-child succession business friends or centers of influence for support benefited the new owners. Resourcefulness was ever-present with continued education when dealing with the changes and in working toward successful sustainability to system processes.

The research indicated other areas as well where there did seem to be a desire to have had better rearing preparation by the parent. Metcalf and Fernyak (2010) found the need for education in leadership development during times of transition in family succession and supported the use of a SWOT analysis (Strengths, Opportunities, Weakness, and Threats) of the parent and child. Knowledge creation modes can be implemented to help prepare successors for leadership (e.g., mentoring, training, and strategic planning; Duh, 2015). These researchers support the notions found in my interviews that attention is not needed to ensure success, if the child is self-motivated, but it is desired during the time of transfer.

Cabrera-Suárez and Martín-Santana (2012) acknowledged the importance of the child-owner to be committed to professional growth and continue to work toward personal development, and leadership. The second-generation owners were all ambitious in their own self development. Not only did they continue to seek out craft specific education, but they were all active in the community and upheld standards of stewardship with their societal presence. Whether community service, holding board positions, or financially supporting local events they all were determined to give back to the community and take a vested interest in maintaining positive impacts. Lastly, each participating agency was confirmed to be more successful then the day it was perpetuated.

Limitations of the Study

Initially, three scheduled interviewees told me after I arrived that, although they had been identified or called themselves second-generation business owners, they were technically third-generation. Therefore, I ignored these interviews in the results. To work within the confines of a bounded system (having a described defined criterion), I needed to maintain my guidelines for the research, including that of purposeful selection to maintain the integrity of the work. I did obtain three verified second-generation independent insurance agency owners.

Another limitation was the small number of participants. Although more participants could have broadened the breadth of the study, multiple cases could also dilute the research and reduce the depth of the findings. Yin (2009) explained that a case study should match the unit of analysis to the purpose of the research, meaning the selection should be purposeful and not random. In addition, the study was limited to natives of Pennsylvania. The sample was part of a larger insurance franchise.

Qualitative research aims to discover. Prystupa and Rzadca (2015) explained that a case study approach can provide greater insight and a deep understanding of actions and consequences of organizations and individuals. Although the impossibility of generalizing findings is a limitation of this study, such would be the case in any qualitative study. In a quantitative study variables are tested; in qualitative research, variables are explained. This would have been a difficult study to conduct quantitatively. Each participants experience is very different and having a survey with answers to choose from may not encompass the full truth in the explaining action taken.

Although I also had worked in an independent insurance agency, I had not gone through ownership transfer. Regardless, I may have held some bias. Interview questions and participant interaction were objective, and I took care to ensure the presentation of the data was presented to uphold the validity and accuracy of the collected information to contribute to a greater understanding in this topic.

Recommendations for Future Research

Recommendations for future research are grounded in the strengths and limitations of this study. Interviewing third-generation legacy perpetuated companies could help to gain further insight on the topic, specifically, what contributed to success. One interviewee said the steps that were missing and absent from their transition would not occur when they perpetuated to their heir, who is currently working in the agency. Therefore, it would be interesting to see how transfer occurs in third-generation businesses, which may be more directive and learning supportive then in second-generation family-owned business.

I also recommend conducting additional interviews with second-generation owners to explore, with greater breath, potentially generalizable findings of the topic and process. Every experience has unique characteristic, as human personalities are complex and diverse. Therefore, future researchers could benefit from looking at independent insurance agency legacy perpetuation outside of Pennsylvania, including globally.

In much of the research there is mention of parent-owners being faced with their own mortality and the difficulty in making the change in life from owner to employee or to retirement. I did not see in my review of the current literature this concern which was made by one of the interviewees. It is possible at the time of an owner-parents passing that a sibling or sibling's spouse would demand a portion of the agency. This dynamic should be addressed and explained at the time of transfer to avoid painful family discord or confusion.

I recommend that in future endeavors a researcher interview the parent, or parents, as well as the child to gain an important perspective about the transition process. Perspectives could be very different and lend to greater insight into the transition process. Ultimately, examining how the business has been cultivated toward success from each view (parent and child) would also add to greater understanding and comprehension of this topic.

Chaimahawong and Sakulsriprasert (2013) noted that a limitation in research of family-owned legacy perpetuated business is the lack of studies being conducted post-succession. Qurashi et al. (2013) also identified a need for post-succession phase research in family business. Future researchers should continue to look into successfully perpetuated agencies, as much of the research focuses on reasons for failure. Continuing to find paralleled techniques and processes that lend to success may enhance future ownership transitions.

Baur (2013) stated there is a lack of research in family business from the prospective of the successor. Freiling and Gersch (2011) and Baur (2013) both defended case studies as the best way to achieve insight to and identify paths to success. Therefore, continued research from the view of the successor and ways they could have improved their own process will add to the insight of this research and topic.

Implications

Positive Social Change

The research offers the potential for positive social change as I designed it to contribute to great legacy perpetuation success in successful small business. Longstanding second-generational businesses are a known pillar in the community. The impact of a longstanding business going out of business versus a start-up business not succeeding does offer a perceived impact on the community that may reach further. Having small businesses prosper and be part of a community to persevere through the decades may offer an iconic symbol to the community of familiarity, comfort, and security.

Having a successful business also allows for opportunities to be a positive change agent or a steward of positive social change in the community. Sonenshein (2012) explored being a change agent through enriched dialogue having positive internal effects. Breeding the sentiments within a business may help multiple and spread the effects externally.

Positive organizational scholarship, which can be created by taking over and sustaining successful business, promotes positive identity, self-worth, self-efficacy, and, most importantly, is heightened by using personal talents and skills to make “generative contributions to society” (Roberts & Creary, 2012, p. 80). Personal fulfillment relates and aligns with societal sustainability (Spreitzer & Cameron, 2012). Gaining confidence from success and carrying out those positive effects to the community can offer lasting impacts personally, socially, and community wide.

Conclusion

While researchers have closely examined family business failures, the independent insurance agency is a facet of industry largely ignored in the dense literature. This exploration of ownership transition in family businesses contributes to the current literature. Moynihan (2014) reported that 39% of independent insurance owners plan to perpetuate their agencies to an offspring or family heir and Giarmarco (2012) reported 70% of second-generation businesses fail. Thus, this research supported and improved the understanding and comprehension of how to work toward sustainable business survival.

Moreover, much of the past literature focused on reasons for failure and what actions should be taken to prevent failure. There is an underserved category of small business perpetuation, as few researchers have explored successful agencies or businesses and how they achieved their success to prove or disprove literature. The purpose of this research was to conduct case studies to discover factors that contribute to successful second-generation legacy perpetuation. This study included their prior education and also what further and ongoing education has taken place.

All participants expressed the pride that they have in working and taking over the family business. While seemed to have wished they had better grooming and communication, they all showed strong leadership characteristics and had determined personalities that wanted to tackle the known, and, in some cases, the unknown challenges ahead. They had strong self-efficacy and believed they could achieve success by working hard and persevering.

A large part of the ownership transfer was rooted in financial considerations and agreement planning for the pay-off. The parents' and children's role through the transition and any changes in processes were rarely discussed. It was a consistent pattern that the child-heir had already acquiesced to the role of the owner in action prior to the ownership title. Yet there was a clear change in the profitability on all accounts from when the child went from an employee to an owner—specifically, a greater production and impact on business and sales after the burden of debt was acquired through ownership.

Research is very clear in recommending perpetuation plan for ownership transition. Having a plan well in advance of transition (up to ten years) is recommended by several studies. My findings showed this was also a common thread; the three successful legacy perpetuated participants had a written plan. However, and as prior mentioned, it was used to construct the financial side of the business. This disconfirms prior research as the plans my participants used did not have an outline for a whole system transfer or other directives. It was very exclusive to how payments would be furnished to the parent. It was highly recommended to have the presence of a professional construct a written financial perpetuation plan.

Buy-sell agreements were the only option, and in each case of the parent gifted the agency or asked for a substantial discount to the purchase price. The parent was happy in each case to have the child-heir in a position of wanting ownership and inheriting and sustaining the life work of the parent. In the majority of cases the parent intended to stay active, in a less demanding capacity, in the business. Likewise, the child heirs seemed to embrace this sentiment as well.

I posit that failures arise when the child has not spent enough time in the agency to understand the business, or does not have the determination and work ethic to position the function to maintain or improve profitability. Other factors out of the child's hands can contribute to loss and failure. As one participant shared stories of how the parent struggled during times of extreme change in the industry, the participants said diversification alleviated his worry of this circumstance in the future.

Another large contributor of success for the participants was being involved to a greater extent in the finances of the agency. Reviewing profit–and-loss and balance sheets offered ways to understand how to grow the business and also maintain its security. Additionally, an important piece to the welfare of the agency long term was sharing with the family the plan and who holds ownership. Legacy perpetuation presents difficult and sensitive topics of conversation between a parent and child. Facing the mortality of a respected and loved family member, someone with whom a child wishes to work on a daily basis, makes the obvious association to the strength of the relationship and nature of the family dynamic. It is a difficult conversation for the parent and for the child, but one that must occur to protect the agency's welfare and sustainability. Therefore, offering the parent an opportunity to maintain a small percentage of ownership may make the process easier, by honoring the parent with continued ownership title, and consequently an easier transition for the child to also become an owner.

References

Abigail, O. M., & Lebbaeus, A. (2013). The influence of employees' self-efficacy on their quality of work life: The case of cape coast, Ghana. *International Journal of Business and Social Science, 4*(2), 195-203. doi:1321484909

Addis, F. S. (2014). The mortality protection gap. *Rough Notes, 157*(3), 72-74. Retrieved from http://www.roughnotes.com/

Alexander, N. (1995). Choosing an insurance agent: A primer for lawyers and clients. *Practical Lawyer, 41*(5), 15. doi:274355706

Amato, N. (2013). Succession planning: The challenge of what's next. *Journal of Accountancy, 215*(1), 44-47,48. Retrieved from http://www.journalofaccountancy.com

Avila, S. M., Avila, R. A., & Naffziger, D. W. (2003). A comparison of family-owned businesses: Succession planners and nonplanners. *Journal of Financial Service Professionals, 57*(3), 85-92. Retrieved from https://www.financialpro.org/pubs/journal_info.cfm

Bandura, A. (1995). *Self-efficacy in changing societies*. New York, NY: Cambridge University Press

Bandura, A. (1986). *The social foundations of thought and action*. Saddleback, NJ: Prentice-Hall.

Banfield, J., & Wilkerson, B. (2014). Increasing student intrinsic motivation and self-efficacy through gamification pedagogy. *Contemporary Issues in Education*

Research (Online), 7(4), 291. Retrieved from http://www.cluteinstitute.com/ojs/index.php/CIER

Baur, M. (2013). Increasing the effectiveness of succession in the family business: Suggestions from outperforming successors. *The Business Review, Cambridge, 21*(2), 133-138. Retrieved from http://www.jaabc.com/brc.html

Baur, M. (2014). Successors and the family business: Novel propositions and a new guiding model for effective succession. *Journal of American Academy of Business, Cambridge, 19*(2), 133-138. Retrieved from http://www.jaabc.com/journal.htm

Betit, C. G. (2008). The Carris Companies: Doing the next right thing. *The Journal of Corporate Citizenship, 30,* 107-122. Retrieved from http://www.greenleaf-publishing.com/default.asp?ContentID=7

Bertalanffy, L. V. (1968). *General systems theory-Foundations, development, applications.* New York, NY: George Braziller.

Bird, A., Mendenhall, M., Stevens, M. J., & Oddou, G. (2010). Defining the content domain of intercultural competence for global leaders. *Journal of Managerial Psychology,25*(8), 810–828. doi:10.1108/02683941011089107

Blanco, E., & Caplice, C. (2013). The leadership challenge: Keeping pace with the skills needed. *Supply Chain Management Review, 17*(1), 20-27. Retrieved from http://www.scmr.com/

Bleich, M. R. (2014). Developing leaders as systems thinkers-Part II. *Journal of Continuing Education in Nursing, 45*(5), 201-8. doi:10.3928/00220124-20140424-13

Bocatto, E., Gispert, C., & Rialp, J. (2010). Family-owned business succession: The influence of pre-performance in the nomination of family and nonfamily members: Evidence from Spanish firms. *Journal of Small Business Management*, *48*(4), 497-523. doi:10.1111/j.1540-627X.2010.00306.x

Boneau, J., & Thompson, G. (2013). Leadership 4.0. *Leadership Excellence, 30*(1), 6. Retrieved from http://www.leadershipexcellence.org/

Boone, E. (1993). Family ties: Transferring agency ownership to the next generation. *Rough Notes, 136*(6), 52. Retrieved from http://roughnotes.com

Bracci, E., & Vagnoni, E. (2011). Understanding small family business succession in a knowledge management perspective. *IUP Journal of Knowledge Management*, *9*(1), 7-36. Retrieved from http://www.iupindia.in/knowledge_management.asp

Brittaini, B. (2012). Leadership perfected: Leading from the whole you. *Ivey Business Journal Online,* Retrieved from http://iveybusinessjournal.com/

Brockhaus, R. H. (2004). Family business succession: Suggestions for future research. *Family Business Review*, *17*(2), 165-177. doi:10.1111/j.1741-6248.2004.00011.x

Brooks, R. R. W., Landeo, C. M., & Spier, K. E. (2010). Trigger happy or gun shy? Dissolving common-value partnerships with Texas shootouts. *Rand Journal of Economics, 41*(4), 649-673. doi:org/10.2139/ssrn.556164

Burand, C. (2008). Build your bench strength to win at agency perpetuation. *American Agent & Broker, 80*(9), 16-17. Retrieved from http://www.propertycasualty360.com/American-Agent-Broker

Buxton, D. C. (1990). ESOP and business perpetuation plans. *Journal of the American Society of CLU & ChFC, 44*(6), 34. Bryn Mawr, PA: The Society.

Cabrera-Suárez, M. K., & Martín-Santana, J. D. (2012). Successor's commitment and succession success: dimensions and antecedents in the small Spanish family firm. *International Journal of Human Resource Management*, *23*(13), 2736-2762. doi:10.1080/09585192.2012.676458

Carter, J. J., & Justis, R. T. (2010). The development and implementation of shared leadership in multi-generational family firms. *Management Research News.*

Cater III, J. J. (2011). Leadership crisis at Algood Press: A case study. *Journal of the International Academy for Case Studies*, *17*(5), 85-95. Retrieved from http://www.alliedacademies.org/the-international-academy-for-case-studies

Chaimahawong, V., & Sakulsriprasert, A. (2013). Family business succession and post succession performance: Evidence from Thai SMEs. *International Journal of Business and Management, 8*(2), 19-28. doi:10.5539/ijbm.v8n2p19

Chrisman, J. J., Chua, J. H., Sharma, P., & Yoder, T. R. (2009). Guiding family businesses through the succession process. *CPA Journal*, *79*(6), 48-51. Retrieved from https://www.nysscpa.org/news/publications/the-cpa-journal/issue

Cole S. L., & Harbour, C. P. (2015). Succession planning activities at a rural public health department. *The Qualitative Report, 20*(1), 148-164. Retrieved from https://www.questia.com/library/p409189/the-qualitative-report

Cooper, J. T., Kidwell, R. E., & Eddleston, K. A. (2013). Boss and parent, employee and child: Work-family roles and deviant behavior in the family firm. *Family Relations, 62*(3), 457-471. doi:10.1111/fare.12012

Cotae, F. (2010). Looking at the link between leadership, organizational learning and the internationalization sigmoid. *Global Management Journal, 2*(1), 5-18. Retrieved from http://globalmj.eu

Creswell, J. W. (2013). *Qualitative inquiry and research design: Choosing among five approaches* (3rd ed.). Thousand Oaks, CA: Sage.

Creswell, J. (2009). *Research design: Qualitative, quantitative, and mixed methods approaches.* Thousand Oaks, CA. Sage

Crowne, K. A. (2013). Developing a better understanding of the older worker. *The Journal of Applied Business and Economics, 15*(1), 54-63. Retrieved from http://www.aebrjournal.org/

De Masis, A., Frattini, F., & Lichtenthaler, U. (2013). Research on technological innovation in family firms: Present debates and future directions. *Family Business Review, 26*(1), 10-31. doi:10.1177/0894486512466258

DeNoble, A., Ehrlich, S., & Singh, G. (2007). Toward the development of a family business self-efficacy scale: A resource-based perspective. *Family Business Review*, *20*(2), 127-140. doi:10.1111/j.1741-6248.2007.00091.x

Deschamps, B., & Cisneros, L. (2014). The stakeholders in family business succession: Roles, implications, challenges. *Management International / International Management / Gestión Internacional*, *18*(4), 127-128. Retrieved from http://www.managementinternational.ca/catalog

Dou, J., & Li, S. (2013). The succession process in Chinese family firms: A Guanxi perspective. *Asia Pacific Journal of Management*, *30*(3), 893-917. doi:10.1007/s10490-012-9287-7

Douglas, E. J., & Fitzsimmons, J. R. (2013). Intrapreneurial intentions versus entrepreneurial intentions: Distinct constructs with different antecedents. *Small Business Economics, 41*(1), 115-132. doi:10.1007/s11187-012-9419-y

Duh, M. (2015). Succession process: A chance for rebirth or failure of a family business. *International Journal of Business and Management, 10*(3), 45-56. doi: http://dx.doi.org/10.5539/ijbm.v10n3p45

Duh, M. (2014). Family business succession as knowledge creation process. *Kybernetes, 43*(5), 699-714. doi:1 0.1108/K-08-2013-0172

Dunn, T. E., Lafferty, C. L., & Alford, K. L. (2012). Global leadership: A new framework for a changing world. *S.A.M. Advanced Management Journal, 77*(2), 4-14. Retrieved from http://www.joams.com

Dyer, W. G., & Dyer, W. J. (2009). Putting the family into family business research. *Family Business Review, 22*(3), 216-219. doi:10.1177/0894486509333042

Esuh, Ossai-Igwe Lucky, Minai, M. S., & Adebayo, O. I. (2011). A conceptual framework of family business succession: Bane of family business continuity. *International Journal of Business and Social Science, 2*(18) Retrieved from http://www.ijbssnet.com

Filser, M., Kraus, S., & Märk, S. (2013). Psychological aspects of succession in family business management. *Management Research Review, 36*(3), 256-277. doi:10.1108/01409171311306402

Fitts, J. A., Weeks, J., & Rowe, M. G. (2012). Strategies for family business transitions. *Financial Executive*, *28*(6), 21. Retrieved from http://www.financialexecutives.org/KenticoCMS/home.aspx

Fitts, J. A., & Rowe, M. G. (2011). Family business transition planning. *Journal of Accountancy*, *212*(5), 22. Retrieved from http://www.journalofaccountancy.com

Freiling, J., & Gersch, M. (2011). Lost in transition? On the managerial vacuum of business succession in family businesses. Washington: International Council for Small business

Fuller, B. K. (2009). Subs by design: The case of a family business in transition." *Journal of the International Academy for Case Studies 15*(7), 11. Retrieved from http://www.alliedacademies.org/the-international-academy-for-case-studies

Gallo, E. (2013). Investing in future generations: Evolution of the business skills trust. *Journal of Financial Planning, 26*(6), 44-45. Retrieved from https://www.onefpa.org/journal/Pages/default.aspx

George, E., PhD. (2013). 5 steps to planning for internal successors in a small business environment. *Journal of Financial Planning, 26*(8), 21-23. Retrieved from https://www.onefpa.org/journal/Pages/default.aspx

Giarmarco, J. (2012). The three levels of family business succession planning. *Journal of Financial Service Professionals*, *66*(2), 59-69. Retrieved from https://www.financialpro.org/pubs/journal_info.cfm

Goldbart, S., & DiFuria, J. (2010). Money and meaning. *Journal of Practical Estate Planning, 11*(6), 7-8,48. Retrieved from http://www.pgdc.com/pgdc/story/about-journal-practical-estate-planning

Grichnik, D., & Gygax, A. F. (2013). Succession financing in family firms. *Small Business Economics, 41*(2), 315-334. doi:10.1007/s11187-012-9442-4

Hanson, B. (2001). Nothing succeeds like succession planning. New Brunswick *Telegraph Journal*. Retrieved from https://www.telegraphjournal.com

Hatch, J.A. (2002). *Doing qualitative research in education settings.* Albany, NY: State University of New York Press.

Hopkins, J. P., Lipin, I., & Whitham, J. (2014). The importance of digital asset succession planning for small businesses. *Journal of Financial Planning, 27*(9), 54-62. Retrieved from https://www.onefpa.org/journal/Pages/default.aspx

Hsu H. (2014). The impact of wealth management knowledge on job performances: Evidence from insurance industry. *Journal of Applied Finance and Banking, 4*(4), 65-71. doi:10.1548804449

Hytti, U., Stenholm, P., & Peura, K. (2011). Transfers of business planning and bounded emotionality: A follow-up case study. *International Journal of Entrepreneurial Behaviour & Research, 17*(5), 561-580. doi:10.1108/13552551111158853

Ip, B. (2009). Planning and controlling business succession planning using quality function deployment. *Total Quality Management*, *20*(4), 363-379.

Ismail, N., & Mahfodz, A. N. (2009). Succession planning in family firms and its implication on business performance. *Journal of Asia Entrepreneurship and Sustainability, 5*(3), 86-107. Retrieved from http://www.asiaentrepreneurshipjournal.com

Janesick, V. J. (2004). *Stretching exercises for qualitative research.* (2nd ed.). Thousand Oaks, CA: Sage

Javidan, M., Dorfman, M., De Luque, M. S., & House, R. J. (2006). In the eye of the beholder: Cross-cultural lessons in leadership from Project Globe. *Academy of Management Perspectives,20*(1), 67–90. doi:10.5465/AMP.2006.19873410

Johnson, R. (2010). Family succession: The final challenge. *Supply House Times*, *52*(11), 122-123. Retrieved from http://www.supplyht.com

Karima, M. M., & Affes, H. (2012). Determinants of intention and succession planning in tunisian family business. *International Journal of Business and Social Science, 3*(12) Retrieved from http://www.ijbssnet.com

Katt, Peter C,C.F.P., L.I.C. (2010). Business continuation planning, Part 2. *Journal of Financial Planning, 23*(11), 38-39. Retrieved from https://www.onefpa.org/journal/Pages/default.aspx

Kay, J. (2012). Transforming your business – the personal touch. *Credit Control, 33*(4), 55-61. Retrieved from http://www.credit-control.com

Kimhi, A. (2009). Pension wealth and intergenerational succession in family businesses. *Portuguese Journal of Management Studies*, *14*(2), 177-190. Retrieved from http://pascal.iseg.utl.pt/~pjms

Koladkiewicz, I. (2013). The second generation in a family business: An agent of change or continuator of family tradition? *Journal of Technology Management in China, 8*(3), 155-173. doi:10.1108/JTMC-07-2013-0032

Laakkonen, A., & Kansikas, J. (2011). Evolutionary selection and variation in family businesses. *Management Research Review, 34*(9), 980-995. doi:10.1108/01409171111158956

Labaki, R., Michael-Tsabari, N., & Zachary, R. K. (2013). Exploring the emotional nexus in cogent family business archetypes. *Entrepreneurship Research Journal*, *3*(3), 301-330. doi:10.1515/erj-2013-0034

Lee, Y. G., Jasper, C. R., & Goebel, K. P. (2003). A profile of succession planning among family business owners. *Journal of Financial Counseling and Planning, 14*(2), 31-41. Retrieved from http://www.afcpe.org/publications

Leedy, P. D., & Ormrod, J. E. (2013). *Practical research: Planning and design*. Boston, MA: Pearson.

Levin, L., Bozer, G., & Charmine, H. (2008). Executive coaching in a family business environment. *The Business Review, Cambridge, 9*(2), 200-211. Retrieved from http://www.jaabc.com/brc.html

Lieblein, R. J., & Wevodau, S. S. (2003). Agency succession planning: Options and opportunities. *National Underwriter, 107*(45), 24-25. Retrieved from http://www.nationalunderwriter.com

Linnert, P. (2012). Agency perpetuation; It's your legacy. Retrieved from http://www.insurancejournal.com/magazines/features/2012/03/05/238057.htm

Ludwig, V. B. (1972). The history and status of general systems theory. *Academy of Management Journal (Pre-1986), 15*(4), 407. Retrieved from http://search.proquest.com/docview/229596723?accountid=14872

Lussier, R. N., & Sonfield, M. C. (2012). Family businesses' succession planning: A seven-country comparison. *Journal of Small Business and Enterprise Development, 19*(1), 7-19. doi:10.1108/14626001211196370

Marshall, C. & Gretchen, B.R. (2006). *Designing qualitative research*. Thousand Oaks, CA: Sage.

Maxwell, J. A. (2013). *Qualitative research design: An interactive approach* (3rd ed.).Thousand Oaks, CA: Sage.

Mehrtak, M., Vatankhah, S., Delgoshaei, B., & Gholipour, A. (2014). Succession planning in the Iranian health system: A case study of the Ministry of Health and medical education. *Global Journal of Health Science, 6*(5), 174-35999. doi:org/10.5539/gjhs.v6n5p174

Metcalf , M., & Fernyak, C. (2010). Family-owned business succession: Building on a legacy. *Integral Leadership Review*, *10*(1), 1-21. Retrieved from http://integralleadershipreview.com

Miles, M. B., Huberman, A. M. & Sladana, J. (2014). *Qualitative data analysis: A methods sourcebook* (3rd ed.). Thousand Oaks, CA: Sage..

Miller, S. D. (2012). Plan now for inside buyouts. *Journal of Accountancy*, *214*(4), 26-30. Retrieved from http://www.journalofaccountancy.com/

Mischel, L. L., & Iannarelli, C. (2011). Understanding a father-daughter succession case: Applying the 5+5+5 Bernelli model. *American Journal of Economics and Business Administration, 3*(2), 270-276. Retrieved from doi: http://dx.org/10.3844/ajebasp.2011.265.271

Mitchell, J. R., Hart, T. A., Valcea, S., & Townsend, D. M. (2009). Becoming the boss: discretion and postsuccession success in family firms. *Entrepreneurship: Theory & Practice*, *33*(6), 1201-1218. doi:10.1111/j.1540-6520.2009.00341.x

Mitchell, R., & Meacheam, D. (2011). Knowledge worker control: Understanding Vias principal and agency theory. *The Learning Organization, 18*(2), 149-160. doi: http://dx.doi.org/10.1108/09696471111103740

Morris, M. H., Williams, R. W., & Nel, D. (1996). Factors influencing family business succession. *International Journal of Entrepreneurial Behaviour & Research, 2*(3), 68-81. Retrieved from http://www.emeraldinsight.com/journal/ijebr

Moynihan, S. (2014). What's your succession plan? *National Underwriter Property & Casualty 360, 118*(2), 25-31. Retrieved from http://www.propertycasualty360.com/National-Underwriter-Property-Casualty

Myers, M. D. (2013). *Qualitative research in business & management* (2nd ed.). Thousand Oaks, CA: Sage.

Nawrocki, T. (2005). Family affair: The emotional issues of succession planning. *Journal of Financial Planning, 18*(7), 34-39. Retrieved from https://www.onefpa.org/journal/Pages/default.aspx

Nordqvist, M., Wennberg, K., Bau', M., & Hellerstedt, K. (2013). An entrepreneurial process perspective on succession in family firms. *Small Business Economics, 40*(4), 1087-1122. doi:10.1007/s11187-012-946-4

O'Gorman, S. (2012). Attachment theory, family system theory, and the child presenting with significant behavioral concerns. *Journal of Systemic Therapies*, *31*(3), 1-16. doi:10.1521/jsyt.2012.31.3.1

Palombo, V. J. (2013). *Exploring turnaround strategies for small machine shops.* (Doctoral dissertation). Available from ProQuest Dissertations and Theses database. (Order No. 3602392)

Panko, R. (2005). Leaving a legacy. *Best's Review, 106*(5), 69-73. Retrieved from http://www.ambest.com/sales/brde

Patton, M.Q. (2002). *Qualitative research and evaluation methods*. Thousand Oaks, CA: Sage.

Patton, M. Q. (2005). Qualitative research. *Encyclopedia of statistics in behavioral science.* Thousand Oaks, CA: Sage.

Pillsbury, D. H. (2005). Perpetuation lessons learned. *Rough Notes, 148*(5), 58-60. Retrieved from http://www.roughnotes.com

Pouvreau, D. (2013). The project of "general systemology" instigated by Ludwig von Bertalanffy. *Kybernetes, 42*(6), 851-868. doi:10.1108/K-05-2013-0090

Prince, R. (1999). Why family succession fails. *National Underwriter / Life & Health Financial Services*, *103*(8), 7. Retrieved from http://www.lifehealthpro.com/National-Underwriter-Life-Health

Prystupa, K., & Rządca, M. (2015). Outsourcing failures in SME's: Case study approach. *Problems of Management in the 21st Century*, *10*(1), 37-46. Retrieved from http://www.jbse.webinfo.lt/PMC/Problems_of_Management.htm

Qin, Z., & Wang, Q. (2012). Father-daughter succession in China: The conceptual framework and a case study. *The Business Review, Cambridge, 20*(1), 68-75. Retrieved from http://www.jaabc.com/brc.html

Qurashi, A., Hussain, I., Mushtaq, F., & Assad-Ullah. (2013). The dilemma of success and failure in family business: Overcoming failure and attaining success. *International Journal of Academic Research in Economics and Management Sciences, 2*(4), 161-177. doi:http:10.6007/ijarems/v2-i4/121

Raisch, S., Birkinshaw, J., Probst, G., & Michael, L. T. (2011). Organizational ambidexterity: Balancing exploitation and exploration for sustained performance. *Organization Science, 15*(5), 29-38. doi:235772136789680

Ratliff, S. (2011). Adult adoption: Intestate succession and class gifts under the uniform probate code. *Northwestern University Law Review, 105*(4), 1777-1805. Retrieved from http://www.northwesternlawreview.org/.

Ray, D. (2008). What happens to your store? *Ward's Dealer Business, 42*(10), 29-n/a. Retrieved from http://wardsauto.com/dealerbusiness

Roberts, L. M., & Creary, S. J. (2012). Positive identity construction: Insights from classical and contemporary theoretical perspectives. In K. S. Cameron & G. M. Spreitzer (Eds.), *The Oxford handbook of positive organizational scholarship* (pp. 70 –83). New York, NY: Oxford University Press

Roh, B. E. (2013). *Organizational cultural design factors leading to positive behavior changes among employees* (Doctoral dissertation). Available from ProQuest Dissertations and Theses database. (Order No. 3559205)

Royer, S., Simons, R., Boyd, B., & Rafferty, A. (2008). Promoting family: A contingency model of family business succession. *Family Business Review*, *21*(1), 15-30. doi:10.1111/j.1741-6248.2007.00108.x

Sardeshmukh, S. R., & Corbett, A. C. (2008). Strategic renewal in family firms: Role of successors work experience and entrepreneurial self-efficacy. *Academy of Management Annual Meeting Proceedings*, 1-6. doi:10.5465/AMBPP.2008.33664442

Schaeffer, M. (2014). The social meaning of inherited financial assets. moral ambivalences of intergenerational transfers. *Forum: Qualitative Social Research, 15*(1). Retrieved from http://www.qualitative-research.net/index.php/fqs

Schroder, E., & Schmitt-Rodermund, E. (2013). Antecedents and consequences of adolescents' motivations to join the family business. *Journal of Vocational Behavior, 83*(3), 476. doi: http://dx.doi.org/10.1016/j.jvb.2013.07.006

Schwendinger, B. (2011). A methodology to explore family business succession. *International Journal of Management Cases*, *13*(4), 34-41. Retrieved from http://www.ijmc.org/ijmc/home.html

Sinkin, J., & Putney, T. (2014). Managing owner transition through an owners' agreement. *Journal of Accountancy*, *217*(3), 42-44. Retrieved from http://www.journalofaccountancy.com

Smythe, J., & Sardeshmukh, S. R. (2013). Fathers and daughters in family business. *Small Enterprise Research*, *20*(2), 98-109. doi:10.5172/ser.2013.20.2.98

Solomon, A., Breunlin, D., Panattoni, K, Gustafson, M., Ransburg, D., Ryan, C., . . . Terrien, J. (2011). “Don't lock me out”: Life-story interviews of family business owners facing succession. *Family Process, 50*(2), 149-66. doi:http://dx.doi.org/10.1111/j.1545-5300.2011.01352.x

Sonenshein, S. (2012). Being a positive social change agent through issue selling. In K. Golden-Biddle & J. E. Dutton (Eds.), *Using a positive lens to explore social change and organizations: Building a theoretical and research foundation* (pp. 49-69). New York, NY: Routledge

Spreitzer, G. M., & Cameron, K. S. (2012). A path forward: Assessing progress and exploring core questions for the future of positive organizational scholarship. In K. S. Cameron & G .M.Spreitzer, (Eds.), *The Oxford handbook of positive organizational scholarship* (pp. 1034–1048). New York, NY: Oxford University Press

Štangej, O., & Škudienė, V. (2013). Family business transgenerational continuity in transition economies: Towards a conceptual model. *Organizations & Markets in Emerging Economies*, *4*(2), 150-167. Retrieved from http://www.om.ef.vu.lt/

Straits, B. & Singleton, R. (2010). *Approaches to social research*. Oxford, England: Oxford University Press.

Sukay, T., & Vredenburg, P. (2012). Agency ownership transition-case study 3. *Rough Notes, 155*(6), 86-88. Retrieved from http://www.roughnotes.com

Vadnjal, J., & Zupan, B. (2009). The role of women in the family business. *Economic and Business Review for Central and South-Eastern Europe, 11*(2), 159-177,181. Retrieved from http://www.ebrjournal.net/sites/index.php

Valentinov, V. (2012). System-environment relations in the theories of open and autopoietic systems: Implications for critical systems thinking. *Systemic Practice and Action Research, 25*(6), 537-542. doi:10.1007/s11213-012-9241-0

Van der Westhuizen, J. P., & Garnett, A. (2014). The correlation of leadership practices of first and second generation family business owners to business performance. *Mediterranean Journal of Social Sciences, 5*(21), 27. Retrieved from http://www.mcser.org/journal/index.php/mjss

Vozikis, G. S., Liguori, E. W., Gibson, B., & Weaver, K. M. (2012). Reducing the hindering forces in intra-family business succession. *American Journal of Economics and Business Administration, 4*(1), 94-104. Retrieved from http://thescipub.com/journals/ajeba

Wagener, S., Gorgievski, M., & Rijsdijk, S. (2010). Businessman or host? Individual differences between entrepreneurs and small business owners in the hospitality industry. *Service Industries Journal*, *30*(9), 1513-1527. doi:10.1080/02642060802624334

Wainwright, M., & Russell, A. (2010). Using NVivo audio-coding: Practical, sensorial and epistemological considerations. *Social Research Update*, (60), 1-4.

Waldo, D. (2004). Learning the ropes of family business succession. *National Underwriter. Life & Health, 108*(34), 19. Retrieved from http://www.lifehealthpro.com/National-Underwriter-Life-Health

Whatley, L. (2011). A new model for family-owned business succession. *Organization Development Journal, 29*(4), 21-32. Retrieved from http://www.emeraldgrouppublishing.com/LODJ.htm

Wheatley, M. J. (2007). Leadership of self-organized networks: Lessons from the war on terror. *Performance Improvement Quarterly, 20*(2), 59-66. doi:http://dx.doi.org/10.1111/j.1937-8327.2007.tb00440.x

Wiklund, J., Nordqvist, M., Hellerstedt, K., & Bird, M. (2013). Internal versus external ownership transition in family firms: An embeddedness perspective. *Entrepreneurship: Theory & Practice*, *37*(6), 1319-1340. doi:10.1111/etap.12068

Wiktor, J. R. (2014). The family business: Preserving and maximizing an investment in the past, present, and future. *Journal of Taxation of Investments*, *31*(2), 65-73. Retrieved from http://www.civicresearchinstitute.com/online/issue.php?pid=3

Xu, C., & Yan, M. (2014). Radical or incremental innovations: R&D investment around CEO retirement. *Journal of Accounting, Auditing & Finance*, *29*(4), 547-576. doi:10.1177/0148558X14538970

Yin, R. K. (2009). *Case study research: Design and methods* (4th ed.) Thousand Oaks, CA: Sage.

Zacher, H., Schmitt, A., & Gielnik, M. (2012). Stepping into my shoes: Generativity as a mediator of the relationship between business owners' age and family succession. *Ageing and Society, 32*(4), 673-696. doi:10.1017/S0144686X11000547

Zahrani, M. A., Nikmaram, S., & latifi, M. (2014). Impact of family business characteristics on succession planning: A case study in Tehran industrial towns. *Iranian Journal of Management Studies, 7*(2), 229-243. Retrieved from https://ijms.ut.ac.ir/

Zultowski, W. (2005). Family planning. *Best's Review, 106*(6), 71-74. Retrieved from http://www.bestreview.com/default.asp?redir=1&cnum=&bvs=False&fn=&ln=

Appendix A: Research Questions

1. What education did you have in the field of insurance prior to working at the agency?
2. When did you begin working for the agency and how long have you held ownership?
3. What do you wish you would have done that you did not do regarding education?
4. Elaborate on the time frame taken for the grooming period, ongoing education perpetuation plan?
5. What centers of influence assisted you in the transition process?
6. How did you fun the transfer?
7. How often was progress reviewed?
8. Were or are siblings involved in the agency?
9. If you have siblings how was the agreement of ownership communicated?
10. How was the change communicated internally and externally? (Employees/Vendors/Family Members/Community)
11. How did you communicate with your parent about the transfer?
12. Is there something that could have made the process less stressful?
13. What has lead to success in transferring the whole system process in the agency?
14. Is there something (in hindsight) you would have done differently?
15. What did you do best?
16. What did you do worst?

17. Do you have any advice for someone getting ready to take ownership?

Appendix B:Consent Form

CONSENT FORM

You are invited to take part in a research study of Factors Involved in Successful Second-Generation Legacy Perpetuated Independent Insurance Agencies. The researcher is inviting successful second-generation independent insurance agency owners to participate in the study. This form is part of a process called "informed consent" which allows you to understand this study before deciding whether to participate.

A researcher named Christina Rosensteel, who is a doctoral student at Walden University, is conducting this study. You may already know, or know of, this researcher as a franchise partner, but this study is separate from that role.

Background Information:
The purpose of this study is to understand the process children utilized to successfully continue the family insurance business.

Procedures:
If you agree to be in this study, you will be asked to:

- Engage in one in-person interview with the researcher, which could last between 1-2 hours.
- Review transcribed answers for confirmation and accuracy via email
- Be available for possible follow-up questions/elaborations if needed.

Here are some sample questions:

- What centers of influence (authority figures respected in the community that you have close ties to) were involved to assist in guiding the process?
- What were the roles of the parent and child through the evolution of the ownership transfer and how did they change over time?
- What education did you have in the insurance field?
- How long have you worked in this agency? How long have you held ownership?
- What grooming and preparation occurred prior to your taking the helm?

Voluntary Nature of the Study:
This study is voluntary. Everyone will respect your decision of whether or not you choose to be in the study. No one at Keystone Insurance Group or Rosensteel Insurance will treat you differently

if you decide not to be in the study. If you decide to join the study now, you can still change your mind later. You may stop at any time.

Risks and Benefits of Being in the Study:
Being in this type of study involves some risk of the minor discomforts that can be encountered in daily life, such as fatigue or stress. Being in this study would not pose risk to your safety or wellbeing.

The benefits of this study have the potential to help other soon-to-be legacy perpetuated businesses transition with greater confidence and direction. The ability to follow in the footsteps of successful whole-system transfers will provide a great benefit to fellow insurance agencies. Ownership transition in the insurance industry has a 70% failure rate. Your participation can help play a role to turning that statistic into something more positive. The results of this study will contribute to general knowledge on legacy perpetuation and aid in greater comprehension from real life experiences.

Payment:
Your participation is not compensated monetarily.

Privacy:
Information provided by you, the participant, will be kept confidential by the researcher and will not be shared with any other person. The researcher will not use your personal information for any purposes outside of this research project. In addition, the researcher will not include your name or any other information that could identify you in the study or reports. Christina Rosensteel, will keep data secure in a home safe that is locked. Data will be kept for a period of at least 5 years, as required by Walden University.

Contacts and Questions:
You may ask any questions you have now. Or if you have questions later, you may contact the researcher via [redacted] (cell) or [redacted]. If you want to talk privately about your rights as a participant, you can call Dr. [redacted]. She is the Walden University representative who can discuss this with you. Her phone number is [redacted]. Walden University's approval number for this study is **<u>IRB will enter approval number here</u>** and it expires on **<u>IRB will enter expiration date.</u>**

Please Note:
A face-to-face interview will be conducted, preferably at the location of your office. For the purpose of assuring accuracy of data analysis, it is requested to audio records interviews.

<u>The researcher will give you a copy of this form to keep.</u>

Statement of Consent:

I have read the above information and I feel I understand the study well enough to make a decision about my involvement. By face to face interview: signing below, I understand that I am agreeing to the terms described above.

Printed Name of Participant ______________________________

Date of consent ______________________________

Participant's Signature ______________________________

Researcher's Signature ______________________________

Appendix B:Consent Form

June 17, 2015

Dear Christina,

Based on my review of your research proposal, I give permission for you to conduct the study entitled Factors involved in Successful Second-Generation Legacy Perpetuation in Independent Insurance Agencies within the [redacted]. As part of your research study, I authorize you to make contact with the suggested partners which includes, conducting interviews, recording interviews for transcription, having participants review transcribed data, and conducting analysis via CASDAQs and hand coding. Individuals' participation will be voluntary and at their own discretion.

We understand that our organization's responsibilities includes furnishing you with a list of individuals that meets your inclusion criteria of successful, second-generation independent insurance agency owners in Pennsylvania. We understand you are allowing the individuals to decide and reserve the right to withdraw from the study at any time if circumstances change.

I understand that the data collected will remain entirely confidential and may not be provided to anyone outside of the student's supervising faculty/staff without permission from the Walden University IRB.

Sincerely,

[redacted]