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# HOW CULTURE SHAPES FAMILY BUSINESS SUCCESSION

Executive summary and practitioner insights by the  
Family Business Center, based on Janjuha-Jivraj, S.  
(2005). *Succession in Asian family firms*. Springer.

This summary draws on the core findings of  
Janjuha-Jivraj, S. (2005), with interpretation  
and application developed independently for a  
family business audience



Research suggests that fewer than a third of family firms survive into the second generation, and even fewer still into the third. Many factors have been cited as reasons; poor governance or lack of planning. But a closer look reveals another factor likely to influence success or failure of a succession – **cultural context**.

Shaheena Janjuha-Jivraj's *Succession in South Asian Diaspora Family Business* published in 2005 examines this hidden variable. Drawing on case studies of South Asian families in Kenya, Britain and the United States, the author shows that succession is not simply a technical handover between founder and heir. It is profoundly shaped by cultural context: kinship expectations, migration history, community ties and gender roles.

Succession in diaspora families is more complex than most western frameworks which centre on the founder and their chosen successor. Extended kin, co-ethnic networks and women within the household all play decisive roles. Succession is then about how families renegotiate the values that gave rise to the business in the first place, and the context in which heirs enter into the business.

## **BUT WHAT DOES THIS MEAN FOR YOUR FIRM?**

Continue reading to learn our **three key insights and questions to ask** within your family firm!

1

## HOW HEIRS ENTER SHAPES EVERYTHING

The study identifies three pathways of entry:

1. Heirs join because family expects it. However, this reinforces hierarchy and tension, risking stagnation.
2. Illness or crisis pull children in unexpectedly. Gratitude from the founder fosters partnership and more balanced authority.
3. Heirs force their way in against parent wishes, the result is strained relationships and difficult working environments.

2

## NETWORKS CAN BE ASSET OR LIABILITY

Diaspora business thrive on co-ethnic and kinship networks:

- They provide finance, labour, and trusted partners when mainstream opportunities are blocked.
- But they can also hold businesses back, keeping them in crowded markets and limiting their ability to professionalise and grow beyond familiar ways of working.

3

## THE HIDDEN POWER OF WOMEN

In the South Asian context, women play a crucial role in the succession between generations. They quietly preserve cohesion.

Overlooking women's influence wastes a critical source of strength. Their perspectives can strengthen governance and continuity.

Daughters should also be prepared as potential successors on equal terms as their male siblings.



# QUESTIONS TO ASK WITHIN YOUR FAMILY FIRM



What cultural expectations (around duty, hierarchy, community) shape our succession path?



Are our networks driving growth or holding us back?



How might certain elements of our culture and networks be a source of a competitive advantage?



Have we considered daughters as potential successors on equal terms as their male siblings?