Study of Analyzing Factors that Affect Successor's Willingness to succeed in a Family Business: Using the Relationship of Trust as a Mediating Variable
가족기업에서 후계자의 승계의지에 영향을 미치는 요인에 관한 연구: 승계자와 후계자의 신뢰 관계를 매개변수로

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This research is an empirical study that analyzes the relationship of trust between an incumbent CEO and a successor during succession in a family business. We use the relationship of trust between an incumbent CEO and a successor as a mediating variable. A successor's conversational ability, home environment, and involvement of family members are used as independent variables. A successor's willingness to succeed is used as a dependent variable. Before analyzing the main research model, we conducted the first analysis to find the influence on the successor's willingness to succeed, and the relationship of trust had the greatest effect among the independent variables. As a result of the main research model, it was found that the successor's conversational ability and home environment affected the relationship of trust, but the involvement of family members was not. Besides, the relationship of trust was found to have a fully mediating effect between a successor's conversational ability, home environment, and a successor's willingness to succeed. This study can be said to be meaningful in that it discovered a variable called home environment that was not mainly dealt with in the business research field and reaffirmed the importance of the relationship of trust between them.

Key Words: Family Business, Succession, Trust, Successor, Mediation Effect

Ⅰ. Introduction

Recently, study and interest in a family business research field have increased significantly in many academic institutions and societies, and as a result, research on family business has been published in many academic

journals (Short et al., 2016). Trends in family business research have studied how family members influence such as Company Identity and are involved in the business (Anglin et al., 2017). These studies of the involvement of family members are naturally linked to succession of a family business. In such a family business, succession can be defined as an important event and time to the extent, and succession is a criterion for classifying a family business and a non-family business (Christman et al., 2004; Laura et al., 2017). In particular, succession cannot take place and be completed in a short period. Also, succession requires preparation, execution over a long time, and the efforts of many stakeholders around the family business (Yu, 2020). Indeed, succession is one of the most challenging processes a family business faces (Yan et al., 2006; Handler, 1994) is readily apparent through various previous studies.

Various reasons why succession is difficult to complete because many stakeholders are involved in the succession process, and emotional problems of the stakeholders should be managed well (Matthews et al., 1999). Occasionally, a family business has a dilemma where a successor does not want to succeed (Lee et al., 2019). In fact, for a family business that failed to succeed, the succession would remain a major trauma in the business life cycle (Berns et al., 2017) and be perceived as a negative event. Nevertheless, succession

is significant in a family business because successful succession means survival and permanency of a family business (Giovanna et al., 2020).

There are various factors influencing succession, such as an incumbent CEO' willingness to succeed (Barach et al., 1995; Venter et al., 2005), an incumbent CEO' willingness to retire (Sharma et al., 2001), conflicts among family members (Bruce & Picard, 2006), and relationship between an incumbent CEO and a successor (De Massis et al., 2008; Venter et al., 2005). In particular, the relationship of trust, one of the characteristics that define the relationship between an incumbent CEO and a successor (Harvey et al., 1995), has been addressed in various previous studies (Lansberg & Astrachan, 1994; Christman et al., 1998; Carter et al., 2009), and have been shown as the essential factor that should exist for successful succession.

The purpose of this study is to analyze the influence of the relationship of trust during the succession process and to identify the mediating effect of the relationship of trust between an incumbent CEO and a successor in the succession process. In this study, we focused on the perspective of a successor, a key player in the succession process. We strived to find how the relationship of trust between an incumbent CEO and a successor affects a successor's willingness to succession as a mediate variable.

II. Literature Review and Hypothesis

2.1 Succession for a Family Business

Succession has explained the leadership transfer process from previous family members to the next generation (Sharma et al., 2001). Succession is significant for a family business in various means. This is because the business could grow through successful succession (Dibrell et al., 2019), and family members could continue and develop their knowledge and vision (Bjugren et al., 2001). According to the report published in 2019 by the Korea Federation of SMEs (KBIZ), the closeness of succession and the development of family businesses could be found readily. Family businesses that participated in the survey, which experienced succession and had longer the business's history, emphasized the importance of succession more than others. Besides, the main reason for the decision to succeed in the family business was the pursuit of continued development of entrepreneurship by the founder through succession (KBIZ, 2019). The results could be interpreted that a family business strives to transfer and maintain family values between generations through succession.

Additionally, the Industrial Bank of Korea (IBK) Economic Research Institute, a family business in South Korea, which had success-fully completed its succession, they were increasing various management outcomes such as business profit rate from 1.9% to 5%, return on an asset from 3.9% to 4.8% and return of equity from 5.1% to 6.8% (Kim, 2017). Achieving a successful succession, it is likely to maintain stability not only in management performance in the business but also in social and economic sectors. Successful succession means that tangible and intangible assets in business are maintained without dissolution and that the employment of non-family members as well as family members is retained (Kim, 2017; Yu, 2020). It can be interpreted that the results not only maintain the values pursued by the family through succession but also positively affect the competitiveness and management performance of the business. In other words, successful succession can be explained as a significant process that positively affects both the family area and the business area.

Previous research on succession, studies defined and described succession as several stages. A typical definition of succession is the four-step succession process claimed by Churchill et al. (1987). In the first step, a founder is the only person who participates in the business. The second is the intensive educational training and ability development stage, focusing on a successor as a stage of training and development. The third is when the incumbent CEO and the successor form

partnerships to manage the business jointly. The final step is the transfer of management rights to the successor, which concludes the succession process. However, recent studies on succession emphasized that the previous step before succession to select a successor was also significant (Cabrera-Suarez et al., 2018; Giovanna et al., 2020). The definition of succession used in this study was defined as four succession stages suggested by Churchill & Hatten, including the stage of before beginning of succession.

2.2 The Relationship of Trust between an Incumbent CEO and a Successor

Trust has been studied in business various research fields such as sociology, psychology, and even economics (Colquitt et al., 2007; Oh et al., 2016). While trust is used in a slightly different meaning, trust eventually arises from the interaction between people, which can be defined as the process of trusting the other as a result of the experience (Blomqvist, 1997; Oh et al., 2016).

During succession in a family business, there are a total of six relationships in which trust could form: 1) a family business and stakeholders, 2) an incumbent CEO and a family business, 3) a successor and a family business, 4) an incumbent CEO and a successor, 5) a successor and key stakeholders, 6) an incumbent CEO and key stakeholders

(Fox et al., 1996). Considering an incumbent CEO and a successor who act as key players in the succession process, 4) the relationship of trust between an incumbent CEO and a successor is very significant and essential (Sharma et al., 2003). In particular, previous studies identify the high level of trust between an incumbent CEO and a successor as the most fundamental and the necessary factor for successful succession (Lansberg et al., 1994; Chrisman et al., 1998; Carter et al., 2009). Such a relationship of trust could reduce conflicts between family members and various costs and enable efficient organizational operations.

The relationship of trust used in a family business could be analyzed and studied in a multidimensional manner (Schoorman et al., 2007). The trust also approaches and analyzes the upper category of the relationship of trust, and the relationship of trust could be divided into the concept of three sub-categories: mutual trust, competency trust, and system trust (Dyer, 2012; Sundaramurthy, 2008; Kalen, 2014). In this study, we focused on trust between 4) an incumbent CEO and a successor, and the trust was defined by relational trust, including sub-categories.

2.3 A Successor's Conversational Ability and The Relationship of Trust

Conversational ability is defined in a variety

of ways, from various perspectives, including behavioral, propensity, interpersonal, cognitive, and linguistic views. Argyris (1965) defined conversational ability as the ability to maintain and grow, interact with the environment that could thrive or fit into the environment. Weinstein (1969) defined conversational ability as performing interpersonal tasks and manipulating others to achieve their goals. We could understand the importance of conversational ability from human development. Some scholars have found in the conversation why human development and civilization could continue (Lee, 2006). There is also research within business research fields that conversational ability affects job satisfaction and adaptation (An, 2013).

In previous studies focusing on the role of the mother, a study showed that the conversation between an incumbent CEO and a successor affects the relationship of trust. In the study, When the mother intervenes between an incumbent CEO and a successor to solve various problems and serve as a helper, the relationship of trust between them increases and positively affects the development of the successor's management ability (Yoon et al., 2013). Conversely, some studies show that the relationship of trust can affect conversation among family members. According to the study (Jeon, 2013), the study analyzed the relationship of trust and the conversation of succession among family members. This study,

which expanded the perspective of whole family members, found that trust has a significant positive effect on the conversation of succession. As could be seen from such previous studies, the relationship of trust and conversation significantly impact on each other in a family business. Therefore, in this study, the analysis was conducted by establishing a hypothesis that a successor's conversational ability would affect the relationship of trust with an incumbent CEO to achieve the purpose of the study.

Hypothesis 1: A successor's conversational ability is associated with the relationship of trust.

2.4 Home Environment and The Relationship of Trust

Home environment, the variable not primarily addressed in the business research field, has generally been studied in home economics. In previous studies of a home environment, a healthy home environment instructs family's culture and values to family members, improves group consciousness so that family members could act responsibly as members of the society, and also greatly affects individuals' growth and development (Yang, 2015). Research on these assumptions began in the United States in the 1960s, with representative scholars including Otto, Detrain, and Olson. According to these scholars, all

family has strengths, challenges, and the ability to develop and strengthen the positive aspects of each family. Those things enhance and improve the home environment by discovering each family's strengths and potential. Additionally, a healthy family has defined a place where family members are physically, mentally, socially, psychologically, and morally healthy and have a sense of community solidarity with the group consciousness and a stable mind.

The home environment has much influence in various aspects. For example, some studies argued that children who have a higher relationship of trust with parents could develop and improve their competency development and self-esteem better than those who do not (Cho, 2004; Kim, 2004). In the business research field, Yu (2020) argued that the home environment is one of the crucial factors influencing the formation of the relationship of trust between an incumbent CEO and a successor. The researcher deduced conclusions by interviewing and textual analysis of incumbent CEOs and successors. Especially, he explained the importance of the home environment by the participating successors emphasized the significance.

However, research on the home environment mainly focuses on home economics, and few studies are conducted in the business research field. The limitation means that the family business research did not constructively re-flect the family perspective. In this study, we recognized the importance of the home environment, mainly used in home economics, and analyzed it by incorporating the variables into the business field.

Hypothesis 2: Home environment is associated with the relationship of trust.

2.5 Involvement of Family Members and The Relationship of Trust

Family members could be explained as the most important group of internal stakeholders in a family business, which has various effects on management and succession in the family business. It is because family relationships and conflicts affect the success and survival of businesses compared to non-family companies rather than external business factors (Choo, 2019). A successor has many complicated relationships with various family members, such as financial and social relationships. If the relationship with other family members is not well, a lot of effort, time, and economic costs can be incurred, and if the relationship continues to deteriorate, it can be difficult to succeed (Sharma et al., 2001). In this process, the influential involvement of family members represented by the successor's mother (or father) or an incumbent CEO's spouse can lead to a smooth conversation and conflict resolution. In addition, the spouse often has

positive effects in various areas, such as re-solving conflicts and developing a successor's competencies. As the spouse intervenes in the relationship between an incumbent CEO and a successor, it was found that satisfaction and willingness to succeed in the succession process had a significant effect on a successor (Choo, 2019). When conflicts arise between an incumbent CEO and a successor, family members, including the spouse, can create solutions by inducing them to close or avoid conflicts through mutual advice and listening with an objective and future-oriented per-spectives (Barnes et al., 1994). As such, family members can be interpreted as factors that could successfully lead succession as the cru-cial stakeholders, not simply acting as by-standers in the succession process. Therefore, in this study, based on such previous studies, this study was conducted by establishing a hypothesis that the involvement of family members would affect the relationship of trust between an incumbent CEO and a successor.

Hypothesis 3: The involvement of family members is associated with the relationship of trust.

2.6 Successor's Willingness to Succeed and The Relationship of Trust

The willingness of a successor to succeed in the family business is a crucial factor, such as the willingness of an incumbent CEO to retire voluntarily, and it is essential for a successor to try and manage the succession (Sharma et al., 2001). About a successor's willingness to succeed, Mayer et al. (1995) argued that transferring succession and lead-ership would require a successor from among family members, who should have abilities and willingness. Moreover, the voluntary willing-ness of a successor to succeed was the sat-isfaction of the stakeholders in the succes-sion process and the most significant factor affecting the continuous profits of the business (Venter et al., 2005).

The successor's willingness to succeed was directly affected by the relationship of trust with an incumbent CEO. The good relation-ship of trust with a successor, which was one of the factors in an incumbent CEO, had a positive effect on a successor's willingness to succeed voluntarily, which was one of the factors in a successor (Kim et al., 2013). Some studies strived to find the causal rela-tionship between the relationship of trust and a successor's willingness to succeed. However, the variables were usually analyzed as in-dependent variables affecting a successor's self-esteem or management performance (Hwang et al., 2013). Based on the previous studies, we set the casual relationship between the relationship of trust and a successor's will-ingness to succeed, and combined the afore-mentioned variables for analyzing mediating

effects. The hypothesis we established is as follows.

Hypothesis 4-1: The relationship of trust would mediate a successor's conversational ability and a successor's willingness to succeed.

Hypothesis 4-2: The relationship of trust would mediate home environment and a successor's willingness to succeed.
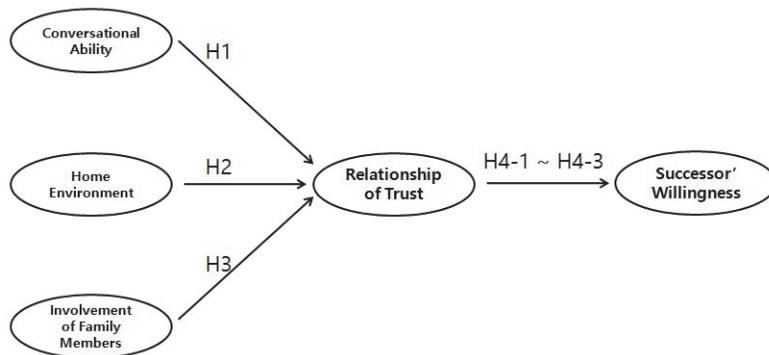
Hypothesis 4-3: The relationship of trust would mediate the involvement of family

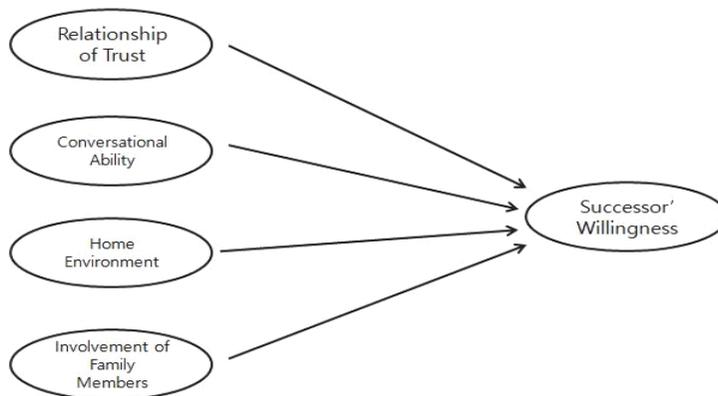members and a successor's willingness to succeed.

III. Research Method

3.1 Research Model

The main research model is shown in ⟨Figure 1⟩. We analyzed research model 2 in ⟨Figure 2⟩

⟨Figure 1⟩ Main Research Model

⟨Figure 2⟩ Research Model 2

to understand the influence of trust before analyzing the main research model. A total of two analytical programs were used in this study. SPSS version 21 was used for correlation analysis, exploratory factor analysis, regression, and multiple regression analysis, among variables. Additionally, AMOS version 21 was used for confirmatory factor analysis and mediated effect analysis. The reason for the confirmatory factor analysis is to re-verify the factor model set by the researcher. For regression and mediated effect analysis, the analysis was conducted by deriving the mean of each variable after terminating the factor analysis.

3.2 Research Participants and Used Questions

Questionnaires were produced in this research, distributed, and retrieved online and offline. The survey was conducted for 92 family businesses, and we used 82 samples for analysis, excluding unfaithful respondents or missing data collected. The survey participants were mainly of Hanyang University's MBA Young Entrepreneurship Spirit Track (YES Track) students. Y.E.S. Track is the only family business education program in Korea that provides a master's degree. Therefore, most enrolled students and graduates consist of students preparing or succeeding in family businesses. Therefore, the survey was conducted by judging it as a research group suit-

able for this study. In addition, the items used for the survey were table 1, and the items were modified and distributed in accordance with this study.

Ⅳ. Analysis Result

The result of the demographic analysis is as follows: In the case of a successor's gender, 70.7% were male, and 29.3% were female. An incumbent CEO's gender, 92.7 percent of men, was overwhelming, while 7.3 percent were women. By the age of a successor, the percentage of 20 to 25 was 2.4 percent, 26 to 30 was 22.0 percent, 31 to 35 was 43.9 percent, 36 to 40 was 24.2 percent, and 41 or older was 7.3 percent.

In the case of succession status, 18.3% of the respondents were preparing to succeed in a family business, 52.4% were currently in the succession process, 11.0% of the respondents completed the succession process, and 18.3% of the respondents answered to be not applicable. 18.3% of the respondents were not applicable, but we did not exclude them because, as mentioned, the initial questionnaire was distributed to family members who could become a successor within the family business in the pre-succession phase.

In the case of the respondents' industry, manufacturing accounted for 43.9% of the

〈Table 1〉 Summary of Used Questions

Variables		Questions	Name of variable	The quarry of questions
Independent Variables	Successor's Conversational Ability	I try to understand the problem from the other person's perspective.	CO1	Lee (1991)
		I adapt to change and act in an appropriate way.	CO3	
		I pay attention to the other person's arguments and actions.	CO4	
		I use several effective methods to coordinate opposing opinions and solve problems well.	CO7	
	Home Environment	When I am depressed, my parents read my mind and comfort me.	PR3	Yang (2015)
		I enjoy talking with my parents.	PR4	
		My parents and I have had a close relationship since I was young.	PR5	
		My parents and I are on the same wavelength.	PR7	
	Involvement of Family Members	Family members influence me and my incumbent CEO's communication.	FI1	Choo (2019)
		Family members coordinate our opinions when there is a conflict between me and my incumbent CEO.	FI2	
		Family members influence the establishment of trust between me and my incumbent CEO.	FI3	
		Family members influence my development of management ability	FI4	
		Family members influence on succession by controlling conflicts within family members.	FI5	
Mediating Variable	Relationship of Trust	An incumbent CEO shall be determined in consultation with me on important issues.	TR2	Handler (1989)
		I have good communication with an incumbent CEO.	TR3	
		I can coordinate opinions when there is a disagreement with an incumbent CEO.	TR4	
		I try to cooperate with an incumbent CEO.	TR5	
Dependent Variable	Successor's Willingness	I strongly hope to succeed in the family business.	WI1	Venter et al. (2005)
		I'm happy to work for my family business	WI3	
		I am proud to tell people around me that I have succeed in the family business.	WI4	
		I'm interested in my family business.	WI6	

respondents, 6.1% in the construction industry, 17.1% in the distribution industry, 22.0% in the service industry, 3.7% in agriculture, and 7.3%. In the case of the position, the respondents answered 12.2% of the CEO, 23.2% of the board of a director, 7.3% of general managers, 11.0% of managers, 17.1% of assistant managers, and 29.3% of the other positions. The period of working in a family business was 19.5% under a year, 24.4% in 2 to 3 years, 15.9% in 3 to 5 years, 12.2% in 5 to 7 years, 17.1% in 7 to 10 years, and 11.0% in more than 10 years (Table 2).

The results of the correlation analysis between variables are as follows (Table 3): Although the correlation between a successor's conversational ability and the involvement of family members were not significant. There was a relationship between variables with slightly higher correlations, but we conducted the next step because the problem was not serious about proceeding with this study.

After analyzing the correlation analysis between variables, exploratory factor analysis was conducted to ensure the validity and reliability of the measurement items. The measurement items for the initial questionnaire consisted of nine questions about a successor's conversational ability, eight questions about home environment, six questions about the involvement of family members, six questions about the relationship of trust between an incumbent CEO and a successor, and seven

questions about a successor' willingness to succeed.

According to the exploratory factor analysis, a total of 19 questions satisfied the factor loadings, and we conducted them to reflect these results. The detailed result was as follows: A successor's conversational ability was 4 questions, Home environment was 4 questions, The involvement of family members was 5 questions, The relationship of trust between an incumbent CEO and a successor was 4 questions, and A successor's willingness was 4 questions. The results of the exploratory factor analysis are as follows (Table 4).

The Cronhach's alpha value, which means the reliability of each variable, is a successor's conversational ability: .799, home environment: .909, the involvement of family members: .877. The relationship of trust between an incumbent CEO and a successor was .890, and a successor's willingness: .854, which resulted in sufficient value for the next progress of the study. The result of total explained variance was 73.958%, and the KMO value was .824, which is sufficiently explained by the correlation between the variables. Bartlett's result was also shown to be significant at the 0.01 level.

For factor loadings, an appropriate value of at least 0.7 was derived. However, item No. 6 of a successor's willingness and item No. 5 of the relationship of trust between an incumbent CEO and a successor were less than 0.7, but

〈Table 2〉 The Characteristic of Samples

Classification	Category	Frequency	Rate (%)	Total Reponses
Successor's Gender	Male	58	70.7	82
	Female	24	29.3	
Incumbent CEO's Gender	Male	76	92.7	82
	Female	6	7.3	
Age	20~25 age	2	2.4	82
	26~30 age	18	22.0	
	31~35 age	36	43.9	
	36~40 age	20	24.4	
	40 or older	6	7.3	
Succession Status	Preparing Succession	15	18.3	82
	In Succession	43	52.4	
	Completed Succession	9	11.0	
	Not Applicable	15	18.3	
Industry	Manufacturing	36	43.9	82
	Construction	5	6.1	
	Distribution	14	17.1	
	Service	18	22.0	
	Finance	0	0	
	Agriculture	3	3.7	
	Others	6	7.3	
Position	CEO	10	12.2	82
	Board Member	19	23.2	
	General Manager	6	7.3	
	Manager	9	11.0	
	Assistant Manager	14	17.1	
	The Other	24	29.3	
Working Period	Under a year	16	19.5	82
	2~3 year	20	24.4	
	3~5 year	13	15.9	
	5~7 year	10	12.2	
	7~10 year	14	17.1	
	More than 10 year	9	11.0	

〈Table 3〉 Means, Standard deviation and Coefficient of correlations

	Means	Standard Deviation	Conversational Ability	Home Environment	Successor's Willingness	Relationship of Trust	Involvement of Family Members
Conversational Ability	3.9085	.68439	1				
Home Environment	3.4970	1.09114	.221*	1			
Successor's Willingness	3.5488	.92583	.340**	.395**	1		
Relationship of Trust	3.4543	.96715	.351**	.625**	.530**	1	
Involvement of Family Members	3.6585	.84063	.131	.537**	.326**	.375**	1

*p 〈 0.05, *p 〈 0.01

〈Table 4〉 Result of Exploratory Factor Analysis

Name of Variables		Items	Factor Loading	Cronbach's alpha	Total Explained Variance (%)
Independent Variables	Conversational Ability	CO1	.824	.799	73.958
		CO3	.739		
		CO4	.755		
		CO7	.761		
	Home Environment	HE3	.751	.909	
		HE4	.783		
		HE5	.810		
		HE7	.842		
	Involvement of Family Members	FI1	.734	.854	
		FI2	.826		
		FI3	.795		
		FI4	.729		
		FI5	.817		
Mediating Variable	Relationship of Trust	TR2	.743	.890	
		TR3	.858		
		TR4	.795		
		TR5	.560		
Dependent Variable	Successor's Willingness	WI1	.838	.877	
		WI3	.771		
		WI4	.783		
		WI6	.684		

Kaiser-Mayer-Olkin : .824
Battlett's chi-squared : 1187.241, the degree of freedom : 201, Sig : .000

we did not exclude the items because those items were significant items for this study. Based on the exploratory factor analysis results, confirmatory factor analysis was conducted. The model was divided into three models for the confirmatory factor analysis. Model 1 included all variables, and Model 2 distinguished variables based on independent variables, a mediation variable, and a dependent variable, and Model 3 performed the analysis by separating each variable (Table 5). The the confirmatory factor analysis results for each model were as follows (Table 6).

According to Bassellier et al. (2003) and Gefen et al. (2000), CFI, an indicator that complements the shortcomings of the Standard Fit Index, argued that the complexity impact of the model and the size of the sample are less affected, and that, in general, over 0.9 could be judged to be a favorable fit and also above 0.8 to 0.9 could be deemed a find fit. In addition, the TLI, called the Non-Standard Fit Index, was claimed to be affordable at 0.8 to 0.9. RMSEA, a model goodness-of-fit index that is frequently used as an advantage less affected by sample size, could be evaluated as a good fit if it is less than 0.5 and a normal fit if it is less than 0.10 (Browne & Cudeck, 1992). Considering that the causal relationship and variables used in this study had not been studied generally, the results of Model 5 showed that the result had no significant problem with the progress of this study. In addition, the multicollinearity (VIF) value was also found to have a distribution value of 1.141 to 1.990. Therefore, it was confirmed that the multicollinearity problem between variables was not found.

〈Table 5〉 Model of Confirmatory Factor Analysis

Model	Measurement Variables				
Model 1	CO / HE / IF / RT / WI				
Model 2	CO / HE / FI			RT	WI
Model 3	CO	HE	IF	RT	WI

*CO : A successor's conversational ability / HE : Home environment / FI : Involvement of family members / RT : Relationship of trust / WI : A successor's willingness to succeed

〈Table 6〉 Result of Confirmatory Factor Analysis Model

Model	x^2	df	p	CFI	TLI	RMSEA	RMSEA 90% CI	
							Lower	Upper
Model 1	736	189	〈 .001	0.512	0.458	0.188	0.174	0.202
Model 2	544	186	〈 .001	0.681	0.640	0.153	0.138	0.168
Model 3	322	179	〈 .001	0.872	0.850	0.098	0.081	0.116

Prior to analyzing the main research model based on trust, we explored how much the relationship of trust affects a successor's willingness set as a dependent variable. Multiple regression analysis was conducted with four independent variables, including the relationship of trust. The result of the multiple regression analysis is as follows (Table 7).

The R-square value, which represents research model 2, obtained the result value of .327, and the adjusted R-square value was .292. In addition, the Durbin-Watson value showed the resulting value of 2.128. Multiple regression analysis showed that the relationship of trust between an incumbent CEO and a successor significantly affected a dependent variable (a successor's willingness). Among them, the relationship of trust was only shown to influence a successor's willingness to succeed than other variables. The results of the fitness of the model set in this study are as follows. For CMIN, the result values of 318.169 (DF=179, p=.000, and CMIN/DF=1.777) were derived. Values of RMSEA: .098, RMR, .090, GFI: .752, PGFI: .583, IFI: .877, TLI: .852, CFI: .874 were showed. Although some results did not meet the standard value, however, we judged that the fitness of the model was not seriously damaged, so that hypothesis verification analysis was conducted. AMOS program was used to analyze the hypothesis, and the result of the analysis is as follows

〈Table 7〉 Result of Multiple Regression Analysis

Model		Non-Standardized Coefficient		Standardized Coefficient	t-value	Sig.	VIF	Durbin-Watson
		β	S.E.	β				
1	Constant Value	.662	.593		1.116	.268		2.128
	Relationship of Trust	.378	.120	.394	3.157	.002***	1.141	
	Conversational Ability	.237	.135	.175	1.753	.084	1.990	
	Home Environment	.031	.112	.037	.280	.780	1.787	
	Involvement of Family Members	.150	.122	.136	1.223	.225	1.411	
R		.572						
R square		.327						
Adjusted R square		.292						
F		9.367						

a. Dependent Variable: WI
** 〈 0.05, *** 〈 0.01

(Table 8 and Table 9)

In the model of the relationship of trust as a dependent variable, a successor's conversational ability was shown to have a significant impact (0.364) at 95% levels and, for home environments at 99% levels (0.611). However, the involvement of family members (-0.061)

was not significant. Thus, the variable that had the most impact on the relationship of trust was home environments. In order to verify the hypotheses H4-1, H4-2, and H4-3 established to find out the mediating effect, the analysis was performed using the bootstrap method proposed by Preacher et al. (2008),

〈Table 8〉 Results of Path Analyzing

Path Analysis				Estimate	S.E.	C.R	P	Results
H1	Trust	←	Conversational Ability	.364	.186	1.957	.050**	Accepted
H2	Trust	←	Home Environment	.611	.135	4.531	.000***	Accepted
H3	Trust	←	Involvement of Family Members	-.061	.137	-.447	.655	Rejected

** p〈.05, *** p〈.001

〈Table 9〉 Result of Direct and Indirect Effects

Path Analysis – Direct Effects				Estimate	S.E.	95% CI		P	Results
						Lower	Upper		
H4-1	Willingness	←	Conversational Ability	.240	.138	-.048	.504	.114	–
H4-2	Willingness	←	Home Environment	-.016	.207	-.413	.433	.989	–
H4-3	Willingness	←	Involvement of Family Members	.189	.165	-.105	.542	.237	–

** p〈.05, *** p〈.001

Path Analysis – Indirect Effects						Estimate	S.E.	95% CI		P	Results
								Lower	Upper		
H4-1	Willingness	←	Trust	←	Conversational Ability	.095	.065	.001	.254	.049**	Accepted
H4-2	Willingness	←	Trust	←	Home Environment	.297	.134	.089	.638	.006***	Accepted
H4-3	Willingness	←	Trust	←	Involvement of Family Members	-.024	.060	-.151	.107	.632	Rejected

** p〈.05, *** p〈.001

〈Table 10〉 Result of Hypothesis

	Hypothesis	Result
H 1	A successor's conversational ability is associated with the relationship of trust.	Accepted
H 2	Home environment is associated with the relationship of trust.	Accepted
H 3	The involvement of family members is associated with the relationship of trust.	Rejected
H 4-1	The relationship of trust would mediate a successor's conversational ability and a successor's willingness to succeed.	Accepted
H 4-2	The relationship of trust would mediate home environment and a successor's willingness to succeed.	Accepted
H 4-3	The relationship of trust would mediate the involvement of family members and a successor's willingness to succeed.	Rejected

which is evaluated in the most rigorous method. After setting the number of bootstrap executions 1,000 times, BC confidence level 95%, and bootstrap ML, the analysis was conducted. The results of the hypothesis analysis are as follows.

A successor's conversational ability and home environment had an indirect effect on the successor's willingness to succeed through the relationship of trust (fully mediation). It was found that conversation ability had an indirect effect of 0.095 at the 95% level and an indirect effect of 0.297 at the 99% level in the home environment. However, the involvement of the family members did not have a mediating effect on a successor's willingness to succeed through the relationship of trust. Consequently, the relationship of trust had an indirect mediation effect between a successor's conversational ability, home environment, and successor's willingness. Based on the results above, the verification results of

the hypothesis established in this study were as follows (Table 10).

Ⅴ. Conclusion

5.1 Research Conclusion

This study attempted to investigate the relationship between various variables, focusing on the relationship of trust between an incumbent CEO and a successor in the succession process. In particular, we analyzed from the perspective of a successor who plays an important key role in the succession process. The conclusions of this study are as follows. First, it has been shown that the relationship of trust between an incumbent CEO and a successor has a much more significant effect directly on a successor's willingness than other variables. For successful succession, the re-

lationship of trust between them is an essential factor, which means that they should strive to improve. In other words, it can be emphasized that establishing the relationship of trust between them is the first factor to be met in the preparation and progression of succession. Second, the respondents answered that a successor's conversational ability and home environment affect the relationship of trust with an incumbent CEO. Particularly, the result about home environment is significant to confirm statistically, which is not mainly used in business administration and has a great influence on the relationship of trust between an incumbent CEO and a successor. In other words, it can be interpreted as a result of the need for continuous and in-depth research in the future. This result could also imply the importance of the preparation stage for succession, which can be defined as the pre-succession stage. It could be explained that preparation for succession should be made before, not when a successor joins a family business and works. Third, the relationship of trust has been shown to have a mediating effect between a successor's conversational ability, home environment, and a successor's willingness to succeed (fully mediation). As previous studies have shown, conversations between an incumbent CEO and a successor are important, especially those who participated in this study determined that their ability to communicate influences the formation of trust

with an incumbent CEO and their willingness to succeed. It is also worth noting the home environment variable that has not been addressed in a traditional business research field. Successors who participated in the survey judged that home environment, they had experienced, influenced the relationship of trust with an incumbent CEO, which could explain that the efforts of the family members, including an incumbent CEO, were an important pre-succession stage. It means that an incumbent CEO and family members should create an atmosphere for smooth trust-building from the pre-succession stage. Finally, it was shown that the involvement of family members did not directly affect the successor's willingness to succeed, nor did it have a mediating effect through the relationship of trust with an incumbent CEO. These results contradict the influence or importance of family members, including an incumbent CEO's spouses identified in previous studies. Previous studies have shown that the involvement of family members in the succession process is a significant factor and influence. However, the involvement of family members in forming the relationship of trust with an incumbent CEO from the perspective of a successor did not affect. These results are likely that a successor would have perceived the relationship with an incumbent CEO as a special and unique relationship that does not want family members to intervene or is not affected by

others. This view, however, is likely to fail to the intervene in crucial issues such as improving a successor's willingness to succeed and resolving conflicts, despite the need for the existence of family members to coordinate this relationship if the relationship between an incumbent CEO and a successor is not high. Therefore, it is believed that a successor should consider the recognition of the special relationship with an incumbent CEO, as well as the possibility for intervention of family members to improve the relationship and successful succession.

5.2 Research Implication

The implication of this study is as follows. First, among the various research perspectives of a family business, succession was usually analyzed by using the perspective of an incumbent CEO due to lack of data or various reasons. However, we accurately reflected a successor's perspective with the help of YES Track students at Hanyang University. In particular, a previous study argued that the spouse of an incumbent CEO should actively intervene in the conversation between an incumbent CEO and a successor or the long-term persistence of the concept of educating a successor by exposing a successor to a family business for a long time (Choo, 2019). However, in the study, the analysis was conducted from the perspective of an incumbent

CEO. This study derived a new result that differences in preferences for the intervention of family members may occur depending on the perspective, and indicating that detailed research on each perspective is needed. The second implication is that the home environment variable, which was not mainly used in the business research field, was statistically confirmed. The family environment used as an independent variable in this study was not widely used in the family business research field or the business research field. However, as a result of this study, the variable was confirmed that it was important to be studied to form the relationship of trust between an incumbent CEO and a successor in a family business. In addition, this study was found to have a mediating effect on a successor's willingness to succeed through the relationship of trust. These meaningful results present new guidelines to a family business preparing for succession. For successful succession, family members do not strive from the beginning of succession but should be steadily prepared from the pre- succession stage.

5.3 Limitation and Future Research

The limitations of this study and future studies are as follows. First, some of the items for measuring variables are slightly lower than the appropriate values. In this study, it was considered essential items, and

we proceeded without excluding those, but in future studies, there is a need to consider this limitation. Second, this research was conducted without the characteristics of the industry. Although a demographic frequency analysis was conducted for the industry to which the respondents' family businesses belong, we did not conduct, such as cross-industry comparisons. However, the results of the previous qualitative studies indicated that there would be some differences between industries. Therefore, research considering the characteristics of the industry will be needed in the future.

Third, in this study, the analysis of demographics was conducted without dividing the steps of succession. However, a successor's perspective could possibly be changed depending on the succession process. In this study, we did not reflect such a change in perspective. Therefore, in future studies, it seems necessary to select and analyze suitable family businesses for each by dividing the stages of succession into before, during, and after. Lastly, a re-study on the involvement of family members is expected. Various previous studies have drawn conclusions that are expected to have a significant impact on the involvement of family members, but the result of this study has shown that there is no significant influence between each other. Therefore, it is expected that a detailed study will be needed on how the involvement of family members can affect it.

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