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Abstract

Introduction The long succession period includes the transfer of ownership to the successor and learning of the essentials of the business. The introduction of the next generation into a family business involves the transfer of both explicit and tacit knowledge, network knowledge as well as leadership transfer. Tacit and network knowledge are largely based on the mutual relationship between the owner manager and his or her individual contacts. This kind of knowledge is very difficult to get transferred from the owner-manager to the successor. A successful transfer of this knowledge requires good leadership skills of the predecessor; first, to motivate the successor to become interested in the business, and second, to get the successor to know the predecessor's network relationships. Thirdly, the predecessor should also familiarize the successor with the leader's role when he or she takes over the firm. In this respect, the example of the predecessor is of key importance. However, the leadership behavior is not always the forte of small business owners. In addition, it must be taken into account that leadership behavior striven for by the successor in the new era of the firm is not necessarily similar to that of the retiring old-timer. In this paper, the aim is to highlight the importance of the predecessor's leadership behavior in general and in the different phases of the succession process. The process consists of four stages: (1) getting to know the field, (2) entry stage (transfer of 'know-what' and 'know-why'), (3) stage of joint management (transfer of 'know-who' and 'know-how'), and (4) stage of independent business.