How Founders' Empowering Leadership Shapes Successors' Entrepreneurial Behavior in Family Firms

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Abstract:

Family-firm succession is not only a transfer of ownership and control but also a developmental process through which successors build the identity, psychological resources, and motivation needed to act entrepreneurially. Drawing on the Job Demands–Resources (JD–R) model, this study examines how founders' empowering leadership shapes successors' entrepreneurial behavior through organizational identification, self-efficacy, and harmonious passion, and whether technological capability and social ties strengthen these pathways. An online survey was conducted in July–August 2025 with 460 members, prospective successors, and successors of Korean small and venture firms that had experienced or were preparing for family-business succession. The data were analyzed using partial least squares structural equation modeling (PLS-SEM) with 5,000 bootstrap resamples. All seven hypotheses were supported. Empowering leadership strongly increased successors' organizational identification, which in turn enhanced both self-efficacy and harmonious passion. These two resources—a cognitive "can do" belief and a motivational "want to do" drive—each promoted entrepreneurial behavior. Technological capability strengthened the link between identification and self-efficacy, whereas social ties strengthened the link between identification and harmonious passion. The findings extend the resource-based motivational pathway of the JD–R model to family-business succession and show that firm resources shape how successors convert identification into personal resources. Practically, founders should grant decision authority through a staged empowerment roadmap, and family firms and policymakers should support long-term successor development that fosters autonomy, meaning, and identity rather than relying on control or short-term consulting.

Keywords:

Family business succession, empowering leadership, entrepreneurial behavior, harmonious passion, job demands–resources model.