

ENTREPRENEUR PREPAREDNESS TO THE DEVELOPMENT OF PROBABLE SUCCESSORS IN ENTREPRENEURIAL ORGANIZATION: SCALE DEVELOPMENT AND VALIDATION

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Abstract: Preparedness of an entrepreneur with regards to development of his probable successors especially for key roles is not only critical and important keeping in view the long-term business success but also to remain competitive. This research paper presents the creation and verification of the entrepreneur preparedness to the development of probable successors in Entrepreneurial Organization engagement scale, as tested on a sample of 150. The respondents included Leadership Team, Heads of Human Resources and senior management team members of the organizations belonging to 48 organizations due to the involvement of senior management of these organizations and homogeneous nature of the population. The basis of selection was their entrepreneurial orientation. The organizations are more than a year old to maximum of 90 years old. Organizations which were selected belonged to across industries irrespective of national geography as the meaning of entrepreneurial orientation remains same in any industry. Sampling of participants focused primarily on role of respondents in succession planning for probable successors in their organizations. The scale is a 19 item self-reporting questionnaire (1 was dropped as it was irrelevant) that measures four facets of development of probable successors with regards to Statements that represent preparedness of Entrepreneur with regards to the development of probable successors in entrepreneurial Organization. The test-retest reliability and internal consistency of the subscales were both quite good. All the dimensions of development of probable successors were positively and significantly related. The results of EFA rendered 3 distinct factors namely; Leadership Commitment to Planned succession, Communication of Planned succession to probable successors, Succession decisions directed by Family concerns, values and norms. These factors were then checked for construct validity and discriminant validity followed by structural model fit assessment.

Keywords: Indian Entrepreneur, Preparedness, Development, Probable Successors, Entrepreneurial Organization.

1 Introduction

For entrepreneurial organizations to be successful, development of probable successors, is very critical. Every key position and key person in an organization should be part of succession planning (The Hindu, 2017). The process of creating potential successors must be proactive rather than reactive. Preparedness of entrepreneur is willingness on part of an entrepreneur to develop, mentor, train, and groom probable successors. Due of this, business owners must plan for the future while still focusing on the here and now. Mr. O.P. Jindal, the founder of the Jindal Group, had ensured a seamless transition of the family business to the next generation during his lifetime itself, by passing on one each of his four companies to each of his four sons (Mishra, Shukla, & Sujatha, 2021). Large corporate houses with succession plans include the Godrej Group, Mahindra & Mahindra, Dabur, and the Murugappa Group. Some of the more progressive Indian business houses like Ranbaxy, Dabur, RPG and the Eicher Group have demonstrated a high degree of professionalism in this regard. Multi-dimensional components emanating from socialization in family-business and experiences garnered through external sources support the commitment of successors (Mishra, Shukla, & Sujatha, 2021). But one common point in all the literature's is that probable successors preparedness had only been possible with the support and commitment of entrepreneur. Probable successors preparedness is not very well planned by companies (Nupur et al., 2017). Succession determines a leader's long-term worth (John C. Maxwell). The continual process of selecting candidates to take over the most important positions in a company and preparing them for those leadership positions is known as succession planning (Atwood, 2020). An organization's deliberate and methodical attempt to maintain leadership continuity in important positions, to preserve and grow cognitive and intellectual assets for the future, and to promote individual progress is known as succession planning. (William Rothwell, 2016).

There are barriers and gaps in development of probable successors. A third of Indian businesses either do not have a succession planning programme in place or have one that is ineffective, hence it is mostly absent in these businesses (KPMG, 2014). 28% of the businesses either had no succession planning in existence or their procedure was completely ineffective. The problems associated with succession planning seem acute in India where family-managed businesses proliferate. According to analysts, it is nearly a guarantee that the successor in Indian promoter-driven enterprises would be a relative. In India, family-run companies are more likely to choose a "number two" somebody to assist their family-nominated CEO (KPMG). This continued to be the case with the majority of significant corporate houses, like the Birla's, which began as modestly sized businesses around four or five generations earlier. Boston Consulting Group research throws light on the extent to which poor succession planning can lead to bad results in revenue generation, market capitalization and margins. Their study was specifically focused on family-owned businesses in India. Based on literature review there are many issues in entrepreneur's preparedness for development of probable successors which are unaddressed, leading to a wide gap between the critical aspects with special reference to Indian context. Literature in the Indian context is still rare and specific, which leaves huge gaps in this research area. The majority of research that have been published in the literature took place in developed economies. Since there is significant impact of environment, culture, economy etc. on entrepreneurial organization behaviour, therefore the preparedness aspect, related intentions and behaviour are different. Also, in India, not much of the work has been accomplished on this topic and whatever work has been done; its scope is too narrowly limited to a section of organization. All research available on Entrepreneurial Organization's, in India repeatedly fail to address succession planning. This reflects a strategy of playing safe and not experimenting much and therefore not addressing the selection of probable successors.

Thus, the questions are:

- What is the preparedness level of an entrepreneur with regards to development of probable successors?
- What is the preparedness level of probable successors with regards to development of self?

For entrepreneurial organizations to be successful, development of probable successors by himself as well as entrepreneur's, is very important. It remains a critical area to be explored, assessed, and taken care off. Also, as it is clear from the review of literature's, much of the work is done abroad. In India, not much of the work has been accomplished on this topic and whatever work has been done; its scope is too narrowly limited to a section of organization. Developed probable successors will be able to take future leadership responsibilities & challenges within the organization as Chief Executive Officer etc.

2 Review of Literature

2.1 Entrepreneurial Organization

Structures that foster the birth and growth of ideas from all of the firm's employees are known as entrepreneurial organisations. Such a group must possess particular qualities that encourage the emergence of opposing viewpoints. An entrepreneurial organisation combines a number of entrepreneurship and resolute adaptability elements, including a specific attention process that enables junior and experienced managers to catch the attention of decision makers, a particular decision process that explains the acknowledgement of suggestions, and a versatile, flexible framework to enable implementation. By virtue of their form and traits, entrepreneurial organisations vary from management organisations. (Thierry Burger-Helmchen,

2013). Entrepreneurial organization can take numerous forms. Several academics have emphasised the fact that there is no one feature, tendency, or group of qualities that can reliably anticipate entrepreneurial activity at the level of the individual entrepreneur. (Sandberg et al., 1987). The organisational and environmental traits of a company will be significant logical consequences of the organizational innovation that a particular organisation has chosen. (Lumpkin et al., 1996). The personalities of the founders of a firm may also be linked to entrepreneurial inclination. In the past, the entrepreneurial qualities of accomplishment drive, tolerance for ambiguity, risk-taking, and locus of control were examined and shown to be correlates with becoming or wanting to be an entrepreneur. (Ahmed, 1985; Begley et al., 1987; Bonnett et al., 1991).

Different authors have addressed entrepreneurship in various ways over the years. This is due to the fact that the topic has been studied by the broadest range of human sciences: among other things, sociology, psychology, administration, and the economy. Entrepreneurial mindset is found as one of the factors associated with Intrapreneurship and intrapreneurship is independent of age and education (Rekha et al., 2015). The most influential businessmen of the world possess the following leadership qualities: they do not play the victim card; are open-minded; prepared to take calculated chances; establish realistic objectives; and know how to handle difficulties. Can inspire others, is proactive, a lifelong learner, asks thoughtful questions, is ready to take a break, gathers information before making a choice, is aware of their strengths, and hires for their deficiencies. (John, 2015). The boundary between entrepreneurial leadership and refraining from making impulsive judgments is not clearly drawn in start-ups. (Henning, 2014). The entrepreneur recognized and pursued an opportunity. These individuals have ventured into business creating niche and unique position for themselves.

2.2 Succession Planning

The continual process of selecting candidates to take over the most important positions in a company and preparing them for those leadership positions is known as succession planning (Atwood, 2020). The development of an organization's bench strength through succession planning helps assure its long-term health, prosperity, and security (Teala Wilson). An organization's deliberate and methodical attempt to maintain leadership continuity in important positions, to preserve and grow cognitive and wisdom assets for the future, and to promote individual progress is known as succession planning (William Rothwell, 2016). Despite its importance, it was mostly ignored in the past by all, including human resource management function. Even though the entrepreneur or top management understands the importance of succession planning, there is no policy and process for implementation of the same. Many businesses appear to be letting succession planning be up to chance. (Rhoda et al., 2018). According to a Hay Group research report released in 2013, only one-third of family businesses in India, which are entrepreneurial in nature have succession plans in place. Since 2014 till today the trend in succession planning has been issue-driven in different types of businesses:

- Scarcity of the right talent and the right number of incumbents at the executive level.
- Flatter organizations which in turn have created huge pressure on organization structures to downsize, leading to limited scope at higher levels.
- With the new generation, individuals were more loyal to their careers instead of to a job, which reduces loyalty to work.
- Reward & recognition are the new system of every organization.

As a result, many organizations have transitioned to succession planning being an agile process, that identifies and develops a pool of talented individuals who can assume future roles built around organization's vision; mission and business value system, which are competency driven.

2.3 Preparedness of Entrepreneur on Planning for Succession

It is the role of an entrepreneur to assist the stakeholders in their business. Serendipity is obtained via expansion and success. As a result, company owners must think about the present while making plans for the future. The preparation for succession planning is also influenced by the leadership styles of entrepreneurs. Veterans of the Indian family-owned business firm started the success management method more than ten years ago and give sons and daughters the same opportunities. There is not a precise information instrument available to assess an entrepreneur's preparation for succession planning. In Indian businesses, succession planning is frequently lacking, with around one in three having either no programme in place or an ineffective one. (KPMG, 2014). Leadership preparedness is not very well planned by companies (Nupur et al., 2017).

2.4 Preparedness on part of Probable Successors in Succession Planning & Self Development

What lies within us is far more important than what is in front of us or behind us (Ralph Waldo Emerson). The process of analysing important responsibilities and assessing the level of preparedness of possible internal (and external!) candidates to fill these roles is known as succession planning. It is a significant procedure that serves as a vital link between talent acquisition and recruitment. Potential is the capacity of an individual to exhibit the behaviours required for success at the organization's next highest level. A future employee may be fairly accurately predicted by their skills and behaviours. No of their level, higher-potential applicants frequently exhibit the following talents: business savvy, strategic thinking, leadership, abilities, learning agility, and technological proficiency. The ultimate objective of succession management is to create a pool or pipeline of ready leaders across all organisational levels, not merely a list of potential candidates, to fill openings in critical roles as necessary. Which resource—to construct or to buy—would be the best fit to fill this function, according to some potential questions? Do those applicants require training? If so, what kind, exactly? Even if the person directly behind them in the organisational hierarchy may be the apparent choice to fill a position, do not rule out other deserving applicants. As a result, career planning and development are crucial to the succession management plan's individual employee career goals and objectives (Darina et al., 2015). Simply said, interactions between individuals—who choose what best suits their ideas—and the organisation providing them with such alternatives that achieve their goals are what lead to career growth. The connection between career advancement, career planning, and career management reflects this dual goal (Chvostaova, 2015). Employees may establish and put into practise the stages and processes necessary to attain their professional goals through career planning. Career management is connected to career planning since it's a process used by businesses to identify, assess, and cultivate prospective talent that can be used to satisfy their needs, maintain their competitiveness, and provide them with alternatives that help them achieve their goals. (Bielikova, 2008). One of the company's strategic goals begin. Utilizing all available data on business needs, job performance and potential assessments, and succession plans for managerial roles, it creates customised career development plans and broad management development, consulting, and career mentoring arrangements (Armstrong, 2007). Research on the function of successors in self-development is quite scarce.

3 Components to Probable Successor Development in Entrepreneurial Organizations

Research Construct	Variables
Preparedness of Entrepreneur on Planning for Succession	Commitment & Readiness to Change; Business Continuity; Resources; Open Communication & Trust; Competence of Successor; Time & Opportunity; Autonomy; Nurturing Conflict
Preparedness on part of Probable Successors in Succession Planning & Self Development	Successors Initiatives; Readiness; Self Development

The tool for measurement of variables with regards to preparedness of entrepreneur to the development of probable successors in entrepreneurial organization is not available and this is the first time we are proposing the same. The below-mentioned indicators were carefully made after consultation with the experts and are analysed as LED1 TO LED 20:

1. Entrepreneur of my organization shows willingness to planned change in key role positions (LED1).
2. The succession planning policy helps entrepreneur to align business vision, mission & business plan with the development of probable successors for leadership positions (LED2).
3. The entrepreneur is aware on the impact of successor on the business continuity. (LED3).
4. The entrepreneur of my organization is committed to development of probable successors for key positions (LED 4).
5. The entrepreneur of my organization devotes financial resources for the growth and development of its probable successors (LED5).
6. The willingness of the entrepreneur to step aside is often communicated through organizational stories within my organization (LED6).
7. It is informed by the entrepreneur that for a succession to be successful, the successor's competence and experience must be taken into account in any entrepreneurial organizations (LED 7).
8. The entrepreneur demonstrates the emotional implications of the transition plan (LED 8).
9. Resources in terms of time and opportunity are made available by entrepreneurs for learning and development process of probable successors (LED9).
10. Entrepreneur provides lot of autonomy to Human Resources team to undertake succession planning process in my organization (LED10).
11. The entrepreneur foresees nurturing conflict in circumstances of succession from one generation to the next (LED11).
12. As a properly run business with diversified shareholding, the objective of succession is predominantly understood as the firms post succession performance (LED12)
13. There is preparedness with the leadership to balance the difference in the values, norms and goals between a family succession and an outsider succession in leadership roles (LED 13).
14. Maintaining good family relationships have been the interest of the entrepreneur in the succession planning (LED 14).
15. The entrepreneur puts conscious efforts to ensure transparent communication with the probable successors within my organizations (LED 15).
16. Entrepreneur considers propensity to trust with probable successors as the most important factor in identifying a successor (LED 16).
17. The selection of the successor is based on the optimum match of the successor to the existing family values and norms (LED 17).
18. The entrepreneur is very careful not to surrender power, authority, responsibility and control if the successor initiates the succession process (LED 18).
19. The Discussion and agreement on how the founder transfers ownership and administration of the company to the successor are governed by mutuality of interest (LED 19).
20. In my organization the leadership have been communicating the succession decision to stake holders (LED 20).

4 Research Method

4.1 Scale Refinement

The study used a sample of 461 Entrepreneurs or Leaders and Senior Management team members from various organisations. The author selected the respondents based on certain criteria; first, the organisation is at least one year old, and leaders have an entrepreneurial orientation. Organizations which were selected belonged to across industries irrespective of national geography

as the meaning of entrepreneurial orientation remains the same in any industry.

The Sampling frame consisted of senior members of these organizations having rich experience of the field with an average experience of 12-17 years and more. In July 2018, the author started searching for entrepreneurial organizations wherein Entrepreneur; Head of Human Resources and Senior Management team members, who can give interviews and provide the relevant information to understand the entrepreneur's preparedness in these organizations with regards to succession planning of probable successors. From July 2018 to March 2019, interviews were fixed, and their views were taken. A scale for measuring Entrepreneur Preparedness to the development of probable successors in Entrepreneurial Organization was created after multiple expert brainstorming sessions along with the literature available on the subject. The initial draft consisted of 24 items and the content was further presented to three faculty members and two industry experts. Their recommendations led to the removal of 4 items from a scale, bringing the number of final items down to 20 as mentioned in the previous section . A scale from 1 to 5 was used to rate each item, with 1 being labelled as "strongly disagree" and 5 as "strongly agree".

Post-these interactions, a self-administrated tool with 20 items (LED 1 to LED 20) was used as a pre-testing tool. The questionnaire was sent to the Entrepreneur; Head of Human Resources and senior management teams of different organizations through emails, Google Docs.; LinkedIn and what's app link. The items along with the definitions of Entrepreneurial Organization; Succession Planning; Preparedness of Entrepreneur and Preparedness of Probable Successors were presented to 48 senior members of the selected organizations to get their opinion on whether the items belonged to the proposed study. 510 responses were received and out of which 461 questionnaires were in a usable form as the rest had missing responses.

4.2 Development of Measurement Scale

Reliability

The study used SPSS version 21.0 and AMOS 16 for the statistical analysis of data. The data was first checked for sample adequacy through KMO and Barlett's sphericity test. The KMO score in the current research was 0.925, which is higher than the minimal cutoff value of 0.50. (Hair, 2006). Barlett's measure, which has 4196.123 as its value and 171 degrees of freedom, was determined to be extremely significant (p 0.001). As a result, it was determined that the sample was suitable and appropriate for factor analysis to be applied to the data.

Common method variation is a significant problem that comes up while collecting data on self-report measures. Harman's single factor approach, which loads all the elements onto one factor using an unrotated factor, was used to test this (Podsakoff et al., 2003). In order to ensure that there were no difficulties with common method bias in the data set, it was discovered that the percentage of the total variation accounted by the single greatest component was 32.867.

The properties of the scale were checked by Principal Components Analysis using Varimax Rotation for Factor Analysis. As a criterion for factor extraction, factors with eigenvalues bigger than one were taken into consideration. c The LDE15 measured "The entrepreneur puts conscious efforts to ensure transparent communication with the probable successors within my organizations" was removed from the analysis due to low factor loading (Nunnally, 1978).

The remaining 19 items loaded on three factors; thereby explaining the multidimensionality of the construct. The results of EFA rendered 3 distinct factors namely:

Factor 1: Leadership Commitment to Planned succession (LED1 to LED9)

Factor 2: Communication of Planned succession to probable successors (LED 10 to LED14)

Factor 3: Succession decisions directed by Family concerns, values and norms (LED 16 to LED20)

The items in the questionnaire focused on the willingness of the entrepreneur to change amid a defined succession planning policy, which brings forth the commitment towards the succession process. The work by Rautamaki and Romer-Paakkanen (2016) highlighted the importance of commitment and willingness in the process of business succession. Further on, the business continuity is mentioned as an item of influence in the process. In the work by Weisblast (2018) it is concluded that the development of the probable successors by the entrepreneurs add to the positive business continuity. In doing so, the resources like finances, time and opportunity are to be made available by the entrepreneur. LeCounte (2020) stated that the entrepreneur is required to exhibit willingness and inevitability of succession while acknowledging the emotional aspect of transition. These parameters bring forth the need for commitment from the leader's end towards succession, which is how the first factor emerges.

The questionnaire also focused on the ability of the entrepreneur to handle, manage and oversee the succession. The work by Lu et al. (2021) discusses the need for the entrepreneur to communicate the necessity of the succession to the organization's employees. As the succession planning is communicated, the entrepreneur needs to take care of the emerging conflicts and distribution of ownership when the successor is from outside the family (Leib & Zehrer, 2018). To balance all the aspects properly and ensure effective succession process while balancing out the outsider succession and maintaining good family relationships; communication is integral. Therefore, the discussed five items become the fundamentals for the second factor i.e., communication of planned succession.

The remaining items on the questionnaire catalyze the third factors i.e., succession decisions directed by family concerns, values and norms. It is imperative of the entrepreneur to trust the probable successor (Camfield & Franco, 2019) while also selecting the one who is the most suitable match (Campopiano et al., 2020). Only when there is an adequate match in the interest of the successor and the entrepreneur, can the planning see an outcome. The succession planning is to be done with adequate planning wherein entrepreneur remains the central decision-maker while clarifying the decisions made to the stakeholders, adding to the list of items forming a part of the succession process.

Consequently, first factor consists of nine items and second and third factor consists of 5 item each. All the factors were then checked for reliability using Cronbach Alpha, values of which ranged from 0.861 to 0.901. Minimum five items in each factor ensured parsimony of the scale items that helped in minimising respondents biasness while answering the questions (Clark and Watson, 1995)

Factor	Component	Communalities	Factor 1	Factor 2	Factor 3	Eigen value	% of variance	Cumulative %
Factor 1	LED 1	.531	.720			6.907	36.351	36.351
	LED 2	.544	.692					
	LED 3	.556	.730					
	LED 4	.597	.752					
	LED 5	.586	.746					
	LED 6	.556	.735					

LED 7	.546	.716						
LED 8	.594	.752						
LED 9	.548	.728						

Table 1: Explanations of factor loadings, communalities, dependability, and total variance

Factor	Component	Communalities	Factor1	Factor2	Factor3	Eigen value	% of variance	Cumulative %
Factor 1	LED 1	0.531	0.72			6.907	36.35	36.351
	LED 2	0.544	0.692					
	LED 3	0.556	0.73					
	LED 4	0.597	0.752					
	LED 5	0.586	0.746					
	LED 6	0.556	0.735					
	LED 7	0.546	0.716					
	LED 8	0.594	0.752					
	LED 9	0.548	0.728					
Factor 2	LED 10	0.63		0.771		2.937	15.46	51.807
	LED 11	0.666		0.787				
	LED 12	0.621		0.751				
	LED 13	0.654		0.779				
	LED 14	0.644		0.769				
Factor 3	LED 16	0.696			0.809	1.784	9.391	61.197
	LED 17	0.674			0.776			
	LED 18	0.643			0.75			
	LED 19	0.668			0.789			
	LED 20	0.674			0.782			

The reliability scores of all the factors are shown in Table 2 below:

Table 2: Reliability of the factors

Factors	Mean	Standard Deviation	No of Items	Cronbach Alpha
Factor 1	3.5770	.95283	9	.901
Factor 2	3.5965	1.01278	5	.861
Factor 3	3.4764	1.04010	5	.876

Table 3 shows that items of all the factors are positively and significantly related to its total score.

Table 3: Correlations of the Items of the Factor with its Total Score

Factor	Items	Mean	Standard deviation	Correlation
Factor 1	LED 1	3.55	1.270	.720**
	LED 2	3.61	1.319	.692**
	LED 3	3.56	1.261	.730**
	LED 4	3.60	1.260	.752**
	LED 5	3.55	1.301	.746**
	LED 6	3.57	1.255	.735**
	LED 7	3.58	1.230	.716**
	LED 8	3.58	1.308	.752**
	LED 9	3.59	1.268	.728**
Factor 2	LED 10	3.60	1.264	.794**
	LED 11	3.56	1.249	.812**
	LED 12	3.61	1.251	.790**
	LED 13	3.61	1.275	.808**
	LED 14	3.61	1.278	.804**
Factor 3	LED 16	3.52	1.279	.831**
	LED 17	3.43	1.257	.819**
	LED 18	3.50	1.259	.804**
	LED 19	3.47	1.276	.813**
	LED 20	3.46	1.288	.822**

Source: Authors' findings.

Note: **P < 0.01.

Scale Validity

After the factor analysis consisting of the 17 significantly loaded items was subjected to CFA using AMOS to determine whether the three-factor model of Entrepreneur Preparedness to the development of likely successors in Entrepreneurial Organization was appropriate for our chosen sample, the 19 items from the factor analysis were subjected to CFA. The study considers the scale as a reflective as the observed indicators are not measured directly and are caused by latent variables. For construct validity, it is important to examine the items, their dimensionality and the relationship of the items with the constructs, which can be either formative or reflective (Polites, Roberts and Thatcher, 2012).

According to studies, the majority of measurement development activities often take into consideration reflective measurement

models, which make the assumption that the latent variables are what produce the observable indicators. The current study considers the construct as reflective by following the checklist (Khatri & Gupta, 2019):

First, by investigating whether the items or indicators forming the construct define the characters of the factors (formative) or manifests the items (reflects). Examination of the items reveals that they manifest the construct, which suggests it is a reflective scale.

Second, we examine if any changes to the components cause a specific change in the construct's meaning. In other words, the direction of cause and effect can help in deciding whether the construct is reflective or formative. Third, it was seen that the items are linked to each other, for example, The indicators are related to each other, so any change in one item can affect another item, suggesting the construct to be reflective.

Construct Validity and Discriminant Validity

Further, both construct and discriminant validity of the scale is calculated using stats tool package.

Construct composite reliability, convergent and discriminant validity calculations on 19 items were used to define the measurement model and goodness of fit (Hsu and Lin 2008; Lim 2015). Composite reliability is used to gauge a construct's dependability (Fornell and Larcker 1981). The lower limit for composite dependability should be more than 0.70, according to (Liu and Wang 2016).

AVE (average variance extracted) and component loadings are used to assess the construct's convergent validity (Fornell & Larcker 1981). The factor loading should have a value of more than 0.60 and the average variance extracted (AVE) must be larger than 0.50. (Hair et al.,2014) All constructs have value of AVE ranging from 0.504 to 0.586 (> 0.50) and Convergent validity of the questionnaire is not a concern. The value of CR is greater than AVE, which is further greater than the values of MSV (mean shared values), thereby confirming no convergent validity issues (Table 4).

Table 4: Construct and Discriminant Validity

	CR	AVE	MSV	MaxRH	Factor1	Factor2	Factor3
Factor 1	0.861	0.554	0.276	0.862	0.744		
Factor 2	0.901	0.504	0.171	0.902	0.367	0.71	
Factor 3	0.876	0.586	0.276	0.877	0.525	0.414	0.766



Figure 1: Confirmatory Factor Analysis

Fornell and Larcker (1981) claim that the correlation of constructs and the square root of average variance extracted

(AVE) are used to determine the discriminant validity of the scale. A few academics have disputed this, though (Benitez, Henseler, Castillo, and Schuberth 2019; Fornell and Larcker's 1981), and it is no longer regarded as an appropriate indicator of discriminant validity. Heterotrait-Monotrait (HTMT) ratio should be utilised to evaluate the construct discriminant validity, according to Henseler, Ringle, and Sarstedt's (2015) recommendation. The HTMT ratio should be less than 0.85 (Henseler et al. 2015; Benitez et al. 2019; Ogbeibu, Senadjki, and Gaskin 2018). The HTMT ratios of the study's components ranged from 0.365 to 0.526 (0.85; see Table 5), demonstrating that discriminant validity remains unaffected.

Additionally, various model fit indices, including the Chi-Square (2), Relative Chi-Square (2/df), Root Mean Square Residual (RMR), Root Mean Square of Error Approximation (RMSEA), Comparative Fit Index (CFI), Adjusted Goodness of Fit Index (AGFI), and Normed Fit Index, were used to evaluate and quantify the structural model goodness of fit (NFI). In table 5, the model goodness-of-fit indices are displayed. The values for the model fit indices (See Table 5) were discovered to be within acceptable limits, with excellent model fit values being CFI = 0.984, NFI = 0.950, and TLI = 0.982. In line with the suggested thresholds of other investigations, RMSEA = 0.031 and SRMR = 0.052 showed high model fitness (Hair et al. 2014; Vieira 2011; Hu and Bentler1999; Tanaka 1993). The threshold requirements are met by all fit indices. As a result, the structural model appears to suit the data well and may be used further.

Table 5: Model fit Indices

Indices	Estimate	Threshold
CMIN	213.723	--
DF	149	--
Relative Chi-Square (2/df) (CMIN/DF)	1.434	Between 1 and 3
Comparative Fit Index (CFI)	0.984	>0.95
Square Root Mean Residual (SRMR)	0.052	<0.08
Root Mean Square of Error Approximation (RMSEA)	0.031	<0.06
Normed Fit Index (NFI)	0.95	>0.90
TLI	0.982	>0.90

5 Discussion

Although the concept of Succession Planning in the form of development of probable successors in any established business organization is not a new concept but it is equally relevant for Entrepreneurial Organizations globally. Leadership continuity is the backbone of any business organization. So, the focus of all entrepreneurial organizations should be to develop probable successors for all key roles. However, succession planning gets significantly impacted by environment, culture, economy etc. on entrepreneurial organisation behaviour, therefore the preparedness aspect, related intentions and behaviour are different. Also, in India, not much of the work has been accomplished on this topic and whatever work has been done; its scope is too narrowly limited to a section of organization. In order to assess an entrepreneur's readiness for the growth of potential successors in entrepreneurial organisations, the current study piece suggests a scale.

Succession determines a leader's long-term worth (John C. Maxwell). The continual process of selecting candidates to take over the most important positions in a company and preparing them for those leadership positions is known as succession planning (Atwood, 2020). An organization's deliberate and methodical attempt to maintain leadership continuity in important positions, to preserve and grow intellectual and knowledge capital for the future, and to promote individual progress is known as succession planning. (William Rothwell, 2016). As per Rothwell (2011), An organization's intentional and methodical attempt to maintain leadership in important positions, preserve and build intellectual and knowledge capital for the future, and promote individual progress is known as succession

planning. According to a 2014 Stanford study, many firms failed to develop definitive plans because they lacked the necessary skills within their organisations, and they identified effective succession planning as a significant obstacle. Only about half of these businesses had a specific executive in mind who was being prepared for a more senior role, and more than 39% of businesses stated that no current employees met the necessary requirements to fill these positions. According to a more recent Gartner study from 2019, just 27% of the business units examined had the executives they required for the future, a far less certain future than the one we presently have. Despite its importance, it was mostly ignored in the past by all, including human resource management function. Even though the top management understands the importance of succession planning, there is no policy and process for implementation of the same. Many businesses appear to be letting succession planning be up to chance. (Rhoda et al., 2018). According to a Hay Group research report released in 2013, only one-third of family businesses in India, which are entrepreneurial in nature have succession plans in place. These businesses for years have been passed on to the next generation of the family. As a result, the majority of firms were not even considering succession planning. For a number of reasons, including as lack of senior management support and engagement, divergence from other business processes, time and resource needs, and a strong focus on planning with little responsibility for implementation, these procedures continue to be scrutinised. Traditional Succession Planning strategies have been rendered outdated by rapid change and organisational developments. Since 2014 till today the trend in succession planning has been issue-driven in different types of businesses:

- Scarcity of the right talent and the right number of incumbents at the executive level.
- Flatter organizations which in turn have created huge pressure on organization structures to downsize, leading to limited scope at higher levels.
- With the new generation, individuals were more loyal to their careers instead of to a job, which reduces loyalty to work.
- Reward & recognition are the new system of every organization.

As a result, many organizations have transitioned to Succession Planning being an agile process, that identifies and develops a pool of talented individuals who can assume future roles built around organization's vision; mission and business value system, which are competency driven. The same holds true for entrepreneurial organizations.

The current work is a preliminary investigation in the growth of a scale to measure Entrepreneur Preparedness to the development of probable successors in Entrepreneurial Organizations. Although the present study is first of its kind, it's not a full-fledged study because a bigger sample size is needed, but it's a beginning attempt to look at the characteristics of a tool that is intended to assess Entrepreneur Preparedness to the development of probable successors in Entrepreneurial Organizations. It gave proof of the instrument's validity and dependability. The various subscales' reliability—both internal consistency and test-retest reliability—was good. The subscales' test-retest reliability was likewise quite good. Both face validity and predictive validity were demonstrated in terms of validity.

The criterion variable and the predictor variables were found to be significantly related. The subscales created and verified in this research can be useful for entrepreneurs as head of their organisation and Human Resource professionals. They can use them to measure preparedness of entrepreneurs to the development of probable successors in Entrepreneurial Organizations and analyse the findings. After obtaining findings, Numerous preparedness-related measures, including development efforts for potential successors, can be started. Qualitative data acquired through interviews and focus groups may be used to further verify and support quantitative data generated through a survey. This scale may also be used as a

proximate indicator of a potential successor's desire to prepare for a new position. Future studies can look at our scale in relation to different organisational configurations. The instrument's structure can also be examined by employing a sizable sample. Additionally, the subscales' validity may be checked in relation to a number of additional results.

This study will also help Indian Entrepreneur's and Human Resources to work on Talent Management Strategies including, Build or Buy option. It will also help entrepreneur's overall business strategy, his vision to develop successors. Developed successors will be able to take future leadership responsibilities & challenges within the organization as CEO; Strategic Business Unit Head / Vertical Heads. Entrepreneurial organizations will also be able to remain competitive.

6 Limitations and Future Research

As it is clear from the review of literature's, much of the work is done abroad. In India, not much of the work has been accomplished on this topic and whatever work has been done; its scope is too narrowly limited to a section of organization. The majority of research that have been published in the literature took place in wealthy nations. Since environment, culture, economics, and other factors have a considerable influence on entrepreneurial organisation behaviour, the readiness component, related objectives, and behaviour will need to alter. Hardly any study has been reported on Indian scenario. The need of such study arises because India howsoever rich in its natural wealth is fast moving towards being an economic superpower. Increased competition has increased the worth of such a study. So, to understand this about organization is of foremost importance. So, the preparedness and progress of organizations needs to be studied. Also, this needs to be tested on a larger sample population.

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Primary Paper Section: A

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