Strategic Conflict Management and Digital Succession Readiness in South African Family Businesses: Developing a Sustainable Intergenerational Transition Framework

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ABSTRACT

Purpose
This study examines the impact of conflict management strategies on the digital succession readiness of family-owned businesses in South Africa. Its primary objective is to develop a sustainable intergenerational transition framework that promotes long-term business continuity and growth. The study addresses increasing challenges associated with intergenerational succession, governance weaknesses, and technological transformation in family businesses.

Methodology
A mixed-methods research approach was adopted, integrating quantitative and qualitative techniques. Data were collected through structured questionnaires and interviews with selected family-owned businesses in Gauteng, Western Cape, and KwaZulu-Natal provinces of South Africa. The collected data were analyzed using regression analysis, structural equation modelling (SEM), and thematic analysis.

Findings
The findings revealed a significant positive relationship between conflict management strategies and digital succession readiness. Communication management demonstrated the strongest positive influence, followed by conflict resolution strategies, governance mechanisms, and negotiation and collaboration. Furthermore, SEM results confirmed that effective conflict management contributes to digital succession readiness, which subsequently supports sustainable intergenerational transitions.

Conclusion
The study found that effective conflict management, communication, negotiation, and governance significantly improve the digital succession readiness of family-owned firms in South Africa. Managing intergenerational differences enables family businesses to adapt more effectively to technological changes and ensure successful succession. Weak governance and poor communication remain major challenges to sustainable intergenerational succession. The study recommends strengthening governance structures, communication, conflict resolution, digital skills, and succession planning through organizational and government support.

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1. Introduction

Family business ownership shows how family-owned firms are essential forms of business ownership which aid economic development and create jobs, produce wealth, and also promote entrepreneurship. Family businesses are in several sectors in South Africa which are manufacturing, agriculture, retail, tourism, logistics and financial services as well as contributing to ensuring that the family and social values are preserved. However, family businesses face numerous challenges that include succession, governance, intergenerational conflict and technological change. According to Maseda et al. (2022), family businesses that ignore succession planning in connection with digital innovation get stuck and see changes in leadership continuity.

Succession is a key challenge facing family businesses, especially for long-term sustainability. Proper succession planning, absence of conflicts, good corporate governance, and innovation are critical to continuity beyond the founder's generation. In South Africa, succession raises emotional, managerial, financial, and strategic challenges, and economic inequalities, institutional pressures, skills shortages, and technological changes make intergenerational transitions even harder. Neneh and Van Zyl (2020) made it clear that integrating succession processes creates certainty during leadership transitions, while Urban and Dangor (2021) emphasized that succession poses a serious threat to the continuity of family businesses. Simultaneously, the digital transformation has become more critical to the competitiveness and sustainability of companies. The implementation of cloud computing, enterprise resource planning, AI, digital marketing, automation, and databases results in greater potential to improve operations, transfer knowledge, and create resistance among older generations. The increasing importance of digital transformation was emphasized by Soluk and Kammerlander (2021), while Kraus et al. (2022) showed that traditional management styles can increase resistance to digital innovations in family businesses.

That said, intergenerational conflict can also be viewed as a key element in understanding both digital transformation and succession. There can be conflicts between generations regarding expectations of leadership, management style, control, inheritance issues, business vision, and attitudes towards modernity. Lumpkin and Bacq, (2022) indicated that emotional attachments to the family business, worries about inheritance, sibling rivalry and differences across generations lead to such conflicts. Failure to resolve the conflict correctly can lead to loss of trust, poor decision-making, inability to cooperate and issues in succession, while proper conflict handling will lead to smooth succession (Qiu & Freel, 2020).

The research gap stems from the absence of synergistic consideration of these problems together. Prior research has investigated family business succession, governance, leadership transition, digital change, and familial relationships. However, not enough research has been done to find out how strategic conflict management influences digital succession readiness followed by sustainable inter-generational transition. Soluk and Kammerlander (2021) also highlight that, succession and digital transformation have been studied mostly separately rather than in an integrated way. The current study fills this gap by finding out the effect of strategic conflict management on digital succession readiness in family businesses in South Africa and by investigating if digital succession readiness is a mechanism via which conflict management influences sustainable intergenerational transition. The research is based mainly on Conflict Management Theory, which is completed by Dynamic Capabilities Theory to provide the

understanding of how family businesses can function in conditions of inter-generational tensions while at the same time developing required flexibility for digital transformation.

In this regard, the study aims to propose a Sustainable Intergenerational Transition Framework which is aimed at the integration of strategic conflict management, digital succession readiness, and sustainable continuity for family businesses in South Africa. The framework is intended to provide an evidence-based explanation of how family businesses can strengthen governance, manage succession-related conflict, enhance digital preparedness, and achieve more sustainable intergenerational transitions.

2. Literature Review

2.1. Theoretical Review

The methodology of this study is heavily based on the Resource-Based View (RBV), which holds that family businesses can achieve sustainable competitive advantage and continuity by optimizing their internal resources and capabilities. Strategic conflict management is the capability family firms use to manage intergenerational relationships and to run succession processes through communication, conflict resolution, negotiation, collaboration, and governance. In this instance, the RBV also ensures the organization’s capacity to embed new technologies and knowledge into the succession processes.

Another important aspect in the context of the present research is the applicability of the Dynamic Capabilities perspective, which illustrates how family firms adapt and reconfigure their resources in response to technological changes and intergenerational transitions. Digital succession readiness is the family business's ability to acquire technological capabilities and transfer knowledge of new technologies to future generations. Thus, while RBV explains the value of internal resources and conflict-management capabilities, Dynamic Capabilities explains how these resources are adapted to changing technological and succession conditions. Within the proposed framework, Strategic Conflict Management is the independent construct, Digital Succession Readiness is the mediating construct, and Sustainable Intergenerational Transition is the dependent construct. Thus, the RBV provides the theoretical foundation for the relationship between strategic conflict management and digital succession readiness, while the Dynamic Capabilities perspective describes the relationship between digital readiness and family businesses' ability to adapt to new realities and succeed in their intergenerational transitions.

2.2. Family-Owned Construction Businesses

The concept of family business plays a significant role in the economy by generating employment and maintaining the continuity of business processes in various industries. The family-owned construction companies in Gauteng operate in a sphere that contributes to infrastructure development and other types of economic activities (Grobler, 2022). Family-owned businesses are characterized by family participation in ownership and management activities aimed at sustaining the family business for many generations (Oudah et al., 2018). Family businesses have specific features such as a mix of family relationships, knowledge, financial capital, and social capital, which help to distinguish them from non-family-owned companies (Chrisman et al., 2018). Family factors give family businesses many practical advantages, like creating a sense of commitment, trust and loyalty. However, these positive aspects can create challenges to the management of family-owned companies when family matters intrude on business decisions. Family-owned construction companies need effective strategies and leadership to change their

unique family resources into business capabilities facilitating its success in the market achieved through family values combined with professional managing practices (Erdogan et al., 2020).

2.3. Strategic Planning in Family-Owned Construction Businesses

Strategic planning is a process by which an organization defines its long-term goals and objectives, determines its environment, channelizes its resources, and creates action plans for reaching success in the future. However, in family-run firms, strategic planning has an additional element because family traditions and ownership plans may influence the management decisions of the organization. Thus, strategic planning allows family firms to synchronize their objectives with the existing resources and future market changes. According to Samiun et al. (2024), strategic planning is related to the aspects of long-term planning, risk management, and resource management. These aspects are particularly pertinent to construction firms, since their operations are subject to changes in material prices, legislation, finances, project uncertainty, and labor issues. Family-owned construction companies need to implement planning to anticipate such situations and allocate resources. Also, strategic planning allows the businesses to understand the market environment.

Risk assessment is an integral part of strategic planning in the construction industry. Economic volatility, changes in market conditions, personnel issues, and variations in construction material prices can affect project implementation and organizational performance. Jedynak and Bąk (2021) argue the necessity of risk management for business activities in response to uncertain environments. For construction family businesses, regular risk assessments can improve decision-making and reduce the risk of disruptions. The formalization of strategic planning is important for family firms as well. Although informal planning based on family experience and acquired knowledge provides flexibility, excessive reliance on informal methods could hinder decision documentation, knowledge transfer, and consistency across generations within the company. Indeed, strategic planning should allow for taking advantage of family knowledge and commitment.

2.4. Leadership in Family-Owned Construction Businesses

The second core concept in this research is leadership. Leadership is the manner in which individual managers exert influence over their employees, set the organization's course, make decisions, and use available resources to achieve organizational goals. However, leadership in businesses owned by family can be viewed as a more complex job because the leaders have to cope with both their business responsibilities and family relationships. It is claimed that successful leaders should establish objectives that are common for all employees, communicate organizational values and create an environment for sustainable growth (Darling et al., 2007). Various leadership styles and methods may influence the way family businesses react to some challenges and opportunities. Transformational style of leadership is particularly important since it allows people to achieve common organizational goals, encourages innovations and involves employees as well. Transformational leadership may play a crucial role in family-owned construction companies helping businesses to cope with changing conditions of the industry, as the style encourages people to share their ideas and help improve the organization. Costa et al. (2023) demonstrate a link between leadership styles, human capital and innovation

management proving the importance of leadership methods that promote development of leadership approaches that support organizational development.

On the other hand, highly authoritarian leadership may hinder employee involvement and innovation when decision-making is overly centralized in one leader. This scenario can be worrisome in construction, where changes, knowledge, and collaboration among employees are needed. Thus, good leadership indicates giving direction for strategy and at the same time opening the space for employees to make contributions. In addition, leadership is related to the continuity of family-owned construction companies, as there are times when the founders or current leaders transition to the next generation. If a leadership transition is not executed properly, the company runs risks including uncertainty, resistance to change, and conflicts among generations. Hill (2019) mentions the key role of leadership transition and development in perpetuating family businesses. In addition, Nwuke and Adeola (2023) pointed out that an efficient leadership transition can be beneficial for family-owned businesses, enhancing their capacity to survive and adapt.

2.5. Succession Planning as a Dimension of Leadership Continuity

The study views succession planning as one aspect of leadership continuity rather than an independent main concept. Succession planning means equipping potential future leaders with skills and creating a structure that allows the transfer of leadership responsibilities. This is especially vital for family businesses, as the successor's ability to lead may determine the company's survival. However, family-owned construction firms may face succession challenges, as future leaders may lack design know-how, leadership skills, or willingness to manage the business. There might also be inter-generational disagreements concerning the strategic direction and leaders' roles. Nbabuife and Okoli (2017) highlight the challenges of succession planning in family firms, while Toliver emphasizes the importance of leadership preparation and training in developing future management. Thus, training and mentorship play a significant role in leadership continuity. Mentorship enables the transfer of skills and managerial practices from family members who have built successful careers in business to potential successors. Training helps develop the skills necessary to handle complex businesses. It is worth noting that a proper succession plan should not only identify the successor but also provide for their development.

2.6. Synthesis and Research Gap

The existing literature outlines the importance of strategic planning and leadership to the performance and sustainability of family-owned businesses. Through strategic planning, businesses determine their direction, manage risks, use resources, and react to their uncertain environment. Meanwhile, leadership plays an important role during strategy implementation, as well as in ensuring employee involvement and adaptation. Also, it is mentioned that leadership continuity is vital for family businesses, as succession planning contributes to the preparation of future leaders. However, the existing literature does not adequately explain how these elements work in the context of family-owned construction businesses in Gauteng Province. The majority of the literature considers strategic planning, leadership, and succession separately, and the issue of relations between strategic planning and leadership in terms of their influence on performance has not been discussed extensively. This is a significant gap, as family construction companies' function in a unique environment full of project-related uncertainty, limited resources, evolving regulations, skills demands, and competitive pressure.

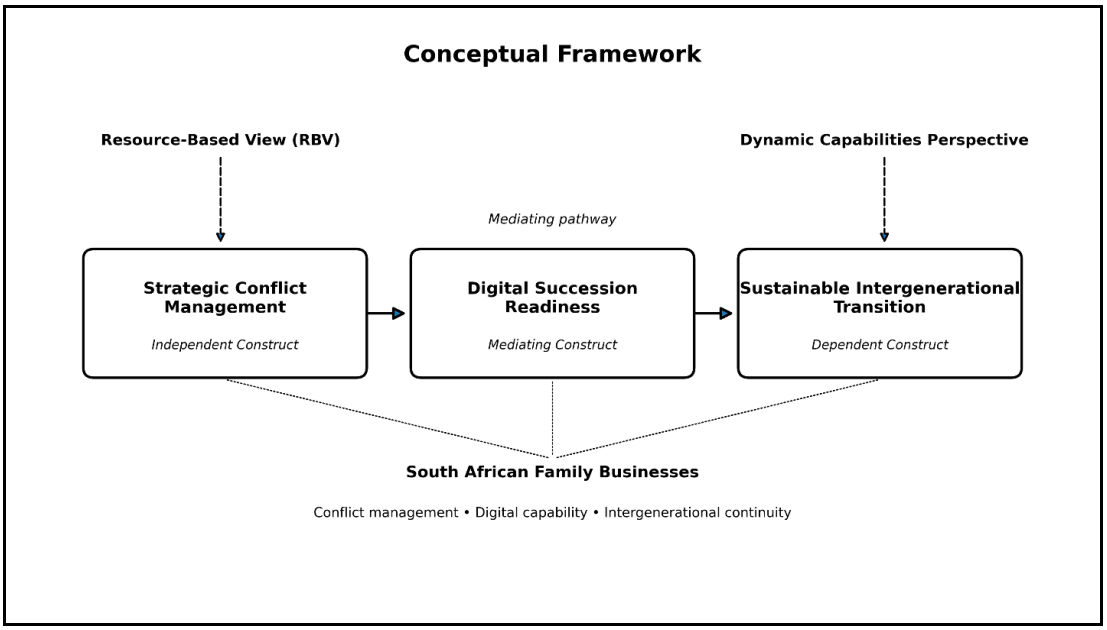


Figure.1.Conceptual Framework
Source: Author's own elaboration

2.7. Research Hypotheses

Based on the Resource-Based View as the primary theoretical lens, the hypotheses were developed to reflect the proposed relationships among the three principal constructs:

H_1: Strategic Conflict Management has no significant influence on Digital Succession Readiness among family businesses in South Africa.

H_2: Digital Succession Readiness has no significant effect on Sustainable Intergenerational Transition among family businesses in South Africa.

H_3: Strategic Conflict Management has no significant direct effect on Sustainable Intergenerational Transition among family businesses in South Africa.

H_4: Digital Succession Readiness does not significantly mediate the relationship between Strategic Conflict Management and Sustainable Intergenerational Transition among family businesses in South Africa.

3. Methodology

The research was conducted in the Gauteng, Western Cape, and KwaZulu-Natal provinces of South Africa, as these regions are the country's largest economic and commercial centers, with many family businesses operating across various sectors, including retail, manufacturing, tourism, agriculture, logistics, and technology. Gauteng Province is located between latitude 25°44′ South and 26°52′ South and longitude 27°35′ East and 29°15′ East, while Western Cape lies between latitude 31°00′ South and 34°50′ South and longitude 17°30′ East and 24°50′ East. KwaZulu-Natal is situated between latitude 26°50′ South and 31°00′ South and longitude 28°30′ East and 32°00′ East. The selected provinces can be found in different climates such as subtropical climates and Mediterranean climates. The warm wet summer in these provinces is mostly from

October to March and there are cold dry winters which occur from May to August. The provinces were selected for this research due to their economic significance, technological advancement, cultural diversity, and the presence of family businesses.

3.1. Population of the Study and Sample Size

The population of this study comprised owners, founders, successors, managers, and key decision-makers of family-owned businesses operating in Gauteng, Western Cape, and KwaZulu-Natal provinces of South Africa. Respondents were selected from Johannesburg, Pretoria, Cape Town, and Durban due to the concentration of family businesses within these cities.

A total of 240 questionnaires were administered to respondents across the selected cities, while 208 questionnaires were successfully retrieved and used for the study analysis.

Table.1.Distribution of Questionnaire Administered and Retrieved

Province	City	Questionnaire Administered	Questionnaire Retrieved
Gauteng	Johannesburg	70	62
Gauteng	Pretoria	50	43
Western Cape	Cape Town	60	52
KwaZulu-Natal	Durban	60	51
Total		240	208

Source: Author's own elaboration

3.2. Identification of Family-Owned Businesses

For this research, family-owned businesses were identified based on criteria related to ownership, management, and family involvement in business operations. A family-owned business featured ownership and key decision-making by the same family, along with clear intentions to transition or operate across generations. Business directories, local business organizations, chambers of commerce, and network referrals from family businesses in the cities were used to identify family-owned businesses in Gauteng, Western Cape, and KwaZulu-Natal. Preference was given to businesses where family members played a key role in managing the business, including the day-to-day running, governance, and succession planning.

To maintain consistency, businesses that had been in operation for at least five years were selected. Those businesses needed to have at least two family members participating in ownership or management, as defined by the above-mentioned standards. Identified businesses were from multiple industry sectors, including retail, manufacturing, hospitality, agriculture, logistics, and service businesses. Each of the identified company representatives has adequate knowledge of strategic conflict management, digital readiness for succession, and the intergenerational transition of their family businesses.

3.3. Sampling Methodology

The techniques of purposive and stratified sampling were used in this particular study. The unit of analysis in this study was the family business, while the unit of observation was either the founder, successor, manager, or any other person involved in making some crucial decisions and providing useful information relating to the business. The sampling method of purposive sampling was used to identify the sample family businesses that were fulfilling the requirements of the present study, which involved minimum of five

years' operations and at least two members of the family involved in management or ownership of the business.

Stratified Sampling was then conducted in Johannesburg and Pretoria in Gauteng, Cape Town in Western Cape, and Durban in KwaZulu-Natal. In total, 240 questionnaires were distributed to relevant respondents, among which 208 responses were valid and had to be used in further analysis. The respondents were chosen on the basis of their expertise in conflict management, digital transformation, and succession processes. To minimize non-independence among observations, it was necessary to obtain a response from every family business participating in the study. Selected founders, successors, managers, and key decision-makers also participated in the qualitative interviews to provide further explanations of the quantitative findings.

3.4. Data Gathering Approach

With respect to an explanatory sequential mixed-methods design, data were collected sequentially, first using structured questionnaires, then semi-structured interviews. In the first phase, structured questionnaires were administered to 240 respondents, of which 208 valid responses were received. The questionnaire consisted of closed-ended questions rated on a five-point Likert scale in order to ascertain strategic conflict resolution, readiness for digital succession, and sustainable intergenerational transition. In the second phase, semi-structured interviews were conducted with a select group of founders, successors, managers, and key decision-makers to explain the quantitative findings in detail, specifically regarding intergenerational conflict, governance, digital transformation, and succession issues. The data collection took place physically with informed consent of the study participants, and follow-up visits were carried out to secure the response and completion of interviews.

Table.2.Construct Operationalization

Construct	Dimensions	Measurement Focus	No. of Item	Scale
Strategic Conflict Management	Communication Management; Conflict Resolution; Negotiation and Collaboration; Governance Mechanism	Communication, conflict resolution, negotiation, collaboration, and governance during succession	16	5-point Likert
Digital Succession Readiness	Digital Competence; Technology Adoption; Digital Knowledge Transfer	Digital skills, technology adoption, and transfer of digital knowledge between generations	12	5-point Likert
Sustainable Intergenerational Transition	Leadership Continuity; Knowledge Transfer; Family Cohesion; Organizational Resilience and Business Sustainability	Leadership and knowledge continuity, family cohesion, resilience, and business sustainability	12	5-point Likert

Source: Author's own elaboration

3.5. Method of Data Analysis

The study adopted an explanatory sequential mixed-methods design (QUAN → QUAL). The quantitative phase involved 208 respondents from family-owned businesses in

Gauteng, Western Cape, and KwaZulu-Natal, with questionnaire data coded and analyzed using SPSS. Frequencies, percentages, means, and standard deviations were used for descriptive analysis, while regression and SEM were employed to examine relationships among strategic conflict management, digital succession readiness, and sustainable intergenerational transition. This was followed by semi-structured interviews with selected founders, successors, managers, and key decision-makers, whose responses were thematically analyzed to explain the quantitative findings. Both findings were integrated during interpretation to provide deeper explanations and inform the development of the Sustainable Intergenerational Transition Framework.

3.6. Qualitative Methodology

After the quantitative research phase was completed, semi-structured interviews were conducted in person with 20 identified individuals, including proprietors, successors, managers, and other important decision-makers. Each participant was selected based on their competencies and experience in strategic conflict resolution, digital transformation, and succession processes. The responses from participants during in-person interviews were recorded and later prepared for thematic analysis. The transformation was performed by listening to the responses multiple times, coding initial replies, grouping similar codes into larger categories, and developing the necessary themes.

To add credibility to the study, a thorough record of the process was maintained, the data were coded properly, and the themes and participants' responses were cross-examined. The results of the qualitative research became a part of the overall statistics, which allowed the combination of the findings into a whole to demonstrate the relationship between the areas of conflict management, digital readiness for succession, and sustainable intergenerational transition.

3.7. Structural Equation Modelling Process

Structural Equation Modelling (SEM) was done using AMOS 26 through covariance-based SEM and maximum likelihood estimation. The analysis consisted of two stages, specifically Confirmatory Factor Analysis (CFA) that tested the factor loading, reliability, convergent and discriminant validity as well as structural model evaluation, which tested the proposed associations in the hypothesis. Data were scanned for missing data, outliers, normality, multicollinearity and linearity. Model fit was assessed using five measures including χ^2/df, CFI, TLI, GFI and RMSEA. Results were obtained as follows: χ^2/df = 2.114, CFI = 0.946, TLI = 0.937, GFI = 0.921, RMSEA = 0.051 indicating a good fit of the model. Structural paths were tested on the basis of standardized β coefficients, critical ratios and p-values at a significance level of 5 percent.

3.8. Mediation Analysis

A mediation analysis was conducted using bootstrapping in AMOS to determine whether Digital Succession Readiness mediates the relationship between Strategic Conflict Management and Sustainable Intergenerational Transition. Direct, indirect, and total effects were examined using 5,000 bootstrap samples and 95% bias-corrected confidence intervals. Mediation was considered significant where the confidence interval for the indirect effect did not include zero.

3.9. Ethical Considerations

The researchers ensured that ethical practices were followed to protect the rights, confidentiality, and overall integrity of the research process. Prior to conducting the

study, the researchers obtained approval from the necessary stakeholders and from the owner/manager of each family business to conduct interviews or survey data collection with their family business. Participation in the study was entirely voluntary and participants were notified about their right to withdraw from the study at any time without penalty or reprisal. The researchers provided participants with informed consent forms prior to collecting either survey or interview data.

The confidentiality and anonymity of the participants were guaranteed throughout the entire duration of this study. No identifying information was collected, and all responses collected (i.e., survey or interview) were used for academic purposes. All data collected for the study were held in a secure location with access restricted only to the researcher to protect against unauthorized access or release of information. The researchers committed to ensuring that no participant was subjected to any type of physical, emotional, and/or psychological harm, and that every question asked of study participants was structured carefully to prevent sensitive/intrusive content, which could cause discomfort. All sources of information used in this study were properly acknowledged to maintain academic integrity and to preclude the potential for plagiarism.

3.10. Reliability and Validity of the Research Instrument

The reliability and validity of the research instrument were assessed before the regression and SEM analyses. Cronbach's alpha and composite reliability were used to assess internal consistency, while factor loadings and Average Variance Extracted (AVE) were used to assess convergent validity. Discriminant validity was also assessed to ensure that the constructs were sufficiently distinct. As shown in Table 6, all reliability coefficients exceeded the recommended 0.70 threshold, while AVE values were above 0.50, indicating satisfactory reliability and convergent validity.

Table.3.Reliability and Validity Assessment

Construct	Cronbach's Alpha	Composite Reliability	AVE	Decision
Strategic Conflict Management	0.891	0.914	0.641	Reliable and Valid
Digital Succession Readiness	0.876	0.901	0.603	Reliable and Valid
Sustainable Intergenerational Transition	0.884	0.908	0.617	Reliable and Valid

Source: Author's own elaboration

4. Result of the Study

According to the findings of Table 5, the aspect of Strategic Conflict Management has a notable positive impact on Digital Succession Readiness of family-owned enterprises in South Africa. The model demonstrated a good correlation ($R = 0.782$) and accounted for 61.1% variance in Digital Succession Readiness ($R^2 = 0.611$; Adjusted $R^2 = 0.603$). The overall regression model was proven to significantly impact the results as the model turned out to be significant on the level of ($F = 79.442$, $p < 0.001$), meaning Strategic Conflict Management contributes significantly to the chances of predicting Digital Succession Readiness. All four parts of Strategic Conflict Management - communication management, conflict resolution, negotiation and collaboration, and governance mechanisms - attained their significance as measurement parts of the wider construct and weren't treated separately as independent variables in SEM analysis.

Table.4.Regression Analysis

Model	R	R^2	Adjusted R^2	F-value	Sig.
Strategic Conflict Management → Digital Succession Readiness	0.782	0.611	0.603	79.442	<0.001

Note: **Dependent Variable: Digital Succession Readiness**

Source: Author's own elaboration

4.1. Structural Equation Modelling (SEM) Analysis

According to the SEM analysis in Table 6, it is clear that Strategic Conflict Management has a positive influence on Digital Succession Readiness ($\beta = 0.742$, $p < 0.001$). Moreover, the results show that Digital Succession Readiness has a positive impact on Sustainable Intergenerational Transition ($\beta = 0.688$, $p < 0.001$). Also, it is confirmed that Strategic Conflict Management directly affects Sustainable Intergenerational Transition ($\beta = 0.413$, $p = 0.001$). The mentioned results support the theory, which indicates that Digital Succession Readiness is an important connector between Strategic Conflict Management and sustainable intergenerational transition.

Table.5.Structural Equation Modelling Results

Hypothesized Path	β	SE	C.R.	p-value	Decision
Strategic Conflict Management → Digital Succession Readiness	0.742	0.081	8.915	<0.001	Supported
Digital Succession Readiness → Sustainable Intergenerational Transition	0.688	0.074	7.864	<0.001	Supported
Strategic Conflict Management → Sustainable Intergenerational Transition	0.413	0.092	4.486	0.001	Supported

Source: Author's own elaboration

4.2. Mediation Analysis

The mediating role of Digital Succession Readiness was examined using bootstrapping with 5,000 resamples and 95% confidence intervals. The indirect effect of Strategic Conflict Management on Sustainable Intergenerational Transition through Digital Succession Readiness was significant ($\beta = 0.511$, 95% CI = 0.389–0.642). Since the confidence interval does not include zero, the indirect effect is statistically significant. The direct effect of Strategic Conflict Management on Sustainable Intergenerational Transition also remained significant ($\beta = 0.413$, $p = 0.001$) after the mediator was included, indicating partial mediation.

Table.6.Direct, Indirect and Total Effects

Effect	β	SE	95% Bootstrap CI	P-value	Decision
Direct Effect: Strategic Conflict Management → Sustainable Intergenerational Transition	0.413	0.092	0.231–0.594	0.001	Significant
Indirect Effect: Strategic Conflict Management → Digital Succession Readiness → Sustainable Intergenerational Transition	0.511	0.063	0.389–0.642	<0.001	Significant
Total Effect: Strategic Conflict Management → Sustainable Intergenerational Transition	0.924	0.071	0.782–1.061	<0.001	Significant

Source: Author's own elaboration

4.3. Model Fit Indices

In the case of the structural model, an adequate overall model fit has been achieved. The chi-square/degrees-of-freedom ratio is 2.114. CFI (0.946), TLI (0.937), and GFI (0.921) figures indicate that the model meets the 0.90 threshold. The RMSEA was 0.051, which is below the 0.08 threshold. All the indices mentioned demonstrate that the model adequately fits the existing data.

Table.7.Model Fit Indices

Fit Index	Recommended Threshold	Obtained Value	Interpretation
Chi-square/df	≤ 3.0	2.114	Good Fit
CFI	≥ 0.90	0.946	Good Fit
TLI	≥ 0.90	0.937	Good Fit
GFI	≥ 0.90	0.921	Good Fit
RMSEA	≤ 0.08	0.051	Good Fit

Source: Author's own elaboration

4.4. Thematic Analysis (Qualitative Integration)

The results of the thematic analysis indicate that strategic conflict management is necessary to ease succession-related tensions and support family businesses through their digital transformation. Based on the responses, poor communication and ineffective governance systems typically lead to intergenerational conflicts during succession processes. Furthermore, it has been found that younger generations are more advanced in digital skills and tend to embrace innovation, while resistance to technological change among founders hinders their digital readiness for succession. Additionally, businesses with formal governance practices and effective conflict management mechanisms benefited from smoother succession processes and enhanced organizational continuity.

Table.8.Summary of Emergent Themes from Interview Responses

Major Theme	Key Responses from Participants	Interpretation
Founder Resistance to Digital Transformation	Some founders expressed concerns about replacing established traditional practices with digital systems (Participant 4).	Resistance to technological change can constrain digital succession readiness.
Generational Communication Gap	Participants reported limited communication between founders and successors regarding succession matters (Participants 9 and 14).	Poor communication can lead to misunderstandings and weaken succession planning.
Importance of Governance Structures	Participants emphasized the need for succession policies, family constitutions, and clearly defined roles (Participants 12 and 18).	Formal governance promotes clarity, accountability, and smoother intergenerational transition.
Digital Competence of Successors	Participants indicated that younger family members were generally more willing and able to adopt digital management systems and innovations (Participants 6 and 20).	Successors' digital competence strengthens digital succession readiness and innovation.
Conflict Resolution and Collaboration	Participants described negotiation, mediation, and teamwork as useful for reducing tensions and building trust (Participants 15 and 20).	Constructive conflict management strengthens family cohesion and supports sustainable transition.

Source: Author's own elaboration

4.5. Framework Development Model

4.5.1. The Development of the Framework

The Sustainable Intergenerational Transition Framework has been developed with the combination of literature findings, quantitative results, and qualitative themes. Firstly, the literature provided theoretical relations between Strategic Conflict Management, Digital Succession Preparedness, and Sustainable Intergenerational Transition. Secondly, the quantitative findings confirmed the existence of important relations between the three constructs. Thirdly, the qualitative themes offered explanations about the roles of communication, conflict handling, governance, collaboration, resistance of founders, and digital skills of successors in the process of succession. Finally, through the mixed-method interpretation, these findings were combined together in order to identify important pathways and mechanisms connecting the constructs. Thus, the framework shows Strategic Conflict Management as the cause, Digital Succession Preparation as the mediating mechanism, and Sustainable Intergenerational Transition as the result. The outcome of both types of research led to the development of the Sustainable Intergenerational Transition Framework for Family Businesses in South Africa (Figure 2). The framework suggests that strategic conflict management helps family businesses increase their readiness for digital succession through communication, negotiation, governance, and conflict resolution practices. It is the effective conflict management that makes it possible to increase both technological implementation, innovative culture, and succession leadership adaptability. Later on, digital readiness for succession leads to sustainable intergenerational transition due to the continuity of leadership, resilience of the organization, family cohesion, and sustainability of the business model. As a result, it can be concluded that strategic conflict management plus digital readiness for succession is of great significance for sustainability in South Africa.

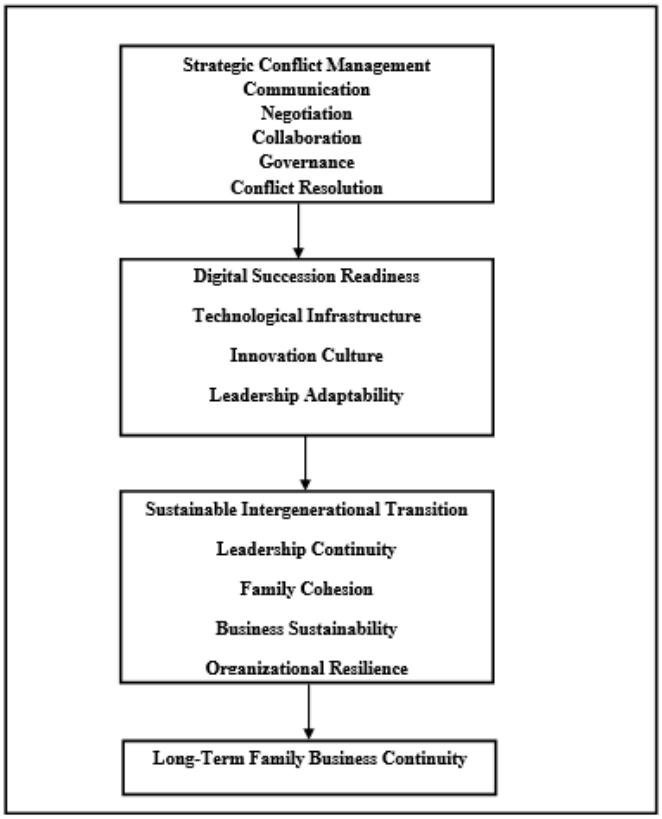


Figure.2.Sustainable Intergenerational Transition Framework
Source: Author's own elaboration

5. Discussion

It can be concluded that strategic conflict management techniques show a significant impact on the readiness of family businesses of South Africa for succession in the digital environment ($p < 0.05$), which means that the presence of effective communication systems, organized conflict resolution processes, cooperative leadership practices, and sound governance structures will increase the readiness of family enterprises for digital succession in the long term. This finding may be due to the fact that family owned enterprises often have an emotionally connected way of operating, and therefore personal relationships can have an effect on business decisions. As Djakasaputra et al. (2025) state in their article about family owned businesses, the inability to resolve intergenerational conflicts can impede innovation, succession planning and organizational transformation in family owned businesses. The findings revealed that communication management is the biggest factor in predicting preparedness for succession in a digital environment. Thus, if there is open communication among the founder, successor, and all family members, it can help ease the transition through reducing uncertainty and creating a mutual understanding about the succession process as well as digitalization. Good communication creates opportunities for the generations to share their knowledge and provide successor with important information about the business. In addition, transparent communication within family firms creates trust, decreases resistance to change and increases collaboration during the transition of leadership (Chirico et al., 2012). This may explain why family businesses with effective communication systems are more prepared to embrace digital succession strategies.

The effect that conflict resolution strategies have on a family business's ability to prepare for digital succession can be influenced by their use of conflict resolution before escalation to organizational crises. The tensions between family members involved in the succession process can often be related to the control of owners and managers, how they pass on the ownership of a family enterprise, the management style they will adopt for the business, and differences in generations, among other things. In many South African family businesses today, the founder may be more aligned with the traditional business operations, while a younger successor may prefer to use technology in carrying out their responsibilities as a manager. Research conducted by King et al. (2022) shows that there are constructive methods of resolving conflicts (e.g., mediation, conversations, and cooperation in making decisions), and that implementation of such methods creates a foundation for an organization to adapt and support innovations for the progression of the family business during times of succession. Consequently, the above finding indicates that organizations that have strategic ways to handle conflicts will be in a better position to successfully prepare for digital transformation and sustainability in the succession of their business. The role of governance mechanisms in the readiness of a family business for digital succession can also be seen through their ability to stabilize through formal governance systems. Family businesses utilize systems for governance to reduce uncertainty regarding the succession crises faced by their family members when transitioning from one leader to another. Examples of governance structures used by family-owned companies might be that they have a written succession policy, a family constitution, or an advisory board that assists the family in managing the transition process and defining the boundaries of stability in the family business. As stated by Madison et al. in (2018), there is a belief that the implementation of governance systems in family firms increases accountability in the family firm and helps improve the overall strategic coordination and the business' resilience. In South Africa, where many family companies apply informal management practices, the introduction of governance systems

may provide a basis for the integration of digital technologies as well as the subsequent succession.

Moreover, the finding of the role of negotiation and collaboration suggests that businesses adopting collaborative leadership styles that promote joint decision-making are more likely to be able to adapt to the evolving technological environment. With generations cooperating in business, the founders can benefit from the technological capabilities of their successors while successors can rely on the vast knowledge that founders possess. According to the findings of Lumpkin et al. (2021), collaborative intergenerational relationships can help achieve organizational learning outcomes through effective succession processes in family businesses. This also reveals why negotiations and collaboration had a positive effect on the digital succession readiness of the firms studied in this paper.

Based on this research, it has been established that strategic conflict management is a critical component of a firm's readiness for digital succession in the context of South African family businesses. The findings also suggest that as global economies increasingly rely on digital transformation to be sustainable, family businesses need to build systems to manage the intergenerational conflict associated with the technological advances being made in their businesses and the leadership transition that accompanies them. Kraus et al. (2020) stated that three components of digital transformation, namely the need for organizations to be flexible and leaders to adapt and communicate effectively, can be enhanced by adopting practices of strategic conflict management. Moreover, this research confirms the Resource-Based View, claiming that non-physical means of organization management, like communication, management system, trust and supportive environment, help companies achieve the definite advantages necessary for good business performance. In this case, organizing conflict management in a strategic way is crucial for the increased digital readiness and sustainability of the organization. Moreover, the results of the research confirm Ferreira et al. (2022)'s statement that family companies that successfully manage internal conflicts are more likely to withstand technological disruptions and survive for several generations.

This Structural Equation Modeling (SEM) analysis indicated that strategic conflict management had a positive effect on digital succession readiness of family businesses in South Africa ($\beta = 0.742$, $p<0.05$). Effective conflict management has become increasingly important for family businesses in terms of influencing their succession planning and organizational continuity (Calabrò et al. 2021). It has been noted that family run companies which implement vertical and horizontal communication strategies, governance mechanisms, innovative leadership style, and methods of conflict resolution are also more prepared for digital succession and sustainability. This trend can be attributed to the importance of family firms to balance traditional business practices with the new requirements created by the changing technological environment. When family firms are able to effectively manage interpersonal conflicts and organizational conflicts, they are usually more adaptable to different environmental and technological changes (Eddleston et al., 2019). Therefore, it is possible that the positive relationship between strategic conflict management and digital succession readiness can be attributed to the ability of family businesses to minimize intergenerational conflict around leadership succession and technological advancement. There is often a conflict between what founders want in terms of style of management (i.e., traditional) and what successors want in terms of system (i.e., digital transformation, innovation driven) in many family firms (Dai et al., 2026). The difference in generations can cause problems if there is no

proper handling of communication and negotiation. This shows that strategic handling of conflicts makes way for technological adaptation along with planning for successors.

Le Breton-Miller and Miller (2020) state that family members build confidence in each other when there is proper communication during succession; share knowledge; and have the chance of cooperating in a transparent manner. The information gathered from this study has supported result of the research which found that digital successorship readiness was significantly influenced based on the communication and governance practices used. In addition to impacting digital succession readiness, effective communication allows successors to play an active role in developing the organization's strategic plan, thereby reducing uncertainty surrounding leadership transitions. Additionally, governance structures (such as succession policies and advisory systems) provide clarity about the roles and responsibilities of organizations, reducing conflict and enhancing coordination. Therefore, in this study, it was found that digital succession readiness is a significant predictor of intergenerational continuity among family businesses in South Africa (β=0.688, $p<0.05$). Digital readiness is defined by Nambisan et al. (2019) as the extent to which an organization has the capacity to utilize new ways of doing things or become flexible through innovation. It is through their level of digital readiness that businesses are able to be sustainable in the long run. Family businesses that have a strong digital infrastructure and successor's proficient in technology are more likely to be effective in their performances over time, depending more and more on digital technologies like cloud computing, data analytics, e-commerce systems, and digital communication tools.

Soluk and Kammerlander (2021) emphasized that younger successors are often innovators in family businesses because they are familiar with modern technologies. That's why qualitative data indicates that the younger successors had better digital skills and innovative attitude when compared to the founders. However, it can be assumed that the reluctance of aged founders to embrace technology is caused by their worry about the unpredictable results, fear of losing control, and the desire to stick to their old habits. This complicates succession planning and affects the company's willingness to adopt new technologies. The research by Bettinelli et al. (2022) revealed that active leadership and organized governance are the main components of successful succession in family businesses. This point coincides with the empirical findings obtained during the present research. The interviewees claimed that governance structures and conflict-resolving mechanisms contributed to seamless successions and ensured continuity. Such governance structures as family constitutions, succession policies, and communication channels can reduce uncertainty and enhance the stability of the transition. What is more, as shown by Baltazar et al. (2023), family businesses' survival does not depend solely on innovation capacity during succession. The connection between successful conflict management and effective intergenerational transitions can be explained by recognizing its role in fostering trust and cooperation within organizations. Thus, companies that manage conflicts constructively are more likely to ensure consistency during leadership changes.

The system developed in this study confirms that strategic conflict management is essential to enhancing both digital succession readiness and sustainable intergenerational transition. According to Astrachan et al. (2018), it is suggested that family businesses that focus on governance effectiveness, innovative culture, and adaptive leadership might obtain long-term sustainability in the competitive market environment. Therefore, this framework identifies the interplay among communication, governance, technology

adaptation, and collaborative leadership in ensuring the soundness and continuity of organizations across generations. The findings of the research support the theory of Dynamic Capabilities, i.e., organizations can achieve sustainability through the ability to mix, adapt, and change internal resources due to changes in the environment (Konlechner et al., 2018). In this research, strategic conflict management and technological succession readiness are seen as organizational capabilities that enable organizations to respond successfully to technological disruption and remain committed to succession continuity over the long term.

6. Theoretical contribution

This research adds to the existing body of literature on family business succession employing Conflict Management Theory along with supporting Dynamic Capabilities Theory to illustrate how strategic conflict management impacts readiness for digital succession and sustainable intergenerational transfer. This study does not profess the creation of new theories but merely expands existing theories. Its key contribution is a Sustainable Intergenerational Transition Framework that unifies strategic conflict management, digital succession readiness, and sustainable intergenerational transfer into a single model.

6.1. Conclusion and Recommendation

The research showed that the implementation of proper techniques of managing conflicts has a huge influence on how prepared family companies in South Africa are for digital succession. It has been shown by the research that the success of communication and negotiation strategy as well as the governance style applied allows family companies, which use these techniques, to become better prepared for digital succession. The research has shown that family companies that are able to manage the differences between generations, as a rule, cope with technological transformation in a better way thus being ready for future succession. Additionally, the research has shown that the readiness for digital succession also plays a significant part in sustainable intergenerational transition by making the use of technology better organized and more efficient. It was revealed in the course of research that a poor system of governance and inefficient communication is one of the most serious problems connected with the succession process. Therefore, the research showed that the concept of strategic conflict management and readiness for digital succession should be used together to achieve sustainable development in the future.

The study suggests that family-owned firms should focus on strong communication systems, formal governance structures, and efficient conflict-resolution measures to avoid succession-related issues. The owners of the businesses must help create the processes of digital transformation by fostering innovation within their organizations and assisting in developing the digital skills of the people who will take over the businesses. Government, as well as organizations that assist companies, should focus on providing training and consulting on succession planning, management practices, strategic conflict resolution, and preparation for the digital world.

Author Contributions

Victoria Oluwafunmilayo Adekomaya conducted the full research from introduction to conclusion and addressed the reviewers' comments.

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