The relationship of self-efficacy and entrepreneurial intentions on the commitment of the next generation in family-owned agribusinesses

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Orientation: Poor intergenerational survival rate of family-owned agribusinesses is a matter of serious concern in family business literature. Ageing population of senior leaders and a lack of commitment from the next generation are often cited as the main contributing factors.

Research purpose: The purpose of this research was to investigate the relationship between cognitive factors (self-efficacy and entrepreneurial intentions) and commitment of the next generation in family-owned agribusinesses.

Motivation for the study: Family business literature is extensive regarding the phenomena of high failure rate amongst family-owned business, and agribusinesses are not immune to this phenomenon. However, previous research has focussed more on situational factors that relate to ‘contextual’ environment surrounding the individual, whilst little research has focussed on ‘cognitive’ (person-related) factors.

Research design, approach and method: Following a positivistic paradigm, a cross-sectional design was followed using a quantitative self-administered questionnaire through multi-stage probability sampling, resulting in a sample of 125 next-generation individuals in family-owned agribusinesses. The data was subjected to an exploratory factor analysis and Pearson’s correlation test.

Main findings: The results revealed that there was a significant relationship between self-efficacy, entrepreneurial intentions (person-related factors) and commitment of the next generation. Furthermore, the relationship between self-efficacy and entrepreneurial intentions was also found to be positively significant.

Practical/managerial implications: A committed, willing and ready next generation is a prerequisite for effective succession in family businesses, given the expected exodus of a large cohort of senior leaders. Therefore, succession planning, especially from the successor’s side, needs effective management. Investment in career planning and development of the next generation is a step in the right direction.

Contributions/value-add: Given the dearth of research exploring successor-related factors affecting succession, the current article adds to the literature by examining the relationship between person-related factors (self-efficacy and entrepreneurial intentions) and commitment (behavioural outcome) of the next generation within the realm of agribusiness development.

Keywords: commitment; entrepreneurial self-efficacy; entrepreneurial intentions; family business; next-generation leaders.

Introduction

Succession, the exit of senior leaders and the concomitant alarming failure rate of family businesses have drawn considerable interest from researchers, making this phenomenon the most researched topic within the family business literature (DeTienne 2010; Kubíček & Machek 2018; Williams et al. 2013). In South Africa, agribusinesses play an important role in economic development and the well-being of the country’s population, employing nearly 750 000 persons (StatsSA, 2017). Similar to other family-owned businesses, the significance of agribusiness is often underestimated (Visser & Chiloane-Tsoka 2014).

Corroborating these claims, Maas (2014) asserts that the role played by family businesses in socio-economic growth and development has not received the required attention in South Africa. Notwithstanding this omission, the significance of family businesses in South Africa dates back to
around 300 years (Venter, Boshoff & Maas 2005). Given this historical importance of family businesses, the planning of succession is never an option but a prerequisite. As suggested by Chiswell (2014), owing to the importance of family businesses around the globe, intergenerational succession is at the heart of their renewal and continuity.

Ageing of farmers alongside succession, reluctance or readiness of senior leaders to transfer management, ownership and control to the next generation has received attention in the family business literature (Lobley, Baker & Whitehead 2010; Miller 2014; Protopop & De Jager 2015; Van der Merwe 2010). Nicholson (2003) adds that mismanaged succession, family conflict and challenges of governance are pertinent issues hindering the sustainability of these businesses. Protopop and De Jager (2015) suggest that agribusinesses are facing serious succession-related challenges that present a potential threat towards their continuity and longevity. Along the same line of observation, Lobley et al. (2010) pointed out the fast ageing of the farmer population as the biggest threat to successful family farm intergeneration succession. On the other hand, De Massis, Chua and Chrisman (2008) point towards leader-attributable challenges, whilst Foltz and Marshall (2012), Gomba (2014) and Gomba and Kele (2016) hint successor-related challenges, although little is known about the latter.

Understanding commitment (behavioural outcome) and the factors influencing it are significant in family business literature, and family businesses, in general, consider survival and continuity as challenges faced by them (Gomba & Kele 2016). Poza and Daugherty (2013) proposed that when a founder exits from the management and/or ownership of family business because of death, resignation or retirement, the next generation is expected to take over the reins of the business. Mugo, Minja and Njanka (2015) assert this view, and they state that businesses ought to exist beyond the tenure of the founders; however, the way in which succession is handled could determine whether the transition results in conflicts in the next generation.

In a similar line of argument, family-owned agribusinesses, as a focal point of this study, usually practise this tradition. In support of family-owned businesses engaging in intergenerational transfer, Glauben et al. (2009:3) suggested that those working in this sector are five times more likely to follow in their parents’ footsteps than in other sectors. Corroborated by Nuthall (2009), the authors indicate that most of the farmers envisage their offspring to follow their footsteps, and as such, parents wish to pass their family-owned farms to them. For example, evidence from a series of international comparative studies examining the rates of succession indicates that in some parts of Europe (England) succession rates are higher compared to Australia, Canada and some of the US states (Lobley et al. 2010:53). Furthermore, it has been reported that over 57% of English family-owned agribusinesses have successors in place, whereas in Canada and Australia, the figure is around 40%. However, in South Africa, for example, a report on the survival rates of family farm businesses paints a worrying picture with regard to intergenerational transition, with approximately only 30% of the family-owned agribusinesses managing to transition into the second generation, and only a mere 16% making it into the third generation, compared to a global figure of 40% (Price Waterhouse Coopers, 2016:21). Contextualising this problem to intergeneration succession challenges in South Africa, Van Niekerk, Mahlobogoane and Tirivangani (2015:67) focussed on the transfer of intergenerational knowledge and added that there is a lack of documented studies on understanding intergenerational learning amongst agribusinesses in the country.

Previous research has focussed more on situational factors that relate to ‘contextual’ environment surrounding the individual than on ‘cognitive’ (person-related) factors (Ormrod 2008). Leadership attributes, cognitive abilities, behaviours and personality traits are some of the examples of person-related factors, whilst contextual factors emanate from the operating environment surrounding an individual. Nuthall and Old (2017) reiterated a call for more studies focussing on personal aspects of those involved in succession, for these institutions are run and controlled by people with different mindsets. Likewise, understanding the intentions of the next generation, especially within family-owned agribusinesses, requires further research. Chiswell (2014) backs the assertion that there seems to be inadequate academic engagement to understand the potential of the next generation and their intentions in running family-owned businesses. However, within the context of family business, Janse van Rensburg (2012), Roedt (2004) and Sharma and Irving (2005) are amongst some of the authors who contributed to commitment models in explaining the relationship between various cognitive factors and the successful succession by the next generation.

Drawing from the general models of commitment (Meyer & Allen 1991, 1997; Meyer & Herscovitch 2001), it is thus proposed to address the cognitive factors of succession-related challenges. Notwithstanding the contribution of this prior research, there appears to be a paucity of research dedicated to investigating cognitive factors influencing the commitment of the next generation (Nuthall & Old 2017).

As such, little is known about how cognitive factors influence individuals’ (next generation’s) decisions to commit to family businesses. This could indirectly lead to succession-related failure of family-owned agribusiness, as these factors are overlooked by business owners. Chiswell (2014) strongly calls for increasing attention by academics on the next generation, as research on these individuals seems to be hidden and silent, thus lacking incorporation from mainstream family business research. This article aims to fill this gap.

In line with Bozer, Levin and Santora (2017), the current study adopts a multidimensional view by investigating how entrepreneurial self-efficacy and entrepreneurial intentions regarded as cognitive (person-related) factors act as
antecedents to commitment. The cognitive approaches underpinning theoretical assumptions of this study stem from Bandura’s (1982) theory of self-efficacy and Ajzen’s (1991) theory of planned behaviour (TPB).

The objective of this study was to test empirically the relationship between entrepreneurial self-efficacy and the entrepreneurial intentions on the commitment of potential successors identified in this study as the next generation. To achieve this objective, the following primary research question was probed: ‘What is the relationship between cognitive factors (self-efficacy and entrepreneurial intentions) and the commitment of the next generation in family-owned agribusinesses?’

In the next section, the theoretical frame of cognitive factors, namely, self-efficacy and entrepreneurial intentions and its relationship with the commitment of next generation are explored, from which the appropriate hypotheses are presented.

Literature review

Within the field of family business research, which has seen growth over the past several years in terms of the number of publications, conferences and dedicated journals (Short et al. 2016), the concept of commitment has also received recognition. Some of the authors who have studied this concept include Hewitt, Janse van Rensburg and Ukpere (2012); Sharma and Irving (2005); Van der Merwe (2010); Venter, Van der Merwe and Farrington (2012) and Venter et al. (2005). From these studies, consensus appears on why commitment is lacking. For the purpose of this study, the term ‘commitment’ is defined from the work of Meyer and Herscovitch (2001) as follows: ‘As a force experienced as a frame of mind or psychological state that compels an individual toward a course of action of relevance to one or more targets’.

Firstly, the literature on commitment is presented, followed by the literature on self-efficacy and entrepreneurial intentions, and finally the theoretical relationships between these factors.

Commitment of the next generation and succession

Understanding commitment and the factors (motivators and demotivators) influencing it are significant for family business literature. Roodt (2004) regarded individuals’ level of motivation as an antecedent to influencing their commitment. Because family-owned agribusinesses continue to face survival and continuity challenges (Gomba & Kele 2016), this understanding is crucial, as successful family business succession is a prerequisite for growth and longevity (Lobley et al. 2010; Nuthall & Old 2017). Therefore, a proper succession plan is regarded as one of the solutions to address succession failures (Motwani et al. 2006). Whilst the senior leader may be willing to let go off the family business (Van der Merwe 2010), Poza and Daugherty (2013) claim that the attributes and interests of next generation are equally important in realising smooth succession.

The next generation and the founders (senior leaders) are usually responsible for the failures in succession, as the former is limited by lack of experience and attitude to take over ownership of the family business, which ultimately results in failure (Lam 2011:512). Whilst a senior leader may be willing to let go off the family business (Van der Merwe 2010), attributes and interests of next generation are equally important in realising a successful family business succession and continuity (Poza & Daugherty 2013). Some of these attributes include their willingness, capabilities, and preparedness (Chrisman, Chua & Sharma 1998; Chrisman, Steier & Chua 2008; Poza & Daugherty 2013; Venter et al. 2005) and readiness (Miller 2014).

It is clear from the above discussion that attributes of the next generation can have a considerable influence on the succession of family business. Venter et al. (2005) suggested that when a next generation leader is satisfied and willing to take over the family business, it results in improved profitability of the business.

The same claim is shared by researchers such as Chrisman et al. (1998); Farrington, Venter and Boshoff (2010); Hewitt et al. (2012); Janse van Rensburg (2012) and Sharma and Irving (2005). All the authors have cited commitment as a crucial variable for a successful transition. However, there are various theoretical approaches to commitment, namely, behavioural, motivational and attitudinal approaches (Hewitt et al. 2012). What is important at this stage is to contextualise what is meant by commitment and discover how it could be influenced by cognitive factors (self-efficacy and entrepreneurial intentions).

O’Reilly and Chatman (1986) suggested that commitment could be studied from multiple bases. There are authors who regard commitment as one-dimensional, that is, consisting of a single force (Angle & Perry 1981; Dunham, Grube & Castañeda 1994), and others view it as a multidimensional concept, that is, consisting of more than one force (Meyer & Allen 1991, 1997; Mowday, Porter & Steers 1982; Sharma & Irving 2005; Yoon & Thye 2002). In addition to how commitment is viewed, Ladebo, Abubakar and Adamu (2011) used categories to map factors acting as antecedents to commitment, namely, personal and situational variables. Situational factors relate to ‘contextual’ environment surrounding an individual, whilst personal factors are ‘cognitive’. Commitment, explained through motivation, is seen as a function of environmental consequences, whilst cognitive theorists, on the other hand, contend that commitment is shaped by cognitions formed in the mind of an individual (Pintrich & Schunk 2002). These cognitions consist of goals set by individuals, their attitudes, needs, perceptions, beliefs, values, norms and expectations (Diefendorff & Lord 2003).
Review of literature suggests that there are various models of commitment attempting to explain the approach to study this construct. On the other hand, Meyer and Herscovitch (2001), in their general model of workplace commitment, conceptualised commitment as a psychological state of mind that compels an individual towards a course of action. Authors such as Coesee (1999) and Thompson and Sanders (1998) suggested that commitment is a continuous construct. In addition to understanding commitment, Sharma and Irving (2005) also proposed their four-component model of commitment. Their research draws a distinction between the four types of successor commitments to an organisation, namely, affective commitment (driven by perceived desire), normative commitment (driven by a perceived sense of obligation), calculative commitment (driven by associated opportunity costs) and imperative commitment (driven by a perceived need to remain with the organisation). However, the primary objective of this study is not to review the various types of commitments but to acknowledge the existence of various models, including those that are not mentioned. For this study, a multidimensional view of the concept is adopted in line with Roodt’s (2004) motivational view of commitment. This choice is guided by three factors. Firstly, the Roodt’s model acknowledges that there are various factors that act as antecedents to commitment, such as individual characteristics; contextual factors; cultural socialisation; cognitive, instrumental perceptions and actions; and salient goals, needs and values. Secondly, the Roodt’s model was tested in the context of South Africa, thus fitting the current study as it is also within the context of South Africa’s agribusinesses. Thirdly, the Roodt’s model was validated by Janse van Rensburg (2012) and found to be a suitable predictive and multidimensional model for commitment as a behavioural outcome in the context of family business, which included agribusiness. Therefore, viewing the concept from this angle provides an opportunity to embrace the various factors that could affect the outcome of behaviour. The next section explores the role of self-efficacy (as a cognitive component).

Role of self-efficacy and commitment

Zeb and Nawaz (2016:38) suggested that most of the recent research on commitment within psychology and organisational behavioural literature view it from two lenses, that is, commitment-related attitude and commitment-related behaviour. The latter suggests the perspective from which commitment is viewed for the current study. In a study of Spanish public sector employees, Salgado and Moscoso (2000) found that self-efficacy may be associated with job performance, ultimately leading to increased job satisfaction and commitment. Also, within the Spanish context, in a study on employees of a health care firm, O’Neill and Mone (1998) found self-efficacy to have a direct effect on organisational commitment (intention to leave). In their study, the authors used self-confidence as a proxy to self-efficacy, in line with Bandura’s social cognitive theory; meanwhile, the sensitivity of respondents to reward situations was used as a moderating factor for organisational commitment (O’Neill & Mone 1998).

However, what seems to be lacking is exploring this relationship from the perspective of a successor within the context of family-owned agribusinesses. It was against this background that the present study investigated the influence of self-efficacy on commitment of Next Generation Leaders (NGLs).

In this section, the concept of entrepreneurial self-efficacy (cognitive factor) and its influence on individual’s behaviour is discussed. The concept emerged as a sub-construct of self-efficacy, for which the latter’s popularity is credited to more than 20 years of research by Bandura (1977). Bandura (1977) defined self-efficacy as ‘people’s beliefs about their capability to exercise control over their own level of functioning and over events that affect their lives’. It is from a socio-cognitive domain that entrepreneurial self-efficacy has originated, as Drnovšek, Vincent and Cardon (2010) proclaimed that it is from this domain that the construct explains how an individual dynamically interacts with his or her surrounding environments in pursuit of entrepreneurial goals. The authors posited that cognitive, motivational and other affective variables that influence an individual’s intention to act as an entrepreneur are a function of entrepreneurial self-efficacy. Sharing the same sentiments, Bandura (2001) pointed out that entrepreneurial self-efficacy considers cognitive factors that influence human behaviour. Radipere (2012) upheld this view by describing entrepreneurial self-efficacy as a motivational construct that influences individuals on how and when to make choices, respond to situations and embark on coping mechanisms towards attaining predetermined objectives. The significance of this concept is that it helps to explain how cognitive, motivational and effective variables affect individual’s decision to embark on entrepreneurial activities (Drnovšek et al. 2010).

There are some limitations associated with the theory of self-efficacy in explaining the entrepreneurial behaviour of an individual, and Bandura (2001) is one of those who advanced research on the concept of self-efficacy and added a degree of variability. With this addition, the cognitive process of assessing how an individual pursues and realises predetermined goals and opportunities could be explored (Nuthall & Old 2017). It is from this perspective that this theory formed the framework for the current study. As described in Bandura (1986), human beings are active information processors, and their cognitive thinking influences the relationship between their behaviour and its consequences. Realising the limitations of the cognitive view of Bandura’s theory, Ajzen (1991) combined both behavioural and cognitive philosophies to describe how one’s behaviour could be moderated by influencing one’s cognitive thinking. The implication is that behaviour is influenced mainly by what is consumed mentally from the social environment. The next section discusses Ajzen’s (1991) TPB, and the theory of reasoned action by Ajzen and Fishbein’s (1969) in an attempt to explore the relationship between self-efficacy and entrepreneurial intentions of NGLs.
Entrepreneurial intentions

Evidence from literature suggests that there is increased interest on the part of researchers as to how expectations of the outcome influence entrepreneurial behaviour (Ozaralli & Rivenburgh 2016). Drawing from Krueger (2004), Radipere (2012) perceived feasibility and desirability to self-efficacy, which has the potential to influence an individual’s attitude to engage in entrepreneurial behaviour. Researchers and scholars usually use TPB as the building block for studying beliefs, attitudes, behavioural outcomes and possibly exploring how behavioural intentions are formed (Krueger & Carsrud 1993). Behavioural intention as an immediate antecedent of behaviour is regarded as an indication to which an individual is ready and willing to act (Ajzen 2002). Ajzen (1985) proposed TPB with the intention to improve his earlier work with his colleague Martin Fishbein on the model of explaining the rationale of human behaviour, referred to as the theory of reasoned action (TRA) (Ajzen & Fishbein 1980; Fishbein & Ajzen 1975). The theory of reasoned action describes that human behaviour is the culmination of a rational sequence of cognition, and the most proximal determinant of behaviour is one’s intention towards it. The underlying assumption of this theory is that human social behaviour is a function of willingness and ability to self-control.

The TRA enables to predict human behaviour based on their pre-existing attitudes and behavioural intentions (Ajzen & Fishbein 1980). In turn, these intentions are a function of attitudes towards behaviour.

The usefulness of TPB to explain the formation of entrepreneurial intentions is evident from Duijn’s (2003) study on university graduates that revealed that students’ personality (measured by proactiveness and willingness to take risks) is an important predictor of their intentions to act entrepreneurially. The following hypothesis has been formulated from the above discussion:

**H₁:** There is a positive relationship between entrepreneurial self-efficacy of the next-generation leaders and their entrepreneurial intentions.

In spite of the strides made by TRA and TPB, these were not without criticisms. Norberg, Horne and Horne (2007) observed that TRA has circumstantial limitations in that the behavioural intention does not always lead to actual behaviour, especially where an individual does not have full control over his or behaviour. In support of contributions to improving TRA, Ajzen (1991) stressed that TPB provides a link between an individual’s self-belief (self-efficacy) and behaviour (commitment). The following hypothesis has been formulated from the above discussion:

**H₂:** There is a positive relationship between entrepreneurial intentions of the next-generation leaders and their commitment.

Methodology

A nomothetic positivistic philosophy was followed, whereby a self-administered qualitative questionnaire was distributed through a multi-stage probability sampling to a cross-section of 450 next-generation leaders employed in family-owned agribusiness. Initially, authors were struck by a low response rate owing to the refusal by owners to permit strangers on their premises and fear of random attacks suffered at the hands of criminals. As a result, unions representing these farmers were approached to assist in distributing the questionnaires to its members. This strategy yielded a response rate of 30.88%, an improvement from 24%

A similar approach was followed by Chisasa (2014), who encountered drawbacks during his data collection process. A total of 125 questionnaires were considered for the final analysis, as 14 contained incomplete data.

The survey was subdivided into five sections: Section A contained questions probing biographical aspects, such as race, age, gender, disability, marital status, employment position, education level and work experience. In this section, the respondents were also asked to indicate the age and their relationship with the present leader of the family business. It is from these data that the age and gender representation between the present leader and next generation was derived. Section B collected data on profile, production capacity and business size. In this section, financial data of the business were also gathered. Sections C, D and E measured both explanatory and latent variables, respectively.
To improve the reliability and the validity of the questionnaire, face and construct validities were determined during the design stage. For face validity, the questionnaire was subjected to team-approach inspection by the researcher, the statistician and the study leader. Construct validity was performed to ensure that the questionnaire would measure what it is supposed to measure; previous instruments that measured similar constructs were used. This was in line with Babbie and Mouton’s recommendations (2012:184). Each of the constructs was measured using eight items adapted from the literature. Two explanatory factors – entrepreneurial self-efficacy (Bandura 1977; Radipere 2012) and entrepreneurial intentions (Duijn 2003; Valliere 2015) – were identified to measure the commitment (Janse van Rensburg 2012) of the next generation (latent variable).

Before the actual data collection process commenced, the questionnaire was subjected to a pilot-testing process. A small subgroup of 20 possible respondents with similar characteristics as those of the target population was approached to complete the pilot questionnaires. These respondents were selected randomly for this purpose.

After the results of the pilot test, the instrument was checked for its reliability. Cronbach’s alpha of items was internally consistent (α = 0.851); therefore, the instrument’s reliability was ascertained.

Statistical Package for the Social Sciences (SPSS) version 23 was used to run various tests and analyses. Both descriptive and inferential statistics were analysed, which included exploratory factor analysis and Pearson’s correlation, which assisted in determining whether the cognitive factors (self-efficacy and entrepreneurial intentions) influenced the commitment of the next-generation leaders in family-owned agribusiness. The Pearson’s correlation enabled this research to conclude on the above-mentioned three hypotheses and the primary research question set in this research.

**Ethical consideration**

Permission and full disclosure of the intent of research were explained to the participants who participated voluntarily. Participant identity cannot be disclosed. Original, completed surveys are available directly on request from N.T.

**Findings**

The primary quest of this study was to know whether the cognitive factors could influence the motivation of the next-generation leaders to stay committed to family business. The primary research question was phrased as follows: ‘What is the relationship between cognitive factors (self-efficacy and entrepreneurial intentions) and the commitment of the next generation in family-owned agribusinesses?’ Firstly, the results of the descriptive statistics are presented, followed by a discussion on inferential statistical results, which aids in answering this research question. Descriptive statistics are useful for summarising and categorising demographic data.

Variables, such as age, gender, race, employment position and education of next-generation leaders, are presented next.

The gender representation of the current leaders of the family-owned agribusinesses was 88% men and 12% women, whereas the gender distribution of the next generation was 70.4% men and 29.6% women. The results of this research would therefore mostly represent the perspective of men.

The racial distribution of this research was classified into four major population groups as recognised by South African legislation, namely, black people, white people, Indians and people of mixed race. In the study sample, black people with 58.4% constituted the majority, followed by white people with 40.8%. People of mixed race accounted for 0.8%, whilst Indians were not represented at all. Interestingly, whilst black people were in majority, Afrikaans (33%) was reported to be the language spoken by most respondents, followed by Sepedi (23%). English and other languages accounted for just 11.2%.

Figure 1 presents the details of the educational levels of the respondents in this research, where 40% of the respondents held a tertiary qualification, of which 44% had a national diploma, whilst 17.6% and 6.4% of the respondents had bachelor’s and honours degrees, respectively, and only one respondent was reported to have a master’s degree. Regarding school-level education, 40% of the respondents did not have National Senior Certificate (Grade 12).

Table 1 presents the summary of descriptive statistics of the scale. A five-point Likert scale because of its reliability was used over six-point or seven-point scales (Norman 2010). Three sections (sections A, B and C) were used to measure entrepreneurial self-efficacy, entrepreneurial intentions and commitment in the order as explained in the ‘Methodology’ section.

Responses on the Likert scale ranged from 1, that is ‘strongly disagree’, to 5, that is ‘strongly agree’. The statistics of entrepreneurial self-efficacy on Likert scale revealed mean value and standard deviation (SD) of 4.512 and 0.062, respectively, thus suggesting a high degree of confidence for the next generation.

The mean value and SD for entrepreneurial intention are 4.325 and 0.656, respectively, suggesting that the next generation have relatively high intentions to come up with entrepreneurial ideas for their family-owned agribusiness. For the commitment scale, the mean value was found to be 4.544 with an SD of 0.0688, which implies a high degree of commitment of the next generation.

For entrepreneurial intentions and commitment scales, skewness and kurtosis, which measure statistical dispersion of data (DeCarlo 1997), were found to be negative and leptokurtic, respectively. In comparison to a standard normal distribution (kurtosis of 3), both these scales reported kurtosis of 3.802 and 5.098, respectively, suggesting a heavier tail of data distribution. On the other hand, kurtosis for
entrepreneurial self-efficacy was reported to be platykurtic at 1.892, which is less than a normal distribution of 3, suggesting fewer outliers than for entrepreneurial intentions and commitment scales. The discussion on statistical results of inferential analysis is presented in the section to follow.

Drawing from the literature review, it appears that attitudes and intentions (cognitive factors) of the next-generation leaders are likely to influence their commitment (behavioural outcome). However, it is not clear as to what extent intentions are a function of self-belief, self-confidence and/or capability. Although there seems to be a relationship between entrepreneurial self-efficacy, entrepreneurial intentions and commitment, the significance of this relationship still needs investigation.

Table 2 is a summary of two-level factor analysis with respective factor loadings for the three constructs of self-efficacy, entrepreneurial intentions and commitment. Factors with Eigen values greater than 1 were initially extracted for further analysis. These variables were extracted through principal component analysis, whilst varimax with Kaiser normalisation was used as a rotation method for the first-level factor analysis. All items that had loaded satisfactorily in the first-level factor analysis were rotated during the second-level factor analysis. Varimax was used as a rotation method, whilst principal axis factoring was used as an extraction method. After rotation, three items were removed because of low correlation. The remaining 14 items were retained for the second-level analysis. Items loaded on this factor were inter-correlated with internal consistency reliabilities ranging between 0.834 and 0.847.

Figure 2 presents the hypothesised relationship between these variables. Firstly, entrepreneurial self-efficacy (independent variable) is hypothesised against commitment with Eigen values greater than 1 were initially extracted for further analysis. These variables were extracted through principal component analysis, whilst varimax with Kaiser normalisation was used as a rotation method for the first-level factor analysis. All items that had loaded satisfactorily in the first-level factor analysis were rotated during the second-level factor analysis. Varimax was used as a rotation method, whilst principal axis factoring was used as an extraction method. After rotation, three items were removed because of low correlation. The remaining 14 items were retained for the second-level analysis. Items loaded on this factor were inter-correlated with internal consistency reliabilities ranging between 0.834 and 0.847.

Figure 2 presents the hypothesised relationship between these variables. Firstly, entrepreneurial self-efficacy (independent variable) is hypothesised against commitment

TABLE 1: Summary of descriptive statistics of the scale.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Entrepreneurial self-efficacy</th>
<th>Entrepreneurial intentions</th>
<th>Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Statistics</td>
<td>Std. error</td>
<td>Statistic</td>
</tr>
<tr>
<td>Mean</td>
<td>4.512</td>
<td>0.062</td>
<td>4.325</td>
</tr>
<tr>
<td>Variance</td>
<td>0.589</td>
<td>-</td>
<td>0.546</td>
</tr>
<tr>
<td>Median</td>
<td>4.590</td>
<td>-</td>
<td>4.644</td>
</tr>
<tr>
<td>Std. deviation</td>
<td>0.480</td>
<td>-</td>
<td>0.592</td>
</tr>
<tr>
<td>Skewness</td>
<td>-1.826</td>
<td>0.217</td>
<td>-1.183</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>1.892</td>
<td>0.430</td>
<td>3.802</td>
</tr>
</tbody>
</table>

Std. error, standard error.
The relationship between entrepreneurial self-efficacy and entrepreneurial intentions was found to be relatively strong, with a correlation coefficient of $r = 0.440$. From the finding, the second hypothesis, $H_2$, is accepted. The influence of entrepreneurial intentions on the commitment of the next generation was also found to be significant backed by the reliability coefficient of entrepreneurial intentions for which $r = 0.445$. From this finding, the third hypotheses, $H_3$, is also accepted. Therefore, following these results, all the hypotheses are accepted, and further discussion of these results is presented in the ‘Discussion’ section.

**Discussion**

In this study, the relationship between cognitive factors (entrepreneurial self-efficacy and entrepreneurial intentions) and behavioural outcome (the commitment) of the next generation was explored to understand how cognitive factors influenced the behavioural outcome of the next generation in family-owned agribusiness. Bandura’s (1986) social learning theory suggests that self-efficacy is a motivational construct that attempts to explain an individual’s degree of variability in pursuing and realising predetermined goals and opportunities. In their microanalysis of self-efficacy and performance, Bandura, Adams and Beyer (1977) also corroborated this view. In their results, the authors revealed that self-efficacy tends to be the most reliable predictor of an individual’s degree of behavioural change. These findings fit well with the results of the present study in that entrepreneurial self-efficacy is found to be significantly influencing commitment (behavioural outcome) of the next generation. Therefore, the next-generation members with a high sense of self-belief, self-confidence and capabilities are likely to commit themselves to the course of action, especially when facing challenging tasks.

Family businesses are known to grapple with intergenerational succession failures, with reports indicating that almost 66% of these institutions fail to transition into second generation, whilst only a mere 15% make it into the third generation Vera and Dean (2009:323). This distressing situation therefore needs committed next-generation leaders who can transform
these businesses and ensure successful transition, thus continuing the legacy of the family business. In addition to this commitment, these individuals need to be highly self-efficacious with a heightened sense of persistence, strength, will to hold on and flexibility to adopt new strategies towards pursuing their predetermined goals. Echoing this statement, Valliere (2015) noted that when faced with challenging tasks, low entrepreneurial self-efficacy is associated with low commitment to the task involved. Similarly, Bandura (2001) affirmed this point by stating that during the present era of obstacles, setbacks and failures, those with a high degree of self-doubt regarding their capabilities are more likely to reduce their efforts, and at worst withdraw their actions.

Bandura’s (1982) self-efficacy theory is not without limitations. The theory assumes that individuals actively process information and through their cognitive thinking, they will be able to behave and act in a particular way. Furthermore, the theory limits individuals’ personality on their association with their psychological processes and the surrounding environment. It is not clear from this view as to whether individuals’ entrepreneurial intentions are linked to self-belief, self-confidence and/or capability. It is from this gap that the current study wanted to explore this association. Thus, the following question was framed: ‘What is the relationship between cognitive factors (self-efficacy and entrepreneurial intentions) and the commitment of the next generation in family-owned agribusinesses?’

The empirical findings revealed that entrepreneurial self-efficacy has a significant influence on the next generation’s intentions to act entrepreneurially, thus effectively answering this research question. This finding implies that when the next generation has a high degree of self-confidence and thinks that they can achieve the set goals, they are more likely to act entrepreneurially. It can thus be deduced that there is a link between how entrepreneurial intentions are formed and a degree of self-efficacy. Lüthje and Franke (2003) confirmed this assertion that both psychological traits and entrepreneurial attitudes act as antecedents to entrepreneurial intentions. Using the perceived desirability to measure self-efficacy, Krueger, Reilly and Carsrud (2000) established that the entrepreneurial intentions of individuals depend on the extent to which they believe in themselves, measured by self-belief and self-confidence. For the same reason, Valliere (2015) indicated that individuals’ high degree of self-efficacy measured by perceived desirability and feasibility gravitates their propensity to act. Thus, it is inferred from this discussion that there is a close relationship between an individual’s entrepreneurial self-efficacy and his or her entrepreneurial intentions.

Commitment of the next generation to family businesses has been cited in literature as one of the successor-related factors influencing succession. As the third objective of this study, the quest was to explore the influence of entrepreneurial intentions on the commitment of the next generation. It was revealed that the next generation with high entrepreneurial intentions is likely to commit themselves to family businesses. Likewise, most of the next generation indicated that they were willing to invest more hours and own resources for the growth of their family business. These results are in line with that of Ajzen and Fishbein (1969) who discovered that individuals with a strong desire to start or engage in an entrepreneurial venture tend to have a high degree of commitment. These sentiments are also backed by Miller (2014), that is, the next generation with a strong willingness and an intention to engage in entrepreneurial activity is likely to exhibit a high-commitment behaviour. This commitment, writes Miller (2014), is dependent on the extent to which the next generation is prepared and developed.

Conclusion and managerial implications

The results of this study indicate that all three hypotheses are accepted. It is thus established that cognitive factors (entrepreneurial self-efficacy and entrepreneurial intentions) can influence behavioural outcome (commitment). Notwithstanding these revelations, it is to be noted at this point that succession-related challenges and high failure rates of family-owned agribusinesses are not limited to internal transitional factors alone, because there are various other internal and external success factors that are beyond the scope of the present study.

There is a consensus amongst researchers regarding the significance of family-owned businesses. In spite of their importance, these institutions continue to face survival and continuity challenges. Amongst others, some of these challenges relate to a lack of practical understanding of succession, and its planning thereof. Whilst recognising the importance of family-owned businesses, there is also a dearth of research on successor-related factors affecting succession. Commitment of the next generation is cited as one of the factors influencing succession. In line with practices of primogeniture, most senior leaders of family-owned businesses still choose their successors using their own discretion, and most often these choices do not take into consideration commitment, willingness, readiness (Miller 2014), development and preparedness (Van der Merwe 2010) of the successors. It is from this premise that the present study explored the influence of cognitive factors on the commitment of the next generation. The study therefore adds to the ongoing attempts in family business literature to understand how person-related factors such as self-efficacy and entrepreneurial intentions relate to the commitment (behavioural outcome) of the next-generation leader.

Having a committed next generation is crucial for the longevity and survival of family-owned businesses as these institutions, farms and agribusinesses have an ageing farmer population. The implication of the status quo is that in the next decade, a large cohort of these senior leaders is likely to exit from their leadership roles. Therefore, there is a need for the transfer of leadership, and the success of this transition relies on availability, willingness, readiness and commitment of the next-generation leader. The present study indicates...
that the next generation is committed to their family-owned agribusinesses, and both entrepreneurial self-efficacy and entrepreneurial intentions played a significant role in influencing their behavioural outcome.

The implications for the management and succession of family-owned agribusinesses are that when choosing the next-generation leader, senior leaders should consider commitment behaviour, capabilities and career intentions of these individuals. Furthermore, the next-generation members should be closely monitored to assess their level of commitment to the business, and where necessary professional intervention (e.g. career psychologists or family business practitioners) should be used to profile their behaviour.

In addition, the next-generation members who are currently employed in family businesses need to be groomed through on-the-job training or job shadowing initiatives. This ensures that they are prepared for succession, which consequently affects their career intentions, capacity and commitment positively, thus improving their level of cognitive factors. Further to this preparation and capacity development, family businesses may consider adopting 360° performance appraisals (i.e. receiving feedback from all stakeholders in the business – colleagues, management, suppliers and customers). These appraisals could be conducted bi-annually or quarterly to provide feedback on a regular basis to the next-generation individuals. Senior leaders could assist the next generation by indicating areas that need improvement, and offer necessary support. As far as decision-making is concerned, which was tested by entrepreneurial self-efficacy, senior leaders need to engage the next-generation leaders on a continuous basis, especially with regard to decisions that could affect their future as an employee of the family business. This helps the next generation to develop a sense of belonging, thus improving their commitment behaviour.

Lastly, from an industry-level perspective, government in partnership with the private sector may need to invest in youth-oriented development programmes to encourage the youth to participate in agribusiness. In this way, entrepreneurial intention of the next generation can be improved. Furthermore, youths’ uptake in agribusiness entrepreneurial ventures may help to address the negative impact of the ageing population of senior leaders, which is likely to impact succession at a firm level.

This research project has limitations encapsulated within a quantitative study. Firstly, the sample is limited to the three districts of Limpopo province, so the results cannot be generalised for the entire South African population of the next generation employed in family businesses. Secondly, owing to the quantitative nature of the study, exploratory questions to gain a deeper understanding of the attitudes and experiences of the next generation on their commitment to family-owned agribusiness could not be probed. Therefore, it is recommended that future studies employ a qualitative approach to understand the feelings and insights of the next generation regarding into this phenomenon (commitment). Thirdly, the data analysis technique was limited to Pearson’s correlation and exploratory analysis to establish a relationship between the constructs. Against this backdrop, a more robust analytical technique, such as multiple regression analysis, structural equation modelling analytical techniques (such as analysis of moment structure and linear structural relations) and employing multi-level analyses, is needed to test the strength of the relationship between the constructs observed and the latent variables, as well as to understand how relationships between these variables may vary across different groups. More future studies on succession are necessary to advance knowledge on the influence of cognitive factors over behavioural outcomes from the perspective of the next generation.

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Competing interests

The authors have declared that no competing interests exist.

Authors’ contributions

L.J.R. is the study leader of this article. This article is an original work produced from N.T.’s M.Com thesis. It was significantly reworked into an article form by L.J.R., which included updating the literature review, restructuring the results and focussing the content for the purpose of this article. N.T. also contributed significantly in collecting and analysing the data under L.J.R.’s supervision, and producing the original literature review.

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