UNIVERSITY OF KWAZULU-NATAL

An assessment of impediments to continuity of family-owned small-and medium-enterprises beyond the first generation: A case of Manicaland in Zimbabwe

BY

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ABSTRACT

One of the most important issues of our time is indisputably the lack of continuity of family-owned businesses, which causes the closure of industries and rise in unemployment in Africa and the world as a whole. Understanding the contribution of family run businesses to the Gross Domestic Product of a country and in the reduction of unemployment is a critical piece of this delicate issue. Family firms lead to economic advancement of countries leading to poverty alleviation. The purpose of this study was to ascertain the impediments hindering family-owned businesses from continuing beyond the first generation, a case of Manicaland Zimbabwe.

For this study, family-owned businesses in Manicaland Province, Zimbabwe were surveyed and data collected on the impediments hindering these firms continuing beyond the first generation. The study used both quantitative and qualitative approaches to analyse results depending on the specific objective to be answered. Quantitative data was hence analysed using descriptive statistics whilst qualitative findings were transcribed, coded, and analysed using interpretation and thematic approaches which describe interpretations of participants' views, perceptions, and experiences Practically the results may allow visionaries of family owned businesses, managers, educators, and others to take more informed actions in avoiding the impediments hindering the continuity of these firms after the demise of their founders. Purposive sampling was used. Questionnaires and interviews were used to collect data, and the response rate was 80%.

The qualitative data was analysed using the Nvivo method whilst quantitative data was captured in Excel and later imported to SPSS.The results indicated that in as much as family-owned businesses contribute to the economic well-being of a nation, little is being done to train the visionaries in terms of succession so that their businesses continue beyond the first generation owners. Recommendations were made so as to reduce these impediments. A model was propounded for family-owned businesses in Africa to follow, so as to ensure continuity of these firms beyond the first generation.

Key Words: *Family-owned businesses, Economic advancement, first generation, poverty alleviation, Continuity of family-owned businesses, impediment*

DEDICATION

I dedicate this work to my children, the fruit of my womb. Vanessa(Vava), Nyasha Jnr(Aku), Valerie(Atie). Your future is bright. You will make it in this life; you can be anything that you want to be, if only you believe. With tears rolling down my cheeks as I write this, I especially dedicate this work to the female species on this earth, more so, those that are immediate in my sphere of influence. My daughters, my girls, my angels. Yes you! You will leave a positive mark on this earth. Life is not always smooth, life is not always sweet, life is not always a piece of cake, but if you remember to set your mind and focus on a set goal, you can still soar on wings like eagles. Empower yourselves with education. Strive to learn something new each day. Be an expert in that thing. This is the only powerful tool you will have and be stuck with. No one can take it away from you. Human beings can take away your joy, they can steal your peace, rob you of your freedom, but education in your brain is an asset, worth even more when you pass it on to others. This brings fulfillment. I pass the button stick to you, to take control, to take charge, and be the best! My daughter in law to be (Nyasha Jnr's wife). I do not know you now, but the day you set your eyes on these words i am inscribing in this delicate piece of work, remember that I have loved you. I have prayed for you. You are special and you are capable of making a change in this life we live. I have prayed for my son (Nyasha Jnr) too, that he will let you soar and blossom. Together you will make it. My sister, Lena and my mother Maria, my sisters in law, Courage and Emilia need I say more, you are special, keep the faith. My sisters in Christ, my friends in the faith, have fortitude, persist, persevere and have courage. In short I am saying, have that inner strength and stamina to go forward in spite of! Enjoy life with what makes you happy, we live once!

LIST OF ACRONYMS AND ABBREVIATIONS

CEO	- Chief Executive Officer
ESE	- Entrepreneurial Self Efficacy
FOB	- Family Owned Business
GDP	- Gross Domestic Product
OCB	- Organisational Citizenship Behaviour
SET	- Social Exchange Theory
SME	- Small and Medium sized Enterprises
SEW	- Socioemotional Wealth Model
TPB	- Theory of Planned Behaviour
UKZN	- University of KwaZulu Natal

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CHAPTER ONE

OVERVIEW OF THE STUDY

1.1 Introduction

According to Burren (2009), family business is a vibrant area of growing interest today among researchers. Recent researches have demonstrated that family firms are top performers whether measured by the bottom line, value creation by the shareholder, or their capacity to create jobs. Family-owned businesses exist all over the world, and most of the famous firms in the world are family owned. For example, Kongo Gumi in Japan was founded in 578 CE and is currently managed by the 30th generation. Some of the largest wealth creators and businesses are family owned like Wal-Mart. Family companies out perform their normal non family counterparts.

Family traditions and their legacy are of great importance in these businesses and younger generations have tended to remain faithful to their family's way of doing business (Dyer, 1988: Tapies and Fernandez, 2010). This, however, has proved to be a challenge in the 21st century family businesses. This is because the way of doing things back then, is no longer the prescribed successful way of doing business now. Being rigid to old philosophies can be a major hindrance in family business. This is important because the family legacy and traditions are kept intact and become a habit that anchors decision making. The observance of traditions reminds current young family executives of where the business came from and creates a structure for future decision making. It recognises the values of earlier generations, inspires next generations and acts as a source of pride for the family and employees of the business.

The survival of family businesses is heavily dependent on the founders' beliefs, role in establishing sustainable structures for growth and development that will hold upon their departure. The founder of the family business often displays entrepreneurial characteristics which include: need of achievement, internal locus of control, creativity, innovativeness, risk taking and social networking (Korunka, Frank, Lueger and Mugler, 2003). As such, most founders avoid planning, worrying about the subsequent loss of identity, family harmony, and privacy. A cross examination of the Kenyan family business by Bamford, Bruton and Hinson,

(2006) revealed that most of them face problem of inability to transit across generations. Kenya is an entrepreneur country and the small enterprises that are usually run by individuals are one of the key drivers of the Kenyan economy. The Micro and Small Enterprises are businesses in both formal and informal sectors, classified into farm and non-farm categories employing 1-50 workers (Go006B, 2005). The Small Scale Enterprises are acknowledged in Kenya as significant contributors to the economic growth and are estimated to contribute 20% and 72% to the GDP and employment respectively (The 2003–2007 Economic Recovery Strategy (ERS). They also provide fertile ground for grooming medium sized and large enterprises that are vital for economic development.

Recent organisational models suggest that more and more businesses are establishing a separation between ownership and operations (Collin and Rose, 2008). The roles of the family business owner and the manager of a business must be viewed as separate and distinct even though they are equally significant to the success of the family business.

1.2 Background to the Study

According to Buuren (2009), family businesses world-wide are contributing increasingly to the economic activity in their respective countries. According to the Zimbabwean Independent paper of June 6 2012, in an article written by Sam Hlabati, the demise of family owned enterprises that are in Zimbabwe is usually brought about by the death of the founder, resulting in the business assets being split up among the heirs.

Family-owned businesses are not a new trend in Zimbabwe or across global economies. Locally dominant families in major businesses such as Econet, Croco Motors and many more can be traced through to owners and control. About 75% of new family owned SMEs that are started eventually fail to become established firms (Fatokiand Garwe, 2010) and most family business in the SMEs sector have stagnated without growing (Hove and Tarisai, 2013. According to one of the local newspapers in Zimbabwe "Newsday" dated 1 July 2015 , in an article written by Tatira Zvinoira, small to Medium Enterprises (SMEs) are estimated to be contributing 40% of the country's total Gross Domestic Product (GDP) as the economy regresses.

This research was centered in Manicaland Province. Manicaland is the second most populated province in Zimbabwe. It has a population of about 1,755,000 which constitutes about 13.5% of the country's total population. The main activities of the area are citrus farming, mining (The city's name is derived from "metal") and forestry. Two of the largest food producers in Zimbabwe, Cairns Foods and Tanganda Tea, operate in Mutare. Major mining activity in the province is the diamond mines in Marange. There are also a number of forestry companies operating in the province.

Makunike small scale dairy farm is an example of a thriving family owned business in the province. Makunike was voted the best small scale dairy farmer for 2015. Most of the small companies in Zimbabwe are family owned businesses. Family-owned businesses (FOBs) have played a significant role in society both on global and national levels for long. At the national level, these FOBs have been reinforcing Zimbabwean societies since the 19th century. (Elo-Pärssinenand Amp; Talvitie 2010, 5. Tikkakoski 2013) during that time, family businesses have had a significant magnitude and they were seen as the societal epicentre. These firms have helped in the society in terms of constructing schools and developing the immediate surroundings in various ways. The importance of these firms in politics cannot be without mention. Furthermore, FOBs have the advantage of experiencing direct contact to their workers. During hard times, these businesses have helped in capacitating many workers in various ways. (Elo-Pärssinen Amp; Talvitie (2010), Heinonen (2003, 210-215) Propounded that FOBs operate on several sectors and the sizes of the business may vary greatly.

There is, therefore, a link between the continuity and survival of family businesses and their impact to the economic development of the country. The main reason is that these types of business are a major feature in the country. Their dominance to the country’s business landscape is evident in the following sectors:

1. Public transport,
2. Fast food
3. Agricultural industries.
4. Educational sector
5. Health sector
6. Hotel industry, amongst others

Zimbabwe is experiencing low economic development and the small to medium enterprises which are usually family owned have been identified as potential drivers of economic development in the country. Several factors have been put forward theoretically on why these businesses fail to survive the passing on of ownership to the next generation, (Ward 2004, Massiset.al 2008, and Surdej 2010).

According to the United Nations statistics in Zimbabwe, the proportion of people living below the Food Poverty Line reduced from 41.2% in 2001 to 22% in 2015, Support to National Development Priorities (2012 - 2015). Major surveys and studies were done to generate new data and indicators for planning Zim Asset and the 2016-2020 ZUNDAF programmes. Family businesses contribute to the level of economic development of the country; hence their survival is of major concern. Sustainability has become a core part of business in the 21st century. The sustainability concept proposes equilibrium between economic benefits and environmental and social responsibility (Cambra-Fierro and Ruiz-Benítez, 2011). There is a perception that SMEs are immune from sustainability issues, hence most of the research has focused largely on big corporations due to their large operation sizes. This study hoped to correct this perception by investigating the extent to which SMEs can be made conscious of the significance and importance of sustainability issues, taking into account that they make up a big part of the economy and thus play a crucial role in it, and therefore their role in the sustainability agenda needs to be recognized.It is, therefore, against this background that this study aimed at identifying the impediments responsible for the failure by family owned businesses to continue beyond the first generation.

1.3 The Strategic Role of Continuity in FOBs

In order for family-run businesses to survive and succeed, their focus should not only be on short-term economic profits, but also on their continuity. Family businesses play a critical but frequently underestimated role in the economic development of a country through employment creation, contributing to national revenue and to the Gross Domestic Product. A large portion of ignorance and rigidity to traditions hence concern family run businesses.

Family-run businesses are different from other types of businesses in those emotions and family ties affect the role of players when running the enterprise (Williamson, Wood and Ramsay, 2006). The fact that they lack formal management structures, combined with the perceptions and values of the owners, affect the way family-owned businesses are run (Jenkins, 2009). These characteristics pose problems for transferring continuity to the next generation. However, family businesses have positive characteristics that foster the rate of continuity in a number of ways. For example, there are in born characteristics of leadership that maybe naturally passed to the next generation byte visionary. This is advantageous in that the owner can more easily champion continuity programmes and facilitate employees' commitment, communicate easily, and improvements can be easily noticed (Jenkins, 2009). Despite the important role that family-run businesses play in the economy of a country, there is a lack of research in the importance of their continuity, and consequently it would be inappropriate to compare them with non-family run businesses (Yu, 2007).

1.4 Rationale for the Study

The family business sector in Africa is critical and cannot be overlooked as it constitutes a large percentage of businesses. The integration of business with family life and the community makes it critical to preserve these enterprises. Family business plays a crucial role in the development of a country and their continual existence beyond the first generation is therefore crucial. Knowing the factors that militate against continual existence of family businesses is a key step in tackling the challenges that are faced by family-owned businesses which affect their continual existence. A study of these family businesses was done in Manicaland, Zimbabwean context and adds to the body of academic empirical knowledge which is lacking concerning the state of continuity of family-owned businesses in Manicaland province, Zimbabwe.

1.5 Problem Statement

Maphosa, (1999) found out that among many reasons that cause the lack of continuation of family businesses beyond the first generation, poor succession planning topped the list. Research has shown that there are various impediments that lead to the failure of several family owned businesses continuing beyond the first generation (Hershon, 1975; Lansberg, 1983; Danco, 1987). Entrepreneurial leadership becomes a characteristic that needs refining in family-owned businesses, especially the visionaries. The different pathways followed by founders in managing the process of leaving their business make the succession process appear logical, even if the problem itself is a paradox: The paradox, according to Moores and Barrett, (2002) states "leading in order to let go". The new leaders can actually be regarded as instruments for change. Several factors at the firm level can make changes complicated and difficult which is true of succession. Family firms that have survived the entrepreneurial phase of founder may not have gone through a universal and conceptually simple pathway to manage the anomaly.

Looking at succession planning, it can be concluded that ‘letting go’ is a paradoxical kind of leadership problem. This is because it involves planning, and this is what needs to happen when the incumbent is no longer there. That is, the founder is indeed leading, but in order to ‘let go’. The crisis of ‘intergenerational incongruity’ then arises. This is further aggravated by the fact that even the current leader might not necessarily be the rightful person to select the next suitable leader for the business (Carlock and Ward, 2001). The ability to ensure competent leadership so as to ensure continuity of the family owned enterprise across generations may be even more complex (Ayres, 1990; Le Breton-Miller, Miller and Steve, 2004). There are skills that are considered necessary to establish a family business and negotiate it successfully through birth and growth stages .These skills are not the same as those necessary to merge it into maturity and take necessary measures to avoid its decline.

The problem then is that even though most family business owner managers recognise the significant role played by various factors that enhance continuity of family businesses beyond the first generation, they still do not put in place any plans to implement these factors in their businesses. There is high mortality rate of family owned businesses that is associated with the lack of proper planning. It is unfortunate that proper written plans are treated as taboos just like wills. They are alien and incompatible with the traditional practices (Wild, 1997; Maphosa, 1999). As such there are existing norms that are against discussing the family’s future beyond the lifetime of parents. The founder and family at large are afraid of death (Holt, 1992; Lambing and Kuehl, 1997; Lansberg, 1988).Several scholars have engaged in examining the character and dynamics of succession planning in general. Specific studies targeting family-controlled businesses have not been conducted to a large degree within the African context. Nearly all past studies have focused mainly on the large, public companies that are more visible than the smaller family businesses. This is because it is easier to get data from these large firms as they can publish their accounts. In circumstances where research on family businesses exists, it focuses on experiences from stable economies such as Europe or Asia.

Family businesses in Manicaland Province, Zimbabwe, have not been explored in this regard. No deep studies have been conducted hence there is lack of adequate literature on the matter.

It is, therefore, against this background that this study aimed at identifying the impediments responsible for the failure by family owned businesses to continue beyond the first generation. The study aimed to bridge this gap and to provide theoretical and empirical information to the body of knowledge on Family businesses and measures for their continuity available so as to ensure survival beyond the first generation, as well as provide insight into the solutions to the impediments to continuity of their existence.

1.6 Significance of the Study

The study will assist family businesses to identify what they need, in comparison to what they have in order to ensure continuity of their business beyond the first generation. In addition, the study was of paramount importance to the organisations as it identified the ways in which family businesses can commit themselves to continuity programs, as well as understand and analyse their key succession programs, in order to come up with ways of embedding the key succession drivers into the organisations 'strategic management plans. As a result of the findings of the study, organisations may gain insight on how they can ensure that succession practices affect everyone in their enterprises and how succession targets and objectives can be achieved. The importance of involving spouses and children in running the family enterprise for continuity was identified, and the opportunities available for family owned businesses which practice and have succession plans were discussed. Finally, the findings and recommendations emanating from this study on continuity will be disseminated to Family owned businesses through the Zimbabwe National Chamber of Commerce (Z.N.C.C), Manicaland Branch.

1.7 Main Research Objective

This study aimed to assess the impediments to continuity of family-owned small-and medium-enterprises beyond the first generation, in Manicaland, Zimbabwe.

1.8 Research Objectives

1. To examine the impact of entrepreneurial culture on the survival beyond the first generation of family-owned companies in Manicaland, Zimbabwe.

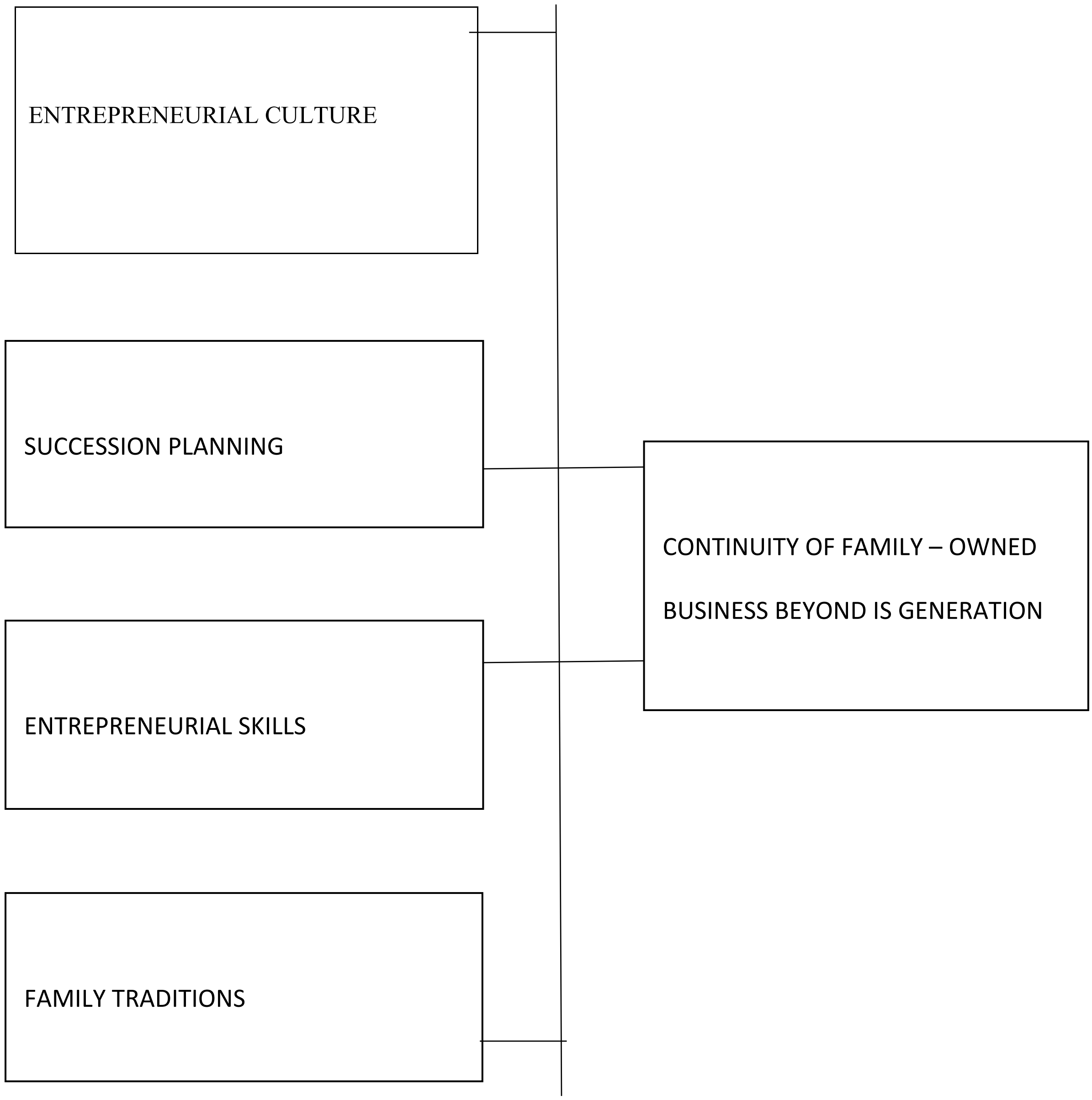
2. To assess succession planning for sustainability of the family-owned businesses beyond the first generation in Manicaland, Zimbabwe.
3. To explore the founders' entrepreneurial skills necessary for survival of family-owned companies beyond the first generation in Manicaland, Zimbabwe.
4. To explore the role of family traditions in the survival of FOBs beyond the first generation in Manicaland, Zimbabwe.

1.9 Research Questions

The research questions underpinning the study are:

1. How does entrepreneurial culture impact on the family-owned businesses' survival beyond the first generation in Manicaland, Zimbabwe?
2. What succession plans have been put in place to ensure sustainability beyond the first generation of family owned businesses in Manicaland, Zimbabwe?
3. What role do founders 'entrepreneurial skills play in the survival beyond the first generation of family owned businesses in Manicaland, Zimbabwe?
4. To what extent do family traditions affect family owned businesses 'survival beyond the first generation in Manicaland, Zimbabwe?

1.10 Fig 1.1 RESEARCH FRAMEWORK



1.11 Ethical Considerations

According to Blumberg and Cooper (2008:154), ethics is the study of the right behavior and it addresses the question of how to conduct research in a moral and responsible way. Ethics, therefore, entails moral principles, norms or standards of behavior that guide moral choices about behavior and relationships with others. The researcher observed the ethics that pertain to the conduct of research under the auspices of UKZN. To that end, the study was carried out in accordance with UKZN policy on ethical issues relating to research activities. Right at the proposal stage, the researcher sought clearance from the Humanities and Social Sciences Research Ethics Committee. The proposal was approved (See Appendices, Annexure D). In order to remain ethical in this research, the following approaches were used:

1.11.1 Ensuring Participants had given Informed Consent

All participants were informed about the nature of the study and the reason for conducting the research was explained to each one of them. It was also clearly explained to them that participation in the research was voluntary, hence nobody participated under duress.Prior to giving out questionnaires, and respondent's informed consent was sought by the researcher, and was obtained from the participants. Getting an informed consent denotes that "all possible or adequate information on the goal of the investigation, procedures that will be followed during the investigation, the possible advantages and dangers to which the respondents may be exposed, as well as the credibility of the researcher, be rendered to potential subjects" (Strydom, 2002:65). The researcher therefore explained everything the participants needed to know for them to make informed decisions before participation.

1.11.2 Ensuring No Harm Came to Participants

The participants were assured that the study would not implicate or harm them, and no participants were harmed during the study. It was clearly explained to them that anonymity would be ensured and no names would be mentioned in the report collected from them. They were also informed that permission was granted by the organization with regards to the study. It was also important for the researcher to emphasise to the participants that their participation was voluntary. She explained to them that they were not going to be penalised if they chose not to participate or to withdraw from the study at any time. Lastly, the researcher clarified to the participants that although this study had been reviewed, approved and cleared by the Office of Humanities and Social Sciences Research Ethics Committee at UKZN, the final decision about participation was theirs.

1.11.3 Ensuring Confidentiality and Anonymity

The questionnaires retained anonymity so their private and sensitive information was obtained and kept in confidence. All the returned questionnaires were handled confidentially and would be destroyed after the research has been completed. The names of the participants are not mentioned in the report. Furthermore, the researcher assured the participants of anonymity, privacy and confidentiality (these terms are viewed as synonyms in this study). The right to privacy is therefore viewed as "the right to decide when, where, to whom, and to what extent his or her attitudes, beliefs and behaviour will be revealed" (Singleton and Straits, 1988:454). The researcher explained to the participants that no one would know their responses. All information the participants provided was considered confidential and grouped with responses from other participants. Furthermore, no participant is identified by name in this thesis or in any report or publication resulting from this study.

1.12 Operational Definitions

Family: Family is a group of people related by blood, alliance, and adoption (Labaki, Michael-Tsabari, and Zachary, 2013).

Family business succession: Family business succession is the generational handover of management and ownership in a family firm (Ghee *et al*. 2015). 6

Family-owned business (FOB): A FOB is a business in which ownership and management acre in the hands of family members (Bennedsen, Fan, Jian, and Yeh, 2015; Chandler, 2015).

FOB leader: An FOB leader is an individual who is both a member of the business-owning family and the executive leader of the family firm (Bee and Neubaum, 2014).

Interfamily succession: Interfamily succession is the transfer of management to a family member who takes control of the family business when the incumbent decides to step down (Britta Boyd, Isabel Botero, Tomasz Fediuk, 2014).

Nepotism: Nepotism refers to the family business owner's preference for hiring family members rather than unrelated job applicants (Jaskiewicz, Uhlenbruck, Balkin, and Reay, 2013).

Non-family succession: Nonfamily succession is the transfer of management to an individual who is not part of the family (Boyd *et.al*. 2014).

Primogeniture: Primogeniture refers to the right of the firstborn son to inherit most of the family assets, including the family firm (Gilding, Gregory, and Cosson, 2015).

Succession: Succession is the process of transfer of resources (Nordqvist, Wennberg, and Hellerstedt, 2013)

Cronysim: Cronyism is defined as favouritism shown by the superior to his or her subordinate based on their relationship, rather than the latter's capability or qualification, in exchange for the latter's personal loyalty. (Cardy and Dobbins, 1986)

Culture: Culture is a methodical system, including symbols, myths, ideologies, and rituals while structure is the pattern of social interactions that occur within that culture (Efferinand Hartono, 2015)

Tradition: The transmission of customs or beliefs from generation to generation, or the fact of being passed on in this way.

Entrepreneurship: Entrepreneurship is defined as an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organising, markets, processes and raw materials through organising efforts that previously had not existed (Venkataraman, 1997; Shane and Venkataraman, 2000).

Self-efficacy: This describes a person's "belief that he/she can perform tasks and fulfil roles, and is directly related to expectations, goals and motivation" (Cassar and Friedman, 2009).

1.13 Format of the Study

The study was divided into seven chapters as follows:

1.13.1 Chapter one – Introduction to the study

This chapter indicates the scope of the study and describes the introduction, background and the problem statement, the aim of the study, research objectives, research questions, and the significance and format of the study.

1.13.2 Chapter two – Literature review

This chapter explores the first part of literature on the impediments hindering the continuity of family owned businesses and provides the theoretical framework for the research. It begins by introducing the theoretical framework and how the various parts relate in order to achieve a successful succession that leads to continuity. The founder/owner's willingness to step aside and preference for a successor either within or outside the family is an indication of the need for succession. The successor's personal interest and competence/experience facilitate his willingness to take over points to a possible succession. The environment comprising both internal and external, together with the founder and the successor through the succession process will yield a successful succession that leads to continuity. It also looks at small and medium enterprises in emerging countries.

1.13.3 Chapter three-Literature Review

This chapter outlines the second part of related literature reviewed for the purposes of this study in line with the study objectives. The importance of succession planning has been unpacked in relation to the survival of family owned businesses beyond their first generations. Additionally, the chapter explores the role played by family relationships, sociocultural factors, and founders' entrepreneurial skills in ensuring survival of FOBs. The chapter also reviews the role played by education and family traditions in shaping Fobs' life span. Transferring of ownership to external members other than family members, and the impact thereof, has also been highlighted.

1.13.4 Chapter four– Research methodology

This chapter discusses the study site of the research, research paradigms, methods used in collecting the data and its justification, the design of the questionnaire, and sampling procedures used. Data analysis methods used are discussed, which includes a discussion of information gathered and methods applied, ensuring validity and reliability of the tool, and the processing and analysis of the data.

1.13.5 Chapter five– Results, interpretation and discussion of findings

This chapter presents the findings of the research, analysis of the results, interpretation and discussion of the findings.

1.13.6 Chapter six– Conclusions and recommendations

This chapter presents conclusions from the research findings. The conclusions give feedback based on the literature study and also the primary research. They also indicate whether the research questions have been answered and the objectives achieved. Recommendations based on the findings are also given in this chapter.

1.14 Chapter Summary

This chapter has laid the foundations for the report. It highlights the background of the research and introduces the research problem, research objectives, and research questions. Then the significance and rationale for the research are justified and methodology briefly described. The next chapter will cover in detail the review of related literature as well as theoretical frameworks that the study is based on.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This study sought to uncover those factors which affect the continuity of FOBs beyond the first generation in Manicaland Zimbabwe. The study will go a long way in assisting and encouraging, especially Zimbabwean FOBs owners and family members realise the need to have a well-organized, written succession plan. Otherwise business continuity after death or retirement of the founder or owner may become and remain a perennial problem in these FOBs in Zimbabwe. The problem of continuity of the business beyond the founder is not only pertinent to Zimbabwe in particular (Maphosa, 1996; Willer, 1996; Wild, 1997). This issue has also been observed in many other African countries such as South Africa (Binedell, 1993; Meer,1997; Venter *et.al,* 2003; Mitchell, 2004), Nigeria (Ukaegbu, 2003), and at a global scale in countries including Singapore (Lee, Lim and Kim, 2000), Japan (Kondo, 1990), China (Stafford, 2000), America (Gouldner, 1954; Nam and Herbert, 1998; Light and Gold, 2000), Argentina (Campins and Pfeiffer, 2006); United Kingdom (Curan and Blackburn, 1991; Kirby and Thomas, 1996; Brown, 1999; Poutziouris, 2000), Italy (Colli, 2003, 2006; Barontini and Caprio, 2005), Spain (Gallow and Cappuyns, 2004) and Scotland (Dodd *et.al* , 2002; Cardieux, 2002).

The majority of family owned organisations owe their existence and continuity beyond the founder to the leadership of the founder. This is mainly due to the nature of the FOB succession process. The governing view which has traditionally shaped the study of family businesses, is of the firm perspective that ‘family’ and ‘business’ are two separate values that are competing for power as well as control within the FOB organisation. This then compounds the study of FOBs in terms of analysing the complex counteractions and paradoxes which come up from conversations with individuals working in family owned businesses. Ram and Holliday (1993) suggested that the family owned businesses have complexities and contradictions. This means the dynamics at work will be unforeseen and negotiated. ‘The dynamics of family business are constructed in daily interactions or conversations and this discourse was dominated by family issues’ (McCollon, 1992: 19).

The complexity of family enterprises arises from trying to balance family demands and the needs of the business, while at the same time addressing the complex interaction between the two. As well as dealing with commonplace business issues, such as changes in business and technological markets and challenges from competitors. Family businesses must; therefore, deal with the unique psychological dimensions of having family members work together. Each of the family members in the business will have their own objectives, perspectives and goals. Working together ignites family interactions and this in turn causes family problems such as sibling rivalry or competition between the generations. Conflicts that are not resolved as well as diminishing communication, and trust can cause detrimental action to the operation of the business and this would ultimately result in dangerous effects on the business.

The social constructionist view, (Berger and Luckmann, 1966; Strauss, 1968; 1978; Locke and Henne, 1986; Kondo, 1990; Hofstede, 1994; Burr, 1995; Pittaway, 1998; Gergen, 1999; Steier, 1995; 2004; Sjostrand and Tyrstrup, 2001) which this study has adopted, generally gives an interpretive view of family and enterprise. This view which allows for an analysis of the complex contradictions and paradoxes comes up from conversations with individuals working in family businesses. This thinking typifies a paradigm shift from the rigid, rational and systemised view to more interpretive views in which the concept of family is examined as it is interpreted and constructed by those working in the family business (Lewin, 1993). In this model there is a conceptualisation of the family business management and succession processes in terms of mapped realities. Here it argues for the need to accommodate the more critical issues which are drawn from the everyday experience and conclusions of business survival as viewed by family and non-family members.

2.1 Family Owned Businesses Defined

Various definitions exist for FOBs, and the most accepted one is that it is a business in which both the ownership and the management of responsibilities are in the hands of the family members (Bennedsen*et.al.* 2015; Chandler, 2015).Contextualing the concept of family owned business hence necessitates defining 'family'. In 1992, Malinowski introduced one of the most widely used definitions of a family as "a couple living together, loving each other, and having children" (Jaskiewicz and Gibb Dyer, 2017, p. 1). This definition, however, appeared insufficient to cover all criteria that apply to a family and scholars have since reviewed the definition. Labaki*et.al*. (2013) defined family as “a group of people related by blood, alliance, and adoption” (p. 743). In this regard, financial, political, informational, and emotional factors characterize the relationships among family members. It is, therefore, in this context that FOBs are formed. Deep house and Jaskiewicz (2013) defined family business by emphasising on the degree of family participation (i.e., the family’s authority to establish the firm’s goals, values, strategies, and conduct). In a more recent study, Evert, Martin, McLeod, and Payne (2016) explained why focusing the definition of a family business remains a difficult task.

For Miller and Canella (2007) family firms are those in which multiple members of the same family are involved as major owners or managers, either temporarily or over time. Family firms can also be defined as those firms in which the family controls the business through involvement in ownership and management positions. Family involvement in ownership (FIO) and family involvement in management (FIM) is measured as the percentage of equity held by family members and the percentage of a firm’s managers who are also family members (Sciascia and Mazzola, 2008). As revealed by these definitions, a business is then regarded as a family business when it is an enterprise growing out of the family’s needs, built on the family’s abilities worked by its hands, guided by its moral and spiritual values, and sustained by family commitment. All this is then passed down to sons and daughters as a precious legacy.

While many family-owned and operated businesses are small and medium enterprises, there is evidence that there also exist family firms that are very large and successful, and are characterised by fast growth. Sharma (2010, pg. 7) defines a family businesses as “a business governed and/or managed by a dominant coalition or controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families.” In many countries of the world, Zimbabwe being one of them, these businesses are fast becoming a dominant form of business. Most of these FOBs are established through co-premiership. According to Harris, Deacon and Morgan, (2010), this is where a family business is being managed by both husband and wife, however one of the parties undertakes a leadership role and the other plays a supporting role. According to Rwigema& Venter 2004; Van Duijn et al., 2007), FOBs have low survival rates due to various challenges they encounter. These include increased market competition, and business family needs, weak leadership in succeeding generations, resistance to change, a lack of entrepreneurship, and disputes between family successors, desperate family needs and goals. Scholars have recently started noticing the complexity of challenges faced by family enterprises, noting that: only 30% of family owned businesses transition to the second generation; only 10 to 15% transfer to the third generation and only three to five percent survive to the fourth generation (Venter, *et.al.* 2005). Considering these low survival rates, it is surprising how little research has been done to explore family business survival beyond the first generation. Therefore, family business owners and leaders need to be prepared to use the best strategies and practices to survive generational transition and sustain their businesses in the market economy. An extensive review of the existing research on family businesses revealed succession planning as the most critical issue that these types of firms face (Handler, 1994, Mosidi 2011).

Winter, Fitzgerald, Heck, Haynes and Danes (1998) claimed that family business existence can be traced to pre-historic era and has been known to give a fall back plan to struggling economies, as such they have become very essential in the economy, and as social unit building in the modern era. Klein (2000) reported that family businesses are very much relevant to the German economy and contribute to the economic growth of any nation. According to Beck, Demirguc-Kunt and Levin (2003), the World Bank supports SMEs development programmes, and that SMEs make significant contributions to developing economies by generating the needed income for alleviating poverty. FOBs account for more than seventy per cent of all businesses in the industrialised and developing world (Glauben et.al. 2009, Mosidi 2011). These are the fundamental source of growth as well as employment and novelty within these economies. FOBs account for over fifty per cent of these countries' Gross National Profit and provide sixty per cent of the total employment as well as seventy eight per cent of all new jobs.

2.2 FOBs in the Zimbabwean Context

A total of thirty-nine of Zimbabwean family businesses are expected to experience a generational transfer in the next five years, with thirty two of them expected to pass the business to the next generation in the family. However, there seems to be generational gap problems hindering smooth business leadership succession in Zimbabwean family business, (Maphosa 1996). The difference in values and the views of economic opportunities between generations often create barriers in the transition process (Maas, 2010). Failure to design a set plan in place for transitioning of power and authority from one generation to another can further compound the situation. As the owners of the family businesses approach retirement age or develop poor health, these businesses begin to face critical situations that require leadership and proper management. Yet only a few of the young generation is showing interests in taking over these businesses.

In Zimbabwe most businesses start as FOBs and thrive under the guidance of the founding member (Nyamwanza*et.al,* 2018). On average, approximately eighty percent of businesses in Zimbabwe are operating as FOBs (Sikomwe*et.al*, 2012). Issues of succession planning appear to be left to chance by many FOBs (Rue and Ibrahim, 1996; Leon-Guerrero *et.al,* 1998; Mandl, 2004) due to the emotions generated by the process as incumbents face their mortality and other family members confront the inevitable need for change (Beckhard and Dyer, 1983; Dyer, 1986; Lansberg, 1988; Le Breton-Miller *et.al,* 2004; Sten, 2004). The researcher found only three studies have looked at succession planning in Zimbabwe, for example, Sikomwe*et.al* (2012), Nyamwanza*et.al* (2018) and Dumbu (2018). However, these studies have not addressed the issue of impediments to continuity of these FOBs beyond the first generation. Leadership continuity and succession planning in the context of SMEs and businesses in general play a crucial role in the financial success of the business, and yet FOBs in Zimbabwe, as noted by Sikomwe*et.al* (2012) continue to struggle in these areas.

In Africa, family owned businesses, as far as leadership succession is concerned, are an arena with competing ideologies in which imported Western professional business practices find themselves in conflict with African traditional ones, making it difficult for the two to co-exist. As such, it then becomes important for family businesses to accommodate the different world views and the subsequent contrasting ideologies if they are to survive beyond their founders, beyond the first generation in this case. Succession as a method has been concluded to be one of the foundational factors determining the viability of any given form of organisation (Gouldner; 1954). Despite the concept's strategic value in FOBs, business scholars have failed to give a clear picture of the content and function of the succession processes in FOBs in the African context. Currently, there is not much literature that has come up with a model that attempts to merge Western managerial succession processes with the African socio-cultural context. With this the linkage between succession planning and business survival and continuity is inherently contradictory as the two tend to be contradicting at various stages of the life cycles of the businesses. Of all the firms in Zimbabwe, FOBs comprise a significant part of eighty per cent. Forty six per cent of middle-sized companies in Zimbabwe are family-owned businesses, and they are said to be contributing forty-one per cent to the total annual net sales of the corresponding size group. The small-sized family businesses contribute almost twenty five percent to the total production in the country and almost thirty percent to employment in Zimbabwe, (Kanyenze, 2004, p21). Ffamily businesses in Zimbabwe have a stake in diverse industries in the country, including manufacturing, construction, trade, transportation and business services (Tourane 2009a, 120-121.) In their first generation, middle- and large-sized family enterprises seem to be more profitable than other businesses based on Return on Investment measurements. The main finding by Kalevi Tourunen in his doctoral thesis is that “family businesses in focused size groups seem to be able to combine profitability with high employment rates” (Tourunen 2009, 121).

The meaning of this is that family businesses provide employment in a cost-effective manner. Regardless of its size, all family enterprises are ranked higher than firms owned by other means when it comes to ratio of providing employment to net sales. The essence of the family business to preserve a shared vision and trans- generational intention for the business contributes to the foundation of characteristic firm-level resources of familiness to pursue not only financial goals, but also goals of affective endowment across generations (Dawson and Amp; Mussolino, 2014; Neff, 2015). Family businesses should, therefore, not be underestimated in any circumstances even though there is little research data existing of them.

According to Groysberg and Bell (2014), the differences that exist between FOBs and non-family businesses in efficiency of boards of directors and governance practices exist in three areas namely skills and selection (talent management), succession planning, and diversity.

FOB boards have a greater percentage of deficiency in all of these three areas than their non-family business boards. The implementation of best practices and processes may hence lead to higher survival rates and smoother generational transitions. Next to efficient governance practices, economic health and expectations for the future of the industry are critical components of the succession planning and decision-making in FOBs (Gill, 2013).

Other studies have focused on how, like many other businesses, family owned businesses face the challenge of adapting successfully to the changing economic and industry conditions. The dollarization and use of multi currencies in Zimbabwe did not spare these entities. The growth of family owned business is stifled by the inflation in Zimbabwe and sky rocketing of prices. However, the studies did not analyse the importance of the founder or owner and the founder’s succession plan is correlated with the economic and financial performance of a firm. According to Klein, Astrachan and Smyrnios (2005), owners can be competitively a source of strength.

2.3 Factors Influencing Family Business Success

2.3.1 Business Resilience

- According to Walch and Merante (2007) resilience has been defined by at least 18 authors as the business’ ability to withstand an interruption or security breach and being able to continue in operation or return to productivity within a specified amount of time. These authors developed a quantitative model which a business can use to calculate the required number of employees that are needed to maintain productivity and resiliency. It was discovered that there were many factors that were included in the model. These include the following: Consideration of industry type,
- The number of major systems within the business,
- The total number of applications or systems, and
- A rather ambiguous factor that weighed the complexity of the business infrastructure.

Making reference to these factors, Walch and Merante (2007) made a conclusion that this model was an unbiased measure by which a company could determine the number of employees that were needed in an organisation.

2.3.2 Business Location

With regards to home-based businesses, Soldressen, Fiorito, and He (1998) did a survey on a sample of home-based businesses in the textile industry. They used the OLS regression analysis. Authors investigated how predictable demographics and business practice variables are on the success factors of home-based businesses. Soldressen *et al.* (1998) arrived at the fact that some home-based family business owners supported themselves entirely through their home-based business. It is this ability to support themselves through the home-based business, that business managers or owners considered their business to be successful. The greatest self-reported factors that related to perceived business success was the result that a clear majority of home-based family-owned business owners considered their business to be successful, based exclusively on the fact that they were working at something that they enjoyed, and not based merely upon business profitability. It was also propounded that home-based family-owned businesses were gradually continuing to increase in number, and needed to be studied to a greater extent in order to better understand this rapidly growing subgroup of family-owned businesses.

2.3.3 Age of Business

Kale and Arditi (1998) carried out a study to reveal age-dependent business failure patterns within the business of construction in the United States. With the use of data that was collected from the Dun and Bradstreet Corporation on annual business starts and business failures, it was concluded that there is generally, a pattern of age-dependent business failure in the U.S. construction industry. It was also found that the risk of businesses failure was highest and usually inevitable when the business is young. It was said to be at its peak near the age of three or four. Here the risk of failure gradually decreases as the company also increases in its age. To find out whether family businesses are created initially as family businesses, or they turn into family businesses after their inception, Chua, Chrisman, and Chang (2004) carried out an exploratory investigation.

This cross-sectional data came from a study of the economic impact of counselling activities of the Small Business Development Center (SMDC) program in 48 states. There was a sample which consisted of 3,619 businesses. These received five or more hours of counselling assistance from the SMDC. With the use of a regression analysis, results indicated that the vast majority of family businesses were initially created as family businesses. However, a distinguishable number of firms developed into family owned businesses over time. These authors made a comparison of younger family businesses with older family businesses. It was then suggested that the amount of total family involvement in older family businesses is generally less than in younger businesses. A large number of family businesses, though the clear minority, have a desire that the enterprise stay in the family from generation to generation (Westhead and Cowling, 1998).

It is this desire to keep the business in the family that have resulted in much research being conducted on the subject matter. A survey was carried out by Getz and Petersen (2004) to investigate the barriers to inheritance among family businesses. This was done with a focus on the tourism and hospitality industries. Getz and Petersen pinpointed several barriers to inheritance. These included the following,

- location (e.g., remoteness),
- nature of the work (e.g., long hours),
- viability of the business,
- And the stage of life of the parents and children.

Although the authors acknowledged the constraint of generalisability due to the specificity of their research study, they suggested that the barriers to business succession they discovered could be used as a springboard for further research. In a research article that addressed the training of next-generation family members in the family business (N = 18 family businesses). Mazzola, Marchisio, and Astrachan (2008) identified the benefits of strategic planning in terms of business succession by the use of interviews, observations, and examining business records. These authors concluded that involving next-generation family members in the planning process was a great benefit to the family business. Through this, next generation business leaders are provided with knowledge and skills, while also building their credibility. Making a comparison with the conclusions of Murphy (2005) which was previously mentioned, Chua, Chrisman, and Sharma (2003) reported results of a survey, and suggesting that out of 272 executives of Canadian family businesses, the most popular concern was business succession.

Chua *et.al*. (2003) indicated how the second greatest concern of business executives was regarding their relationships with non-family managers. In the statistical analysis, their study disclosed that the extent of a business' dependence on non-family managers is a determinant of the rating of concerns in terms of importance. Drozdow (1998) in an article revealed that, continuity in terms of keeping the business and the family together was addressed. The definition that Drozdow gave for continuity was the preservation of one or more essential, unique core elements that in turn implicate a set of trade-offs or elements that may be sacrificed or that a business continues beyond its founders. In an attempt to further explore the concept of continuity, the author conducted four business case studies to explore how continuity has been approached in each of the four businesses. Two of the cases were large firms, and the other two were family businesses. Here the author tried to highlight the main differences in the way each enterprise experienced, or struggled to experience continuity. Conclusions were made and these suggested that if a business was devoted to a core purpose or ideology that transcended any influence by a particular leader, strategy, or owner, then this business would experience continuity.

2.3.4 Business Problems

The reasons for and the theories behind why most family- owned businesses fail to grow have been put forward by Ward (1997). It is Ward who propounded the popular perception that the greater majority of family-owned businesses do not grow or develop. It was found out that they simply remain stagnant. This author then put forward a set of family business best practices that could possibly lead a family business away from stagnation, leading the FOB towards greater business success and profitability. Ward found out that there were several impediments facing family businesses. These greatly impeded their development and growth. These impediments included the following:

- Intensifying competition,
- Changing technology,
- Limited capital as families grow and lifestyle expectations increase,
- Disparate family goals and needs, and
- Next-generation family members who have been deprived of motivation due to inherited security and wealth.

The above impediments mentioned by Ward (1997) provided a basis for this study as it also sought to assess the impediments to continuity of family owned businesses beyond the first generation in Manicaland, Zimbabwe.

Best practices suggested by the author that improves chances of family-owned business success included practices such as:

- Accepting ongoing strategic insights,
- Attracting and retaining exceptional non-family managers,
- Creating a flexible and innovate organization,
- Creating and preserving capital and other assets, and
- Preparing successors for leadership within the family business.

2.3.5 Business Finances

With the objective of exploring the financial management techniques of family businesses, Filbeck and Lee (2000) surveyed 61 family businesses. This survey was done in an attempt to understand the extent to which these businesses used risk adjustment techniques, capital budgeting techniques, as well as working capital management techniques. The definition for working capital management techniques generally refer to the techniques used to manage the cash that the business is using to operate the business. 33% of the firms surveyed were in their first generation, 43% were in their second generation, 15% were third generation, and 8% were fourth generation family businesses. From the results it was shown that family firms used less modern financial management techniques than their non-family business counterparts. In addition, family owned businesses with outside (non-family) influence used more modern capital budgeting techniques than those with little or no outside influence.

It was found that family owned businesses that had non-family influence within their management were less likely to use modern risk-adjustment techniques than those with little or no outside influence. The articles of research that have been presented in this section have provided much information regarding business size, home-based businesses, business age, business problems, and issues relating to business finances. The greater part of the literature presented however did not indicate how the characteristics of family businesses related neither to managers' perceived family business success nor to family business profitability. Specific characteristics of family business finances, which included business liabilities and cash-flow problems, have not been thoroughly addressed in the literature.

2.3.6 Family Roles:

2.3.6.1 Owner

The owner is one who holds shares in the business. They are entitled to dividends or profits out of what the business makes after all the expenses are paid. They make decisions and generally assume risk. They basically agree on the mission of the company, a vision for its future, and the main goals and values of the firm. It is the owners that set and approve the company's policies and procedures. Many owners automatically hold leadership and/or management roles, but they do not have to. There are some who only hold shares and participate in larger decisions about the company. The owner-manager's personal learning orientation and view on the importance of workplace learning are emphasised in findings of several studies (e.g., Ahlgren and Engel 2011; Bishop 2017a; Macpherson et al. 2003; Panagiotakopoulos 2011). Personal learning orientation has been defined as "a concern for, and dedication to, developing one's competence" (Gong, Huang and Farh 2009, 765) and "ability, personality, and interests related to learning and development activities in the workplace" (Choi and Jacobs 2011, 242). Owner-managers who espouse a learning-orientation engage in practices that support workplace learning, such encouraging employees to challenge the status quo without fear of retaliation or retribution (Lans, Verhees and Verstegen 2016). In a study of owners of small businesses, McPherson and Wang (2014) found that the owners provided all employees with access to workplace learning opportunities and deemed such access as essential for the development of their businesses. These owners described their desire for learning as a 'cultural norm' that regulated the behaviour of employees. In another study located in Dutch businesses, the social competence of owner managers (e.g., their ability to exploit social networks) was found to be crucial for fostering employee learning (Lans,Verhees and Verstegen 2016). However, several studies that we reviewed found that owner-managers were perceived as providing limited support for learning. In a study of small manufacturing businesses, Coetzer (2006a) found that the employees perceived few opportunities for learning at work because, in their view, workplace supervisors did not consider employee learning an important and integral part of the job. Similarly, based on interviews with employees, Ahlgren and Engel (2011) reported that employees perceived that their employers had a limited view on learning and did not appreciate the contributions employee learning could make to business success. A first generation owner often sees the business in a very different way than the second generation does (Chung & Yuen, 2003). Typically their experience with the business has been drastically different. The first generation in most cases has built the business from the ground up. In contrast, any generation that becomes involved in the business moving forward has had some amount of exposure to it over time and never knew a time when there was not something of a vibrant functioning business owned by their family. Relationships between family members in family-owned businesses can often be full of tension and it is important that the two generations find a way to work together harmoniously throughout the transition and beyond (Ibrahim, Soufani, & Lam, 2001). The two generations' experience with the business has not necessarily been similar and for this reason it is extremely imperative that the second generation be as well prepared as possible for the transition that will take place. There are many differences between the generations, but one difference in particular that becomes a factor when the two different generations that are working together is feedback. Typically, at this point in time, the generational transitions that are taking place are a business passing from a parent of the Baby Boomer generation to either a child of generation X or a child of the Millennial generation. Baby Boomers tend to believe that feedback is a one way street and should come from the top down, and come more in the form of an annual review, while members of generation X and Millennials feel very strongly that it should flow in both directions and be more constantly provided (Lancaster & Stillman, 2002). This issue of feedback and how it is handled may seem as though it is not an overly important matter to consider, but in fact when looking at the important leadership roles both generations are in currently or will be in eventually, feedback will play a central role in shaping the organization.

2.3.6.2 Leader

Leaders are the ones who translate the vision, values, and goals that the owners of the company agree upon into actual results. It is their role to strategise, motivate, inspire, and persuade the company's employees into performing their best and accomplishing the company's goals, both short-term and long-term goals. Often the best leaders are those with a servant mentality. Those that serve in the firm are usually the most successful ones, and it is evident with the many followers they will have. The leaders of the FOBs are the ones called upon to make tough decisions about what is best for the company in practical terms. Knowledge transfer from one generation leader to the next is critical to the success of family-owned businesses. This knowledge transfer helps to fill the gaps in learning left behind by formal education alone. Education outside of the family firm is important, but it is the sharing of inside knowledge that will ensure the incoming generation has a strong understanding of the inner workings of their family's organization. The knowledge the outgoing generation has gained is the foundation that allows the next generation to ensure that they have the competitive advantage needed for the continued success of their family-owned business (Chirico, 2008). Explicit knowledge can be shared relatively easily as it is simple to put into writing and this is most often accomplished through the use of tools such as policy and procedure manuals (Chirico, 2008). It is the sharing of tacit knowledge that can present more of a challenge. The sharing and passing down of this type of knowledge that is more experience and skill based often tends to take place over time and is a large part of what occurs during the mentoring process that many family businesses engage in (Chirico, 2008).

2.3.6.3 Manager

Managers make sure that day to day tasks are done, and done effectively. If leaders are the "big picture" people, managers are the details people. Managers are in charge of budgeting, organising, allocating resources, analysing feedback, and solving problems among employees. Management complements leadership, and the two are different. In small businesses, however, one person often assumes both leadership and management role. One particular area of preparedness that should be taken into consideration is relationships. There are a few key relationships to take into account when looking to transition the family business to the second generation: the incoming family member(s) should have strong relationships with the outgoing family member(s) and, the employees of the company, as well as with any vendors or strategic industry alliances (DeNoble, Ehrlich & Singh, 2007; Chung & Yuen, 2003; Morris & Williams, 1997). There is a significant amount of knowledge to be shared between the incumbent and their successor and for that reason that relationship is perhaps the most imperative. These two generations working together is what will give the second generation family member the most significant knowledge as it pertains to the business they are about to take over (Fox, Hamilton & Nilakant, 1996). The transition will prove to be challenging if a strained relationship between the generations causes there to be a lack of communication or miscommunication about important company information.

2.4 Small and Medium Enterprises (SMEs)

2.4.1 Financing SMEs in emerging economies

Many studies emphasise the importance of access to finance for SME development. These studies focus on the fact that SMEs have less access to formal loans than larger enterprises (Hashi, Krasniqi 2011; Nichter, Goldmark 2009; Audretch et al. 2011). The World Bank (2008), for instance, states that easier access to finance would benefit SMEs through various ways and contribute to overall growth of the economy. It would promote more start-ups and investment opportunities, and thus increase productivity and growth, more efficient asset portfolios and organisational reforms. In addition to the lack of credit, interest rates are usually high and longterm credits in many developing countries are especially difficult for SMEs to get. Financing problems are usually the more severe the less developed a country is. In a cross-country analysis by Ardıç et al. (2012), loans to SMEs as a percent of the GDP positively correlated with the country's gross national income per capita. It is more difficult for SMEs to get affordable, adequate and long-term credit than it is for bigger firms (Beck 2007). First, refinancing costs for banks in developing countries are usually much higher than in developed countries. Due to macroeconomic and socio-political instabilities, central banks in these countries usually have to enforce higher interest rates to compensate for the low confidence in the domestic currency and to slow down capital flight. Second, capital exports reduce opportunities for credit expansion in domestic currency. Any credit expansion in domestic currency and the corresponding creation of monetary wealth leads to capital exports and a weakening of the external value of the currency, which cannot be accepted by the central bank. This leads to very strict credit rationing and a lack of credit. Third, the lack of collateral keeps interest rates especially high and credit supply low for SMEs. Fourth, sometimes credits to SMEs are too small to be attractive.

Finally, banking systems are in many cases inefficient and need high interest rate spreads.Beck and Cull (2014) found that access to finance is the most significant obstacle for SMEs in Sub-Saharan Africa. Many Sub-Saharan SMEs do not even attempt to apply for a bank loan due to high interest rates, complicated documentation, the collateral requirements, among other reasons. Also, a lack of local branches can be an obstacle for bank credits to SMEs. For some banks in Kenya, for instance, a company's geographic proximity is an important criterion for giving it credit, as a nearby location ensures the banks' ability to communicate and monitor the company (Akoten et al. 2006). Social capital – in this case, trusting relationships – can facilitate access to finance for insiders of a social network (Portes, Landolt 2000). For example, in Kenya, it is more common for younger firms and firms with younger managers to borrow money from family and friends than it is for older firms and older managers who have access to banks (Akoten et al. 2006). This is attributed to the low social capital of younger firms and younger managers in an environment where there is a high possibility of default. Industrial clusters contribute to the build-up of social capital by young firms and improving access to bank loans. The availability of non-bank financial sources to SMEs in developing countries varies. The most important of these sources are trade credits, factoring, leasing, overdrafts, credit from microfinance institutions and equity funds. In many cases, SMEs are forced to fall back on informal loans such as loans from family, friends, unprofessional money lenders or informal social networks (World Bank 2008; Beck, Cull 2014). Potential sources of finance for small firms are rotating savings and credit associations (ROSCAs). These associations provide informal, short term credit, whereby the participants save a certain amount of money collectively and take turns lending the accumulated sum to one participant at a time. Firms with high social capital, e.g. such as family and friends in the same business or members of established social networks, have better access to finance from ROSCAs. Similar points are made by Ardıç et al. (2012: 492). SMEs have usually more difficulties getting long-term loans due to lack of collateral, difficulties in proving credit worthiness, small cash flows, inadequate credit history, high risk premiums, under developed bank-borrower relationships and high transaction costs. But all these alternative sources are not sufficient to create an investment dynamic among SMEs. The finance problem of SMEs in developing countries is usually not solved by the involvement of foreign banks. The opposite might be the case. Foreign banks' deficiency of information about the risks of domestic industries and firms can cause additional credit rationing to smaller local firms. Foreign banks may prefer lending to the subsidiaries of large multinational companies in the domestic economy than to smaller domestic firms. Transferring domestic deposits into known international markets such as New York, London and Frankfurt may be more attractive for foreign banks than searching for good debtors in domestic markets (Stiglitz 1993).

2.4.2 Financing of SMEs in Germany

On the other hand, the involvement of foreign banks may increase competition in the financial system and encourage local banks to focus more on SMEs (World Bank 2008). German SMEs' access to finance Unlike the financial system in the US or the UK, the German financial system is bank based, consisting of three types of financial institutions: private banks, public savings banks and cooperative banks (Detzer et al. 2017; Audretsch, Lehmann 2016). Neither public savings banks, owned by local communities and constituting 29.4 per cent of the total German bank assets in 2012, nor cooperative banks, owned by members of the cooperative and comprising 11.8 per cent of total bank assets in 2012, are profit-oriented institutions. They give credit to local firms and private households and have a mandate to support the local economy. In 2012, private banks had 38.3 per cent of total bank assets, while the big private banks only had 25.3 per cent (Detzer et al. 2017: 57). Public savings banks and cooperative banks in Germany are only allowed to give loans in their geographical region. They work within a system of joint liability, which means that they share responsibility for losses within the whole system. Both local public savings banks and cooperative banks founded their own central institutions that reallocate excess deposits of local banks and deliver technical help and support for the whole system. Central institutions also have the function of financing big public. Sparkassen and Genossenschaftsbanken.

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This system makes the balance sheets of local public savings banks and cooperative banks more resilient than balance sheets of private banks, as was made evident by the global economic crisis of 2008/2009. Recently, the KfW started to finance SMEs that focus on green growth projects and introduce clean technologies (Audretch, Lehmann 2016; Detzer et al. 2017).he Objectives of Family Businesses

2.5 The education system in general

The skill-level of the labour force plays a significant role in economic development and for SMEs' success: it affects the level of productivity and the innovative power of enterprises. One of the key recommendations by international institutions on how to develop countries – and part of the Washington Consensus – is to increase expenditures on education and training. There is no doubt that those things are essential for economic development. This recommendation implies higher government expenditures. However, a more equal income distribution also allows poorer social classes to spend more money on education and training. Without negating the important role of education, it must be stressed that education alone does not trigger development: it must be embedded in a package of strategies. Otherwise, for example, unemployed academics will migrate to other countries (Solga 2016). Also, decisions must be made about the types of education that need more support: basic primary school, secondary school, vocational training or tertiary education. Depending on the economic sector, SMEs require people with specific types of education. For high-tech startups, tertiary education is needed. Likewise, qualified, skilled workers who are continually educated and trained throughout their professional lives are needed for traditional SMEs. And, in many cases, management skills at SMEs are insufficient. Developing countries usually lack an established and comprehensive vocational training system relative to the tertiary education system. Workers may obtain hands-on training at companies as part of their careers. The Role of Small and Medium-sized Enterprises in Development there is a lack of systematic vocational training that prepares people for their later job and teaches them specialised skills. The duration for vocational training in developing countries – if it takes place – is in many cases three to six months: compared to developed countries, this is a very short time to obtain both theoretical and practical qualifications. This may cause a mismatched career for many qualified university graduates on the one hand and a lack of skilled workers on the other. One of the factors of such a mismatch is the high social esteem for university education in relation to vocational training. This is reflected in the high disparities of wages and working conditions between professions that necessitate a university education and professions that necessitate a vocational or no formal education. This is a good example of the fact that a lack of social upgrading creates an obstacle for economic development.

2.6 SMEs and Succession Planning In Zimbabwe

In Zimbabwe, Sikomwe et al (2012) looked at critical perspectives on succession planning in the commuter transport sector in Zimbabwe and found out that business failure is caused by failure to plan for succession. Nyamwanza et al (2018) analyzed succession planning in Zimbabwean polygamous family businesses and found out that succession planning in polygamous families is haphazard and a source of disputes. In another Zimbabwean study, Dumbu (2018); analyzed succession planning and found out that lack of communication, lack of appropriateness & preparedness of succession candidates, dysfunctional conflicts in families and the monolithic primogeniture were chief among challenges that surround succession planning in family businesses.

The Zimbabwean culture generally expects the eldest son of the owner to inherit his father's fortune. Nowadays, a girl child can also inherit her father's fortune. However, as already noted by Volker (1997); the African culture posits that when the daughter gets married, she is no longer part of the family so the founder prefers giving the inheritance to the male child regardless of whether he is able to run the business or not. According to Fiegener et al (1996), the success of the family business succession planning is achieved if the children are brought into the business at early stages of life of the business to learn and develop business interest in order to take over the business after the retirement or death of the owner. Entrepreneurial orientation affects the survival of SMEs after death or retirement of first generation entrepreneur. The general concept of entrepreneurial orientation has been briefly discussed by Nyoni (2018). Most SMEs in Zimbabwe lack the much needed entrepreneurial orientation and this is a stumbling block to effective succession planning.

Family successors should gradually be prepared for leadership through lifelong learning experiences which span many years and cover several successive positions that is informal involvement over functional roles of a successor to early and mature succession (Duh & Letonja, It is indicated that families do not have the requisite management skills to undertake a new job as a potential successor. This is a clear testimony to the fact that a plethora of SMEs employees (usually family members of the owner) in Zimbabwe are not adequately educated or trained to become potential successors, hence making the future of the SMEs to be vulnerable to failure and or closure beyond the first generation or even past it. Although attention is increasing on the debate of family business, contributions in literature are focusing on other faculties of these businesses other than on succession planning. Family businesses are credited the world over for their potential to nurture cross-generational entrepreneurial talent (Ghee et al, 2015). These forms of businesses continue to dominate the world block of enterprises despite being under researched. The issues of succession in the family business have received little attention or have not yet been explored at length in research. Of recent, succession planning has become a revived area of attention by researchers. Abdullah, Hamid and Has him (2011) opined that the essence of succession planning is crucial in family businesses as it is in the stockholding companies to avoid setbacks for continuity and sustainability in the dynamic business landscape. Zimbabwe is abound with these forms of businesses, is not exceptional to this. The family business is believed to be a major contributor to the economy and for that reason their continuance remain a worry to any government (Lee et al, 2003; Grassi and Giarmarco, 2008; Boudewyn, Morgan and Watson, 2012). Continuity of these businesses is critically important for the economic emancipation of any nation, thus the need to study on how they can continue to operate in the face of environmental dynamism characterising the current and future business environment. Lucky, Minai and Isaiah (2011) advocated that family businesses have been the effectively powerful entities since ancient economies. Family business function in an amazing way in the development of enterprises through nurturing and developing future generation entrepreneurs despite the fact that that development is underpinned by ability to plan for succession. Succession planning is the lynchpin for continuity of enterprises despite form. From inception of the business, one should think about succession, as it is inevitably unavoidable. Bocatto, Gispert and Rialp (2010) argued that succession planning has a positive relationship with performance of the firm which guarantees its continuity. On the other hand,Ogbechie and Anetor (2015) posit that most family owned enterprises fail to continue after the first generation entrepreneur because of lack of succession planning. Without an effective succession plan, there can be chaos in the ownership and management of family businesses. Succession is one of the most important strategic aspect for continuance of family businesses (Haag, Klein and Melin, 2006; Whatley, 2011). Although it is of strategic importance, it is equally one such difficult aspect of family business to handle in a reconciled manner. Succession is inevitable event in the life of the founding entrepreneur of a family business. Henry, Erwee and Kong (2013) pointed out that family business succession planning is a process not a one event based on series of decisions and computations. To succeed in this difficult exercise there is need for implementation of thorough communication in the organisation. Haag et el (2006); Mutunga and Gachunga (2013) Mohd, Javeed and Ayaz (2013) are of the opinion that succession planning in family owned businesses requires articulate and clear flow of communication to raffle out conflict in the process. One of the major ingredients of succession planning is the inclusion of conversation. In support, Phikiso and Tengeh (2017) argued that succession could not be planned without recourse to conversations in which different voices are heard. Inclusion of conversation and communication in family business over the matter of succession remains complex concern on family members on how to make conversation concerning succession fruitful. Succession process is only complete when the next generation of entrepreneur has gained legitimacy of ownership and control of the business entity (Wahjono, Idrus and Nirbito, 2014; Devins and Jones, 2015; Nelson and Constantinidis, 2017). In the process of succession, it is difficult to downplay the role of the founding entrepreneur's influence. Pardodel-Val (2008) argues that founder's concept of business influences the plan they design to appoint successor in the game of succession. Those who are favoured are seen as potential heirs to the ownership and management are preferred to join the firm at young age so that they develop interest and gain experience. The short of it all is that family businesses are facing challenges in the process of succession planning. Phikiso and Tengeh (2017) gave the opinion that succession planning is deliberately done in a systematic way by founding entrepreneurs to ensure continuity of the enterprise through transfer of leadership to the next generation. However, that deliberate and systematic effort to transfer leadership to the next generation of entrepreneurs is significant test to the majority of family owned enterprises (Whatley, 2011)

2.7 Objectives for family businesses

Objectives of family businesses vary from one family to another. These may be oriented more towards the longer-term survival of the business, as well as its retention in the hands of the family, converse to the shorter-term, more profit-oriented objectives of non-family businesses (Harris *et.al.,* 1994). This in turn may lead to turnover growth and profitability shrinking. The business may become less likely to take risks, to diversify its offering for example. It is the family owners that can be seen as the stewards or custodians of the business. This implies a different set of success criteria, rather than straightforward profitability. These criteria can include providing opportunities for family members, both currently (for example, in the form of employment (Kellermanns*et.al.* 2008) and in the future. Examples include passing the business on (Miller and Le Breton-Miller, 2003); running the business in such a manner as to reflect well on the family owners and family's social accomplishments (Miller and Le Breton-Miller, 2005; Berrone*et.al.,* 2012) and preserving family cohesion (Chrisman *et.al.,* 2003; Gomez-Mejia *et.al.,* 2007), with profits or wealth being the result of pursuing these objectives.

Generally 'socioemotional wealth' (SEW) is seen as greatly important to family businesses, defined as 'non-financial aspects of the firm that meet the family's affective needs, such as identity, the ability to exercise family influence, and the perpetuation of the family dynasty' (Gómez-Mejía*et.al.,* 2007, p106). Family businesses will pursue goals which may be non-economic, in order to increase or preserve socioemotional wealth (Gómez-Mejía*et.al.,* 2010), in regard to which family owners are highly loss averse, leading them to reject opportunities which may threaten it. Another implication of this is that if a business comes to be seen more as a family business over time (e.g. when children show more interest in succession), rather than being a family business by virtue of the ownership structure, the objectives and strategies pursued by the founder may change. As Westhead and Howorth (2006) report, businesses with tight family ownership and management structures were more likely to report having and maintaining family-objectives as a high priority. Alternatively the first generation businesses or those with a lower proportion of family managers were less likely to report the same. There are preferences that come about from the desire to preserve SEW. They often result in risk aversion and the pursuit of lower risk strategies. For example, lower ratios of debt to equity (Kleiman *et.al.,* 1996; Gonzalez *et.al.,* 2013) and to assets (Anderson and Reeb, 2003) and higher levels of liquidity (Allouche and Amman, 1997; Bigelli and Sánchez-Vidal, 2012), plus a tendency to scrutinise opportunities very carefully and avoid diversification into new market areas, unless closely related to the existing line of business (Anderson and Reeb, 2004).

It is this strategy that permits for a longer time horizon for planning purposes, and for growth plans to come to fruition, facilitating longer term investment in the business, rather than pursuit of short-term profits for dividends. On this premise, while family businesses may appear to be growing more slowly than non-family ones, in the longer term that gap may close, as the family business continues its slow, patient growth route. The security of senior management positions which derive from their family status also facilitates longer term planning and the build-up of in-depth knowledge and memory, as the Managing Director (MD) is less likely to face redundancy for any short term failure to grow or generate profits (Miller and Le Breton-Miller, 2005). Patel and Chrisman (2014) examine the idea of thresholds and aspirations, and how they relate to the riskiness of strategies pursued. It is argued that family business performance below expectations risks the continuation of the business, prompting them to consider more risky explorative research and development (RandD). When contrasting, in the event that performance is above expectations, they rely more on RandD which is exploitative of their current products and processes; this may increase the reliability of sales but also the risk to socioemotional wealth. These more cautious attitudes lead to reluctance to seek outside funding for example, from external equity investors or even from debt finance, especially debt with a short term of repayment compared with non-family businesses.

Family businesses are more likely to use their retained earnings, because of caution and a great desire not to dilute family control via outside investment. This results in higher levels of savings. However, the level of leverage tends to increase as the business grows larger; the motivations of newly established businesses and those that remain small are dominated by risk-aversion, but larger businesses require a higher level of debt due to their motivation to retain control and finance larger growth opportunities (Gonzalez *et.al.,* 2013). An 'empathy gap' exists between family objectives and the institutional conditions attached to equity funding, meaning that the latter cannot understand the former, nor adapt their funding offering to take greater account of family business finance (Poutziouris, 2001). The corollary of the tendencies identified above are that family owners will try to ensure the continuity and survival of the business for the next generation, and in particular to build up the social capital of the business (Gedajlovic and Carney, 2010), which leads to stronger relationships with trading partners (Arregle*et.al*., 2007), advisers (Gersick and Feliu, 2013) and employees and, indeed, within the family itself.

As Wilson *et.al.* (2013) note, this 'survivability capital' can be seen as a combination of human, social and financial capital, working in a way which distinguishes them from non-family businesses. However, Wilson *et.al.* (2013) also note that there are certain characteristics of family businesses which may militate against continuity:

(i) family conflicts;

(ii) Altruism towards the wider family: e.g. nepotism in appointments leading to poor managerial choices (Schulze *et.al.* 2003a), linked to

(iii) An unwillingness to deal appropriately with poor performers (Gedajlovic et al., 2012) and employees;

(iv) A smaller chance of taking risks and seizing high value opportunities; (among many others).

Assessing the viability of these arguments in a more specific scenario, some researchers have suggested that this outlook and type of strategy lends family businesses greater resilience, in particular during a downturn, not specifically because of the relatively high level of financial security, but also because autonomy facilitates rapid and flexible decision-taking (Braun and Latham (2009); DeDee and Vorhies (1998) and the long tenure of senior family managers provides a high level of accumulated knowledge (Westhead and Howorth, 2006). Chaston (2012) though, disagrees with this view. With evidence from a study of small family-owned hotels, he argues that businesses succeeded during the recession because of their flexibility, and there was little difference between family and non-family businesses in this regard. It is also argued that the wider contexts, in which the family business is located with regard to country e.g. size of business sector, are important mediating factors in how families bonds manifest in the business and its performance. In this case the outcomes of family businesses operating in different settings and circumstances will obviously differ. It is also important to bear in mind the generation of the business owner, with some evidence that strategic changes may well occur when the second generation confronts existing business objectives and strategies, and where a lack of change and generational tensions may have led to underperformance when the older generation remained in charge (Brunninge*et.al.* 2007).

2.8 Global Perspectives on FOBs

The world's oldest family business, Kongo Gumi based in Osaka Japan, arguably a success story in FOB succession, is over ten centuries old. It started in the year 578 CE and has employed over 39 generations of the Kongo family in the building and repairing of Buddhist temples (Iraki, 2009). Motwani *et.al.* (2006) did an investigation on succession planning in FOBs. They found out that regardless of their size, it is critical for family-owned businesses to organise and develop a formal plan for succession, hence communicate the identity of the successor and provide training / mentoring to the current Chief Executive Officer. Abdullah *et.al.* (2011) did a research on succession planning in Malaysia and found out that there is a positive relationship among succession planning, successor attitudes and succession dilemma. Gumbo *et.al.,* (2012) did an investigation on the role of succession planning on the continuity and survival of small and medium family enterprises after retirement or death of the first generation entrepreneurs in Kenya. He found out that capability of the successor was of great effect on the survival of FOBs after retirement or death of first generation entrepreneur, followed by entrepreneurial orientation, and then mentoring. Level of training had the least effect on the survival of FOBs after retirement or death of first generation entrepreneurs. Obadan and Ohiorenoya (2013) did a study on succession planning in small business enterprises in Edo State of Nigeria. They found that most of the small business enterprises have no succession plan in place. Maalu*et.al.* (2013) looked at succession strategy and performance of small and medium family businesses in Nairobi, and found that firms that went through smooth succession also recorded significant growth post transition. Magasi (2016) investigated on the factors influencing business succession planning among FOBs in Tanzania and found out that the older the age of FOBs owners, the higher the possibility of preparing the business successors.

In Zimbabwe, Sikomwe*et.al.,* (2012) did a study on the critical perspectives of succession planning in the commuter transport sector. Results showed that business failure is caused by failure to plan for succession. Nyamwanza*et.al.,* (2018) analysed succession planning in Zimbabwean polygamous families FOBs (from the Zimbabwean Apostolic religious sect) and found out that succession planning in polygamous families is haphazard and is a source of disputes. In another Zimbabwean study, Dumbu (2018) analysed succession planning and discovered that lack of communication, lack of appropriateness and preparedness of succession candidates, dysfunctional conflicts in families and the monolithic primogeniture were chief among challenges that surround succession planning in family businesses.

It is FOBs that have moulded world economies for many decades. Some have evolved from being small tuck-shops to large multinational companies. Examples of these include Coca-cola and Ford Motors. These have contributed significantly to growth and employment within their respective industries. FOBs have been able to outperform non-family businesses due to their quickness in decision making and strong shared values among the visionaries and managers whom are often rooted in loyalty to the founder's vision and tradition (Allio, 2004). The significant role of FOBs to the economic performances of the nations has since been recognised by well developed countries. According to Dynes (2010) and Mosidi (2011), the developed world has established various institutions to nurture these FOBs for example Mittelstandsforsching in Germany and Britain's Institute for Family Businesses. In Africa, generally, Private Equity groups have found interest in FOBs when looking to investment opportunities. This is because FOBs are perceived to be well managed businesses that have a low level of financial clout and generally have a higher rate of profit than non-family businesses (Dynes, 2010). Subsequently, globalisation has had a significant effect on FOBs. For instance, FOBs in Latin America face danger from multinational companies because of the fact that they cannot in any way match the strong managerial skills, capital and economies of scale that these multinationals enjoy (Andrade, Barra and Amp 2004; Elstrodt, 2001). Notwithstanding, the harsh macro-environmental factors that pose as threats to the survival of FOBs, they still have strengths that are inherent to them that enable them to run successfully.

Allio (2004) alluded that FOBs are able to achieve success because their focus is within core businesses and markets. This allows them to advance strong local brands and develop customer loyalty. FOBs are known for their ability to make decisions expeditiously, as well as react quickly to crises and often have rapid access to financial resources since they have less debt. Some special traits in these firms include a sound commitment to building strong legacies. Family member's involvement, management and governance in the FOBs differ widely however and it is extremely dynamic (Chrisman *et.al.,* 1998). Mosidi (2011) proposed that there are three qualifying characteristics which define the nature of ownership within a FOB. He pointed out that the firm is either family-owned or family-managed. He further went on to say it can be family owned but not managed by the family in some cases and lastly he said the firm can be managed but not necessarily owned by the family.

2.9 Theoretical Framework

The Socioemotional Wealth Model (SEW) and the theory of planned behaviour (TPB) are the two main theoretical approaches that informed this study. Both theories were relevant to the study because they managed to conceptualize objective and subjective non-economic underpinnings that are associated with the planning of family business continuity beyond the first generation (Berrone*et.al.* 2012; Carr and Sequeira, 2007; Cropanzano and Mitchell, 2005). Socioemotional Wealth Model rresearch in the field of FOB at first was mostly descriptive (Berrone*et.al.* 2012). Berrone*et.al.,* (2012); Berrone, Cruz, Gómez-Mejía and Larazza-Kintana, (2010); Gómez-Mejía, Cruz, Berrone, and De Castro, (2011); Gómez-Mejía, Makri, and Larazza-Kintana, (2010); Zellweger, Nason, Nordqvist, and Brush (2013) observed and saw a missing link in FOB literature between SEW and organisational identity theory, considering the significance of SEW to explain non-financial driven behaviour in FOBs and the tight and often indivisible ties between the family and the firm.

In recent years, the SEW paradigm has been under review and has become a prevailing framework in explaining a variety of behaviours observed in family businesses (Dou, Zhang and Su, 2014). This paradigm serves as an umbrella concept that sheds light on how families assess and operationalise business opportunities, which is very unique and quite different from non-family firms (Berrone*et.al.,* 2012; Dawson and Mussolino, 2014).This model recaps the family's accumulation of assets to do with social, emotional, and affective endowments that are passed on in the family business (Deephouse and Jaskiewicz, 2013). The paradigm includes shared family aspirations such as the intention to transfer the firm to the next generation, the facility of guaranteed employment to family members, and the social status of being connected with a reputable family (Deephouse and Jaskiewicz, 2013; Gómez-Mejía*et.al.,* 2015). This paradigm also includes intangible assets encompassed in the family firm's culture, such as trust-based social relationships, embedded collective knowledge, and common human values such as identity, openness, respect, correctness, trustworthiness, accountability, and others (Makó*et.al.,* 2016).

Therefore, FOB leaders make decisions based on socioemotional reference points, and not just economic ones, and evaluate problems using the socioemotional legacy to the extent that they are willing to make decisions that are not driven by economic rationality and may deprive the family business of pecuniary advantages (Bauweraerts, 2016; Berrone *et.al.,* 2012; Deephouse and Jaskiewicz, 2013). Some FOB leaders might be willing to put the family firm at risk if this is what it takes to preserve the SEW endowment (Berrien *et.al.* 2012; Bizri, 2016).

2.9.1 The Socioemotional Wealth Theory (SEW)

The theoretical underpinnings of the SEW construct are rooted in behavioural agency theory. SEW has in fact been described as the appropriate theoretical application of behavioural agency theory in the context of family businesses (Nordqvist, Melin, Waldkirch, and Kumeto, 2015). According to this theoretical framework, FOBs tend to be risk averse to situations and decisions that might endanger their SEW (Gomez-Mejia*et.al.,* 2007). FOBs may be more tolerant of performance well below their aspirations as long as they can protect their SEW in so doing (Gomez-Mejia *et.al.* 2007). This risk aversion to SEW loss could indicate that family business owners' concerns about protecting their SEW might be influencing the firm's decisions. This includes the decision of whether or not to be innovative and continue beyond the current generation as well as the decision to persist when performance is low. The impact and influence of SEW on continuity and innovation could be either positive or negative. Even though the majority of scholars have considered the general effects of SEW as primarily positive (Berrone*et.al.* 2012), there are researchers who emphasise that SEW can be both beneficial and harmful for family businesses (Kellermanns*et.al.* 2012).

Of interest is the persistence of family firms in times of low financial performance which indicates that they are not only about financial profits, but also about non-monetary benefits. These include the satisfaction of the need of belonging, the preservation of the family dynasty across generations, the maintenance of a good firm reputation, among others (Gomez-Mejia *et.al.* 2007; Gomez-Mejia *et.al.* 2010). Rresearchhas indicated that, in fact, these firms care more about the preservation of non-monetary factors than monetary wealth (Ma, Mattingly, Kushev, and Ahuja, 2013). It is these non-monetary motivations that are captured by the SEW, which Gomez-Mejia and colleagues have introduced to family owned business literature (Gomez-Mejia *et.al.* 2007; Gomez-Mejia *et.al.* 2010).

Differences among family businesses should also be considered despite the fact that scholars have so far emphasized the observed differences between family and non-family firms as separate grounds (Deephouse and Jaskiewitz, 2013; Cruz *et.al*., 2014). These are also highly diverse and totally different from one another. For instance, Miller *et.al.* (2007) report differences between family firms that are managed by founders and those managed by heirs. It is the diversity within FOBs that is considered much higher than the reported diversity between family and non-family firms (Chua *et.al.* 2012). SEW is one of the key dimensions across which family firms differ significantly from one another (Gomez-Mejia, Cruz, Berrone and DeCastro, 2011). Another one is the "familiness" which describes how close knit family members in a family firm are and to what extent the family interacts with the management of the firm (Habbershon and Williams, 1999; Rutherford, Kuratko, and Holt, 2008). However, although scholars have considered family firms' SEW as the most important distinguishing feature from non-family firms (Gomez-Mejia *et.al.,* 2011), little research has tried to link family firms differences to factors such as SEW (Cennamo*et.al.,* 2012). Therefore, a deeper examination of the SEW dimensions is necessary in order to account for differences within family firms and to this end, there have been many calls for research on family firms' SEW (Westhead and Howorth, 2007; Chrisman, Steier, and Chua, 2006).

Researchers have responded to these calls and used SEW to try and explain family firm phenomena including proactive stakeholder commitment (Cennamo, Berrone, Cruz, and Gomez-Mejia, 2012), risk-taking behaviour (Gomez-Mejia *et.al.* 2007; Strike, Berrone, Sapp, and Congiu, 2015), IPO under-pricing (Leitterstorf and Rua, 2014), and the likelihood of placing a non-family manager in the firm (Vandekerkhof *et.al.* 2015). However, despite the wide use of the construct of SEW in the family business literature researchers have rarely measured it directly

Strike *et.al.* (2015) make the averment that there is a correlation between the age of the FOB owner/leader and preoccupation with SEW. In their study, they found that CEOs' age is negatively correlated with SEW and that the more CEOs approach retirement, the more they care about financial benefits as opposed to non-financial ones such as SEW. In other words, CEOs' age reveals the time until retirement, and as a result, the older CEOs are expected to have a higher interest for personal financial compensation than the younger ones. Such use of proxies in order to determine family firms' SEW has however been widely criticized as an oversimplification. For example, Berrone *et.al.* (2012) consider the use of percentage of shares owned by the family as one-dimensional and insufficient. In addition, other scholars state that SEW of family firms needs to be directly measured and integrated as either an antecedent or a moderator in research models that try to predict and explain variance in strategic firm decision making (Nordqvist, Melin, Waldkirch, and Kumeto, 2015).

Further, the involvement of the family in the FOB's management, vision, ownership, and governance is a key descriptive feature of family businesses (Dawson, Sharma, Irving, Marcus, and Chirico, 2015; Neff, 2015) and so has emerged as a major focus in family business succession research (Suess-Reyes, 2016; Zahrani et.al. 2014). Overall, researchers have distinguished family firms from non-family firms based on objective and subjective information for assessing the level of 'familisation' of businesses (Ruggieri, Pozzi, and Ripamonti, 2014). The essence of the family business to preserve a shared vision and the transgenerational thrust of the business contributes to the foundation of characteristic firm-level resources of familiness to pursue not only financial goals, but also goals of affective endowment or SEW conservation across generations (Dawson and Mussolino, 2014; Neff, 2015).

The SEW paradigm explained why FOBs' CEOs make decisions based on social and emotional reference points and not based on economic elements. FOB leaders tend to evaluate problems in function of the socioemotional legacy to the extent that they are willing to make decisions that are not driven by economic rationality (Berrone et.al., 2012; Deephouse and Jaskiewicz, 2013) thus willing to put the family firm at stake in the case that this is what it takes to preserve the SEW endowment (Berrone et.al., 2012). Bizri (2016) introduced the familial stewardship concept, which grounds decision-making in favour of the family. This care-taking approach brings the adoption of all decisions that are in support of the family's benefit so that even in the case of competing interests, the family's interest will still have dominance (Bee and Neubaum, 2013; Bizri, 2016). Time and history may however play a pivotal role as the preference for a particular successor today may shift with time due to changing events or changing feelings during the process.

Although emotions are an “integral and inseparable part of everyday organisational work” (Ashforth and Humphrey, 1998, p. 98), in organisations where family relationships dominate, there is a longer history and knowledge of shared experiences and past events that converge to influence and shape current activities, events, and relationships. Many scholars see the intermingling of emotional factors originating from family involvement with business factors as a significant attribute of family firms (Eddleston and Kellermanns, 2007; Taguiri and Davis, 1996). In their own nature, families are characterised by various emotions, some of them positive, such as warmth, tenderness, love, consolation, and happiness, and others that are negative. The negative ones include anger, fear, loneliness, anxiety, sadness, disappointment, and depression (Epstein, Bishop, Ryan, Miller, and Keitner, 1993). These emotions result from daily situations and are not constant, as they emerge and evolve through more or less critical events in each family business system (succession, divorce, illness, family or business loss, economic downturn, etc.; Dunn, 1999; Gersick, Davis, Hampton, and Lansberg, 1997; Shepherd, Wiklund and Haynie, 2009).

Boundaries between family and the business are rather hazy in family businesses (Berrone et.al. 2010); emotions pervade the business owners, influencing the family business's decision-making process (Baron, 2008). At the same time, emotional attachment also refers to psychological appropriation of the firm by the family in order to maintain a positive self-concept. The type of social links that family members have within and outside their firms, FOBs become the place where the needs for belonging, affection, and intimacy are satisfied (Kepner, 1983). In other words, the family's emotional attachment to the firm can “facilitate self-continuity by connecting a person with a desirable past self (for example, memories), a present self (me now), or a future self (who I am becoming)” (Kleine, Kleine and Allen, 1995, p. 328). This also fosters the family's sense of legacy, since the loss of the firm represents a highly emotional event for most owners (Sharma and Manikuti, 2005; Shepherd et.al. 2009).

Unfortunately, despite the relevance of emotions for SEW and their prevalence in the family business setting, emotions and sentiments in family business research have been largely understudied. If emotional stability is not handled well in a FOB, then the probability of continuity to the next generation can be compromised in this case. As noted by Labaki, Michael-Tsabari, and Zachary (in press), emotions in the context of family firms are often discussed indirectly referring to issues that impact businesses, such as family conflicts (Beehr, Drexler and Faulkner, 1997; Danes, Zuiker, Kean and Arbuthnot, 1999; Kellermanns a Eddleston, 2006; Lee and Rogoff, 1996), personal relationships (Kaye, 1996) and family culture (Danes, Lee, Stafford and Heck, 2008; Dyer, 1986)." Labaki et.al. (in press) also identified authors who proposed their own emotional constructs specific to the family business, such as emotional returns and costs (Astrachan and Jaskiewicz, 2008), emotional capital (Sharma, 2004) and emotional value (Zellweger and Astrachan, 2008). Others have studied related constructs, such as trust (Steier, 2001), altruism (Eddleston and Kellermanns, 2007; Zahra, 2003), and benevolence (Cruz et.al., 2010).

The SEW dimension of decision making is particularly useful in understanding why, under certain circumstances, family members take the opportunity to be disinterested with and to each other (Schulze et al., 2003b) or are more likely to consider family members as trustworthy (Cruz et.al., 2010). Such trust issues alone can hinder a FOB to continue to the next generation. However, sentiments can also have a negative effect, making kin relations dysfunctional. Unlike nonfamily firms, however, where dysfunctional relationships and persistent conflicts often end with termination of the employment contract of the parties involved, in family firms, where the emotional attachment is high, conflictive relationships are preserved, perhaps involuntarily and in the hope that they will eventually return to a harmonious condition. As Fletcher (2000) states, "The interpersonal linkages, emotional bonding and affectionate ties that characterize all firms are possibly more complex and embedded in family firms" (p. 164).

In addition to the economic and socio-emotional elements of generational transition, Daspit, Holt, Chrisman, and Long (2016) drew on Social Exchange Theory (SET) to address the multiphase, multi stakeholder aspect of the succession process. SET is applicable throughout different stages and settings and allows for concurrently incorporating other relevant theoretical designs (Despite *et.al.* 2016). Homans introduced the SET in 1958 (Nunkoo, 2016), and the basic creed of the theory is that relationships evolve over time into trusting, loyal, and mutual commitments in which parties abide by certain rules of exchange (Cropanzano and Mitchell, 2005). A generalised exchange based on an open relationship of trust, loyalty, and respect between the successor and incumbent is widely considered beneficial as it permits the successor to obtain the knowledge and skills required to direct and manage the business (Daspit *et.al.,* 2016). However, a restricted contractual-based exchange between the incumbent and successor may be viewed more negatively as it might thwart or damage trust and loyalty and create problems with balancing benefits. However, a restricted exchange can also be useful as it may facilitate formal succession planning, validating the roles and responsibilities of family members and diminishing uncertainty throughout the process (Daspit*et.al.,* 2016)

2.9.2 Theory of Planned Behaviour Model: (TPB)

This theory started as the Theory of Reasoned Action in 1980 to predict an individual's intention to engage in behaviour at a specific time and place. The theory was intended to explain all behaviours over which people have the ability to exert self-control. The key component to this model is behavioural intent. Behavioural intentions are influenced by the attitude about the likelihood that the behaviour will have the expected outcome and the subjective evaluation of the risks and benefits of that outcome. The TPB has been used successfully to predict and explain behaviours in the workplace. The TPB states that behavioural achievement depends on both motivation (intention) and ability (behavioural control). It distinguishes between three types of beliefs namely, behavioural, normative, and control. The TPB is comprised of six constructs that collectively represent a person's actual control over their behaviour as outlined below.

- Attitudes - This refers to the degree to which a person has a favourable or unfavourable evaluation of the behaviour of interest. It entails a consideration of the outcomes of performing the behaviour
- Behavioural intention - This refers to the motivational factors that influence a given behaviour where the stronger the intention to perform the behaviour, the more likely the behaviour will be performed.
- Subjective norms - This refers to the belief about whether most people approve or disapprove of the behaviour. It relates to a person's beliefs about whether peers and people of importance to the person think he or she should engage in the behaviour.

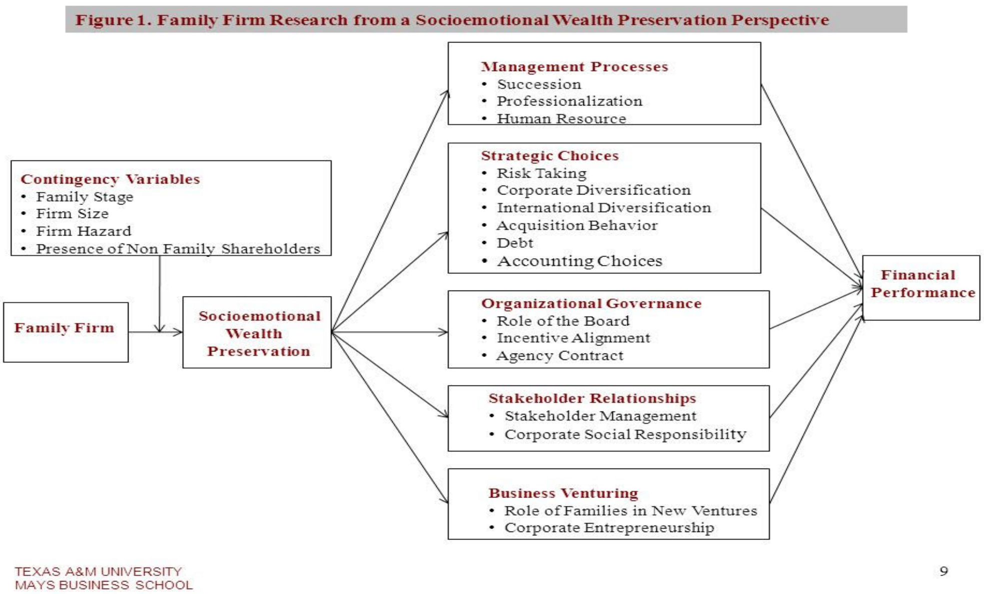
- Social norms - This refers to the customary codes of behaviour in a group or people or larger cultural context. Social norms are considered normative, or standard, in a group of people.
- Perceived power - This refers to the perceived presence of factors that may facilitate or impede performance of behaviour. Perceived power contributes to a person's perceived behavioural control over each of those factors.
- Perceived behavioural control - This refers to a person's perception of the ease or difficulty of performing the behaviour of interest. Perceived behavioural control varies

This construct represents a person's motivation: the more one intends to engage in a particular behaviour, the more likely it is to occur. In turn, intention is theorized to be predicted by three social-cognitive concepts: attitudes (i.e. the individual's positive or negative evaluation of the behaviour), subjective norms (i.e. perceived social pressure to behave, stemming from predictions regarding social approval or disapproval of the behaviour) and perceived behavioural control (PBC: i.e. the individual's perception of the extent to which performance of the behaviour is easy or difficult; Ajzen, 1991). According to Ajzen (2002), PBC is also used as a two-dimensional construct comprising self-efficacy (i.e. the extent to which performance of the behaviour is perceived as easy or difficult for the individual) and perceived control (i.e. the extent to which the individuals perceive the performance of the behaviours to be within his or her control). Furthermore, subjective norms have been distinguished as injunctive norms (i.e. what significant others think the person ought to do) and A descriptive norms (i.e. what significant others do themselves) because these are separate sources of motivation (Rivis & Sheeran, 2003). Acknowledging the fact that the source's subjective norms (i.e. subjective and descriptive) and PBC (i.e. self-efficacy and perceived control) are important in behavioural interventions, the present study sought to test if these variables had independent effects on intentions. Given that studies have found past behaviour to be the strongest predictor of intention and behaviour (e.g. Conner & Armitage, 1998; Oullette & Wood, 1998), and that it tends to attenuate the influence of other TPB variables (e.g. Norman et al., 1999), this study also considers the additional predictive utility of past behaviour. The present study used the TPB model to identify the socio-cognitive determinants of healthy behaviours that may provide some explanation of the processes that account for the stressor-intention relationship.

Fig 2.1: Family firm research from a socioemotional preservation perspective

Gomez–Mejia, (2011, 653)

- across situations and actions, which results in a person having varying perceptions of
- Behavioural control depending on the situation. This construct of the theory was added later, and created the shift from the Theory of Reasoned Action to the Theory of Planned Behaviour.



Theory of Planned Behaviour

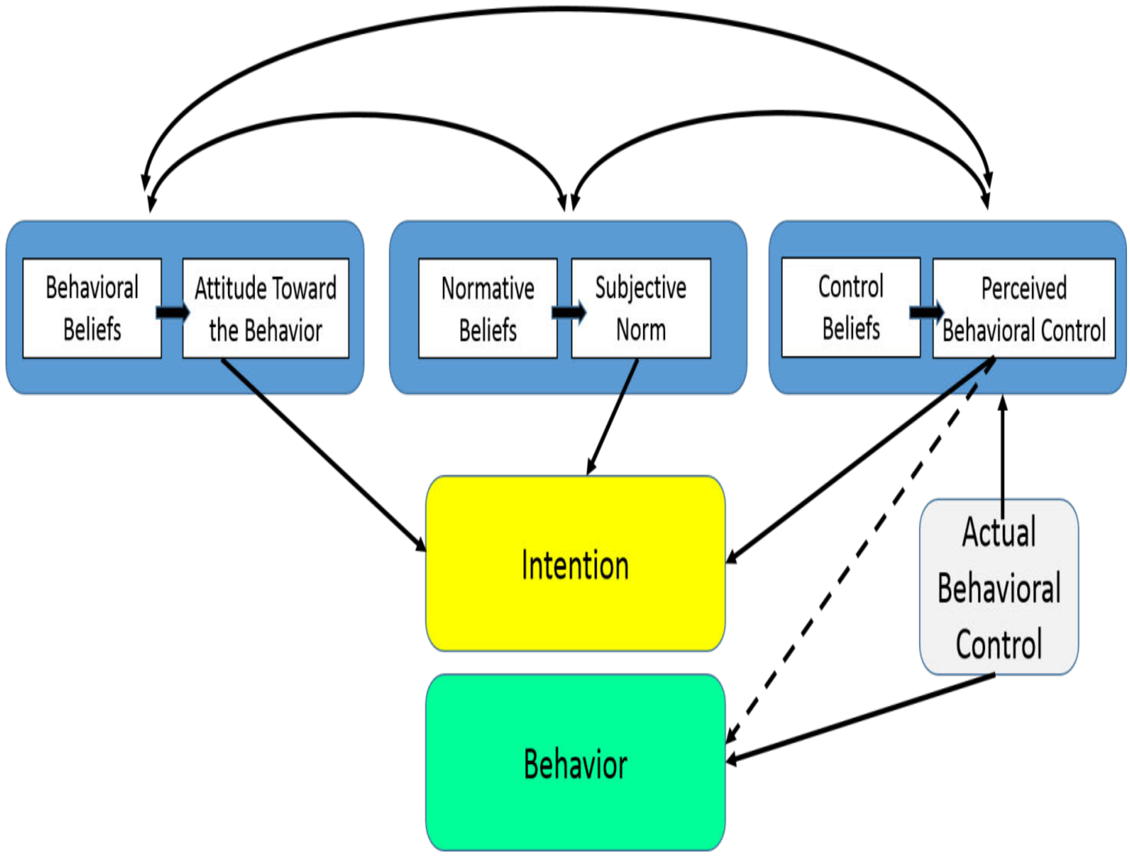


Fig 2.2 Theory of Planned Behaviour Wayne W. La Morte (2019, 1)

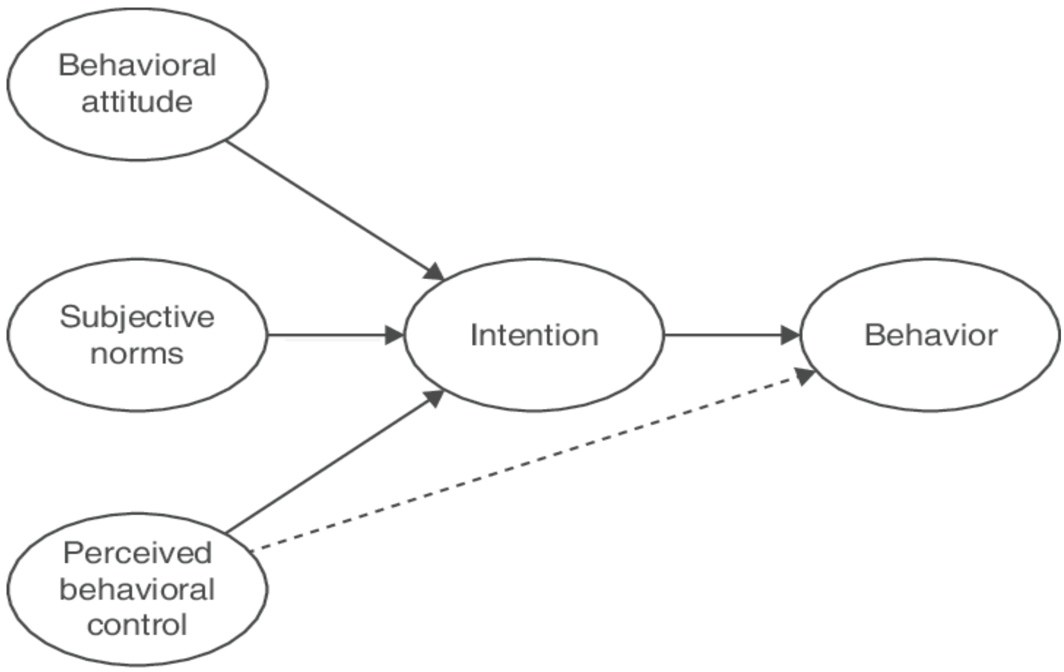


Fig 2.3 Planned Behaviour Theory, (Source: Heather Hausenblas 2007,109)

In 1985, Azjen proposed the TPB with the aim to explain individuals' non-intentional behaviour which is not supported by rational action (Boyd *et.al.* 2014; Carr and Sequeira, 2007). From the TPB viewpoint, the preference of the incumbent in an FOB for intrafamily leadership succession rather than extra family succession depends on several antecedents including the number of children, the number of family shareholders, and the incumbent's emotional attachment to the firm (De Massis, Sieger, Chua, and Vismara, 2013). Based on the TPB, Carr and Sequeira (2007) suggested that exposure of the successor toa prior family business as a family member directly and indirectly influence the intergenerational succession behaviour in family firms. The exposure shapes entrepreneurial intent by affecting the attitudes toward business ownership, perceived family support, and entrepreneurial self-efficacy. Those attitudes also inspire successors with regard to potentially creating their own businesses and setting up new start-ups (Carr and Sequeira, 2007). From the TPB perspective, family businesses do not just create jobs, affect economic growth, and provide tax income for local authorities, they also have the additional benefit of acting as business incubators for future start-ups by influencing the offspring of business owners (Carr and Sequeira, 2007).

2.10 Family Culture and FOBS

2.10.1 Impact of Family Culture on the Survival of FOBs

Survival of FOBs throughout generations has been a primary concern for FOB leaders and has held critical consequences for the owners, extended family members, employees, and other stakeholders (Liu *et.al.* 2015). This is because approximately 70% of FOBs do not reach the second generation and only 3% make it past the third generation. Succession strategy has been one of the most challenging problem faced by FOB owners (Boyd *et.al.* 2014; FFI, 2016; Groysberg and Bell, 2014; Liu *et.al.* 2015; Makó*et.al.* 2016; Miller, 2014; Zellweger *et.al.* 2012).

Entrepreneurial culture is a key feature distinguishing FOBs from non-family businesses (Efferin and Hartono, 2015; Jaskiewicz *et.al.,* 2013). To fully appreciate the concept of culture, one has to make a distinction between culture and social structure (Efferin and Hartono, 2015). Culture is a methodical system, incorporating symbols, myths, ideologies, and rituals while structure is the pattern of social interactions that occur within that culture. Entrepreneurial culture may manifest as company culture, which includes how employees dress, how they interact with the leaders of the organisation and also employees'work ethic. When the conceptual difference between culture and social structure is considered, it allows for an interpretation of changes and conflicts observed in FOBs over time as they occur with respect to power and authority. Hence, culture is a source of both harmony and dispute in an FOB (Efferin and Hartono, 2015). If the company culture is not made in sync with the ever changing technology and new business practices, the FOB may fail to continue beyond the first-generation. The main explanation for this is that the current generation may not understand the need to maintain certain business practices, which may appear backward and out of sync with the modern 21stcentury.There is need therefore to clearly understand the cultural differences among inter-generational employees and leaders within the FOBs (Dwyer and Azevedo, 2016).

The successor's level of commitment to the entrepreneurial culture of the founder of the family firm determines the type of leadership style the successor will likely employ (Dawson, Irving, Sharma, Chirico and Marcus, 2014). Family members with a desire-based commitment to the FOB tend to engage in contextual performance and contingent reward leadership. Next-generations with obligation based tend to engage in transformational leadership behaviours. Both affectively and normatively committed next-generation owners incline to apply a transactional leadership style, employing conditional rewards. Continuance commitment (opportunity cost-avoidance based) of next-generation members implies there is no significant relation with voluntary behaviours (Dawson *et.al.* 2014).

The cultural context of FOBs and the specific culturally-guided behaviours that its members display are essential components in developing the leadership style in an FOB (Efferin and Hartono, 2015). Leadership and management control systems (MCSs) in an FOB are rooted in its social culture. This is because the FOB leader is the product and not the creator of this social culture. The most prevalent cultural control is based on collective family norms and facilitates management of processes and results. MCSs in FOBs originate from the social culture, enculturation, leader's values, worker's values, and exchanges between FOB members blended with rational and logical considerations of the FOB leader when dealing with the forces at work in the business environment (Efferin and Hartono, 2015).

Family businesses are well known for their economic efficacy, their commitment to the society, the responsibility they have and the stability that they bring, but most importantly they are known for the values they stand for. (Elo-Pärssinen and Amp; Talvitie 2010, 73-75.) Values are indeed one of the main features differentiating a family business from a non-family business. Specifically, it is the combination of the reciprocal economic and non-economic values that can be distinguished in the combination of the business and the family. According to Tapies and Ward (2009, 22) "family businesses must be seen not only in terms of assets but as a combination of their property and their values. Therefore there are implications of FOBs that involve more than merely serving a financial purpose as they are at times a means of sharing certain values and providing a service to the community in which they are integrated." Every FOB has a unique history and the family members have unique values, and therefore each family business is regarded as unique. Nevertheless, there are certain values that appear common to most of the family-owned companies. For many entrepreneurs, owning a family business is a way of life or a mission in life. It is regarded as an accomplishment, and without it, the entrepreneurs' lives would be empty. Because of this, continuity is highly appreciated and a key concern for entrepreneurs is preparation for the future. The values of the company can also act as a deterrent for the success: if the efficacy of the values and company culture are not understood, the company may not be as successful as its potential may indicate. If FOBs do not value the importance of culture and of preserving the firm for future generations, it is highly likely that there would be no continuity of these businesses across generations.

On the interplay between culture, entrepreneurship and FOBs succession, Forrest (1993) notes that the general culture of secrecy that exists among indigenous entrepreneurs effectively blocks delegation, and gets in the way of partnerships. This in turn undermines the chances of succession (Forrest, 1993). Culture cannot however be successfully labelled as singularly problematic and anti-accumulative. It may be wrong to conceptualize culture and values as inflexible and permanent traits that become part of both founders and descendants.

2.10.2 Family Culture and FOB Succession

Zahrani *et.al.* (2014) identified three family business characteristics in respect to succession viability that exert a vital influence on decision making in the succession process. These include incumbent's desire to keep the FOBs, family's commitment to the family owned business, and inclination of a trusted successor to continue the business. Commonly observed characteristics of FOB leaders, which have a critical impact on the choice of the successor(s), are devotion to the family and the propensity for selecting offspring as a successor (Liu *et.al.,* 2015).

The visionaries tend to avoid succession planning though they know very well the effects of lack of planning on business continuity. This also creates a vacuum which stakeholders can manipulate to take over the business when the current leader finally departs and in the process the founder's preferred choice may be reversed (Handler, 1991; Ukaegbu 2003) leading to the business collapsing. There are some findings from recent studies that indicate that succession in family firms are related to some unique elements. These elements include culture (Forrest, 1993; Huntington, 2000; Weinsner, 2000; Porter, 2000), and the quality of relationship between family members, something not found in non-family firms (Bocatto, 2006). The cultural factors implanted in the family structure and associated with African traditional norms of inheritance, particularly among the Shona, tend to pose threats to successful entrepreneurial succession as well as enterprise durability (Hofstede, 1994). Succession for FOBs, as is the case with most forms of inheritance, creates conflicts. The larger the number of interested parties in the inheritance process, the greater the chances of distributional conflict.

In cases whenre a marriage or marriage-like relationship breaks down, a division of property of the spouses inevitably occurs. That division of property bears a great impact on the succeeding leadership of a family business. Such as impact can be significant and may ultimately disrupt the most sophisticated of succession and business continuity plans. For instance, the desire by family members to keep the business in the family may produce concerted efforts to prevent an estranged spouse from assuming control. In such a scenario, there is need for a comprehensive marriage agreement which bars an estranged spouse from acquiring an interest in the business against the wishes of the founder.Of note, it has been suggested that polygamous marriages also present the same challenges in successful entrepreneurial succession as well as post-succession durability of FOBs.

The main objective that exists in a marriage agreement, in the context of the family enterprise, is ensuring that the business interests or other assets, whether held directly or indirectly through a trust of which the family member spouse is a beneficiary, remain the property of the family member spouse upon breakdown of the marriage. For a marriage agreement to achieve its desired result, it is important that each spouse fully discloses his or her respective assets and their value to the other as a pre-condition of signing the agreement. Transparency as well as full disclosure will face limitations if a founder does not wish to disclose valuations to her child or grandchild. In this case if the interest is in a discretionary trust, it is difficult to quantify if the expense of formally valuing the business interest will be prohibitive.

In instances of full and accurate financial disclosure, a well drafted agreement by and with both parties obtaining independent legal advice, there is no guarantee that the agreement will escape judicial intervention upon marital breakdown. An agreement is certainly better than none and can serve as a valuable communication tool for family members and their spouses on the nature of family enterprise assets, their value and family expectations in terms of continuity planning.

Entrepreneurship interest has grown in family businesses. This is mainly because it relates to generational continuity, and Randerson*et.al.* (2015) emphasised the importance of connecting the fields associated with family, family business, and entrepreneurship, FOB succession planning and strategies. Family firm continuity is unique for each case and is not a cast-in-stone list of strategies that encompasses the complexity and heterogeneity of family businesses and their roads to success (Helin and Jabri, 2016; Jaskiewicz *et.al.* 2015). (DeTienne and Chirico, 2013; Xu, Yuan, Jiang, and Chan, 2015). Nordqvist *et.al.,* (2013) studied the succession in family businesses from the point of view of succession as a process of entrepreneurial entry and exit, rather than the issue of management transition and transfer of resources. The researchers distinguished four factors relevant to the succession processes:

- Environmental (external) factors,
- Firm-level factors,
- Individual and interpersonal factors (including pre-succession, planning succession, managing succession, post-succession), and
- Multilevel factors. FOB succession can relate to both the entrepreneurial exit of a previous owner and the entry of new owners in the pursuit of entrepreneurial opportunities (Nordqvist *et.al.* 2013).

Some FOBs researchers consider emotions as part of the impediment to continuity of FOB beyond the first generation. Meneses*et.al.,* (2014) argued that usually when top managers of a FOB are members of the same family, they are highly likely to share the same social values and traditions as well as mutual vision and congruent business priorities. Loyalty and shared vision among the top managers is an intangible and invaluable asset and an essential component for the FOB (Meneses*et.al.* 2014; Neff, 2015). Also, the cultural influences and values of the family are prevailing in the FOB as they spill over to non-family members and turn into a joint direction to achieve organisational goals (Efferin and Hartono, 2015).

As noted before in preceding sections of this chapter, family business characteristics, which make them distinct from non-family businesses, have a positive and significant influence on generational succession planning (Dawson and Mussolino, 2014; Zahrani, Nikmaram, and Latify, 2014). Zahrani *et al. (*2014) found that family business characteristics, in particular the feasibility of succession (i.e., willingness and competence of a potential successor), had a significant impact on successor planning.

In family-owned businesses, Boards of Directors, who usually play a crucial role in monitoring by advising and finding resources, can complement limited capabilities of family CEOs in the succession process (Sitthipongpanich and Polsiri, 2015). Gordini (2016) notes that across generations, FOBs achieved a great performance after employing a family CEO together with a non-family Chief Financial Officer. With regard to family firm characteristics, family and non-family executives have different perceptions of accountability (Guidice, Mero, and Greene, 2013). Core elements of family executives' accountability comprise the tightly linked combinations of identity, prescriptions, and events. These create personal control, task identity and personal obligation. Two more contextual characteristics of family firms, family orientation and altruism, complete the perception of family executives' accountability (Guidice *et.al.,* 2013).

It is important to note that accountability does not guarantee superior family firm performance on its own. An equally essential principle is competency. In the event that competent leaders cannot be appointed from within the family of the business founder, the family needs to appoint one or more non-family executives (Miller, Le Breton-Miller, Minichilli, Corbetta, and Pittino, 2014). This has sometimes proven to be challenging however because family members who have the belief that non-family members lack loyalty to the FOB are usually reluctant to empower them due to lack of confidence (Erdem and Atsan, 2015).

2.11 Gender and FOB Succession

The involvement of women in FOBs in patriarchal societies such as those of Africa in general has caused a stir among researchers. (Mathews and Blumentritt, 2015). Koffi, Guihur, Morris, and Fillion (2014) argue that the likelihood to become an heir to a family owned business, and to eventually take over a leadership position is a function of one's gender. This is because gender expectations often limit the socioeconomic roles women can fill in society.

With regards to women-led or founded FOBs however, Kofi *et.al.,*(2014) found that the success rate in FOB succession was higher as compared to those FOBs led or founded by men. Female FOB leaders and owners tend to naturally offer their support by acting maternally, inspiring, having confidence, accentuating teamwork, and maintaining harmonious relationships with their successors as opposed to men (Koffi*et.al.* 2014). However, Cadieux, Lorrain, and Hugron (2002) describe a phenomenon common to female owners or founders of FOBs referred to as the "queen bee" phenomenon. This occurs when a female FOB owner becomes very attached to her enterprises and ends up trying to manipulate incumbent business managers even after her retirement; to the extent they continue exerting influence on the next generation of the FOB leaders. In some cases, these queen bees resist change and may be uncomfortable mentoring possible successors in the business. According to Vera and Dean, (2005) several daughters have recognised the queen bee personality in their mothers and concluded that working for their mother in the business was very difficult. Recent studies are illustrating a new direction. Most women are trying to overcome the queen bee phenomenon, and giving more guidance and mentorship to their successors. The results of the research conducted by Koffi, Guihur, Morris, and Fillion (2014) show that women try to establish good relationships with their successors. In the absence of this good relationship, family businesses will fail to continue beyond the first generation.

When it comes to women's management style or leadership and organization, women approaches are unique compared to those employed by men. Women tend to add a softer feminine approach to their leadership or management style (Vadnjal and Zupan, 2009). It has been researched and found out that women managers are not likely to use the command-and-control style of managing others, usually associated with men, and do not possess authoritative appeal. This is a major hindrance when it comes to a family business in an industry that needs command or coercion and pushes management. Such industries include the health industry, where there is no room or time for negotiation of instructions. Women are more likely to adopt more "feminine" management styles, based on charisma, work record, and contacts (personal power) (Rosener, 1990). Chirikova and Krichevskaia

(2002) noted that in the current crisis, most women managers view the principle that power should be concentrated in a firm as the most important factor relative to other management skills. Moreover, because of the crisis and the consequent decline in the availability of financial resources, the typical female management style is gradually losing its "gender connotations" as male and female management techniques begin to converge. Under the present conditions, management strategies are becoming increasingly difficult. These techniques are aimed both at "macro policy", the construction of general strategies for company development, and at "micro policy", which takes into account the interests and motives of different people in the company (Chirikova and Krichevskaia, 2002). Family businesses owned by women tend to have less or in some cases no formal organisational structures. This facilitates rapid and accurate transfer of customers' knowledge throughout the firm. There are natural characteristics evident in women, such as empathy and communication skills, these can foster this capability and henceforth disseminate and create knowledge throughout the organisation (Rodríguez Gutiérrez, Fuentes Fuentes, and Rodríguez Ariza, 2014).

There is also an aspect of women involvement in governance and management roles and firm performance. It is Hoogendoorn, Oosterbeek, and van Praag (2013) in their study, conducted on 550 students, who found that management teams with an equal gender mix perform better than male-dominated and female-dominated teams in terms of sales, profits and earnings per share. As such, if there are enough women that are equally qualified as men, it is in firms' best interest to increase the share of women in their boards. Research found out that female board members have a positive influence on performance (N. Smith, V. Smith, and Verner, 2006). Martín-Ugedo and Minguez-Vera (2014) in their research, conducted on 42,979 Spanish firms, have found out that the presence of women on the board increases the likelihood of better firm performance. This is defined as return on assets and family ownership. There are a few studies that have found that large corporations with greater representation of women in senior management have higher levels of organisational performance on a variety of indicators, including operating margins and growth in earnings (Catalyst, 2012; Desvaux, Devillard-Hoellinger, and Meaney, 2008; Welbourne, Cycyota, and Ferrante, 2007). The more women are in the board and making decisions that affect the organisation, the more the chances are of the organisation continuing beyond the first generation. This is because of the fact of greater financial firm performance. If however women are not present in the board, there is likely to be a discontinuation in the FOBs beyond the enterprise.

Notwithstanding, women's invisibility as a result of gender stereotypes, gender discrimination, and occupational segrega;tion has a great effect on succession in family firms (Jaffe, 1990; Salganicoff, 1990). Despite the key roles women play in business and also issues that are connected to the family, there are conflicts over gender roles, relationship with parents and relatives; reputation towards non-family members and stakeholders and these limit women's involvement in FOBs (Dumas, 1992; Rosenblatt, De Mik, Anderson, and Johnson, 1985). Often the women's main tasks in families are related to managing their house and the family and they may be excluded from key tasks and responsibilities in FOBs. Also, because of the burden of their domestic tasks, other responsibilities connected to the business may be considered secondary in nature. These cultural traditions are the basis of the woman's invisibility in family firm's continuity (Rowe and Hong, 2000).

2.12 Conclusion

Social exchange theory has become one of the greatest influential paradigms for understanding the nature of human interaction. Within organisational science alone, SET has been integrated into theories of organisational justice, psychological contracts, commitment, OCB, support, leader-member exchange, and networks. In this way, social exchange theory provides a powerful framework for understanding workplace exchanges and relationships. Its explanatory value relies on the basic tenet that social exchanges comprise actions that are contingent on the rewarding reactions of others. Implied is a mutual process whereby transactions or exchanges may foster quality relationships. In sum, social exchanges create interlocking status duties that ultimately initiate, maintain, and stabilize social behaviours both within and outside organizations.

CHAPTER THREE

SUCCESSION PLANNING

3.1 Importance of Succession planning in ensuring Sustainability of the Family-Owned Businesses

Studies have revealed that the expectations for post-retirement well-being of the FOB leader may have an influence on the leader's succession planning and hence the continuity of the firm beyond the first generation (Collins, Worthington, and Schoen, 2016). Researchers and consultants have also found the importance of succession planning in making sure there is the continuity and prosperity of the FOB (Christensen, 1953; Ward, 1987). For continuity of FOBs beyond the first generation there is need for early planning in terms of succession. This should be coupled with objective selection of a professional and socially competent successor. These then become substantial constituents of successful generational transition and long-term survival in family firms (Filser et.al. 2013). Research has further revealed that there is usually reluctance in terms of proper succession planning especially in Africa, as death is still regarded as a culturally sacred and taboo topic for discussion. Succession planning is a process where firms plan for the future transfer of ownership (Sambrook, 2005). Succession planning is hence regarded as a dynamic process that requires the current ownership to plan the company's future and henceforth implement the resulting plan. This in fact, occurs when the FOB owner wishes to exit from the firm, but wants the business to continue. The motive behind this being to transfer ownership of the firm to any of the family members rather than closing the business completely. Succession planning is generally considered to be a unique, case-by-case process, where a one-size-fits-all mentality is simply not conducive (Sambrook, 2005). Succession planning should be part of an on-going process that looks at what leadership and management skills are necessary for the on-going success of the company as it strives to meet its vision. Just as one develops board members and the skills of the workforce, the organization leadership needs should be regularly assessed and plans made for development.

Some have stated that dealing adequately with the issue of succession planning is the single and most lasting gift that any generation can bestow upon the next (Ayres, 1990). In order for it to be successful, the handing over process must go smoothly. It should be graceful and carefully thought out and should be executed in line with the plan. Vancil (1987) emphasises that a well-thought out succession plan is critical in the continuation of a business. This is regardless of its size and structure. The relay race theory is used as an illustration by Vancil to provide a justification for executive succession. When considering this illustration, the theory often uses the metaphor “passing the baton” in a 4×100 relay race (Vancil, 1987). The practical importance of baton passing is so apparent that even casual observers of business firms and of relay races understand how difficult and cumbersome it can be to pass the baton successfully. Great caution should be exercised. This is mainly because there is no room for error when it comes to this; otherwise the repercussions are without reproof. Dropping the baton leads to performance decrements or to complete performance failure, and spells doom for the family and business stakeholders hence failure of continuity in the FOB through the next generations.

According to Rue and Ibrahim (1996), succession planning appears to be left to chance by many FOBs. Fear of the loss of power and status makes most predecessors contemplate the topic of succession at face value (Fox, Nilakant and Hamilton, 1996). Neglect of succession planning and the emotions generated by the process makes owners ill-prepared for succession and force incumbents to face their mortality and makes other family members confront the need for change with difficulty (Beckhard and Dyer, 1983; Dyer, 1986; Lansberg, 1988). FOBs have been experiencing many challenges, including their ability to survive for a long period of time and achieve their set goals and fulfilling their visions (Hamilton, 2003). In Hamilton’s opinion, the survival challenges can be traced back to the internal issues such as inability or desirability of founders to determine succession, fewer available resources to devote to succession planning, less in-house staff with the expertise to develop and manage an integrated succession planning initiative, and resistance of family owners to open succession lines to non-family with the argument to keep it in-house.

Motwani and Schwarz (2002) explain that when succession is pre-planned and carefully implemented, taking into account, the dynamics of both family and business, there is a possibility of a successful and effective succession process. Abouzaid (2008:12) defines family business as “a company where the voting majority is in the hands of the controlling family, including the founder(s) who intend to pass the business on to their descendants". Deducing from the definitions of family businesses, successful succession planning is integral to the smooth running of FOBs. The manager may be the founder, a family member, or a hired individual. It is asserted for example, that about 92 percent of the businesses in the United States are all in the control of one family or the other(Kuratko and Hodgetts, 2004; Lam, 2009). The advantage of succession planning can be derived from the fact that a family-owned enterprise is a total system "that is derived from a number of sub-systems, including the founding entrepreneur as an entity, the family member as an entity and the enterprise as an entity (Dyer and Handler, 1994). Therefore, successful succession can provide a FOB with a competitive edge over a non-family-owned business. This is done by enabling the continued use of accumulated distinct knowledge of family members (Bjuggren and Sund, 2001). There is inside knowledge possessed by family members, together with their loyalty and trust, which endows them with specific competencies and know-how required to run the business effectively and helps them to create the resources and capabilities required to generate a competitive advantage (Ram and Jones, 2002).

Conversely, if there is an unplanned succession, dissatisfaction within the succession process and occasional prolonged conflicts might arise making the succession ineffective. Scholars and consultants alike stress the importance of succession planning to ensure continuity and prosperity of family businesses but remark that it is often left to chance by many family firms (e.g., Sharma, Chua and Chrisman, 2000). A report by Families Business Magazine (2002) exposes that less than one in three family businesses live into the second generation, and about one in 10 make it to the third generation, with an average firm age of 24 years. Lam (2009) cautioned about the dangerous and painful effect of family business discontinuation which results in the loss of jobs, family assets and family relationships. The European Commission estimates that there are around 1.5 million small businesses in Europe that have a high risk of failure as a result of succession problems (Esuh, Mohd and Adebayo, 2011). Assessing the failure rate of firms shows that a high number of first generation firms and a large number of third generation firms file for bankruptcy. Reasons for their collapse vary, and those for unfulfilled succession attracted many studies and yet firms like Pritzker (U.S.) and Bacardi (Puerto Rico) encountered protracted succession problems (Esuh, Mohdand Adebayo, 2011), and the suggested explanation is that succession decisions are often influenced by the needs of the family rather than on business requirements. These are a recipe for serious problems when the two are incompatible, which is usually the case in these firms (Goldberg and Woodridge, 1993).

The importance of succession planning for FOBs emanates from the fact that many are small and medium enterprises (SMEs) and are indispensable sources of employment for family and non-family members, economic growth and development in the locality of the business, and increased gross domestic product (GDP) through business taxes. In the United States, for instance, family businesses contribute about 59 percent of jobs and 78 percent of all new employment (Kuratko and Hodgetts, 2004). Kuratko and Hodgetts (2004) further highlighted that family businesses produce about 50 percent of Gross Domestic Product in the United States. Thus, the economic potential of FOBs calls for efforts to ensure their survival and continuity. The support may vary in terms of policies to support family businesses in developing and implementing succession plans for business survival and continuity, provision of micro-finance for business expansion and growth, and provision of other business development services. Factors mediating the process of succession planning are plethora, as outlined below.

3.1.1 Family Relationships

Wealth management and transfer, development and continuity, and viability of the firm greatly influence leadership succession in FOBs (Collins *et.al.* 2016). Collins et al found that although post-retirement expectations are important elements in ensuring continuity of FOB beyond the first generation, some FOB visionaries tend to address personal retirement issues before addressing issues of the family and in the family. It is also other FOB leaders that place their own satisfying self-interests secondary to family interests (for example in India). As such, those managers or visionaries, who will be near retirement in FOBs, unlike in non-FOBs, are only more concerned about safeguarding and passing down power and enriching their legacy to those of future generations (Strike, Berrone, Sapp, and Congiu, 2015). This, however then depends on whether the CEO is a member of the controlling family, or is a member of a subsequent generation, or is succeeded by another family member, hence the magnitude of the effect diverges (Strike *et.al.* 2015). In FOBs, strategic decisions regarding passing down power to the next generation are critical in relation to the long-term fulfilment of family needs and duties such as securing the family's lineage and business sustainability throughout generations (Bari, 2016; Gilding *et.al.* 2015; Strike *et.al.* 2015; Zahrani *et.al.* 2014). Hammond, Pearson, and Holt (2016) identified three specific forms of family business legacy namely biological, material, and social. They then illustrated how family preferences and intentions have an impact on strategic decision-making and the family firm's behaviour and wellbeing.

Depending on the legacy orientation, the outcome that comes with strategic decision-making may then have an influence on the generational succession strategy. Biological outcomes include intra-family succession, family employment, and familial altruism. Material outcomes focus on wealth expropriation, centralized ownership, and risk aversion. Social outcomes provide for philanthropic giving, social ties, and community involvement (Hammond et al., 2016). Kallmuenzer and Peters (2017) highlighted the social entrenchment of family firms and non-financial goals as significant drivers of their entrepreneurial orientation. The intent then of the family business may involve an authentic moral component that follows a strong belief in the structural interconnection between monetary and societal return (Torfs, 2014).

The decision made by the CEO to either sell or have an intrafamily transition has a great impact on the sustainability of the business .The FOB's CEO has the final decision on the transition of the business. Planning and designing an FOB succession procedure vary substantially depending on how the FOB leader, usually the owners or the visionaries, envisions continuing their business after they leave and how they choose to perform these plans (Boyd *et.al.* 2014). To have a better undertaking of the succession process, it is paramount to understand how FOB owners make choices about the type of succession they intend to favour. According to Berrone*et.al.* (2012); Boyd *et.al.* (2014); Cropanzano and Mitchell, (2005); Despite *et.al.* (2016), these include:

- Interfamily succession,
- Out of family succession,
- No succession

Considering the long-term orientation and financial or legal components of succession plans, psychological aspects such as emotions and conflicts, which are components of family relationships, require special consideration (Boyd *et.al.* 2014; Filser*et.al.* 2013;

Mimili, Chang, Kellermanns, and Welsh, 2015). It is believed that apart from continuity across generations, family harmony is a powerful motive behind FOB succession from the point of view of the incumbent. Cross-tabularization of these results in four distinct combinations, suggesting four outcomes of succession planning.

- Institutionalization (strong harmony and strong continuity),
- Implosion (weak harmony and weak continuation),
- Imposition (weak harmony and strong continuity), and
- Individualization (strong harmony and weak continuity).

Each outcome thereby gives rise to distinctive strategies in FOB succession planning (Gilding *et.al*. 2015). However, an intra-family succession is not always at stake (Boyd *et.al.* 2014). The takeover of an FOB by an external individual or organisation entails more than just buying a company. It actually comprises the takeover of a legacy and history and a system of strong ties between individuals who have shared an experience that often goes beyond the professional sphere (Meier and Schier, 2014).

Aspects to do with social, cultural, and emotional realities that are present in the FOB are equally as important as rational economic aspects, and the one who acquires a FOB needs to value those emotional ties of respect and trust in the FOB (Boyd *et.al.,* 2014; De Massis*et.al.,* 2013; Meier and Schrier, 2014). In the event that one fails to do so, the takeover may be detrimental to the new organisation's employees and the business's development (Meier and Schier, 2014). In light of SEW preservation, having a family member as the CEO of the FOB may be an asset (Naldi, Cennamo, Corbetta, and Gómez-Mejía, 2013; Sitthipongpanich and Polsiri, 2015) as well as a liability for the family firm performance (Naldi*et.al.* 2013). Having a family member as the CEO is beneficial for the firm in business contexts where there are unspoken rules and only social norms are more prominent such as in industrial districts (Naldi*et.al.* 2013). This is also preferred when it comes to reducing or eliminating conflicts between shareholders and managers (Sitthipongpanich and Polsiri, 2015). However, control and impact over the family firm's assets through a family CEO may be a great potential liability. When formal regulations and transparency principles are critical such as stock exchange markets this is usually the case, because it will probably have a negative impact on firms' financial performance (Naldi*et.al.* 2013). In the case of SEW preservation, family CEOs in listed companies may obtain other SEW instrumental benefits that compensate for and give justification of the financial forfeitures, including the ability to provide jobs for current and future family members (Naldi*et.al.* 2013).

Conversely, there are cases when non-family CEOs tend to outperform when controlled by multiple owners. This then combines the benefits of having a highly competent executive and the oversight by multiple owners, preventing executive opportunism (Miller *et.al.* 2014). Effective transition of leadership and handing over full control to the successor depends on the length of the successor dance, meaning the time needed to adjust the predecessor or successor's mutual role in line with the successor's preparation and ability (Zybura and Ahrens, 2015). Having a closer look in the phasing-in and phasing-out process of the successor and incumbent, CEO respectively thereby discloses that predecessor preferences are an important driver for post-succession activity (Zybura and Ahrens, 2015).

The continuity of the family firm relies on a combination of human, social, and financial capital. A transfer of important generic human values is essential as it reinforces the social and psychological ties in the FOB (Make *et.al.* 2016). Among the numerous hurdles associated with family firm succession, the greatest maybe conflict between family members. This can be regarded as the main destroyer of value preservation in FOBs. Emotions and disputes are also key facilitators for tensions and conflicts (Bennedsen*et.al.* 2015; Filser*et.al.* 2013; Memili*et.al.* 2015). Filser et al. identified the following as crucial dynamics for successful transition:

- Strong and solid family ties,
- Clear boundaries between family and business, and
- Open communication and commonly achieved solutions in case of conflicts.

Balancing family relationships in making a decision on succession in a family business is definitely not an easy task (Pounder, 2015). Conflicts in family businesses, which are a hindrance to continuity in FOBs, are bound to arise. Conflicts result in FOBs failing or even the succession process ending up in disaster. A lot of disagreements can be avoided by asking the right questions at the right time. It is of paramount importance to know all those involved as well as knowing the arrangements about ownership, remuneration and dividends. Family members should be in agreement with all these arrangements so as to avoid conflict which will in turn hinder the continuity of the enterprise beyond the first generation. When family members fail to understand each other there is bound to be conflicts within the organisation (Pounder, 2015). Family members usually know each other's viewpoints. It is in cases where there is a lack of open communication that then leads to a lack of trust and harmony. It is the emotional bond between family members that makes it often difficult to discuss sensitive subjects such as children and partners. In this case it is important for family members to seek professional counselling since conflict avoiding behaviour lead to break of trust, tensions and confrontation, with all the resulting consequences.

Some ffamily business owners (mostly the founders) are not the very good at articulating and sharing their vision for the family business or their long-term business goals. Family business planning and financial planning are often not prioritised and succession planning has often suffered the same fate. These activities may be viewed as a waste of time and an unnecessary business process. As there is progression and growth in the business throughout generations, the owners' vision tends to get lost or blurred and the next generation of owners usually find themselves without any clear direction as they plan for the future. Usually family ties tend to dilute as the dining room table often replaces the boardroom table. Planning is done informally and irregularly. All this causes lack of continuity in the family business (Pounder, 2015).

Zahrani *et.al.,* (2014) point out that the viability of succession in FOBs, for example, willingness and competence of a potential successor, had a major influence on successor planning. The participation of the family in the family-owned business's management, vision, ownership, and governance is also a key determinant of succession infamily business organisations (Dawson, Sharma, Irving, Marcus, and Amp, 2004; Chirico, 2015; Neff, 2015) and a clear emphasis in family business succession research (Suess-Reyes, 2016; Zahrani *et.al.* 2014). Ruggieri, Pozzi, and Amp, 2004; Ripamonti, (2014), for example distinguished family businesses from non-family business succession based on objective and subjective information for the assessment of the level of 'familiarisation' of businesses.

The transfer of the business between generations of the family and the implications of this for the business still plays an important role to FOBs continuity. There have been reasonable findings that only about one-third of family businesses successfully make the transition from first generation (i.e. the founder(s) to second, and only a third subsequently make the transition to the next generation (see for example, Poutziouris, 2001; Wang *et.al.* 2000; Ibrahim *et.al.* 2001). This process of succession can be regarded to encompass three distinct stages (Stavrou and Swiercz, 1998).

- Pre-entry, where the designated or potential successor(s) are prepared or 'groomed' to take over;
- Entry, involving the integration of the successor(s) into business operations; and,
- Finally, promotion to a management position.

It is crucial to have a well-developed succession plan in place (Sharma *et.al.,* 2001 and Morris *et.al.,* 1997), but this is a relatively rare occurrence (Sharma *et.al.,* 2000, 1996), and there are psychological and emotional barriers which hinder inter-family discussion, and inter-generational discussions in particular (Lansberg, 1988). For instance, the holder of an office may often be reluctant to step aside, creating a common barrier to succession and continuity (Sharma *et.al.* 2000).

To ensure effective inter-generational succession, there must be a balance between 'parenting' (i.e. a personal approach) and 'mentoring' (i.e. a more detached, business-focused approach Lansberg (1997)), including both working within the business and formal management training from outside providers. It is also critical to note that the larger the business is, the more likely they are to have developed a succession plan. This is especially because of the increased complexity, hierarchy and formality which inevitably accompany growth. Naturally not many while businesses tend not to plan in such detail, or indeed to plan at all (Sharma *et.al.,* 2003, 2000; Ward, 1988; Wang *et.al.,* 2004). This applies in general to all businesses, not just family businesses, but in the latter the greater complexity of succession planning and the intertwined motivations of the family may make it more complex and urgent to plan in advance, if it is to increase the likelihood of a positive outcome.

As Morris (1997, p386) noted, 'family business transitions do occur more smoothly when successors are better prepared, when relationships among family members are more agreeable, and when family businesses engage in more planning for wealth-transfer purposes'. Distinction can also be drawn between ownership transition (i.e. the next generation receives – or buys – equity in the business) and management transition (i.e. the next generation takes over running the business), which often occur together, although research tends to focus more on the latter (Nordqvist *et.al.* 2013). More recent work (e.g. DeTienne and Chirico, 2013) has given more importance to more diverse pathways of succession, looking through the prism of what exactly SEW means. For example, while transferring the business itself might be seen as ideal, not being able to should not be necessarily seen as a failure. For example, transferring the physical entity of the business itself may be less crucial than the transfer of its core values (Salvato*et.al.,* 2010), such as entrepreneurial spirit, or of creating opportunities in general for the next generation, which can be facilitated by the building up of family (socio-economic) wealth through the business. As DeTienne and Chirico (2013) put it: 'Our arguments lead us to conclude that family firms may simply redeploy resources into other business activities after exit. A comprehensive view of family firms is henceforth needed'. Another way of framing succession is through the lens of entrepreneurship. Succession is therefore regarded as a process of entrepreneurial exit and entry, investigating in particular how the next generation rethinks the direction of the business, and how their different motivations and backgrounds to the previous generations impact on the business.

An example of the biggest delinquency faced by the leaders of FOBs is their failure to adequately prepare as well as nurture their successors (Wharton, 2005). This opinion is in sync with Rothwell's (2001) observation that the continual survival of firms depended greatly on having the right people in the right places at the right time. The failure to plan for succession has been put forward as the root cause of the failure of FOBs continuing beyond the first generation. (Beckhard and Dyer, 1983; Dyer, 1986; Handler, 1989; Poutziouris, 2000). It is devastating on organisational continuity and sustainability if a successor was suddenly required and no one in the family had been identified to take over (Whittaker, 1997; Handerson, 2006). A large number of scholars, (Ward, 1988; Haverman, 1993; Lansberg, 1993; Kirby and Lee, 1996; Willer, 1996; Maphosa, 1999; Yusuf, 2000; 42 Steier, 2001; Shepherd 2003; Wasserman 2003; Babby, 2004), greatly agree with the fact that succession planning is an essential part of the continuity of family businesses. However, most family businesses especially in Africa have been avoiding implementing it, let alone just discussing it according to Maphosa (1999), who carried out a qualitative case study of ten small indigenous enterprises based in Harare (Zimbabwe).

In his study, Maphosa (1999) discovered that leadership succession was a difficult problem in the transformation of African FOBs. He went on to argue that the growth and continuity of family businesses beyond their founders was possible if there was a well-prepared succession plan. Analysis of Maphosa's (1999) study showed that only four out of the ten businesses had clear succession plans. This was despite the fact that the visionaries knew the individuals whom they wanted to take over, and only three had actually appointed those people to positions of substantial authority and responsibility. It was noted that there was a general tendency by business leaders to leave the potential successor, often a relative or offspring, out of the business until it was too late. This problem of lack of planning was not unique to African businesses. Some of the reasons for succession planning being deferred to the last minute was due to the fact that death is still regarded a taboo topic of discussion.

Another study of 35 family firms in the North East of England was also done by Kirby and Lee (1996). The study discovered that there was lack of seriousness attached to issues of succession planning. As Francis (1993) points out, the succession issue should be addressed immediately rather than wait until retirement, incapacitation or death since "… there is no due date for succession planning". Shepherd (2000), pointed out that succession should be planned early. This would then encourage the future leader to invest more in financial and behavioural resources such as cash injection into the business and time and effort prior to succession. The concept of having and carrying out early succession planning will hence reduce the chances of family feuds (Frishkoff, 1994; Delaney, 1997). Family businesses which were initially under the management of a sole proprietor are subject to intra-family rivalry as well as disputes because of poor succession planning.

When the family business is still under the authority or management of the founder, the business is basically a source of family unity. Here everyone is directly and indirectly benefiting. Usually it is only after the founder disappears that the other members of the family start to get involved in the management of the business. When this takes place, in most cases the business disintegrates and collapses. The rise of conflict takes place within the family as the majority of the members campaign, lobby or engage in conspiracy to secure power. The existence of conflict of interest between a family CEO and other family members leads to what is referred to as 'moral hazard' (Gomez-Mejia *et.al*, 2001). This will create organisational instability which threatens business continuity. Ukaegbu (2003) in his case study of indigenous private manufacturing firms in the Igbo State of Nigeria found out that succession may create conflict among family members. It is often that the successor sometimes creates conflict and disunity when he or she starts to go back to the drawing board in terms of boundaries for membership and participation in the business. An example, is when the heir in question is the eldest son in a polygamous arrangement. In such a case, he is likely to prefer to work with brothers and sisters from his own mother's house. Here the founder's choice may also be reversed.

Research has also clearly shown that family business owners are not keen to quit the business and transfer ownership and management to the next generation. In some instances for familybusiness owners, succession is never an issue as observed by Willer's (1996) study in Nigeria. The majority of the business founders studied were now old enough to discuss the issue of succession but surprisingly enough many of them did not have any clear succession plans. Adding on Kennedy (1998) and Maphosa (1996) found out that, most of the African business leaders appeared too busy with establishing and refining their businesses to think about succession. Their concern with instant gratification comes at the expense of strategic planning to guarantee a better future for the family business. Wild (1997) in his case study on the history and business culture of entrepreneurs in Zimbabwe attributed the lack of planning to the epicurean nature of African entrepreneurs. This logic of African hedonism is not productive as it conflicts with the philosophy of capitalist enterprise. The involvement of heirs in the business by the founder is not in itself a guarantee for growth and continuity unless the heir is actually interested in running the business and is given sufficient training and mentorship by the founder. There are a number of family firms that have developed into big successful international corporations. This was possible through proper succession structuring. Examples of such businesses include Krupp, Thyssen and Siemens in Germany whose "… expansion and continuity were, and still are organized via the social networks of the family" (Wild, 1997:120). The absence of written or explicit plans, it is worthy to note, does not necessarily suggest lack or absence of planning among family businesses.

3.1.2 Sociocultural Factors

The term succession carries with it several meanings. These include the level and content of socialization and training as well as relationships between founders and heirs apparent. Succession is not fixed, neither is it predetermined but it is an outcome of social interaction and constructions of actors which does not follow predictable evolutionary patterns (Gergen, 1999; Carlock and Ward, 2001). The meaning of succession is socially constructed and the interactions among stakeholders and their adaptation to the various contexts generate multiple meanings and identities that will render planning fluid and complex. With this in mind, 'plans' in the form of written or public announcements of heir apparent are avoided and often replaced by implied ways. Similar observations by scholars and researchers (Frishkoff 1994; Barrett, 2002; Moore and Sonsino, 2003; and Brockhaus, 2004) and supported by findings of this study, indicate that this was necessitated by the uncertainty of the environment and unique complexity of family businesses which often lead individuals to act intuitively (Chell, 2001). This leaves a result of no sufficient preparation takeover being done. In as much as a strong succession plan may be considered as best for smooth transition and subsequently business continuity, a number of factors do hinder the process. Yusuf's (2002) did a research and found out the uncertainty and planning in indigenous small firms in the South Pacific. It was identified that the main reasons why family business leaders did not engage in strategic planning included the following:

- Having a plan mentally rather than a documented one,
- Time constraints,
- Business environment being too unpredictable and
- Family and communal obligations that made planning very difficult.

The low number of firms who engaged in succession planning in Yusuf's (2002) sample suggested there were sociocultural factors that hindered the use of strategic planning by small enterprise managers generally. Although his study was done among businesses with a different cultural background from the Zimbabwean one, the findings are relevant for this thesis. There were similar studies carried out by Ukaegbu (2000) among Nigerian small to medium manufacturing firms and Maphosa (1996; 1999), and Wild (1997); among Zimbabwean indigenous businesses. Results showed that reasons for lack of planning generally focus on factors related to the tradition and culture in which the FOB is operating. The majority of family businesses leaders have the mind-set that the future is uncertain and too unpredictable. This then causes and makes any planning irrelevant. However, even under uncertainty, unexpected events are still expected and must be dealt with as and when they arise (Sjostrand *et.al.* 2001).

In some cultures, the issue of succession planning is treated as an acknowledgement of one's mortality (Lansberg, 1988; Holt, 1992; Kets de Vries 1993; Kuratko and Hodgetts, 1998) and as such discussing such issues is considered foreign and incompatible with African or Shona cultural values. It is 'taboo' and unheard of to discuss the life after a father or mother's death. Written plans are not yet welcomed in this Shona culture. This is mainly because it was regarded as an act of scheming for one's own death. Others actually view it as admitting one's mortality. The psychology behind choosing the heir is therefore influenced in great part by the sociocultural environment of the FOB founder or owner (Hodgetts and Kuratko, 1998). It becomes apparent, taking into consideration the argument above, that the act of succession planning for family businesses can be quite emotional and fraught with cultural taboos that might hinder communication between family members (Meijaard *et.al.,* 2005).

The absence of a succession plan from the visionary is not the only hurdle to succession planning in family businesses. The challenge also presents itself in cases where the founder does not communicate the succession plan, although the owner would have already identified the heir. In some cases some visionaries avoid the issue totally and opt to let the successors confront the reality of their departure when time comes (Bowman-Upton, 1991). Failure by the visionaries to communicate to potential heirs or successors ends up creating unnecessary anxiety and uncertainty among both family and non-family members. The effect of this is usually depicted in the financial statements as profitability may decrease due to a decrease in productivity. Motivation and morale in the organisation may also be affected and customer care decreasing as well, thereby affecting market share negatively.

3.1.3 Founder's Entrepreneurial Skills

Although some scholars such as Gartner (1988) have criticized the study of entrepreneurial personality traits and skills in FOBs, arguing instead for a focus on how organizations emerge, the focus for many recently has been on describing how the personality of an entrepreneur may influence the creation and success of new organizations. There are three core themes that can be identified when looking at the existence of entrepreneurial skill in the founder of FOBs

These themes include:

- The personality traits of entrepreneurs in FOBs and how they compare to other groups;
- The attitudes towards risk that entrepreneurs display; and
- The overall goals and aspirations that entrepreneurs bring to their pursuits.

In developed countries, the rate of new business formation is declining in the United States (e.g., Decker *et.al.,* 2014). Various business leaders as well as policy makers are looking to build better environments to support the concept of entrepreneurship. Chatterji*et.al.,* (2014) put forward that successful interventions to build the entrepreneurial base need to involve the local population, versus just relying on attracting entrepreneurs from afar, and research on these softer elements is of highest importance in designing quality initiatives and policy experiments. The findings related to personality characteristics and other attributes of entrepreneurs, as well as the significance of those characteristics with business performance, also imply that there may be scope for including some personality development modules in entrepreneurship education. Several academic institutes have introduced entrepreneurship training, ranging from high schools to executive programs, but these programs have to date focused more on hard skills rather than personality mapping and softer preparations. While some personality traits are fixed, Rauch (2014) provides some examples of how, for example, self-efficacy and achievement motivation can be influenced with relatively simple interventions. According to (Brandstätter, 2011),a, better understanding of the specific traits of entrepreneurs and their diversity may help to better match potential entrepreneurs to settings that are most closely aligned with their strengths. Its aim is to unify approaches from economics, psychology, sociology, and business management to answer the questions:

- Who is an entrepreneur?
- What drives them?
- What traits define them?

These questions can be answered in relation to the entrepreneur as the founder of FOBs. The first few decades of entrepreneurial personality research faced various conceptual challenges as researchers struggled to develop a solid theoretical framework and appropriate measurement tool. It was in 1971, when the economist Peter Kilby famously compared the entrepreneur to A.A. Milne's Heffalump, a fictional elephant that all investigators approached with improvised proxies from their disciplines, each asserting that they had discovered the ever-elusive creature's behaviour Brockhaus and Horwitz, 1986; Gartner, 1988). .

In the 1980s, this lack of agreement and consistency in the literature led some researchers to conclude that there was no correlation between personality of an individual and entrepreneurship (e.g., Brockhaus and Horwitz, 1986; Gartner, 1988). Despite this, since the start of the 21st century and with the notable rise of public and intellectual fascination with start-up culture, the entrepreneurial personality literature has enjoyed a revival and convergence toward an increasingly consistent set of theoretical frameworks. These have meaningful insights toward innovation policy and business education. The bulk of recent literature seeks to answer two main questions:

- Do certain traits predict an individual's likelihood of becoming an entrepreneur? and
- Do certain traits predict an entrepreneur's likelihood of achieving "successful" outcomes?

These answers are pursued by investigating the ubiquity of personality characteristics in entrepreneurs versus other populations, as well as by analysing the synchronisation of these characteristics with entrepreneurial performance factors such as business continuity and growth (e.g., Baron, 2004). Personality theory remains rife with its own set of contentions; researchers have primarily gravitated over the last few decades to the Big-5 factor personality model. Several additional traits have been fused into the Big-5 for entrepreneurial work; these include self-efficacy, innovativeness, locus of control, and risk attitudes. A multidimensional "entrepreneurial orientation" is often described by mixing and matching these traits. Kilby (1971) and A.A. Milne, Winnie the Pooh (1926) and The House at Pooh Corner (1928) describe the prevalence of personality traits in entrepreneurs vs. other populations. Many researchers compare the traits of entrepreneurs to employed workers or the general population to identify characteristics that define entrepreneurs as a group. Though it may seem unreasonable or of little importance to compare unique entrepreneurs such as Steve Jobs or Elon Musk to the average person.

Many books describe the special biographies and personalities of these great entrepreneurs. For every Jobs or Musk, there are thousands of entrepreneurs seeking growth-oriented businesses and many more seeking to build a business for themselves as self-employed proprietors as those of FOBs. The collective impact of these individuals on our economy is enormous, even if they donot start Apple or SpaceX, Jobs and Musk's companies respectively. This literature is concerned with investigating and defining the regularities and differences in the personalities of these entrepreneurs. Frese (2009) highlights how entrepreneurial action extends its borders to efforts beyond for-profit firm creation (e.g., social activism). Venture creation in the FOBs is of much significance in the private sector. The measurement of personality traits does precede entrepreneurial choices. This does not guarantee that this trait was however the causal factor. For example, individuals from wealthy families may score high on risk tolerance levels because of their inherent nature of security from their family's money. In some cases the availability of financial resources is the true factor that prompts entrepreneurship, independent of them being risk tolerant. Without understanding and observing the wealth of individuals, we are liable to misconstrue the role of risk tolerance for decisions. This is compounded when comparing studies drawn from countries and settings that have differing cultural factors that are also known to influence personality traits, such as entrepreneurial motivation and achievement orientation (Stewart and Roth, 2007).

The Big-5 model which is a multidimensional approach towards defining personality, through measuring openness, conscientiousness, extraversion, agreeableness, and neuroticism can also be used. This has been the predominant model for personality traits since the 1980s. The Big-5 traits have been found to influence career choice and work performance (e.g., Costa and McCrae, 1992; Digman, 1990; Goldberg, 1990; John *et.al.,* 2008; Rauch, 2014). These five “macro traits” cover a distinguishable set of characteristics, as described in John *et.al.,* (2008, p. 138):

- Openness to experience- This describes the breadth, depth, originality, and complexity of an individual’s mental and experimental life
- Conscientiousness-This describes socially prescribed impulse control that facilitates task- and goal-orientated behaviour
- Extraversion- This implies an energetic approach toward the social and material world and includes traits such as sociability, activity, assertiveness, and positive emotionality
- Agreeableness-This contrasts a prosocial and communal orientation toward others with antagonism and includes traits such as altruism, tender-mindedness, trust, and modesty
- Neuroticism- This contrasts emotional stability and even-temperedness with negative emotionality, such as feeling anxious, nervous, sad, and tense.

It has been concluded that family life as well as the way that someone is raised affects the functionality of these traits. Therefore, this study avers that the continuity of family-owned businesses is to an extent premised upon these traits functioning properly especially in decision making in the succession planning process. In the uncertain and competitive environment of new venture creation, especially in the FOBs environment many researchers have put forward the fact that entrepreneurs thrive on a significant sense of personal self-efficacy to execute their visions and a keen eye for innovation to identify new products and markets. Self-efficacy describes a person’s “belief that he/she can perform tasks and fulfil roles, and is directly related to expectations, goals and motivation” (Cassar and Friedman, 2009). High self-efficacy has a strong mutual relationship and connection with work-related performance (Stajkovic and Luthans, 1998), small business growth (Baum and Locke, 2004), academic performance (Hacket and Betz, 1989; Luszczynska et al., 2005), and career choice (Lent and Hackett, 1987). Self-efficacy is measured on two levels of specificity. Either as generalized self-efficacy or domain-specific Entrepreneurial Self-Efficacy (ESE).

Most researchers focus on the more situation-relevant ESE measure. Chen *et.al.,* (1998) define ESE as a composite of self-efficacy toward five tasks: innovation, risk-taking, marketing, management, and financial control. Surveying students in three business study programs, they find that entrepreneurship students have a higher ESE average in marketing, management, and financial control than did organizational psychology and management students. Perhaps entrepreneurship programs draw students who feel confident in many areas due to the diverse demands of being an entrepreneur, or it could be that study of entrepreneurship instils this ESE. Chen *et.al.,* (1998) also finds that business founders have a higher ESE in innovation and risk-taking than non-founders, even as the locus of control remains the same across the two populations. In addition, researchers put forward the fact that entrepreneurial types may also simply be more confident. This would in turn induce them to score themselves higher across the board in the subjective surveys typically used to collect data.

Utsch and Rauch (2000) examine innovativeness and initiative as mediators of achievement orientation, which in this case is a composite measure of self-efficacy, higher-order need strength, need achievement, and internal locus of control. Their surveys and interviews capture 201 German entrepreneurs defined as founders, owners, and managers of a small business with less than 50 employees. Here innovativeness is found to be a mediator, while initiative is not. (The psychology literature talks about "mediators," which for an economist roughly means a mechanism via which one thing impacts another.) As such innovativeness synchronises positively and significantly with the personality traits of self-efficacy, higher-order need strength, and need achievement, but not with internal locus of control. Generally innovativeness refers to how individuals respond to new things (Goldsmith and Foxall, 2003). Innovativeness can be considered as a global or domain-specific personality trait or as a behavioural concept such as the adoption of new products by consumers. These should therefore be evident in the founder or owner of a FOB.

Different ways to measure innovativeness have been suggested at least since the 1970s (Hurt *et.al.,* 1977), but no uniform measure exists across the studies reviewed here. In one study, Marcati*et.al.,* (2008) argue that domain-specific innovativeness of founders completely mediates their general innovativeness in a sample of 188 entrepreneurs of small- and medium-sized firms of various industries including those of FOBs. Both forms of innovativeness display generally consistent correlations with Big-5 traits, not indicating major differences in their origins. Kickul and Gundry (2002) analyse the relationship between 107 small-firm owner managers' strategic orientation, personality, and innovation. They hence adopt the Miles and Snow strategic orientation typology. This divides business strategies into prospector, defender, analyser, and reactor strategies. Kickul and Gundry (2002) find that the prospector strategic orientation mediates proactive personality and three types of innovations: innovative targeting processes, innovative organisational systems, and innovative boundary supports. They find that those with proactive personalities are more likely to both take on a prospector strategy orientation and innovate in their work, which is to be expected.

Cassar and Friedman (2009) compare embryonic entrepreneurs in the start-up phase of new ventures with a control group drawn from the general working-age population. An embryonic entrepreneur is defined by the Panel Study of Entrepreneurial Dynamics (PSED) as anyone who is currently trying to start a new business, expects to be an owner or part owner of the firm, and has been active in doing so for the past 12 months. Cassar and Friedman (2009) assert that their data, drawn from the PSED and interview and survey responses of 431 American nascent entrepreneurs, overcome inference challenges due to venture survivorship and recall bias. They present evidence that higher ESE increases the likelihood of being an embryonic entrepreneur as well as the successful founding of an operating business. To sum, theory and a limited dose of empirical evidence suggest that entrepreneurs possess higher self-efficacy than non-entrepreneurs (Chen *et.al.,* 1998). This is perhaps partly due to proactive personalities being more likely to innovate (Kickul and Gundry, 2002). Innovativeness, in turn, can mediate one's achievement motivation in a way that mere initiative does not (Utsch and Rauch, 2000). Another important trait in the success and continuity of FOBs is the entrepreneurial skill called locus of control (LOC).

A person is described to be having an internal LOC when they conceptualise that their own decisions control their lives, while those with an external LOC are those that believe the true controlling factors are chance, fate, or environmental features that they cannot influence. Rotter's (1954) theory of social learning first introduced the LOC concept. Business people with an internal LOC believe that they can influence outcomes through their own ability, effort, or skills, rather than external forces controlling these outcomes. Previous research has linked belief in internal control to the likelihood of engaging in entrepreneurial activity (e.g., Shapero, 1975; Brockhaus, 1982; Gartner, 1985; Perry, 1990;

Shaver and Scott, 1991.Many researchers give special attention to LOC in their work. Barrick and Mount (2005) claim that "specific 'traits rely on explicit description of entrepreneurial activities that may be situated in time, place and role,' which is why specific characteristics such as risk tolerance, need for achievement, or locus of control are more useful in predicting entrepreneurial performance than the Big Five." Caliendo et al. (2009) re-evaluate that assertion and, along with other researchers, suggest that traits such as LOC can be more directly extrapolated onto decision-making in the professional field.

Principally, LOC is considered to be a culturally dependent trait. Mueller and Thomas (2000) propounded that countries with more individualistic cultures (as opposed to collectivist cultures) show greater internal LOC, and that LOC and innovativeness are both learned traits. This cultural variance is affirmed by Tajeddini and Mueller (2009), who find that LOC is higher in British entrepreneurial populations than Swiss entrepreneurial populations in the high-tech industry. The authors argue that the difference could be related to the Hofstede's (1980) defined variations in cultural characteristics such as individualism, uncertainty avoidance, and risk propensity. Many researchers find internal LOC to be stronger in entrepreneurial populations than in other populations. Koruna *et.al.* (2003) measure that Austrian entrepreneurs (defined as "successful new owner-managers") have a strong internal LOC compared to "embryonic entrepreneurs." Gürol and Atsan (2006) find that Turkish students who are more entrepreneurially inclined have a higher LOC. Caliendo *et.al.,* (2014) argue that internal LOC is among the personality traits that best predicts entrepreneurial entry and exit decisions. Hansemark (2003) finds in tracking Swedish entrepreneurship students over 11 years that LOC predicts entry into entrepreneurship for men but not for women. Looking within entrepreneurial populations, a higher internal LOC is then associated with business growth and continuity. Rauch and Frese (2007) find in their meta-analysis that an internal LOC has a significant mutual relationship with business creation and eventual business success. Surveying 168 Chinese entrepreneurs in small and medium-sized enterprises in Singapore, Lee and Tsang (2001) find internal LOC positively correlates with venture size and growth rates. At the same time, Lee and Tsang (2001) note that personality traits are less important than industrial and managerial experience and skills in explaining firm growth in their sample. Overall, the LOC personality trait finds extensive support and is rather homogeneous across types of entrepreneurs.

The need for achievement as an entrepreneurial trait has a significant impact on the continuity of FOBs. The need for achievement refers to an individual's desire for significant accomplishment, mastering of skills, and attaining challenging goals. Researchers have put forward that entrepreneurs might hold a high need for achievement. This is because of the fact that building a business from scratch demonstrates one's individual abilities in ways that are often hard to match when working within a system in which responsibility is spread over a large number of people. Along with LOC, this important role for need for achievement finds notable support in the literature along several dimensions. Need for Achievement (nAch) is a concept based on McClelland (1985) "acquired-needs theory" and is one of the dominant needs affecting individual actions in a workplace context. The concept was first introduced by Murray (1938), and later developed and popularized by McClelland (1961, 1985). Several researchers have found that a high need for achievement predicts entry into entrepreneurship, although this finding is sometimes challenged in specific contexts.

Among the settings discussed above, the higher need for achievement is evident in the studies of the Austrian entrepreneurs (Korunka*et.al.,* 2003) and the Turkish students (Gürol and Atsan, 2006), but not in the study of Swedish entrepreneurship students (Hansemark, 2003). Comparing four Austrian studies, Frank *et.al.,* (2007) conclude that the need for achievement selects individuals for entry into entrepreneurship. Turning to comparative analyses across countries, Stewart and Roth (2007) conclude from a meta-analysis of 18 studies and 3,272 subjects that entrepreneurs exhibit a higher achievement motivation than managers regardless of country or type of instrumentation ("projective" or "objective"). Further differences are also evident across subgroups of venture founders. Mueller and Thomas (2000) find that Swiss entrepreneurs have a higher need for achievement than U.K. entrepreneurs, suggesting that the trait varies across various cultures and countries. Some researchers have also identified a link between the need for achievement and business performance. An example is the meta-analysis of Collins *et.al.* (2004) this study finds that both projective and self-reported measures of achievement motivation predict entrepreneurial intentions and performance. Rauch and Frese (2007) find similar results. However, Frank *et.al.* (2007) argue that the need for achievement, along with other personality factors, is much less relevant than environmental resources and many "process configurations" (such as the set of management functions including planning, organization, and human resource practices) in explaining entrepreneurial performance

Most researchers and policymakers are interested in not only what traits predict entry into entrepreneurship, but what traits contribute to successful venture performance measures such as growth, investment, long-term survival, and self-reported success. The literature becomes rather sparse and idiosyncratic over these various metrics, so we cycle quickly across them and provide some sample findings. (In addition, it is worth recalling that some studies would consider the innovativeness discussed above as a personality trait as a possible outcome metric.) Firm growth is one of the most common measures of venture success. In their sample of 201 German founders, Utsch and Rauch (2000) find that measures of innovativeness predict employment growth and profit growth, while measures of initiative correlate only with profit growth. Additionally, they find a positive interaction effect between innovation and ESE.

Baum and Locke (2004) conducted a six-year longitudinal study of North American architectural woodwork firms. They found that situationally specific motivations of goals, self-efficacy, and communicated vision have direct effects on venture growth, mediating other traits like passion, tenacity, and new resource skill. In some settings, researchers can study how personality traits correlate with firm investment. Cassar and Friedman (2009) found that ESE increases the amount of personal resources an entrepreneur invests into a venture, as measured by proportion of personal wealth invested in the venture and number of hours per week devoted to the venture. This type of personal investment is also reflected at the student level, with Singh and DeNoble (2003) finding that personality could predict the amount of time students spent preparing for future business efforts.

Another popular measure is the long-term survival of the firm, as it can be readily measured through techniques as simple as business registers, web presence, or phone directories. Ciavarella*et.al.,* (2004) find that high conscientiousness is positively related to long-term venture survival (eight years or more), compared to a negative relationship for the entrepreneur's openness to experience and no relationship for the other Big-5 personality traits. Many surveys ask entrepreneurs to rate their success. Different entrepreneurs may have very different views as to how successful their ventures are, and the typical proxies used by researchers (e.g., growth and survival) may not correlate very well with the self-defined success or performance. For example, Poon *et.al.,* (2006) assess performance among 96 Malaysian entrepreneurs by asking respondents to rate their company's growth, sales volume, market share, and profit using a scale ranging from 'very poor' to 'very good'. Respondents rate these four performance criteria relative to that of competitors and their own expectations, yielding an 8- item performance scale. The study finds that internal LOC is positively connected to firm performance, but lesser support exists for ESE and achievement motivations.

Finally, researchers summarise the relationship between personality traits and successful venture performance through meta-analyses. For example, Rauch and Frese (2007) identify that the traits most significantly correlated with business success include the need for achievement innovativeness "proactive personality "generalised self-efficacy stress tolerance, need for autonomy, locus of control, and risk-taking. Another meta-analysis by Zhao *et.al.* (2010) finds that conscientiousness, openness to experience, emotional stability, and extraversion are positively related to entrepreneurial firm performance as measured by firm survival, growth, and profitability. While risk taking is positively related to business foundation, it does not correlate with eventual business growth and success.

Additional studies focus on how intelligence interacts with the personality traits. One example is the Baum and Bird (2010) field study of 143 U.S.-based founders of high-growth printing industry firms. The authors find that "successful intelligence," which is defined by them to consist of practical, analytical, and creative elements, combines with high ESE to promote venture growth over four years. Likewise, Hmieleski and Corbett (2008) find that improvisational behaviour combined with high ESE has a positive relationship with sales growth. It is often difficult to bring much conceptual order to these studies as they combine personality traits with different empirical constructs, and the results are sometimes counterintuitive. It is worrisome to note studies where individuals define whether they are successful, and such statements are very subjective and can only be evaluated against initial goals for the business, which vary substantially.

Another skill noted in research is leader's decision-making which involves the selection of a course of action or being convicted among multiple alternatives as a result of the leader's cognitive process. In business, every decision-making process produces a conclusive choice based on the values and preferences of the decision-maker (Liu *et.al.,* 2015). This skill is a disadvantage when it comes with FOB leaders that hold large amounts of shares in the firm. These leaders tend to be more powerful in pointing out their strategic decision-making toward the family's proclivity. This may also include succession decisions that are associated with certain non-economic goals. There is a great impact in the way the FOB leadership style on the successors' attitude and behaviour and the potential success of the transition (Mussolino and Calabrò, 2014). If the leader uses paternalistic leadership style, it may therefore increase the success or failure of succession in FOBs, causing various behaviours to come up. Leadership style of the leader also depends on the type of family members the leader is leading. Some family members may be too casual and familiar to the leader, so much that it can be difficult to give orders at work, when outside work, they socialise intimately.

Certain leadership styles impact differently on the activities and business practices of FOBs. Examples include moral and benevolent paternalistic leadership styles which generate an atmosphere of support, while authoritarian paternalistic leadership style usually generates resentful opposition. (Mussolino and Calabrò, 2014). Dalpiaz, Tracey, and Phillips (2014) illustrate the use of narrative strategies and tactics in ensuring the FOB successor legitimates his/her obtained leadership position in the organization, and to demonstrate that this leadership position is consistent and in sync with the family's history and culture. This strategy is usually applied by successors in the family business who takes up the leadership position in the family firm most likely have to deal with anintergenerational workforce including employees who are much older and more experienced.

3.1.4 Education

Another key skill is strategic education in the relevant field or industry of business. This is regarded as vital in preparing for the continuation of the FOB beyond the first generation. Education and work experience in areas that may increase the FOB's potential business opportunities improves and gives an effective and productive transition (Jaskiewicz, Combs, and Rau, 2015). Kim and Gao (2013) also argued that education is beneficial because knowledgeable and articulate FOB leaders tend to contribute to the growth and profitability of the family firm. This is because educated FOB leaders have a better understanding of risk levels and flexibility in business and so are able to adapt in a market with changing business conditions.

A FOB with educated personnel in various positions tends to succeed and transition more smoothly as compared to that FOB that has family members in positions that they are not adequately educated for. A firm with educated personnel tends to be more futuristic in the way they do business and may think of going global in terms of the business, as compared to the one that has non-educated members who only think in the short term (Stieg, Hiebl, Kraus, Schüssler, and Sattler 2017). There is, however, need for a perfect blend of formal education and socioemotional guidance for a beneficial transition to take place in the entire family business system (Barbera, Bernhard, Nacht, and McCann, 2015). This combination is referred to as whole-person learning. It focuses on individuation through the acquisition of cognitive, emotional, and social skills. This is pertinent in the preparation and development of the next-generation FOB leaders. When whole-person-learning is applied early, at undergraduate level, it then has the potential to nature next-generations that are better prepared and young and energetic to make thoughtful and positive contributions to their family's businesses. When relevant education then becomes a requirement, it then becomes a choice to join the FOB, not based on merely a birth right (Barbera *et.al.,* 2015).

Education promotes innovation, which is regarded an important skill necessary in the founder of a FOBs. Innovation is regarded as a driver for enhanced performance and long-term survival of FOBs (Hauck and Prügl, 2015). Hauck and Prügl argue that innovation during succession is a critical product of family relationships and structures. They discovered a positive relationship in the instance of closeness and flexibility between family members that follow a positive mindset regarding succession issues and conflict resolution. Negative relationship has been discovered in cases of a history of family ties and generational authority that follows centralized decision-making and low levels of communication (Hauck and Prügl, 2015). Literature reveals that a lesser amount of next generation family members anticipates becoming the successor in a family owned business, mostly because they lack innovation and do not see how they would run the firm differently in a successful way in their generation. Innovativeness, however, may require FOBs to also acquire external funding. This can be a source of conflict for FOBs. Research explains that when family members share the ownership of the firm, conflict might arise not only because family members are disagreeing over the decision whether to get debt or not, but also because of disagreement over the final uses of the acquired financial resources (Schulze *et.al.,* 2003). As a result, family firms may be hesitant in undertaking innovativeness, the apprehension being the possibility of introducing conflict within the family. Innovation is also regarded as a drive to entrepreneurship. It is also regarded as a way of empowering people to take charge of their lives as well as economic prosperity. In this same manner, entrepreneurship is the answer to innovation both at individual business-level.

It is innovation that stimulates general business sector growth of a nation. If success and continuation of FOBs is considered important then entrepreneurship entails a focus on ingenuity, consolidating innovation and strategic business practices. When innovation is taken as a process that does not happen overnight and requires time and effort to generate results, then this will make a great difference in the firm. When there is lack of innovation in FOBs, the chances of it continuing beyond the first generation are slight and close to none. This is mainly due to the fact that innovation and creativity walk hand-in-hand when it comes to entrepreneurship.

According to Albert Einstein, problems cannot be solved with the same thinking as they were created. Creative ideas and innovative solutions are required to solve them. However, such solutions will not emerge from simple and linear planning and problem-solving processes. It is important to understand that innovation quintessentially is about seeing, perceiving and solving problems in creative ways. FOBs are not exempt from this process. It is important for FOBs to understand how critical this process is if there are to witness continuity of their enterprises beyond the first generation. Analytically speaking, there is a need for a deep sense of passionate purpose and futurist thinking. These are required to deal with solving tenacious issues and come up with effective entrepreneurship based solutions.

From a global perspective, entrepreneurship is presently embryonic in emerging markets like China and India. Social, women, and youth sectors are the sectors that demand innovative solutions, and entrepreneurs have a large playground to cater for. FOBs require out-of-the-box ideas that will impact the quality of lives and contribute towards making the world a better and more sustainable place. Central and state governments globally are now discerning that entrepreneurship is a vehicle of economic success and prosperity that can be instrumental in promoting entrepreneurial endeavours through different schemes and programmes.

Finally, the rise of new impact investors is a big step forward for new enterprises that thrive on innovation. The need for innovation and technology to be in synch is a real phenomenon in FOBs and entrepreneurship as a whole. This is crafting out wholly new business models and revenue streams. This is apparent for start-ups as well as large and old organizations that leverage existing assets in exciting, profitable new ways. It also is altering the foundation of the contest as companies can now participate as elements of ecosystems. Recognising the growing access to free and at times low-cost online education is in turn encouraging and enabling a yearning for learning and building an appetite for knowledge to become subject matter experts in respective fields. Armed with knowledge innovative entrepreneurs and start-ups are flourishing through the internet of things.

It is regarded necessary now for visionaries of FOBs to be able to adapt to changing workforce dynamics and trends. Millennials now swap jobs at an escalating rate as they look for more gainful engagement, independence, and egalitarianism. These factors have influenced immensely the hiring process. This is now changing as recruiters have started relying on Internet-based routes. 'Reputation' is becoming more important to organisations. Freelancing and flexi-timing are fast emerging as a way of life and a significant section of the workforce are working from home, taking responsibility for generating their own income and wealth. The young professionals are also opting for co-working and collaborative work environments, thus networking and teaming to share and develop knowledge, skills, and experience. Trends such as these are propelling organisations to look at innovative approaches for enhancing staff experience at workplace as well as with the acquisition and retention of the best resources. Hence the ability for a director to have such skills in their organisation is of paramount importance, as this contributes to the continuity of the business beyond the first generation, especially in this 21st century. Responding to customer's expectations is another key skill for entrepreneurs in FOBs. Understanding customer's needs is important when it comes to incorporating change in organisations. FOBs have to understand the needs of their key stakeholders. Focusing on customers has rapidly shifted to receiving the value that reveals that companies understand and support their lifestyle preferences. Customers now have total control over who they are, what they do, and what, how and where they purchase and procure products. There is a growing need for consumer expectations and choices. These have made organisations become more customer-centric through innovative amendments. The adoption of human-cantered devices to perk up the experience has provided increased value and created new ways to invent products and services.

Conclusively it can be noted that entrepreneurs or visionaries of family-owned business who possess internal locus of control tend to pass on their businesses successfully to the next (2nd generation) this is so because these visionaries would have believed so much in themselves. These tend to turn criticism into growth and they seek support to continue growing as a business.

3.1.5 Impact of Family Traditions

Nepotism is one of many family traditions that may jeopardise succession planning and therefore the continuity of family ownedfirms. Nepotism is that urge to keep power and leadership in the family. This is one instance of SEW patronage. Nepotism is believed to be destroying a number of FOBs. (Jaskiewicz*et.al.* 2013). Nepotism and cronyism, together with paternal altruism, where they manifest in family firms, lead to excessive granting of financial perquisites and biased succession and employment decisions (Dou *et.al.* 2014). Research done on FOB succession demonstrates that nepotism may lead to decline or even bankruptcy and ultimately, the failure of the FOB to continue beyond the first generation. Nepotism emerges when there are strong family ties that make the FOB leader believe that family members are better qualified, even if the opposite is usually true. Expertise and training as well as a workforce audit here is required for verification (Ahrens, Landmann, and Woywode, 2015; Liu *et.al.,* 2015).

Nepotism hinders the recruitment of professional management and leadership, and this may confine the growth and complexity of the business and hinder the capacity of FOB owners to manage the firm effectively (Sidani and Thornberry, 2013). In making the decision of what type of generational succession a family member chooses to apply, contextual aspects such as firm, family, industry, reputation, and culture are assessed to collect evidence about the strengths and weaknesses the family and the firm may have before moving into the succession course (Boyd *et.al.,* 2014; Deephouse and Jaskiewicz, 2013). There are attributes that endorse a strong alignment of interests among family members and the FOB, such as reputation of the family, shared values and relationships of trust and family habits (Felício and Galindo Villardón, 2015; Makó*et.al.,* 2016). Le Breton-Miller and Miller (2015) found that in FOBs where relationships between family members are smooth, amicable, and harmonious, and where family members are futuristic about the organisation both the family and the business are in sync. In such cases nepotism and the imposition of inexperienced and incompetent family members in executive positions are less likely to happen (Le Breton-Miller and Miller, 2015). Research has established that to avert the likely effect of nepotism and cronyism on the continuity of FOBs beyond the first generation, next generation FOB leaders must be educated in first-rate business schools to remove the potential negative effect of nepotism and thereby promote the professional running of the FOBs (Stewart and Hitt, 2012). The hiring of a less meritorious male family member into the FOB is a clear sign of nepotism. Nepotism is usually frowned upon in capitalist societies such as United States, because they tend to be meritocratic. However more collectivist and family-cantered societies such as Asian cultures may deem nepotism more legitimate (Jaskiewicz and Gibb Dyer, 2017)

Another tradition in FOBs is the impact caused by weakening of family ties. When the family grows large and the family tree is extended, family ties usually become loose. In such cases family involvement in the business varies and differs greatly from the goal or objective of the organisation. It is in these cases that there are family members who become inclined to pursue differing diverging goals and their identification with the FOB tends to weaken and fade away (Zellweger and Kammerlander, 2015). This gives rise to family conflicts and opportunistic behaviour. Consequently, these may compromise the succession plan of the founder or leader. This also usually has an effect on the long-term success and continuity of the FOB (Cater III and Kidwell, 2014; Memili*et.al.,* 2015). Throughout generations, the numbers of family shareholders in FOBs usually increase following the expansion of the family tree. In such cases, there is a likelihood of family conflicts between active (employed by the FOB) and passive (not employed by the FOB) family shareholders. This is because they may have conflicting interests in the family business following their different role (Michiels, Voordeckers, Lybaert, and Steijvers, 2015; Memili*et.al.,* 2015). Alleviation of intrafamily conflicts can be facilitated by family governance practices such as a family charter or family forum. This leads to a clear formulation of the role of the family in the firm, and may help offer a more efficient dividend policy (Michiels*et.al.,* 2015; Vandekerkhof, Steijvers, Hendriks, and Voordeckers, 2015). From the perspective of FOBs, the pursuance of family governance practices cultivates family loyalty towards the business and the enactment of transgenerational orientation following a greater family members' emotional investment in the FOB (Suess-Reyes, 2016). Components of the family institution include norms, values and goals. These may however, differ across societies. This explains country-specific legitimacy and power of families (Jaskiewicz and Gibb Dyer, 2017).

Some family traditions pertaining to succession value primogeniture. Premogeniture is the state of being the first born of the children of the same parents. Research has found that this practice has had an impact on the succession planning and continuity of FOBs in the world. Research has also shown that there is an exclusive right of inheritance that belongs to the eldest son. Within the family there are a variety of cultural forces that may play an important part to attract the potential successor into the family business or dissociate him or her from the role. Factors include identity (Dawson *et.al.* 2014), gender, age, nepotism, primogeniture (Ahrens *et.al.* 2015; Gilding *et.al.* 2015; Jaskiewicz*et.al.* 2013; Overbeke, Bilimoria, and Perelli, 2013), company size (Bizri, 2016), business success or lack thereof (Minichilli et al., 2014), and the interactions of family members (Liu *et.al.* 2013) may all have an impact on the drive for succession intention. The preference of gender of incumbents with children influences the issue involving leadership succession and the outcome in family businesses (Ahrens *et.al.* 2015). The family composition (i.e., having sons, daughters, or both) is related to the probability of intrafamily succession whilst gender gap causes restrictions in the succession contest. Literature disclosed that when both genders are in existence among the children, incumbents tend to make preference of male over female successors in 81.2% of the single successor cases (Ahrens *et.al.* 2015). This is very evident in Africa, in this case Zimbabwe. There is a general misconception that when the heir is a male child, they are capable of preserving the organisation and its values more, than would be the case if the heir was female. The girl child in Africa was previously believed to be a liability in the family. This was so since the girl child would go and get married in another family thereby leaving the assets from her childhood family behind. This, however, is slowly fading away with the emancipation of women through education and training.

Sons traditionally and historically were associated with a higher likelihood of intrafamily succession and the emergence of succession contest limitations. Although there is a rise of women starting up businesses, when it comes to continuity and succession of the family business, a predilection for men is still prevalent (Bizri, 2016). However, female FOB successors appear to possess very high levels of human capital than male successors. On average, record a post-succession performance improvement (+7% profitability) compared to a performance decrease (-8%) in the case of male single successors. Such data clearly illustrates the benefits of equal opportunities in a fair and unbiased family CEO succession, thereby the need for education and training to FOB owners who are still biased towards the male counterpart being the only deserving heir. In some cases pressure is put on women to stop using contraceptives and keep giving birth until they give birth to a son so as for them to be an heir. This in some cases compromise the health of the mother of these children or give rise to polygamous families which will in turn give rise to conflicts when sharing the estate. It is pleasing to note that a positive trend toward gender equality in FOB succession is beginning to emerge (Ahrens *et.al*., 2015).

Due to the overemphasis on the importance of males in comparison to the females it has been realised that female heirs demonstrate weaker succession intentions than their male counterparts. This is mainly due to the culturally induced beliefs and norms, including sons' entitlements and daughters' predestinations (Overbeke*et.al.* 2013). There are implicit and explicit factors which include gender perceptions, circumstantial factors, and daughters' purposeful deliberation underwrite daughters' decision to pursue family firm succession (Overbeke*et.al.* 2013). Female next-generation, who actually becomes successors, was often initially impervious to the possibility of succession. With proper mentoring, they then considered the position later in life and ruled against the validity of those gender norms. The awareness of gender bias with regards to succession may benefit FOBs as it widens the possibility of talents thereby expanding perspectives among the successors (Overbeke*et.al.* 2013). Putting a constraint on the succession contest in the light of nepotism or primogeniture may have detrimental effects on the family firm, business performance, and FOB survival (Ahrens *et.al*. 2015). There is an ongoing persistence of passing on the torch and inheritance of the family firm to the firstborn male child. This is associated with the power and will of the incumbent and disregards the need to upold family harmony and fair succession (Gilding *et.al.* 2015). This unfortunately leaves the daughters discouraged nor prepared to assume the leadership position in the FOB and is virtually overlooked as possible succession contenders (Ahrens *et.al.* 2015; Gilding *et.al*. 2015; Overbeke*et.al.* 2013).

However, the motives for continuity and peace in the family do not align with the persistence of primogeniture through imposition. Individualisation is the new trend in recent generations and this helps to advance negotiability of family relationships (Gilding *et.al.* 2015). Using the perspective of potential (motivated and qualifying) successors' competition in the race to be chosen as the future FOB leader, interpersonal dynamics among those potential successors and the incumbent, who finally makes the decision, play a critical role (Mathews and Blumentritt, 2015). FOB succession is multi-layered and involves a complicated process. There are no rational philosophical components which include desire, belief, confidence, and relationships. These also have an impact on the outcome in context. In this regard, Mathews and Blumentritt (2015) discovered that potential successors do not automatically have any significant control over their own destinies. They usually lack understanding and the expectations from the predecessor and the requirements they are to fulfil (Schlepphorst and Moog, 2014).

3.2 Transferring ownership to external members other than Family members

It is believed that the family brand becomes significant at the point when generational succession of the family gradually transfers the business to external shareholders and/or executives (Felício and Galindo Villardón, 2015). After careful consideration owners might conclude that a non-family member who might be a current director or employee, someone who knows the business and is committed, is best placed to take the business forward.

3.3 Chapter Summary

Succession planning is a cause for concern in FOBs. This chapter presented the concept of succession planning as well as the ways in which succession planning affects and impacts the continuity of FOBs. Family-owned businesses acknowledge that corporations 'core business is continuity, they are mandated to have plans in place and written down in order to make sure this comes to fruition, especially for the next generation. These include involving legal personnel in the running of the business as well documenting all important information and involving spouses and children from the time when the business is still in its infancy.

Succession planning and documentation contributes to continuation by shedding light on important areas where enterprises should channel their focus. Such areas include family involvement, doing away with rigidity, and are flexible in the 21^{st} century of technological innovation and change. The business case for succession planning and its importance provides the rationale as to why businesses need to practice succession, emphasizing the financial and other related benefits that accrue to businesses when this is done, while the role of practices such as family tradition provides the rationale as to why family-owned companies should preserve this for their survival. Chapter four discusses the research methods and processes that were involved in collecting the empirical data for this study

CHAPTER FOUR

RESEARCH METHODOLOGY

4.1 Introduction

The purpose of this chapter is to outline, describe and justify the research methods and procedures adopted in this study. The chapter has been divided into seven sections. The chapter begins by describing the geographical study site and giving a brief background of its economic issues. The second section explains the theoretical debates around the qualitative paradigms in light of the current study. The third section outlines the population and the sample for this study, while the fourth section describes the data collection method used in this study. The fifth and the sixth sections look at data analysis procedures and describe how validity and reliability for this study were enhanced respectively. The chapter ends with a description of how ethical issues were considered for this study. An outline is also given of how privacy, anonymity and confidentiality of the participants were observed.

4.2 Research Paradigms

All studies are guided and shaped by paradigms. A paradigm constitutes "philosophical assumptions or a theoretical paradigm about the nature of reality and are crucial to understanding the overall perspective from which the study is designed and carried out" (Krauss, 2005:759). By definition, paradigms are "a set of assumptions or beliefs about fundamental aspects of reality which give rise to a particular worldview" (Maree, 2011:47). In concurrence with this view, Guba and Lincoln (1994:105) point out that a paradigm can be viewed as a "basic belief system or worldview that guides the investigation". One important aspect of a paradigm is that it is shared by a community of scholars as a guide to the generation of knowledge in a given field of study. In management sciences, entrepreneurship is one of the youngest paradigms. It uses the methods and theories borrowed from other sciences. However, if entrepreneurship is to grow in stature as a standalone discipline, it then needs to develop its own methods and theories. As entrepreneurship is growing as a paradigm, it is yet to develop separate methods and theories of its own. For now, since it borrows from other sciences it runs a risk of being dominated by these. This then has a disadvantage that these may sometimes be unsuitable.

4.3 Study Design

The researcher chose to employ a mixed method in which a combination of quantitative and qualitative methods is used to meet the study objectives. With mixed methods, biases characteristically associated with one method (quantitative or qualitative) are thought to cancel out (Creswell, 2003). The researcher also chose this method in agreement with Creswell (2003)'s assertion that the decision of what method a researcher employs depends on (a) the research problem, (b) the researcher's experience, (c) the reporting audience, (d) whether the researcher wants to specify the kind of information to be collected or let it arise from the data being collected, and (e) whether data to be collected is numeric or text. As outlined below, use of both qualitative and quantitative methods as the researcher's choice is justified. The core assumption of this form of inquiry is that the combination of qualitative and quantitative approaches provides a more complete understanding of a research problem than either approach alone.

The study, therefore, incorporated both qualitative and quantitative methods for the purposes of data triangulation. Both qualitative and quantitative methods of data collection were used. Qualitative information explores interpretation of the phenomena while the quantitative aspect is based on the approach to explore the scientific enquiry of the phenomena. A literature study using secondary sources of information was conducted with the objective of integrating theory with regard to assessing the impediments to continuity of family-owned businesses beyond the first generation.In order to understand good succession practices of family-owned businesses in Manicaland, Zimbabwe, a mixed methods research approach was used.

4.3.1 Qualitative Methodology

Qualitative methodology employs methods which involve collecting textual or verbal data and graphic data (data that cannot be quantified) (Brown and Dowling, 1998). Data are not seen as something 'out there' to be collected or captured but as something created through a social process (Hall and Hall, 1996) This method is usually used when depth is required. Filstead (1970) cited in Mouton claims that:

> "Qualitative methodology refers to those research strategies, such as participant observation, in-depth interviewing, total participation in the activity being investigated, field work, etc. which allow the researcher to gain first-hand knowledge about the empirical social world in question. Qualitative methodology allows the researcher to 'get close to the data' thereby developing the analytical, conceptual and categorical components of explanation from the data itself" (Mouton 1985:32).

Qualitative research involves mixed approaches encompassing a number of philosophies, paradigms and methodologies, and there are significant differences in how qualitative researchers attend to research designs, analytical techniques and quality issues (cf. Gehman et al. 2018, Creswell and Miller 2000, Bochner 2018, Guba and Lincoln 1994, Creswell and Poth 2017).As proposed in the conceptual framework (fig 2.2), the researcher decided to use qualitative research as it gives an opportunity to explore a wide array of social dimensions including understandings and experiences of the research participants in the management of family owned businesses beyond the first generation. The main focus in qualitative research is to understand, explain, explore, discover and clarify situations, feelings, perceptions, attitudes, values, beliefs and experiences of a group of people (Flick, 2011). This method was deemed very appropriate because the main aim of the researcher was to get in depth information on the way family-owned businesses are being managed in Manicaland, Zimbabwe, to be able to understand if they are practising or have any succession plans in place. This then hence allowed a comparison to be made after seeing the costs and benefits to those who had succession plans and those without. Qualitative method was chosen as a suitable approach for the research and is informed by the work of Denzin and Lincoln (1994; 2000) and Van Maanen (1998). Denzin and Lincoln (1994) consider qualitative research to be a multi-method type of research that uses an interpretive and realistic approach towards its subject matter as well as an emphasis on the qualities of entities(i.e. Processes and meanings occurring naturally)(Denzin and Lincoln, 2000:8). Furthermore, qualitative research is used to study an occurrence within the environment in which it naturally occurs and supported by social meaning from the individuals who were subjected to the occurrence (Denzel and Lincoln 1994.

4.3.2 Quantitative Methodology

According to Creswell (2003), quantitative research methods would be used in situations in which the researcher wants to study how a specified variable affects another, disregarding the effects of other variables. This research method is advocated by the "positivists" and therefore may be referred to as the "scientific method" (Creswell, 2003, p. 6). Such a research method when used in the social sciences would be used to test hypotheses. However, in this study, the method is used to count things in an attempt to explain what is observed. Creswell (2003) asserts that with quantitative research the researcher starts with a theory, collects data that supports or contradicts the theory, makes revisions, and conducts additional tests. The first advantage of this research approach is the use of statistical data as a tool for saving time and resources. (Bryman, 2001, p20) argue that quantitative research approach is the research that places emphasis on numbers and figures in the collection and analysis of data. In this study, closed ended questions were used to gather numeric data on the participants' socio-demographics.

The advantages of quantitative research method for this study are that it draws conclusions from numbers; it employs efficient data analysis, and examines probable cause and effect. Its limitations are that it is impersonal, the words of the participants are not heard, there is limited understanding of the context of participants, and it is largely research driven (Creswell, 2013), hence a mixture with qualitative methodology for complimentary purposes.

4.4 Study Site

The study was conducted in Manicaland province in Zimbabwe. The province is in the eastern side of Zimbabwe as shown in Fig 3.1 below. It is the country's second-most populous province after Harare the capital city, with a population of 1.75 million, according to the 2012 census. It has an area of 36,459 square kilometres (14,077 sq. mi), equal to 9.28% of the total area of Zimbabwe. Mutare is hence the capital city for Manicaland province.

Fig 4.1 Study Area (Source: www.mapsofworld.com)

Table 4.1 Manicaland Province Statistics: (*Source Zimbabwe National Statistics Data)*

Name	**Status**	**Population Census 2002-08-18**	**Population Census 2012-08-17**
Manicaland Province Area 35.845 sq. Km	*-Density: 48, 90/ (sq. km) 2012*	*1,568,930*	*1,752,698*
Buhera	District	220,060	245,878
Chimanimani	District	115,297	134,940
Chipinge Rural	District	267,256	298,841
Chipinge Urban	Urban District	16,536	25,292
Makoni	District	247,993	272,340
Mutare Rural	District	222,383	262,124
Mutare Urban	Urban District	170,466	187,621
Mutasa	District	166,646	168,747
Nyanga	District	117,279	126,599
Rusape	District	25,014	30,316
Zimbabwe	Republic	11,631,657	13,061,239

Source: Zimbabwe National Statistics

Explanation: *Areas figures are computed by using geospatial data*

Table 4.2 Manicaland Province Demographics

Variable	category	Total Population	Percentage
Gender	Male	830,697	
	Female	922,001	
Age groups	0-14 years	770,321	
	15-64 years	897,465	
	65+ years	81,282	
Urbanisation	Rural	1,456,139	83.1%
	Urban	296,559	16.9%

Business Characteristics in Manicaland Province

4.5 Population and Sampling

4.5.1 Population

As defined by Polite and Hungler (1999:37), population refers to an aggregate or totality of all the objects, subjects or members that conform to a set of specifications. By definition a *universe* population "refers to all potential subjects who possess the attributes in which the researcher is interested" (Arkava and Lane, 1983:27). In view of this, the *universe* population in this study included all family –owned businesses which are found in Manicaland Province. This was too broad to form basic units of study and had to be reduced to a target population, which is construed as "the term that sets boundaries for the study units" (Arkava and Lane, 1983:27). Powers *et.al.* (1985:285) view population as "a set of entities in which all the measurements of interest to the practitioner or researcher are represented". Seaberg (1988:240) adds that a population is "the total set from which the individuals or units of study are chosen. It can also be defined as a complete group of entities sharing some common set of characteristics (Zikmund, 1997).

4.5.2 Sampling and Sample Size

Sampling

Sampling is the act, process or technique of selecting a suitable sample, or a representative part of a population for the purpose of determining parameters or characteristics of the whole population. A sample is a subset of the entire population from which data is collected by the researcher (Yin 2009). The sample frame was developed from the register of family-owned businesses maintained by Manicaland Chamber of Commerce (MCC).This is the entrusted authority in Manicaland under the Ministry of Industry and Commerce in Zimbabwe where registration is compulsory for any kind of business to be carried out. However verification of the database was conducted before selecting the sample units as to remove inactive and non operational businesses. Both probability and non-probability sampling procedures were used to select the participants for the study. Probability sampling is based on randomisation, and non-probability sampling is done without randomisation (Strydom and Venter, 2002:203).Multi-stage sampling was conducted to select the participants for this study. Manicaland province was purposively selected as it has diversity and heterogeneous types of industries both found in rural, peri-urban and urban settlements. According to Arikunto (2010:183), purposive sampling is the process of selecting sample by taking subject that is not based on the level or area, but it is taken based on the specific purpose. In non-probability sampling, units or people are selected based on the judgement of the researcher (Thomas and Brubaker 2000). Therefore, inclusions in the sample are by choice. Purposive sampling was used as it helped the researcher to target a specific group, therefore findings made, represented the perceptions of the study population. Mutare urban as the largest urban settlement of Manicaland was purposively selected as most of the formal manufacturing, health, education among others is found. Mutare rural was selected for other business sectors. Stratified random sampling was used to select family-owned business sectors. This was done by grouping the family owned businesses into strata with the same characteristics. Random sampling was done in each stratum to select the required number of units according to the required sample size using the proportion to sample size strategy. Participants for the study were owners or members in the management of the family-owned business, and these were purposively selected.

Sample size

Sample size determination is the act of choosing the number of observations or replicates to include in a sample. The sample size is an important feature of any empirical study in which the goal is to make inferences about a population from a sample. In practice, the sample size used in a study is determined based on the expense of data collection, and the need to have sufficient statistical power. From the total number of family owned businesses in Manicaland, Zimbabwe, 20 family owned businesses were selected for the study hence n=20.However a non response rate of 20% was encountered were some respondents could not complete the questionnaires and the in-depth interviews. This number was reached upon basing on the theory of saturation. Twenty (20) family owned businesses were determined by the study type and research tools to be administered. The study would have reached saturation in so far as the answers to the research questions are concerned. Out of the targeted 20 participants, only 16 participants were interviewed and participated in the study. Resources available to carry out the study were also sufficient for the determined sample size. Research that is field oriented in nature and not concerned with statistical generalisability often uses non probabilistic samples. The most commonly used samples, particularly in applied research, are purposive (Miles and Huberman 1994:27). Cheek (2000) mentioned that waiting to reach saturation in the field is generally not an option. Applied researchers are often stuck with carrying out the number of interviews they prescribe in a proposal, for better or worse. A general yardstick is needed, therefore, to estimate the point at which saturation is likely to occur. Bernard (2000:178) observed that most ethnographic studies are based on thirty-sixty interviews, while Bertaux (1981) argued that fifteen is the smallest acceptable sample size in qualitative research. Creswell’s (1998) recommended between five and twenty-five interviews for a phenomenological study, hence twenty was deemed adequate for this study. Kuzel (1992:41) tied his recommendations to sample heterogeneity and research objectives, recommending six to eight interviews for a homogeneous sample and twelve to twenty data sources “when looking for disconfirming evidence or trying to achieve maximum variation.”

4.5.3 Data Collection and Data Collection tools

Data is information collected in the process of research, while data collection instruments refer to devices used to collect data (Rubin 2008). In-depth interviews were used for the collection of qualitative findings, while structured questionnaires were used for the collection of quantitative data. The research techniques used in this research complement each other to ensure validity and reliability of the research findings. The main reason for choosing these research instruments is that they are in agreement with the research methodology and designs selected for this study, and effectively enabled the researcher to have access to participant's views and experiences in relation to the research problem.

Appropriate knowledgeable key informants, who were part of the decision making processes from the family owned businesses selected in the study were interviewed using the key informant in-depth interview guide as well as the structured questionnaire. These high ranking officials were regarded as reliable and enabled standardisation of information within the firm. Majority of the family owned businesses selected for the study were small and medium enterprises hence only one participant was selected for the study as the research context would not permit multiple responses. The in-depth interview guide was employed to explore and collect data on participants' perceptions and experiences. The guide had the following questions to explore the perceptions and experiences of the research participants on the survival of the family owned businesses beyond the first generation:

Quantitative Data:

1. Socio-Demographic data Collected:

The questionnaire comprised of a section on demographics (see Appendix). This section was necessary as the researcher required accurate information of the demographics of all the respondents involved in the study. It had closed ended demographic questions .This section provided the demographic information of the entire study participant. The data required include

- Age of responded
- Position held in the family owned business
- Generation
- Highest level of education attained

- Race
- Gender
- Business type
- Business location
- Duration of business

2. Family dimensions: The following questions were asked.
   - Do you have academic qualifications for the position you are operating in?
   - Who do you think should be included in the next generation of owners?
   - Should the next generation of owners be limited to family members? And why?
   - Should key employees be considered for share ownership?
   - Is employment in the business a condition for family share ownership?
   - Must all family employees be treated equally?
   - Is there a means to treat family members fairly without granting share ownership?
   - Must ownership be relinquished if a family member ceases to be employed?
   - Is ownership a birth-right? Is kinship the sole prerequisite for share ownership?

A questionnaire is "a set of questions on a form which is administered to the respondent in respect of a research project" (Bryman 2012:715). The basic objective of the questionnaires in this study was to obtain facts specifically on the demographics of the respondents. Closed ended questions were used in this questionnaire, as accurate facts were required. There are different types of questionnaires. The types are dependent on how they are administered (Maree 2011). There are mailed questionnaires, telephonic questionnaires, personal questionnaires, hand delivered questionnaires and group administered questionnaires. The basic tenets of these questionnaires remain the same; however the main difference is the administration method. This study adopted the hand delivered method. To that end, the way they were administered is described here. Since the target population is mostly made up of literate persons, the questionnaire was designed in English and where clarifications were sought during interviews, they were provided in vernacular.

Using hand delivered questionnaires, the researcher handed the questionnaires to respondents in family owned businesses in Manicaland Province in Zimbabwe from April to June 2018. These questionnaires only involved closed ended questions. They were given out to respondents and an in depth study was either done immediately upon the delivering of the questionnaires or on a later date agreed. The purpose of carrying out a closed ended questionnaire was that it is seemingly easier to insert their answers than discussing personal information of demographics with the researcher. Respondents could have felt intimidated, hence ending up lying on certain questions. For example most women are not comfortable discussing and disclosing their age to strangers.

Qualitative Section

The qualitative findings were derived from the set of questions outlined below.

- Should the next generation of owners be limited to family members? And why?
- If ownership is a birth-right, how does one distinguish between differing levels of contribution to the business?
- When considering income, earnings and the complexity of the business, are ownership and management necessarily co-dependent?
- How should contingencies such as death, disability, divorce, retirement, resignation or termination be addressed?
- What economic benefits should minority shareholders receive?
- What challenges could be posed by minority shareholders?
- Should an independent board of directors or advisors or family council be considered?
- Should the family business be using share ownership to address family dynamics?
- Should professional counsellors be employed to navigate these complex questions in the family business and why?

In depth Interviews were also used for this study to seek responses to the questions outlined above. According to Seidman (2006), interviews are research instruments that perform specific roles. Interviews allow researchers to generate a dialogue relationship with the people about their perceptions and experiences (Patton 2005). This is achieved through a research conversation on the meaning embedded in perceptions and experiences on the issue under study. This has an advantage of enabling respondents to share their experiences of the topical hand using their own words. Some research communities argue that there are several approaches of executing interviews (Rubin 2008).

In order to realise the objectives of this study, semi-structured in depth interviews were used to benefit from the advantages of using structured interviews. Semi-structured in depth interviews were used due to many in depth qualities, including collecting rich data and allowing research participants to be free when answering research questions (Rea 1997). In addition, they allowed interviewees to share their own experiences not influenced by particular answers. Justification for the use of semi-structured interviews is the ability to compare across research interviews, due to the fact that some research questions to be used will be standard (Rubin 2008). A voice recorder was used in order to make sure all the information discussed is recorded and this was later transcribed to print.

For interviews, a recorder was used to record the responses. To avoid problems of data loss due to noise and other unforeseen circumstances, the researcher chose a good digital voice recorder and a pair of _microphones to record the interviews. The equipment was tested a couple of times before the interview and the researcher had spare batteries. The interview questions were set in English. However some of the respondents could not understand English well, hence an interpreter from the area was used to interpret using the mother tongue (shona). After interpretation was done, the results were then recorded in English. A quiet location was chosen to avoid background noises such as cars passing by, children laughing, sounds at a dinner table, and people talking at neighbouring tables. All these were avoided at all costs as they tend to drown voices of the speakers on a recording. Wherever possible, the researcher chose a closed room for these interviews. Before beginning the interview, the researcher informed the respondent that he or she would be recording the conversation. It was also emphasised that respondents speak slowly. Loudly, and directly into the voice recorder. After this, thematic analysis was used which is a process of identifying themes within data and reporting the data as findings (Stringer 2007).

The semi-structured in depth interviews were designed to specifically collect data on the underlying factors to failure of family owned businesses continuing beyond the first generation, and hence the consequences of these failures to family-owned businesses in Manicaland, Zimbabwe. The major reason of using semi structured in depth interviews was to allow the collection of both focused and rich data. Depending on the respondents preferences interviews were done using both English and the vernacular language.

4.5.4 Data Analysis

This section discusses the data analysis procedures adopted in this study. Data analysis according to Rubin (2008) is the art of examining raw data with the purpose of drawing conclusions about that information. Data collected using closed questionnaire and findings from semi structured interviews (in depth interviews) was analysed using descriptive statistics and the thematic analysis respectively.

There are various tools and techniques available to describe and analyse qualitative and quantitative data. Every research is unique hence choosing the best method or technique to use makes the research results explicit and understandable. Qualitative research is becoming more recognisable and gaining more value. Therefore it is very important to carry out the data analysis in a rigorous manner so as to yield meaningful and useful results. Tables, graphs, diagrams, descriptive statistics and statistical analysis methods are very suitable for analysing and presenting quantitative research results. However for qualitative data, interview transcripts, informant's texts and field notes are the key tools where data has to be extracted. Analysing qualitative data is very challenging and often frustrating. Research findings do not necessarily come from the transcripts or the other documents described above on their own, but extra work is required to identify the most important and common elements to write a coherent and convincing story to answer the research questions.

Regarding this study, as the major component of the research objectives were qualitative, only relevant descriptive statistics using frequencies, proportions and graphs were used for the quantitative responses. Demographic information was found to have a great impact in this study hence the need to analyse the data accordingly. This was done to triangulate the findings and relate them to the qualitative responses. Data was captured in Excel and later imported to SPSS. SPSS is a social science statistical package which best produces quality graphs and do cross tabulations easily. The objective was quantitavely described hence applying the inferential statistics to measure the component although there were mixed elements with qualitative analysis. Qualitative researchers have to demonstrate that data analysis has been conducted in a precise, consistent, and exhaustive manner and disclosing the methods of analysis with enough detail to be accepted as trustworthy enable the reader to determine whether the process is credible (Lorelli S*et al*, 2017)

Nvivo v.12 was used by the researcher for data management. It was used to capture the transcripts and participants' texts from the qualitative questions. Although there is other software used to analyse qualitative data like ATLAS, the researcher found Nvivo software as the software of choice as quantitative data from Excel was also able to be imported to Nvivo and analysed together with the qualitative aspect. The software has also an opportunity to search and input references into the data analysis.

Thematic analysis was assumed suitable to analyse the data in this study because the technique concisely organises study findings and then describes them in detail. Thematic analysis has been poorly branded, yet widely used in qualitative research (Braun & Clarke, 2006), and has been rarely appreciated in the same way as grounded theory, ethnography, or phenomenology. According to (Braun & Clarke, 2006) thematic analysis is a method for identifying, analyzing, organizing, describing, and reporting themes found within a data set. Thematic analysis has a theoretical freedom, and provides a highly flexible approach that can be modified for the needs of many studies, providing a rich and detailed, yet complex account of data (Braun& Clarke, 2006; King, 2004). According to Braun & Clarke, it also does not require the detailed theoretical and technological knowledge of other qualitative approaches. These advantages were found to be more appropriate for the survival of family owned businesses beyond the first generation as more theoretical and technological knowledge were not much of importance in this research.

Although thematic analysis can lack of substantial literature compared to that of grounded theory and also does not allow researcher to make claims about language use (Braun & Clarke, 2006), the researcher found the advantages outweighing the disadvantages and hence used the thematic analysis. Thematic analysis has been explained by Braun & Clarke (2006), popularly known as Step-by-Step Thematic Analysis (Braun &Clarke, 2006). According to the pair, thematic analysis can be done manually following the six steps as highlighted by Braun and Clarke.

Step 1: Familiarisation with the findings

This step was done manually considering the findings at hand, taking note of everything that had happened and said during the interviews. The transcripts and notes from the recordings were entered into the NVivo software. At this step, the researcher also noted interesting comments from different respondents regarding the business type sector and the generation.

Step 2: Generating Codes

With the computer aided software (NVivo), automated nodes were created which are brief descriptions or titles of what was being said. These are words or short phrases that assigns a summative attribute to data (Saldaña 2015: 3). This is not interpretation, but just a way of labelling and organising the findings into meaningful groups from anything noted interestingly from step1. Different code colours were used to identify codes or information which falls into the same group in preparation for themes. This process made the qualitative findings quantifiable for easy analysis.

Step 3: Search for themes

In this step, the brief nodes with a common interesting element in the family planning owned business were now grouped into themes. Themes are broader in that they interpret in short a number of codes and data with common elements. Themes gave one common interesting element from the codes.

Step 4: Review of themes

Reviewing of themes was done through reading all extracts related to the nodes to explore if they support the theme. Some codes were being moved back and forth into different themes, and some codes automatically became themes due to a very important aspect it resembles. This was done until the researcher obtained coherent and distinct themes. This process was done for the entire data set according to the research objectives of the study. Each objective had its own themes from the data set. Some themes also had sub-themes as they were split.

Step 5: Defining and Naming Themes

Theme names were defined from the groups identified in step 3 and 4. The theme names were descriptive as well as engaging. This also involves the description of the theme and what was more interesting in the theme. The themes were also in line with the overall research question.

Step 6: Report writing

The computer aided software (NVivo) also produces a report by aggregating the demographic data with the themes generated in the report. This was done after enough information had been gathered in all the five steps described above in line with the project objectives

Furthermore, the researcher compared the results and the inferences made from the data to the theoretical framework of succession and Family-owned business succession number of processes preceded this. These processes are described in the section herewith. With the aid of the Computer Aided Data Analysis Software (NVivo v12), work was made easier since both methods are complementary. A write up was then generated based on this.Leedyand Ormrod (2014) emphasise that careful preparation and application of the right methodology is likely to improve the response rate. In order to improve the response rate, some researchers personally administer the questionnaires. Bryman (2007) refers to this personal administration of questionnaires as a "forced" process.

However, this was not the case in this study since researchers are encouraged to uphold good ethical standards in conducting research. According to Leedy and Ormrod (2014), upholding good ethical standards in research requires the researcher to explain the objective of the study to the participants and leave them to decide whether to participate or not. Voluntary participation by the respondent is usually confirmed by the signing of the informed consent form. The respondent also has the liberty to pull out of the research process even after signing the informed consent form.

4.6. Interpretation of Qualitative data

An understanding of qualitative data analysis is fundamental to the systematic search for meaning in data (Hatch, 2002:148). In trying to make sense of the qualitative data, the researcher underwent a data analysis process which is the most important process in the qualitative research process (Leech and Onwuegbuzie, 2007). The process is, however, very time consuming and labour intensive (Lofland, Snow, Anderson 2006:196). This is mainly due to the fact that results from qualitative research produce amounts of contextually laden, subjective and richly detailed data.

4.7 Validity and Reliability Issues

Qualitative research is becoming increasingly popular in the past two decades. Thus, much time has been spent reviewing ways of judging the reliability and validity of qualitative research findings. Credibility on the one hand, being internal validity which refers to believability and trustworthiness of the findings. Qualitative research is usually criticised for lacking scientific rigour with poor justification of the methods adopted, lack of transparency in the analytical procedures and the findings being merely a collection of personal opinions subject to researcher bias. Validity, on the other hand, refers to the integrity and application of the methods undertaken and the precision in which the findings accurately reflect the data, while reliability describes consistency within the employed analytical procedures (Lincoln and Gobi; 1985). Qualitative researchers aim to design and incorporate methodological strategies to ensure the trustworthiness of the findings. Such strategies include the following:

- Accounting for personal biases which may have influenced the findings Mayan, *et.al.* (2002:1:1-19).
- Acknowledging biases in sampling and ongoing critical reflection of methods to ensure sufficient depth and relevance of data collection and analysis (Sandelowski 1993:16:1-8).
- Meticulous record keeping, demonstrating a clear decision trail and ensuring interpretations of data are consistent and transparent (Slevin E 2002:7:79).
- Establishing a comparison case, seeking out similarities and differences across accounts to ensure different perspectives are being represented.
- Including rich and thick verbatim descriptions of participant’s accounts to support findings.
- Demonstrating clarity in terms of thought processes during data analysis and subsequent interpretations.
- Engaging with other researchers to reduce research bias.
- Respondent validation: Includes inviting participants to comment on the interview transcript and whether the final themes and concepts created adequately reflect the phenomena being investigated.

- Data triangulation, whereby different methods and perspectives help produce a more comprehensive set of findings (Kuperand Lingard 2008:337).

The researcher used different techniques to enhance validity and reliability of the study. It is also important to note that validity does not refer to data but the conclusions drawn from the data (Hammersley and Atkinson, 1983 in Creswell and Miller, 2000:125). To other authors, validity is not a single fixed concept. Winter (2000) notes that validity is "rather a contingent construct, inescapably grounded in the processes and intentions of particular research methodologies and projects" (winter, 2000:1)According to Zikmund (2003), validity is the ability of a measure (for example, an attitude measure) to measure what it is supposed to measure. If it does not measure what it is designated to measure, there will be problems. The various approaches which are used to measure validity are face validity, criterion validity, concurrent validity and content validity. Face validity, also called logical validity is a simple form of validity where there is an application of a superficial and subjective assessment of whether or not the study or test measures what it is supposed to measure, for example in questionnaires used in this study, involved the researcher looking at the items in the questionnaire and agreeing that the test was a valid measure of the concept which was being measured just on the face of it. Each question on the research instrument must have a logical link with an objective.

Blumberg and Cooper (2008:449) say content validity of a measuring instrument is the extent to which it provides adequate coverage of the investigative questions guiding the study. If the instrument contains a representative sample of the universe of the subject matter of interest, then content validity is good. Kumar further adds that it is important that the items and questions cover the full range of the issue or attitude being measured. Furthermore, content validity is judged on the basis of the extent to which statements or questions represent the issue they are supposed to measure, as judged by the researcher, readership, and experts in the field(Kumar 2011:180).

According to Blumberg and Cooper (2008:455), reliability is concerned with estimates of the degree to which a measurement is free of random or unstable errors. A measure is reliable to the degree that it supplies consistent results. Tichapondwa (2013) says reliability refers to repeatability, replicability and consistency of research, i.e. the extent to which it can be reproduced. Reliability can be measured internally or externally. Internal reliability is the extent to which data collection, analysis and interpretation are consistent given the same conditions. While external reliability is the extent to which independent researchers can replicate studies in the same or similar conditions (Tichapondwa, 2013:35).The issue of validity and reliability was considered at all stages of this study. From the designing of the questionnaire, data collection, data analysis and to the interpretation, reliability and validity were considered important issues. With the help of the supervisor and a statistician, the researcher carefully scrutinised the data collection instruments in light of the research problem. The questionnaires were pilot tested with 5 family-owned business managers and owners. This helped in establishing validity of the research. Data collected was entered in the Nvivo Software and explored to see if the questionnaires were suitable for the study. External validity was enhanced through the use of theories outlined in the theoretical framework.

A mixed-methods approach which comprises qualitative and quantitative designs, thereby enabling researchers to broaden the understanding of the phenomenon and to seek additional information for addressing the problem (Sparkes, 2015; Van Griensven, Moore, and Hall, 2014) was used. This approach was appropriate because answering the research questions required both qualitative and quantitative data.

4.8 Ethical Considerations

In order "to protect the welfare and rights of research participants" (Terre-Blanche and Durrheim, 2002:65) the researcher had to follow research ethical protocols. Ethical approval for this research was obtained from the University of KwaZulu Natal' Ethics Committee and a gatekeepers letter from the owners of the family businesses. To ensure that human dignity is further upheld the researcher sought informed consent from respondents of these family- owned businesses and allowed them to make the decision to participate based on adequate knowledge of the study. The researcher observed the ethics that pertain to the conduct of research under the auspices of UKZN. To that end, the study was carried out in accordance with UKZN policy on ethical issues relating to research activities. Right at the proposal stage, the researcher sought clearance from the Humanities and Social Sciences Research Ethics Committee. The proposal was approved (See Appendix). Before giving questionnaires to respondents, the researcher obtained informed consent from the participants. "Obtaining informed consent simply means that all possible or adequate information on the goal of the investigation, procedures that will be followed during the investigation, the possible advantages and dangers to which the respondents may be exposed, as well as the credibility of the researcher, be rendered to potential subjects" (Williams *et.al*., 1995 in Strydom, 2002:65). To that end, the researcher explained everything the participants needed in order to make informed decisions before participation.

The researcher introduced herself and outlined the purpose of the interview to the participants. She gave the participants her supervisor's contact details in case there was a problem. She further explained the aims of the study as well as the methods to be used. Furthermore, the researcher assured the participants of anonymity, privacy and confidentiality and only pseudonyms were used. The right to privacy can be viewed as "the right to decide when, where, to whom, and to what extent his or her attitudes, beliefs and behaviour will be revealed" (Singleton *et.al*., 1988:454). The researcher explained to the participants that no one would know how they would have answered. They did not give their names or any person's name in their answers. The researcher assured them that their responses were going to remain confidential. All information the participants provided was considered confidential and grouped with responses from other participants. Furthermore, no participant would be identified by name in this thesis or in any report or publication resulting from this study. It was also important for the researcher to emphasise to the participants that their participation was voluntary. The researcher explained to them that they were not going to be penalised if they chose not to participate or to withdraw from the study at any time. Lastly, the researcher assured the participants that this study had been reviewed and received ethics clearance through the Office of Humanities and Social Sciences Research Ethics Committee at UKZN but the final decision about participation was theirs (See Appendix-Annexure D).

4.9 Chapter Summary

This chapter has outlined the methodology that was adopted for this study. It commenced by giving a brief background of the study site, with the principal aim of analysing the impediments hindering the continuity of family owned businesses beyond the first generation, in Manicaland, Zimbabwe. The chapter explained how the mixed method approach was executed in this study. After explaining the philosophical foundations of the quantitative and qualitative research paradigms, this chapter has shown why the qualitative approach was appropriate for this study. The chapter went on to discuss the population and the sample for this study, which was composed of family owned businesses in Manicaland, Zimbabwe. Then the chapter discussed the data collection methods that were employed. Questionnaires and In-depth interviews were used. The chapter has also explained how validity and reliability of the study was enhanced. The chapter wrapped up with a discussion on the methods that were used to observe the research ethics and how the privacy, confidentiality and anonymity of the participants were protected. Returning to the research questions and objectives posed at the beginning of this study, the next chapter focuses on the findings of the study.

CHAPTER FIVE

RESULTS, INTERPRETATION AND DISCUSSION OF FINDINGS

5.1 Introduction

This chapter presents, analyzes and interprets the findings of the study found using a triangulation of structured questionnaires and in-depth interviews carried out with family owned businesses in Manicaland Zimbabwe. The study used both quantitative and qualitative approaches to analyse results depending on the specific objective to be answered. Quantitative data is hence analysed using descriptive statistics whilst qualitative findings are transcribed, coded, and analysed using interpretation and thematic approaches which describe interpretations of participants' views, perceptions, and experiences. The researcher understood very well the assumptions for doing quantitative data analytic methods which requires a large sample size to ensure that the study is sufficiently powered enough to detect meaningful effects. As a compromise as the sample size for this research was too small to conduct quantitative data modelling analysis, the researcher managed to conduct a descriptive analysis on demographics as well as thematic areas identified from the qualitative information and these have set stage for future researches.

A descriptive quantitative analysis was conducted on the demographics and other social issues pertaining to the participants including having a succession plan or not. Frequencies, percentages and graphical presentations are used to buttress narrative illustration of information gathered. The thematic analysis approach was used on the in-depth interviews carried out using the NVivo software. Themes were generated for each objective accordingly. However a mixed approach method was adopted since by doing a thematic analysis, the data will be quantifiable in themes and the analysis will involve both. The first section introduces the chapter and this is followed by Section two which addresses research objective one, which aims to find out the impact of entrepreneurial culture to the survival of family owned companies in Manicaland Zimbabwe. Section three describes research objective two, which aims to determine the importance of succession planning in ensuring sustainability of the family owned businesses beyond the first generation in Manicaland Zimbabwe. Section four describes research objective three which aims to explore the entrepreneurial skills necessary in the founder of family owned companies in

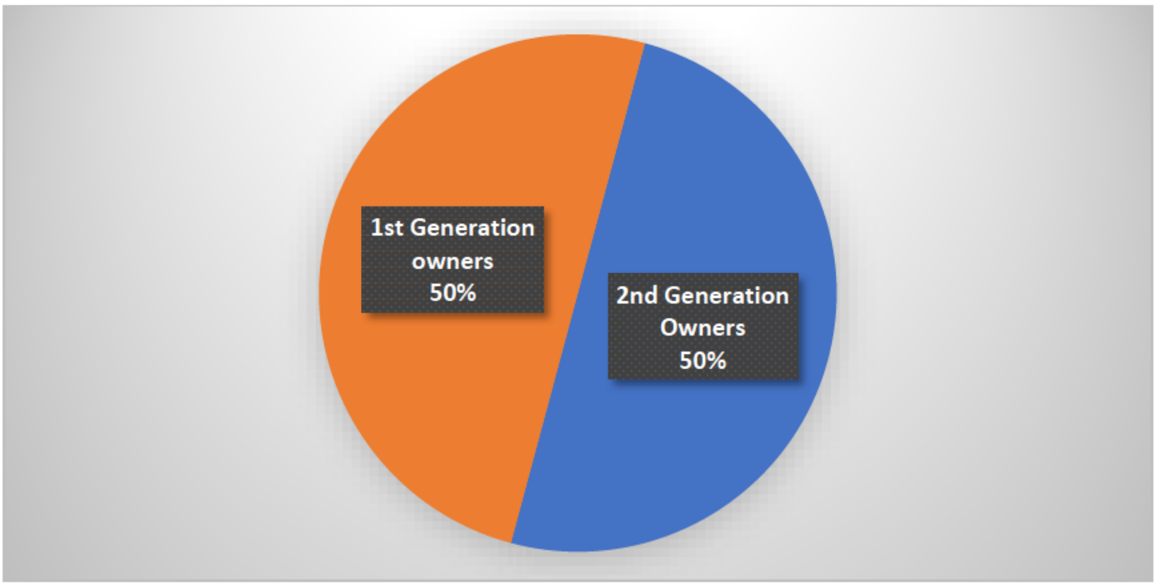
Manicaland, Zimbabwe. Section five analyses results from research objective four, which aims to identify the role of family traditions of family owned businesses in Manicaland Zimbabwe.

5.2 Data Presentation and Analysis

5.2.1 Socio-Demographic Characteristics of the Respondents

Demographic characteristics collected from the participants include, type of family business owned, generation level, education level attained, race and the position held in the family owned business. In-depth interviews were conducted among the 16 participants. Females constituted 50% with their male counterparts constituted another 50%. The mean age of the respondents was 42 years. The median duration on which the businesses have been operating was 12 years with the minimum having operated for 2 years and the maximum 38 years. (Hamingtlon 2003) pointed out that FOBs have been experiencing many challenges, including their ability to survive for a long period of time and achieve their set goals and fulfilling their visions. In Hamilton's opinion, the survival challenges can be traced back to the internal issues such as inability or desirability of founders to determine succession, fewer available resources to devote to succession planning, less in-house staff with the expertise to develop and manage an integrated succession planning initiative, and resistance of family owners to open succession lines to non-family with the argument to keep it in-house.

Figure 5:1: Generation Owners



There were equal numbers of the respondents (50%) as first generation and second generation owners.

Participants were drawn from different types of businesses which include manufacturing, farming, clothing, education, transport and health industries as well as based in both rural and urban set up. The majority constituting 25% was from the farming sector with equal numbers constituting each 12.5% were from the clothing, education, hotel industry and manufacturing. Most of the participants were drawn from small and medium enterprise sectors hence only one participant was interviewed. The main reason why most were from the farming sector could have been contributed by the fact that farming business does not require much paper work and legislation for registration purposes. Another factor that could have contributed to this is that Manicaland is a very fertile region for farming.

Table 5.1: Type of business owned

Type of Business	Frequency	Percentage (%)
Clothing	2	12.5
Education	2	12.5
Farming	4	25
Finance	1	6.25
Health	1	6.25
Hotel Industry	2	12.5
Manufacturing	2	12.5
Transport	1	6.25
Property Management	1	6.25
Total	**16**	**100%**

Table 5.2 Highest level of education

Level	Frequency	Percentage (%)
O level	5	31
Diploma	3	19
Undergraduate Degree	6	38
Masters	2	12
Total	**16**	**100%**

Thirty eighty per cent of the participants in this study attained undergraduate degree level, followed by 31% who attained O level. Only 12% of the participants have gone up to Masters' level. This is a particular situation in small to medium enterprises as these areas require minimum capital, less barriers to entry, and few regulations.

Table 5.3 Race

Race	Frequency	Percentage (%)
Black	9	56
Black American	1	6
White	2	13
Indian	4	25
Total	**16**	**100%**

Fifty sixty percent of the participants interviewed were of the black origin. This is because the geographical scope of the study by nature is dominantly black populated. The Indian community has almost half of the blacks-yet rooted in Family owned businesses, even in a foreign land. Accordingly to a recent study (September 2018) Credit Suisse Family 1000, India ranks third in terms of the number of family-owned businesses. The survey also showed more than 50 percent of the top 30 best performing of them in Asia, excluding Japan, are from India.

Table 5.4 Ownership and Control

	First Generation	Second Generation	Total
Race			
Black	5(63%)	4(50%)	9(60%)
Black American	1(13%)	0(0%)	1(7%)
White	2(25%)	1(13%)	3(13%)
Indian	0(0%)	3(38%)	3(19%)
Position Held			
Director	6(75%)	5(57%)	11(69%)
Manager	2(25%)	3(43%)	5(31%)

Family owned business depict ownership and control among family members as shown in the table above. The majority of participants were directors, with 75% being first generation owners. Indians who participate in the survey were all second generation owners, a clear indication of how the Indian community have mastered better than their black counterparts, the concept of business continuity beyond the first generation as earlier on alluded to. There are unique features of family-owned firms that distinguish them from non-family businesses. For executives in India, and international organizations interested in doing business in the country, an understanding of the challenges being faced by such firms can be valuable particularly as, according to ISB, 75% of the employment of Indian citizens is in family-managed enterprises.

Facts that may be particularly useful include, for example, what industries are predominantly covered by family-owned businesses (Ramachandran and Bhatnagar found that most firms covered services, followed by mining and manufacturing). Similarly, the majority of firms surveyed were found to be less than 40 years old, with more than half still being led by the first generation of the owning family.

5.2.2 Thematic Analysis

In-depth interviews were conducted to explore and understand the experiences, perspectives and views of the study participants on the survival of family-owned businesses beyond the first generation. The analysis was critical to fully appreciating the issues and meanings, and then condensing them into categories as part of the coding process using the six steps thematic analysis discussed in the methodology section. The categories were then abstracted into sub-themes, and ultimately into key themes. Themes were generated for each objective of the study. The main findings of this qualitative study on continuity of family owned businesses beyond the first generation fall under the four main themes, which cover the objectives of the study on impact of entrepreneurial culture in the organization, importance of succession plan to ensure sustainability of the business, necessary entrepreneurial skills and family traditions of the family owned businesses.

5.2.2.1 Entrepreneurial culture and FOBs 'survival beyond the first generation

Survival and continuity of family-owned business depends much on the entrepreneurial culture within the organisation. After succession, the survival of any business has to follow or change the entrepreneurial culture existing in the organisation. This study tried to unearth the different entrepreneurial cultures within the family owned businesses on how they can affect the survival of the business beyond generations. The study participants had different perspectives on their organizational entrepreneurial culture. According to the analysis used, the cultures were grouped into thematic areas.

Impact of entrepreneurial culture

Company culture includes a multiple range of issues. This includes how employees dress, how they interact with the leaders of the organisation also how employees volunteer to work after hours. It also involves the structure and work ethics concerning the employees.

These include punctuality, how to resolve disputes as well as bureaucratic ethics followed. The following figure shows the themes which were extracted from the participant's responses on what entrepreneurial culture do they follow within their firms.

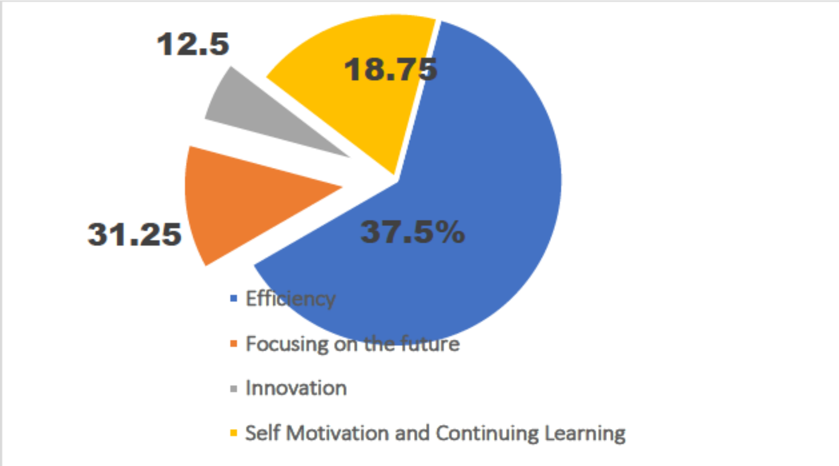


Figure 5.2: Entrepreneurial Culture in FOBs

a) Efficiency

Majority of the participants (37.5%) stated that efficiency is the major entrepreneurial culture which exists within their organizations. This involves the work ethics being implemented within the organizations. Hardworking, transparency and punctuality were the common cultures cited by the participants as the catalysts for the survival of most business beyond the first generation. Generation also plays an important role in organizational cultures

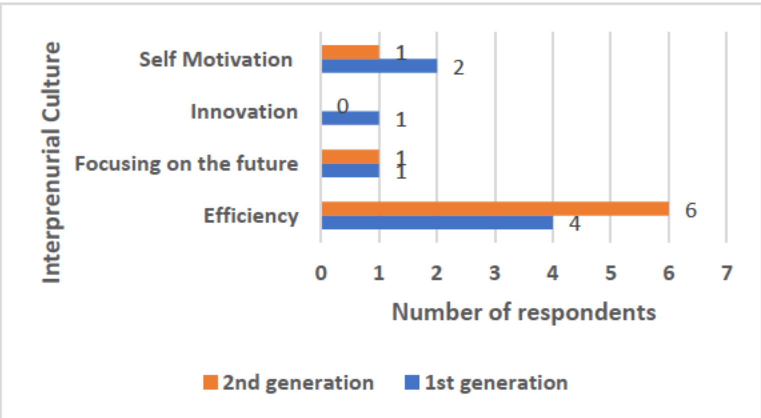


Figure 5.3: Entrepreneurial Culture in the 1st and 2nd Generation

The second generation (71%) highlighted efficiency as the key to survival of most of their businesses from the first generation. Those from the health sector entities had to say

"*Doing the right thing the first time*" is their organizational culture which moves the business forward beyond generations.

b) Focusing on the future

Entrepreneurial culture also depends on the type of family owned business. Thirty one percent (31%) of the entrepreneurs mainly from the manufacturing and transport business entities emphasized mostly on the future survival of the organization.

Table 5.5: Impact of entrepreneurial culture on FOBs

Type of Business	Efficiency	Focusing on future	Innovation	Self motivation
Clothing	1		1	
Education	1			1
Farming	1			1
Finance	1			1
Health	1			
Hotel Industry			1	
Manufacturing		3		
Transport		2		
Property Management	1			
Total	**6**	**5**	**2**	**3**

This shows they were thinking beyond the generation on how the organization will survive. The culture meant survival of the business beyond the generations. Most directors highlighted that they do hands on management as their business ethics to make sure the businesses survives beyond the first generations.

c) Innovation

Respondents in the hotel businesses and clothing industry had innovation as their main entrepreneurial culture to observe within their organization. These were also to synchronize their culture with the existing technological changes in their business environment.

d) Self-motivation and Personal development

Self-driven and willing to learn was also unearthed in this study as an entrepreneurial culture in education and farming businesses. They attributed the success and survival of their businesses beyond generations to owners and management who continue to capacity build themselves to be at par with new innovations and changing technology environments within the business ethics

5.2.2.2 Succession planning and FBOs' sustainability beyond the first generation

Succession planning is a process where firms plan for the future transfer of ownership (Sambrook, 2005). Succession planning is a dynamic process requiring the current ownership to plan the company's future and then to implement the resulting plan. In fact, it occurs when the firm owner wishes to exit from the firm, nevertheless wants the business to continue. The motive behind this is to transfer ownership of the firm to any of the family members rather than shutting down the business altogether. Succession planning is generally considered to be a unique, case-by-case process, where a one-size-fits-all mentality is simply not appropriate (Sambrook, 2005). Succession planning should be part of an on-going process that looks at what leadership and management skills are necessary for the on-going success of the company as it strives to meet its vision. Therefore one of the main aims of this study was to establish the importance of succession planning to ensure sustainability of the family-owned business beyond the first generation. Participants were asked questions on succession plan, how to transfer the business to heirs, who should be the next generation owner or in the event of eventualities what modalities do they have in place to protect the family business for the future generation.

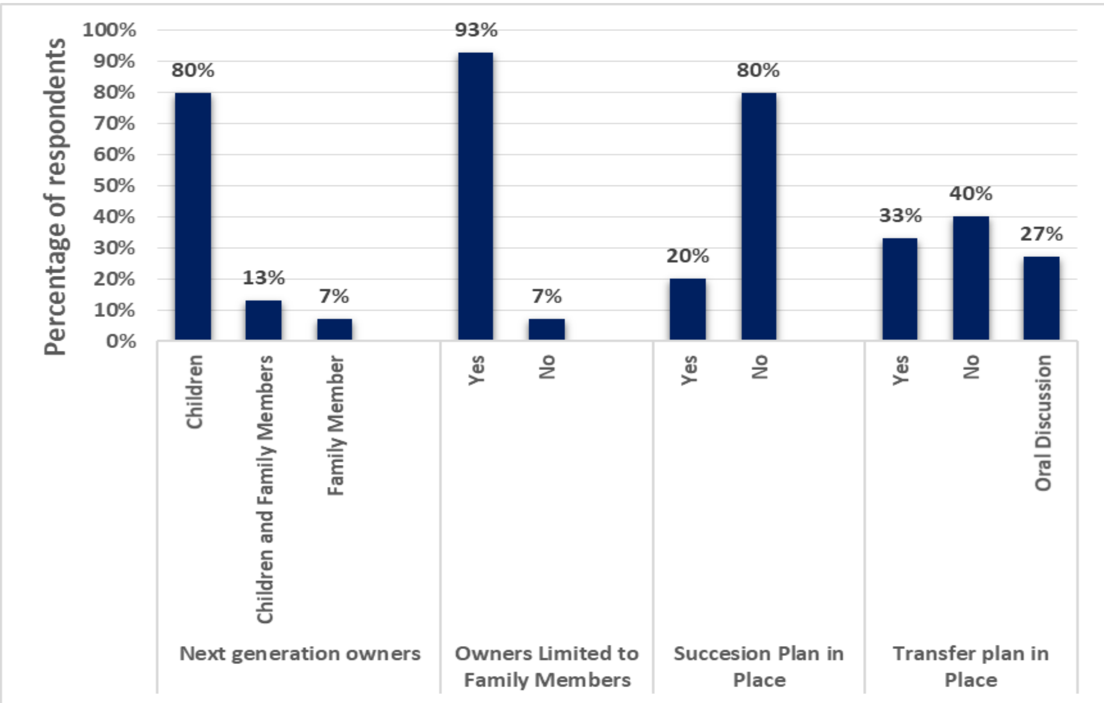


Figure 5.4: Succession Planning

a) Next generation owners

Succession planning is a key instrument in the survival of family owned business. Family feud is one of the key issues resulting from a family business without a clear succession plan. The findings also revealed participants' views on succession plan. All participants know who the next generation owners would be. The figure above shows that 80% of the participants indicated that their children will be the next generation owners of their businesses'. This has also been shown by 50% of the respondents who are the second generation owners from their parents. Majority of the respondents (93%) highlighted that the next generation owners should be limited to family members only. The business were regarded as a family investment and should remain and retained in the custody of the family forever

> "*Yes, so as to protect what I built over the years*"

The family owned businesses' were also regarded as part of traditional inheritance property within the family

> "*Yes, inheritance, to keep it in the family*"

There was also a belief that the next generation owners should not be limited to family members only as someone with qualification and experience should be the owner. Participants from the health sector business (7%) had reservations on next generation owners be limited to family members.

> "*No, because one has to be qualified to run the hospital*".

Therefore they had the notion that if no one is qualified or experienced to run the business, then the owners should not be limited to family members only.

b) Succession Plan

The current owners of family businesses have no management plans in place for succession (80% of the respondents) with 33% indicating that they are working towards having the documents in place. For the 20% who said they have the plan in place, they had accommodated their siblings with different skill levels and interest in the business.

> "*Siblings with interest and different skill levels. Interest is more important in our industry*"

Transferring a family owned business to heirs is an important issue and part of the succession plan. This is one of the complex issues on why family owned businesses do not succeed beyond the first generation. The study revealed that only 33% of the business owners had planned on how to transfer the family business to the next heirs while 27% had only discussed the issue orally with either the children or family members. The second generation participants in this study also highlighted that their first generation counterparts (parents) also had discussed orally with them.

"*I have discussed this with my children, as my father did with us*"

Other respondents had the plans in mind but not written down.

"*Yes it's just in my head, not on paper*".

The study revealed that most family owned businesses in Manicaland Province, Zimbabwe do not prioritise a succession plan to be in place although most of the businesses have been in operation for more than 12 years. All first generation respondents had no succession plans in place with 43% of the second generation owners have succession plans in place. This reveals that the importance of a succession plan has been realised its importance and the need to have it by the second generation for the survival of the family owned businesses beyond generations. This also shows that lessons have been learnt from the first generation hence the need to improve to change the business operating environment to suit the current situation.

c) Preparedness in case of unexpected eventuality (Death)

Death can occur unexpectedly to the owner of the family owned business. This has to be prepared for in any family run business. Assessment of these impediments was also a major issue to be tackled in this study. Participants had different views they put forward on how prepared are they in case of eventualities for the survival of the family owned business beyond their generation. In most cases this also should be part of the succession plan. Eight six (86%) of the respondents highlighted that their families can continue running the family owned business in case of an eventuality. Mentorship has been cited as the major thrust put on family members by the current owners so as to move the business forward in case of unprecedented death.

"*Yes, my children can run the business based on the books and transparency I have given them*"

"*I have been incorporating them in the running of the business for continuity*"

For those who highlighted that their family members are not yet in a position to run the businesses in case of eventualities are still yet to mentor their heirs and no proper documentation (succession plan are in place). In the event of an early death, most of the current owners (47%) know that having a WILL in place will safeguard the family business for the future generation while 40% have insured their businesses to protect their families in future.

"*Have a written down document, an agreement which my families knows about*"

"*Insurance is the best, I have Old Mutual*"

The current family owned business owners had also mixed views if their families will have sufficient resources to hire or replace them in case of unexpected death. Sixty (60%) disagree that their families can hire or replace the current owner. Businesses which are still in their infancy cited little resources to hire someone qualified

"*I cannot be replaced because the vision is mine*".

"*I don't think anyone can really replace me*".

Family owned businesses with shared partners are critical in the event of the owner die unexpectedly. Family members should get a fair price from the company proceeds. However this study reviewed that most current owners agree that they don't think the partners will give their families a fair share. This also is linked to lack of proper legal documents in place for the survival of the company beyond generations.

"*No, I have not written anything down*"

The study revealed that most of the current owners have not yet prepared for the future and survival of their family owned business in case of early death. Legal documents to protect the family, company profiles with partners as well as succession plan in place. These are some of factors which may lead to family feud after death of the first generation owners and in turn affects the survival and continuity of the family business beyond the generation.

5.2.2.3 Entrepreneurial Skills needed for FBOs' continuity beyond the first generation

Any business needs a specific entrepreneurial skill to run it. Family owned businesses are not spared in this. Survival or continuity of these businesses beyond generations can be affected by lack of proper entrepreneurial skills by owners or founders of businesses. Participants in this study were mainly directors (69%) and managers (31%). Among the directors, 60% were the first generation owners. Thirty three (33%) had received training within their field of operating while 53% had received either on job training or self-taught. Both the first and second generation owners of family business who participated in this study had different entrepreneurial skills they consider necessary in their organisations. Thematic analysis was employed in coming out with the thematic entrepreneurial skills unearthed in this study. These include Human resource management, Hardworking and Risk Takers, Organised and Time Management and Public relations.

5.2.2.4 Entrepreneurial Skills necessary to run the family owned business

Participants were asked on the entrepreneurial skills considered for proper management and smooth running of their family owned businesses. Out of the sixteen participants of this survey, 75% responded to this question. The following themes were generated from the participants' responses. Time management and public relations, human resource management and risk taking and hardworking were mainly highlighted by the participants as the common entrepreneurial skills required.

Table 5.6: Entrepreneurial skills necessary for FOBs

Entrepreneurial Skill	Frequency	Percent
Good Human Resource management	4	33%
Hardworking, Risk takers	3	25%
Time management, Public Relations	5	42%

Time Management and Public Relations

The majority (42%) of the respondents highlighted that time management and good public relations are necessary and key entrepreneurial skills required in their family owned businesses. Good public relations involve networking with other partners in the same industry fraternity. Participants agreed that good public relations will make a business surviving beyond generations through networking.

a) Human Resource Management

Human resource was also regarded as an entrepreneurial skill for the survival of family owned businesses with 33% of the participants highlighting its importance. Manpower development, capacity building of staff as well as personal development was some of the issues taken on board as human resources management. Good leaders with good management skills were also mentioned as the key to successful continuity of a business organisation

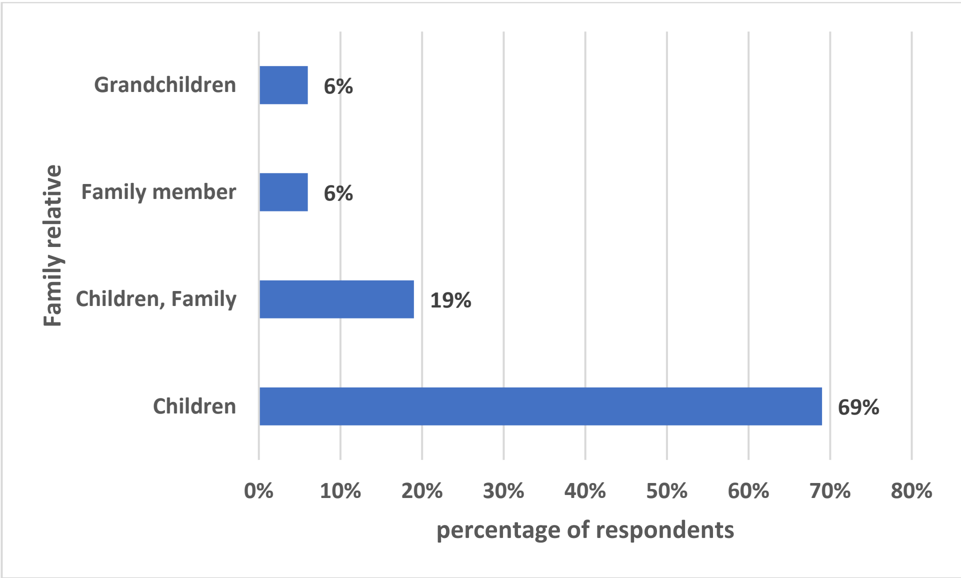
b) Hardworking and Risk takers

Several good work ethics have been highlighted as the key entrepreneurial skills required in any business to prosper or survive. However in this study, hardworking and risk takers were the major ethics put forward by participants. Whether one is qualified or experienced to run a business, hard work and risk taking needs to be incorporated in business ethics.

5.2.2.5 Role of Family Traditions and FBOs Continuity

Family traditions seem to play a major role on the continuity and survival of family owned businesses. Different traditions were put forward by the respondents as they follow so that their businesses will survive. The main tradition followed by all 100% of the respondents was that the business owners should be limited to family members only for all the next generations to keep their tradition and culture as well as the following the practice of inheritance as shown in the figure below. The majority (69%) highlighted that the business ownership should remain to the children only.

Figure 5.5: Next generation owners of Family owned businesses



Family traditions also played a major role in survival of the businesses as most respondents (80%) regard ownership as a birth-right. Kingship was seen as the sole prerequisite for share ownership. Hence for any generation to come, the business would remain within the family ownership. However although birth-right is regarded as the sole pre-requisite for share ownership of the family owned businesses, not everyone had the same contributions as levels of operations differs. The current business owners highlighted that someone's qualifications, interest and experience plays a major in differentiating the levels of contributions one would make as shown in the figure below.

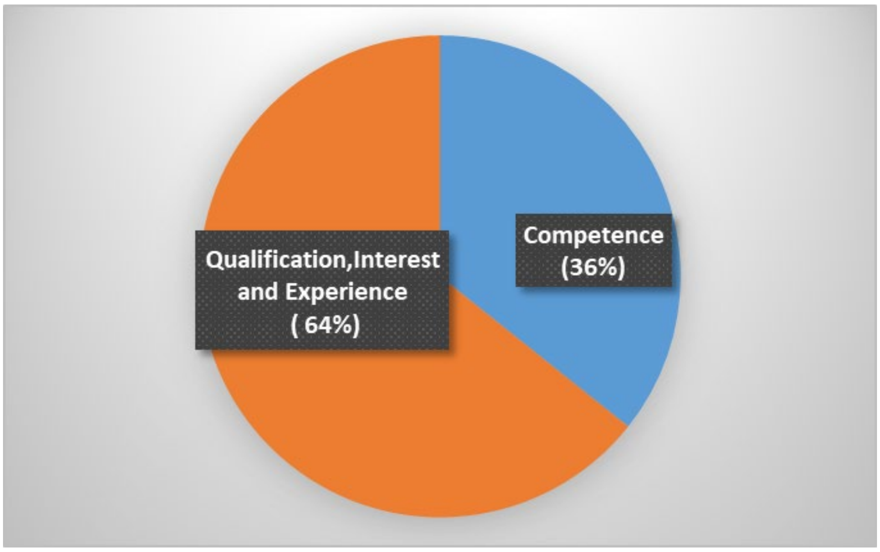


Figure 5.6: Skills used to differentiate Level of Contribution within a family owned business

Some owners regard competence as a way which distinguish levels of contribution to the business, hence whether one has birth-right owners, competence and experience also have to be considered to differentiate the levels of contribution. As part of inheritance also for continuity and survival of family businesses beyond first generation, male counterparts were highlighted as the major shareholders within family owned businesses. The reason put forward being that female counterparts would later get married and leave the family.

> "*I will give the majority shareholders to the first born son as girls get married and leave the firm*"

Ownership and Management

Although most respondents cited that king ship is the sole prerequisite to ownership, they highlighted that ownership and management do not necessarily co-dependent.

> "*Not really, these are two different things. Management needs expertise*"

The other family traditions within the family owned businesses were categorised into sub themes which include religion, paying back to the community, meetings/gatherings and personal development

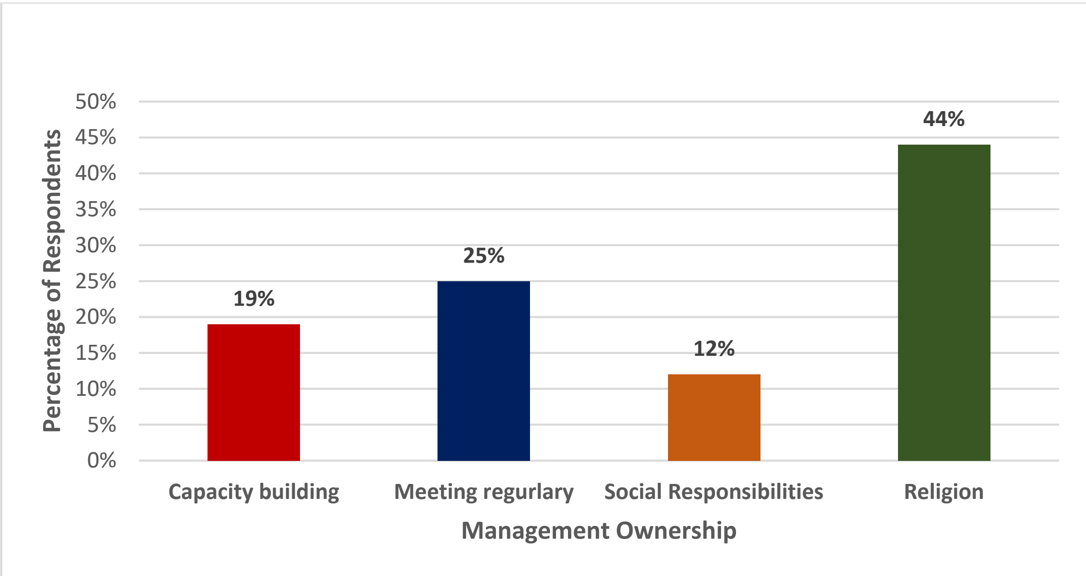


Figure 5.7: What constitutes ownership?

a) Religion

Religion was seen as a major tradition (44%) being observed and continues to be observed by most family owned business owners. They highlighted that even in any future generations; they will continue to observe their traditional practices. Religion being followed involves praying among Christians and Moslems and consulting spirit mediums for African traditional religion. Prayer and good relations, family prayer before work and consulting spirit mediums were cited as traditions which are being followed in some family owned business.

b) Meetings/Gatherings

Families observed business meetings as one of their important traditions which move forward their businesses. During these meetings, sharing of ideas, planning and focusing on the future of the family owned business are discussed.

> "*Family holidays, a time to reconnect and focus on the dos' and don'ts' and way forward in the organisation*"

> "*Supper time, this is the time issues that happened during the day are shared and discussed*"

Some meetings are regularly held within families for the way forward of the organisation and this was highlighted as some of the traditions which shall continue to be observed beyond all generations.

c) Social Responsibilities

A major community development programs observed by many businesses is to help the community around. Some owners of the current businesses in Manicaland highlighted that their tradition is always giving back to the community either in kind or any assistance they can.

> "*Sharing our first fruits and crops with the needy in our community"*

> *"Celebrating and dedication of new born babies within our organisation"*

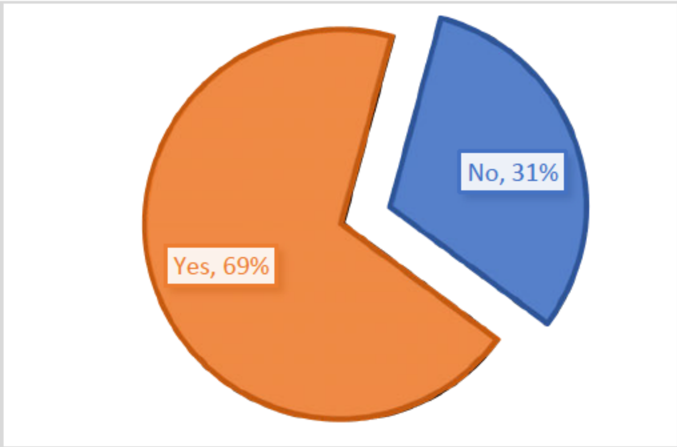
d) Capacity Building and Personal Development

In some situations, some family business owners cited that capacity building and personal development are their key family traditions which they follow for the survival of their businesses beyond generations. Honest and secrecy (keeping company secrets) as well as where to seek advice in terms of crisis within the business are also part of these traditions being followed.

Role of Family Traditions and Technological Changes in FBOs' Survival

Participants had different views regarding their traditions in relation to the ever changing business environment.

Figure 5.8: Are family traditions in sync with the changing business environment?



Sixty nine per cent (69%) of the participants do agree that their family traditions are in sync with the technological changes. On religion there was different opinion with some disagreeing that the family traditions are not in sync with the ever changing technology. The inheritance issue was seen as one which is not in favour of the changing environment

> "*Sometimes they conflict, because the son may misuse his rights or not interested*"

> "*Some may not be. Some traditions may make things rigid in a high technology industry though some may still apply*"

> "*Yes, prayer has always been in sync with anything under the sun*"

> "*At times company secrets need to be shared to the external key people we outsource*"

> "*Yes they are, even on holidays we can always have our products being sold online without necessarily shutting down*".

Therefore for survival of the family owned businesses beyond generations, family traditions are key issues which should be played particular attention to for the continuity of the organisations. The changing business environment through technological improvements has to be synchronised with these traditions.

5.3 Conclusion

This study has revealed that most family owned businesses in Manicaland province, Zimbabwe are run by first and second generation owners. The importance of survival and continuity beyond these generations in terms of succession planning, entrepreneurial culture and skills as well as the role of family traditions seems to be known by the owners. However most of the plans are not documented nor have any legal documentation for future generations. Family traditions on what must be done within the organisation are still being followed and hence need to take on board the changing business environment especially in improved technology systems

5.4. Chapter Summary

This chapter presented the results of the data collected from family-owned businesses in Manicaland province, Zimbabwe. The first part of the chapter presented the results of the socio-demographic analysis reflecting the socio demographic profile of the respondent family owned businesses that participated in the study. This was followed by a qualitative analysis ofthe key drivers of succession in family owned businesses in Manicaland, succession strategies practised by family owned businesses, measurement and reporting of family owned businesses that measure their succession strategies, importance of entrepreneurial culture, impact of entrepreneurial skills as well as the role of family traditions on the survival of family owned businesses beyond the first generation. The results were presented in the form of graphs and tables. The following chapter will discuss the results presented in chapter four in detail.

CHAPTER SIX

DISCUSSION

6.1 Introduction

Chapter four dealt with the analysis of from the study that was carried out on family-owned businesses. This chapter discusses the findings from the study, in line with the objectives and conceptual frameworks that were discussed in the literature review. The main purpose of the study was to investigate the impediments to continuity of family owned businesses beyond the first generation in Manicaland, Zimbabwe, and the impact of these on the survival of the firms.

6.2 Research Objectives

1. To examine the impact of entrepreneurial culture on the survival beyond the first generation of family-owned companies in Manicaland, Zimbabwe.
2. To assess succession planning for sustainability of the family-owned businesses beyond the first generation in Manicaland, Zimbabwe.
3. To explore the founders' entrepreneurial skills necessary for survival of family-owned companies beyond the first generation in Manicaland, Zimbabwe.
4. To explore the role of family traditions in the survival of FOBs beyond the first generation in Manicaland, Zimbabwe.

6.3 Research Questions

The research questions underpinning the study are:

1. How does entrepreneurial culture impact on the family-owned businesses' survival beyond the first generation in Manicaland, Zimbabwe?

2. What succession plans have been put in place to ensure sustainability beyond the first generation of family owned businesses in Manicaland, Zimbabwe?

3.What role do founders 'entrepreneurial skills play in the survival beyond the first generation of family owned businesses in Manicaland, Zimbabwe?

4. To what extent do family traditions affect family owned businesses ‘survival beyond the first generation in Manicaland, Zimbabwe?

6.4 Impact of entrepreneurial culture to the survival family-owned companies in Manicaland Zimbabwe, so as to ensure survival beyond the first generation

This research objective was addressed by the questions below

6.4.1 Which entrepreneurial culture is there in your organisation?

The results indicated that FOBs do have entrepreneurial culture in their organizations since the majority agreed that they practice it. According to Zahra *et.al* (2004) entrepreneurial, culture refers to the shared beliefs, norms and values held collectively by people in an organization for example a family or a business. Entrepreneurial culture can thus be also defined as a complex set of values, beliefs, assumptions and symbols that define the way in which a firm conducts its business (Barney, 1986) or a gathering of values that dominate an organization (Into, Ankara, Heikki,2012). Previous research suggests that entrepreneurial culture influences an existing firm’s disposition to support and sustain entrepreneurship. Zimbabwe is a developing country, and all the FOBs are owned by private individuals, since they are not state owned entities. The results are in line with the authors claims that entrepreneurial culture plays a very important role especially in the health sector were they practice “doing the right thing first time “The Importance of culture in various sectors of FOBs is still a major area to be given attention to.

6.4.2. Should Entrepreneurial Culture Change over the years?

The results from the study indicated that preservation of culture is highly associated with the continuity of the business beyond the first generation. Some reservations were made, however, with regards to technological changes and being rigid in culture. Some of the young people did not subscribe so much to the idea of continuing with certain cultures that have been there for the past generations as they wish to be flexible and do away with some.

Respondents in this study pointed out that entrepreneurial culture should certainly change with time, especially with technological innovation. This confirms what other researchers have also found in the previous researches that were done. Culture is not a static phenomenon but a conception which everyone is constantly creating, affirming and expressing (Seel 2000). Change is now very evident in organizations hence changing entrepreneurial culture. Change in organizations can be motivated by technological change, the desire to keep up with a dynamic market and competitions, and the desire to possess a competitive edge over rival organizations, change in accordance to the discretion of management choices and as cited by (Rashid *et.al* 2003) A research study by Iverson (1996, as cited in Rashid *et.al,* 2003) found that employees' acceptance of organizational change increases with organizational commitment, a harmonious industrial relations climate, education, job motivation, satisfaction and security.

6.4.3 Which Ethnicity/ Race are you?

Respondents in this study came from different ethnicity groups. It was interesting to note that those from non-indigenous Zimbabwean origins are the ones who were most successful in continuing to operate their businesses beyond the first generation as illustrated in this table below.

Table 6.1 Respondents' Ethnicity and Race

	First Generation	**Second Generation**	**Total**
Race			
Black	5(63%)	4(57%)	9(60%)
Black American	1(13%)	0(0%)	1(7%)
White	2(25%)	1(14%)	3(13%)
Indian	0(0%)	3(29%)	3(30%)
Position Held			
Director	6(75%)	4(57%)	10(67%)
Manager	2(25%)	3(43%)	5(33%)

By mere calculation it can be noted that four out of nine Black Family-owned businesses managed to continue beyond the first generation. As a percentage this is 44.44% of black businesses that managed to continue. Black American businesses have no businesses that continued beyond the first generation out of the one studied in this research. As a percentage this is 0%. Of the three white-owned family businesses, only one managed to continue beyond the first generation. As a percentage this is 33.33%. Finally, of the two Indian family owned business, both managed to continue beyond the first generation. As a percentage this is 100% of Indian-run family businesses that managed to continue beyond the first generation. Based on these findings, it can be concluded that ethnicity has a bearing in so far as continuity of these family-owned businesses is concerned. This also included certain practices and beliefs that these families value and preserve. According to Bruderl and Schussler, (1990) business survival is an indicator of business success. This means that survival is an expression of the ability to react to rapidly changing environmental conditions in order to ensure that the new business does not fail. It has been recognized that entrepreneurship has been recognized by Dimov (2007) as a purposeful social process that creates opportunities through discussion and interpretation, and accounts for the context in which these opportunities emerge. Danes, Lee, Stafford and Heck (2008) describe entrepreneurs as rugged individuals garnering creative forces of innovation and technology. Entrepreneurial intention on the other hand is a cognitive representation of the behaviours to be exhibited by individuals, either to establish independent new ventures or to create new value within existing companies (Bird, 1988). Danes, Lee, Stafford and Heck (2008) asserted that "to ignore ethnic and family contexts that create the culture from which entrepreneurship emerges is to forge a myopic view of ethnic businesses owned and operated by their family members" (p. 229).

6.5 Succession Planning for FOBs

6.5.1 Who should the next generation of owners be?

Barnes and Hershon (1976) wrote that family transitions and company transitions usually occur together. They believe that; while the stress might be higher at these times, the combination of both transitions usually results in smooth transition from relationship perspectives. Drowzdow (1990) suggests that before a family business selects a successor, it must answer some basic questions.

- Is it a source of employment?
- Is it a source of investment? or

- A vehicle to bring the family together?
- Is the business operating efficiently and profitably?
- She proposes that answers to these questions will determine what type of leader is needed to achieve the goals

The results indicated that most FOBs would want their children be part of the next generation of owners or their spouses if they are not already part of the business currently. However, from the study it was found out that this is just a mere desire of the people running the business now, and nothing is being done practically to empower the next generation of owners or to communicate this to them. This study revealed the importance of proper professionalism and need for family businesses to seek entrepreneurial consultancies in areas they are not competent with, this being one example.

6.5.2 Is ownership a birth right? Is kinship the sole prerequisite for share ownership?

Lee (2006) examined the influence of family relations on attitudes of the second generation working in their parents' family business. Two specific family related factors i.e. organizational commitment, job satisfaction, and propensity to leave were examined in this study. This study revealed that most of the owners or the people managing these family owned organizations believe that ownership is a birth right. However, in the health sector they disagree as they argue that expertise and experience is very important for share ownership, hence outsourcing qualified personnel outside of the family becomes an alternative.

Most visionaries of FOBs, in Manicaland Zimbabwe, making up 53% of the respondents were African. As such, most of them still believed in passing on inheritance to the first born son in the family. They still believed in primogeniture.

6.5.3 How do you protect your family in the event of your early death?

Results indicated that most FOBs do not have written succession plans in the event of an early death. Most African-run family businesses still believe that talking about death is a taboo hence the topic is seldom discussed in their circles. However, a great need to educate them and make them realize that death is real and practical. Life after death to their children and spouses still need to continue. A legacy still has to continue, as such the need for certain policies to be put in place, for example, funeral policies needed to be put in place for continuity of the business after the visionary has died.

The researcher found out that certain training programs needed to be put in place so as to raise awareness to these businesses on involving their family members and running the business with a clear futuristic vision in mind.

6.5.4 Do you have a Management Succession Plan in place?

Results of this study show that again for most African businesses succession planning is still a major taboo and most of the business owners avoid this question as much as possible. The study shows that there is great need for awareness campaigns and trainings so that businesses run professionals and plan for death and the future of the business. This fear in talking about the subject of death has caused many of these businesses to suffer in terms of growth. Growth remains an option and not an objective. Mainly because of the economic hardships in Africa, most businesses are comfortable surviving and being able to just break even.

Owing to the issues on fear of the unknown in Zimbabwe, offering education and training should be prioritized. In comparison, FOBs that discuss and have management succession plans in place are more successful and have more chances of proceeding beyond the first generation as evidenced in the results.

6.5.5 Must all family members be treated equally in the FOBs

Results indicated that this question raised sensitive issues taking place in most FOBs. Equal treatment was welcomed by most managers, however, it was deemed impossible to happen practically. Issues of effort and commitment to the business came up. Some family members were deemed to put in more effort than others, hence equal treatment would be impossible. Other concerns of capability and expertise were brought up. Some family members take the time to learn and upgrade themselves in so far as the business is concerned, whilst others do not.

Of major concern was the health sector that pointed out that this was virtually impossible as those that put in more work in the hospital are only those that have taken hours on end to study in the health sector and invest in the business. Other departments of cause are there in hospital, but those family members that upgrade themselves in health education tend to benefit more from the organization as they are more relevant. Despite the fact that a large number of respondents in this study agreed that they owned a ‘family business’, there is a significant number that expressed prominent uncertainty about their family-owned businesses continuing. Most of them pointed out that generational succession were possible on a number of factors. Some of these factors include the fact that it was too early to accept or deny any specific course of events. In the event of older owners, this topic had mainly been resolved with a negative result - a significant number reported that, as far as they knew at present and accepted, the business would almost definitely be passed on to a family member. A further few reported that it was possible but unlikely (in most cases, the next generation was not interested). There are a few that emphasised the uncertainties of the current situation (most current owners in Manicaland Province had children who were far too young to express any interest). In most of these cases, the visionaries or owners would be interested in passing the business on. Better still saw this as an ideal situation, but were more than accepting of the idea that this may not happen, since they were more concerned about ensuring that their children forged their own path in life (especially if they did not have the aptitude to run the business, as was the case with the health sector owners).

In the greater part, therefore, it was spontaneously assumed – either for first generation businesses or those which had been passed on – that their own children would take on the business, as may have been the case for earlier generations. For most of the businesses, it was more important to pass on to the next generation an entrepreneurial spirit as well as characteristics, a better position in life, or improved access to opportunities, than the ownership and/or management of a business per se.

Indeed, the majority were relatively unconcerned about this situation, confirming findings in the most recent literature, that a wider conception of ‘family business’ would be useful.

Classical comments included:

This is indeed a family business and we hope to pass it on through the generations, but we are aware that the children may not want that.

My daughter maybe is interested, but she's only 16, and my other three sons are not interested. It would certainly be ideal for the kids to take it, but that cannot be forced on them.

Beyond any reasonable doubt this is a family business and we would never think of selling it. We have worked so hard to let it be where it is today. I don't know if the girls

(One has recently graduated from university, the other still at university) will take it up. We have discussed this, but none of them is yet clear as to whether to actually say they will want to do that. If they then decide they do not want to take it over, it would leave us with no choice but to wind it up.

Do you have intentions to pass it on?

I do not think that should be up to me alone. I have children and I believe they have to be involved in this decision. If they decide to, then they will have my full support throughout. But basically that's entirely their choice and whether they have managed to see the benefits the business has brought in their lives or not so as to make such a lifetime decision.

Several went further than this, and reported that they wanted 'better' or less stressful careers for their children, and that they actively resisted the next generation taking over the business, and would prefer to sell.

We don't want this for our children. We'd like them to do something different. However we are the leading enterprise in our industry so there is a high possibility of us being bought out.

A minority had thought more clearly about the possibilities open to their children and how they may benefit best from the business, plus different forms of succession and meanings of 'family business'. They distinguished between the next generation (I) taking over the business and running it; (ii) assuming ownership of the business but not managing it; and (iii) using family wealth gained from the business to start their own businesses or for some other purpose - often the preferred option among those making such distinctions.

A greater number of respondents viewed this as a physical passing down of the entity of the family-owned business to the next generation, however but the problem is businesses have to change and be progressive in nature. It is the management team that can make that happen, lest the business goes. The next generation may certainly not have the entrepreneurial skills, knowledge and experience that the founder has. As such succession should not be about the transfer of physical entity, but the transfer of actual knowledge and skills gained over the years.

How important is it to keep the business in the family?

It is important, though not always practical. Because of diversity, change, innovation and technological advancement, in future when our children may want to join the firm, the company will need to be very different. We would still like them to have the opportunity to make their own satisfying decisions and have their own business and be entrepreneurial. Of great importance now, maybe is the need that they get the hands on –on the job training they need and hence make informed decisions in future as to whether they want to take up the business or not.

It is in my thoughts nut the children are still too young to make a person decision.

It is a painful fact to note that in as much as I want the business to remain in the family; the children may not be interested. – In such a case I would rather keep the business as owned but not run by the family.

These responses clearly show that businesses in Manicaland province do have the topic of succession in their heads. It is, however, very unfortunate to note that this topic is seldom on paper for the majority of the businesses in this study. As such, it has led to a vague understanding and focus on succession planning.

There is great need of involvement from the necessary respective bodies, such as financial institutions to impart knowledge in the form of training to these FOBs. This will ensure the continuity of these businesses beyond the first generation.

6.6 Entrepreneurial skills in FOBs

6.6.1 Do you have academic qualifications for the position you are operating?

Results in this study indicated that most of the respondents were directors, making 67% and managers 33%. Entrepreneurial skills are necessary to ensure the continuity of FOBs beyond the first generation. 33% of directors have received training in the field they operate in while 535 had either done on the job training and other self-taught themselves. The entrepreneurial skills unearthed in this study include the following

- Human resource management
- Hardworking and risk takers
- Organized and time management
- Public relations

6.6.1.1 Human Resource Management

Edwin Flippo defines- Human Resource Management as "planning, organizing, directing, controlling of procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and social objectives are achieved."Good human resource management was also included as a skill that contributed greatly to the continuity of FOBs continuing beyond the first generation. It was discovered that good leaders who had good management skills were key to the success and continuity of FOBs beyond the first generation. Aspects such as manpower development and capacity building were also pointed out as being critical.

To ensure successful continuation of FOBs companies need to be adaptive and resilient, and quick to change direction, especially here in Africa, Zimbabwe in particular, where the economy is not stable. It is in this environment where the effectiveness of HRM is crucial to business success. The HR professionals are there to establish systems for performance development as well as career succession planning in these FOBs. This helps in keeping the employees motivated and engaged. This in turn contributes to the success and continuity of FOBs beyond the first generation.

6.6.1.2 Hardworking and risk taking

Taking risks is linked with entrepreneurship. Risk here involves the aspect of leaving a steady-paying job to start own business. FOBs visionaries are not exceptions of entrepreneurs who take risks, especially if the product or service has never been on the market before. The reputation of these family members of their reputation to the society and family at large is very high; hence it needs determined person to take such a move. Good work ethics have been highlighted as being essential for the survival and continuity of FOBs beyond the first generation. However, in this study being hard working and being a risk taker have been put forward as the major ethics for FOBs success.

6.6.1.3 Time Management and Public Relations

Public relations are defined as the process of managing communication between an organization and the public. 33% of the respondents in this study highlighted that good public relations and time management is necessary as well as key entrepreneurial skills required in their FOBs.

The findings in this study indicate only limited evidence that specialist family consultants are required. However, it is worth noting that inevitably only more stable and successful businesses were likely to agree to be interviewed by the team. No respondent in this case had used – nor expressed a desire to use any specialist consultants. In the case where outside consultants had been used, they had been consulted about a specific business problem, or for general advice. These were ultimately used in much the same way as they would be used by non-family businesses.

6.7 The role of family tradition in FOBs

6. 7.1 which family traditions keep the family business intact and continuing beyond this current generation?

In this study different traditions were put forward by the respondents. These are traditions these FOBs believe are necessary to follow so as to ensure the survival and continuity of these FOBs beyond the first generation. 93% of the respondents pointed out a tradition that the business owners should be limited to the family members only so as to preserve the tradition of the family and in the family.

80% of the respondents also regarded ownership as birth right to all those born in the family. Here kingship was seen as the prerequisite for share ownership. Some owners however regard competence as a way which may distinguish the level of contribution to the business, therefore, whether one has a birth right, competence and experience also have to be critically considered to differentiate levels of contribution in the business.

Most respondents in this study also highlighted that ownership and management do not necessarily depend on each other. They highlighted that management needs expertise. There are different categories in terms of family traditions that are practiced by FOBs in Manicaland, Zimbabwe. These are highlighted below.

6.7.1.1 Religion

Religion seemed to remain a major tradition that has been practiced and is still practiced by many FOBs. Respondents highlighted that even future generations shall be taught, beginning now, on how to preserve religion in the business to ensure its survival and continuity beyond the first generation.

Some of the religious acts being performed in these FOBs involve praying and fasting amongst Christians, especially at the beginning of the year. Moslems also pray to their god and close their businesses when having prayer times and functions. Consulting spirit mediums was also a very evident practice in some of the African businesses. These were consulted especially in times when sales and profits were going low and when competition was increasing in their industry of trade.

6.7.1.2 Meetings/ Gatherings

It was evident in this study that some businesses held meetings on a daily basis to remind one another about the key objectives of the business. In these meetings issues were raised and ideas were shared. Plans and focus on the future of the FOBs was done.

6.7.1.3 Ploughing back to the Community

Results from this study showed that corporate social responsibility is one of the traditions being practiced by FOBs in Manicaland, Zimbabwe. Some of these include those in the farming sector giving their first fruits to the needy in their communities, particularly the elderly and the orphans. This is done through their community chiefs.

Another tradition of interest was that of hosting a feast in the community when a baby was born in their family. The results indicate that there are benefits of ploughing back in the community. These benefits include better brand recognition. Here the community will evidently know where to get farm produce in the event that they need. There is also positive business reputation. A good name of these FOBs is associated with the businesses that remember the less privileged in their communities... There is increases sales and customer loyalty. Sales are increased even from customers that are not from their community, as their reputation will be passed from community to community. There is also greater ability to attract talent and retain staff. The researcher found out that the companies that practiced corporate social responsibility hand a lower level of labor turnover. There is also organizational growth, leading to survival and continuity of these FOBs. As such it is evident that this tradition needs to be preserved in most FOBs (if not all) so as to ensure the continuity of these business beyond the first generation.

6.7.1.4 Capacity Building and Personal Development

Some respondents in this study pointed out personal development as one of the preserved traditions in their family. This ensured the survival and continuity of their FOB. Keeping and preserving company secrets from competitors was also brought up here. The results indicated that those who are in the second generation with their business were taking personal development of family members in areas related to the business as part of their lifestyle throughout generations.

6.7.2 Are the traditions you follow in sync with existing technological changes in the business environment or do they conflict?

Results indicated that the participants in this study had different views if their traditions are in sync with the ever changing business environment. Results show that 67% of the respondents are in agreement to the fact that their tradition is in sync with technological change. Some participants disagreed in as far as religion and inheritance is concerned. Relationship between sustainability and finance functions was highly favored by the respondents. Below is a table illustrating the differences of tradition and culture?

Table 6.2 Differences of Tradition and Culture

Culture	Tradition
A body of knowledge comprising language, art, clothing and traditions.	A set of rituals practiced by a group of people

Defines human behavior in a specific space	Dictates human behavior on a specific occasion
Defines the character of the people raised with specific cultural beliefs	Can be practiced or not practiced by individuals
Is seen as a whole	Is more related to a specific event

From the above table certain aspects can be synchronized with the study that was carried out. It was evident that there are specific traditions that the African specifically practiced. These are beliefs that they carry out believing it is the drive to keep the business afloat. Some of these include the rituals done when they open new branches. They dedicate the business to their ancestors. This is done with the elders of the community as well as those of the family are present.

6.8 Chapter Summary

This chapter discussed in detail the findings that had been analysed in chapter four. The relevance of the findings in relation to the objectives of the study was emphasized. The relevant literature was referred to, comparing the study findings against previous studies.

Overall it emerged that FOBs in Manicaland, Zimbabwe have varying impediments resulting in them failing to continue beyond the first generation. The importance of becoming familiar with these impediments and hence try and avoid them in their businesses was also stressed. There are also certain aspects that need to be preserved to ensure the success and survival of these FOBs. These include good practices of ploughing back to the community, and preserving religion.

Regarding impact of estate taxes on FOBs as well as having an state planning team in place it emerged that only a few of the respondents were ware what this was nor its importance to their organisations.- therefore the majority of these aspects were not measured, therefore not verified.. This is attributed to their lack of knowledge and exposure to such aspects as they are not usually communicated and also lack of training. Another reason for the lack of knowledge in these things is that most of these FOBs run informally and lack of proper professionalism is practiced.

The next chapter makes recommendations and proposes a schematic model of steps to follow to ensure continuity and succession of FOBs beyond the first generation

CHAPTER SEVEN

CONCLUSION AND RECOMMENDATIONS

7.1 Introduction

Whilst the previous chapter discussed the research results, this chapter presents the conclusion and recommendations drawn from this study. The research problem for this study was to assess the impediments to continuity of family-owned businesses beyond the first generation, in Manicaland.

The study found that FOBs in Manicaland Zimbawe do have certain impediments that hinder them to continue in operation beyond the first generation, and the leading impediments include that of running their businesses informally, hence not formalising some important business ethics and practices. Another major impediment is that of most African FOBs still viewing the aspect of death as a taboo topic and hence avoiding to talk and plan for it in business. FOBs are aware of issues to do with tradition and religion necessary to be preserved in the FOBs to guarantee its continuity. They are familiar with most of the cultural practices to be observed in their organisations relating and ensuring continuity beyond the first generation. FOBs are however not aware of issues to do with making gifts of interests in the FOBs as well as issues to do with giving their business away and still maintaining control in their businesses. The importance of familiarity and training with the unknown concepts was emphasised, so as to guarantee continuity of these firms, owing to their importance in developing countries, as most of the businesses operating in these countries are these informal sector FOBs.

The study also found out that FOBs have various entrepreneurial practices they carry out. These practices help in maintaining a balance in terms of survival in these organisations. The conclusion that can be drawn from this is that FOBs have key initiatives that they prioritise. These include culture, religion and family traditions. Regarding succession planning teams and insurance in the event of death, it emerged that most FOBs do not have any set standards regarding this. It was realised that most owners think about this or talk about this, but no legal documentation is in place. There is lack of reporting frameworks, as envisaged by the results which showed lack of awareness of major succession planning frameworks. The conclusion drawn in light of the above is that FOBs do not measure and report on their succession plans and neither is any verification done by third parties.

The findings revealed that the human resources department plays an important role in implementing succession planning. The conclusion is that human resources function is important in ensuring succession plans are put in place and implement ted in the FOBs. It is a company's human resources department that plays a vital role in the succession planning process. It may however not necessarily be responsible for the initiation or creation of the succession plan, but ultimately, it is responsible for much of its implementation. It can also be concluded that African family businesses need to get awareness training on the reality of death, as this greatly affects the continuity of businesses. The issue of death need to be discussed freely in families, without fear of bewitching each other so as to inherit the business. Involving children and spouses is also an easier way of getting family members associated with the systems and controls of the organisation.

Focusing on these fifteen Manicaland family-owned businesses the study attempted to analyse and understand the factors that contribute to the impediments to continuity of family owned businesses beyond the first generation. The study uncovered some contributing factors such as level of education of family members, lack preservation of culture, lack of succession planning among other factors. From the research findings a number of interventions at the company, business community, and national levels are suggested in-order to help ensure successful intra-family business continuity and the survival of Manicaland Province family owned businesses. The survival and continuity of family owned businesses is pertinent in ensuring employment generation, wealth creation, and economic diversification and thus contributing to poverty reduction and development at the community and national level in Manicaland Province, and the nation of Zimbabwe as well as neighbouring countries and Africa as a whole.

7.2 Recommendations

The study findings show that the factors influencing the survival of Manicaland family owned businesses after the departure of the founder are multifaceted. To enhance the possibility of intergenerational success and continuity of these family businesses this study has made the following recommendations. They are based on the findings made from the study, which are aimed at the FOBs in Manicaland, Zimbabwe. In general and how they can improve on their sustainability practices. Emphasis is made on the recommendations so that the FOBs can enjoy the benefit of continuity beyond the first generation and the nation at large.

7.2.1 Succession planning in FOBs

The visionary of FOB is a key asset of this type of organization and their involvement in making FOBs to continue beyond the first generation. Proper documentation of succession plans is an integral part of FOBs, an issue that seems to be overlooked according to the results of the study. Engaging family members (children, spouses) in support of succession initiatives can motivate and help the FOBs to achieve their goals.

Another key observation in the study results was that amongst those that run FOBs, there is need for relevant training in the industry that they will be operation incompetent family members should be put in the relevant positions so that there is efficiency and professionalism in the way the organization is being run. It is strongly recommended that legal bodies should make efforts to create awareness among the FOBs about the importance of insurance and succession planning so as to guarantee continuity of their business beyond the first generation. The advantages of applying these policies and concepts should be communicated to the FOBs through bodies such as the Zimbabwe Chamber of Commerce (ZCC). Having collaboration among these departments can help pass down information to the FOBs through conducting various training in the form of workshops with the FOBs on issues to do with key issues to succession and their practical application to FOBs

It is there for crucial that FOBs work with professional entrepreneurial consultancies in identifying proper documentation needed in running a successful organization. It is of great importance as well that the visionary takes time to explain part of their vision to other members of the family. This can not only be done verbally, but also hands on involvement in the running of the firm. This reduces certain loop holes in understanding the vital areas of concern in the organization.

Training programmes could also be provided by non-governmental organizations, business associations, training institutions, financial institutions (which could make the development of e.g. successions plans and continuity a requirement for accessing loans). Comprehensive and regular training on development of plans for key business functions would hence enable the businesses and their owners to take a more strategic and long-term view of their businesses and to thus also adequately and effectively plan for succession and business continuity beyond the first generation. A comprehensive national campaign and efforts involving different groups (the government, business associations, the media etc.) should be initiated and implemented to encourage financial prudence among family owned businesses and help reduce unnecessary hiccups that result in businesses suffocating.

7.2.2 Training Programs for Family Members in FOBs

It is of paramount importance that training programs are done for children between the ages of 0-18. Children should grow up knowing they are part of the heir. This knowledge helps them mature to an understanding of wanting to preserve the business in the family. Their involvement (no matter how small) within the business will give them insight to some aspects that do not necessarily require formal training.

Parents should be taught on easy ways to involve children of this age in the business. Various ways such as frequenting the business premises as well as visiting customers together with the visionary will give a sketch understanding of the value of the business. A corrective model can also be used for training those that have failed to train their children early enough but still desire to have them involved in the business. Training here maybe a bit difficult as these family members may probably not have the passion required to push them to get involved in the business.

Boot camps with entrepreneurial consultancies empowering families on the importance of preserving family businesses can also be implemented in Zimbabwe. Instead of children growing up to seek employment, that perspective can be changed and children of FOBs will have a mindset shift as they desire to be employers , once they finish their formal education.

Training can also be done to teach visionaries to write down their vision as well as being as transparent as possible to their family members. When there are no secrets amongst family members, there is a high chance that more ideas are given and hence continuity of the business. Here visionaries can also be taught on how to effectively mentor their successors so as to have a smooth continuity of these firms.

Family owned businesses should invest in legal personnel in their firm. This helps to preserve the funds and property generated over the years in the event of an untimely death. This also helps reduce conflicts amongst those that remain. This investment can only be deemed necessary after certain awareness training programs have been done.

FOBs need to design training programs in order to be competitive in their industries. Opportunities for FOBs need to innovate are determined by how creative they are and how they take advantage of market gaps. This can be done by done through the following process.

- Identification of the employees to be involved in the program – these could be the children, spouses, grandchildren, fathers etc.
- Identification of the department that will be responsible for running the program.
- Strategizing on the program, through involving the respective family members
- Setting measurement criteria and performance targets to be met after a particular period of time.
- Implementing the program
- Monitoring the progress.

7.2.3 Succession Measurement and Reporting

FOBs in Manicaland need to recognize how important it is to better understand their succession impacts, and how to make their own organisational operations more sustainable, and communicating their succession plans through written reports.

FOBs that do not report on succession planning should be made aware of the benefits of reporting, which include transparency with all family members, passing down of the vision to other key family members, reduction in conflicts in the event of death or retirement.

It is however strongly recommended that other aspects to ensure continuity of FOBs beyond the first generation be measured as well. This can be done through, working hand in hand with the human resources department, as well as focus groups that represent workers.

The Zimbabwe Chamber of Commerce (ZCC) should come up with subsidies to help FOBs in terms of training the employees who are responsible to come up with succession initiatives in the Fobs. It is strongly recommended that FOBs should create awareness of the succession efforts that they are making in their organizations. FOBs should therefore create synergies amongst themselves so they learn from each other, especially from those that have managed to survive throughout many generations – that is those in the second or third generation.

The following model (figure 6.1) is proposed as a guideline to FOBs in helping them pass on their business through generations... This guideline is intended for the managers of the FOB, more so the visionaries.

Succession remains one of the most critical phases for a business, and failure to plan can lead to undesired outcomes. Examples include sale, closure, or suboptimal succession of an unprepared successor, if planning is not undertaken in a timely fashion. This suggests that there may be unmet and unstated demand for professional support related to succession planning. This is the case for many SMEs, both family and non-family. It is critical to note that family businesses require succession planning with specific emphases on

(i) inter-family relationships and
(ii) Family objectives, in addition to business objectives.

As such more timely and detailed succession planning may well be required in family businesses. This is particularly due to the fact that it has to take into account the differing objectives of different generations, the respective ages of involved family members. This is done taking cognisance and also recognising that passing on the business as it currently exists may not be an optimal solution

Furthermore, any succession plan needs to be flexible enough that subsequent developments within the family for instance young or specifically unengaged children showing an increased interest in taking over can be incorporated. This then calls for nuanced and emotionally literate support to encourage owners (and possible successors) to initiate and undertake difficult conversations about succession involving all relevant family members, possibly facilitated by the support professional.

Family specialists could meet this need, but – given the general reluctance to engage such specialists – an alternative would be Continuing Professional Development on family business issues modules for more generalist advisers. This would most likely hammer the framing of support in family-specific terms and sensitivity to possible issues

7.2.4 Role of Finance in continuation of FOBs beyond the first generation

Finance officials in FOBs have a key role to play in providing sustainability-related information pertaining to the viability of continuity of FOBs beyond the first generation. However, due to the small nature of some of the FOBs, the finance officers may not have the skills necessary to perform their tasks effectively. FOBs finance professionals should develop the skills base beyond those normally associated with normal financial accounting. Adequate formal education as well as training needs to be taken seriously in this department. Not only birth right should be a pre requisite in this department as this will only see the down turn of the organisation.

Finance officers in these FOBs must gain the expertise to help the organisation design and implement continuity strategies. They should be prepared to help their FOBs clients improve the efficiency with which they gather, combine and report their data, as they are in a good position to help their clients define metrics for measuring the effectiveness of their continuity strategies. Accurate measurement is necessary for both the credibility of continuity strategy reporting and the assurance services needed to add credibility to this information. FOBs should involve finance professionals in developing strategic roles.

There is need to put in place ways to measure the performance of employees and the organisation as a whole on continuity

- Companies need to look for ways in which continuity can be practiced whilst reducing costs, rather than increasing costs.
- There is need to work with customers to find ways in which buying patterns and supply practices can become more resource-efficient.

- Management should Invest time and get the finance function to lead on implementing the continuity strategies

Many FOBs in Manicaland Zimbabwe are not aware of the potential benefits of being preserving the family business beyond the first generation. It is therefore recommended that the local Chambers of Commerce/Business in Manicaland as well as the relevant sectoral bodies should be the primary role-players in encouraging and assisting FOBs to embrace these continuity measure and activities, as well as convincing their members that being passing on the button stick is beneficial not only to the business, but also to the nation as a whole. This reduced the level of unemployment and raises the gross domestic product of the nation.

Running small family businesses has a number of challenges; due to their small size, Small businesses lack the resources, capital and skilled family member employees who may not be able to compete with larger organisations (who may not necessarily be family businesses). The addition of continuity strategies and programs may create added responsibilities and burden to the businesses. However, FOBs due to their unique nature of having family members, have advantages in that they are naturally close to each other's, and the managerial structures are not complicated. It is easier for the owners and managers to have closer and amicable relationships with each other and in turn all their stakeholders. The following guidelines are recommended for FOBs that are finding it difficult to start practising continuity measures, due to the reasons mentioned above. These functions would include basic accounting concepts such as cash flow management and balance sheet preparation.

Business associations (for example the Ministry of Women Affairs, Community, Small and Medium Development) should actively encourage and facilitate practical business networking among their members and other businesses. This is an area in which the business associations currently only pay lip service but have great potential to make positive practical contribution.

7.2.5 Policy Change in Formal Education Curriculum

The education system in Zimbabwe should change to incorporate and accommodate issues of family business management in their curriculum starting from kindergarten right up to university level. Practical family business projects can be modelled and run practically in the school imitating the different industries in the economy from farming, to education, retail, manufacturing etc. Examples of the topics that should be dealt with at different stages of the education system are

- Financial planning and control,
- general business management,
- conflict resolution, and
- Importance of continuity in FOBs and succession planning.

When this is imparted to children from a tender age, implementing it practically will not be a problem, especially after understanding the benefits of these firms in a developing economy like Zimbabwe.

Localized research into family business operations and functions should be encouraged and funded by the government and various financial bodies to encourage the implementation of the study. Some of the research areas to focus on include

- cultural and traditional factors that influence family business behaviour and performance;
- The impact and role of institutions (government agencies, financial institutions, training institutions, the media etc.) in shaping family business behaviour and performance;
- behaviour and performance of family owned businesses of non-indigenous Zimbabwean (it is widely noted that the family businesses of non-indigenous Zimbabwean -e.g. those of American and Indian origin more often survive and succeed from generation to generation)

The Three Dimensional Developmental Model

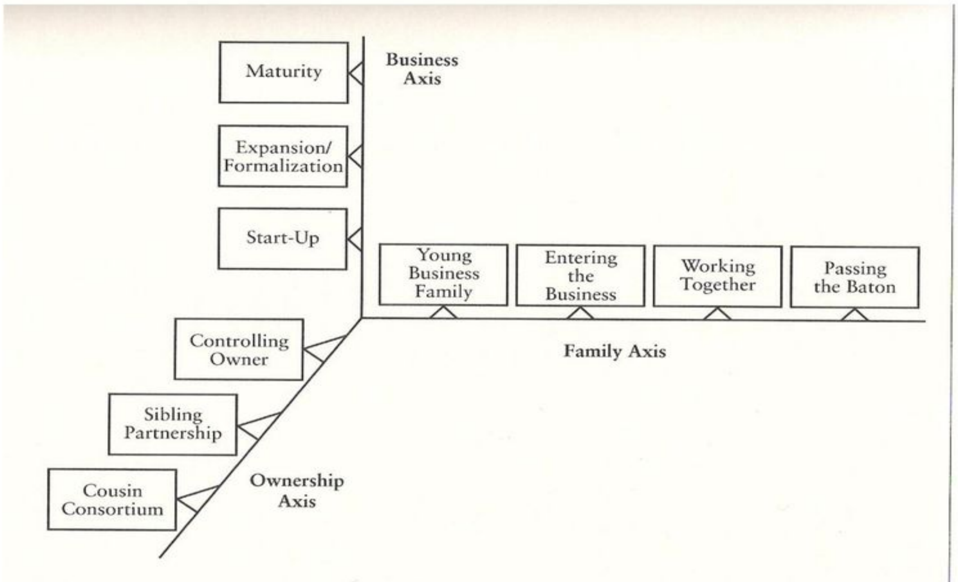


Figure I-3 ▪ *The Three-Dimensional Developmental Model*

Gersick, K.E., Davis, J.A., McCollom Hampton, M., Lansberg, I. (1997)
Generation to Generation – Life Cycles of the family Business , Harvard Business School Press

Fig 7.1 Recommendation Model for FOBs in Manicaland Zimbabwe

Firm's Life-Stage Cycle As illustrated by Figure 7.1 above, family businesses are constantly changing and evolving across all three dimensions (i.e. family, business and ownership) through a sequence of stages over time (Gersick*et.al*., 1997). In the developmental model, family business ownership moves from a Controlling Owner stage, to Sibling Partnership, and then to Cousin Consortium; the company itself changes from a Start-Up and progresses through Expansion/Formalisation to Maturity; as well, the family grows from first-generation to successive generations by introducing younger family members to join the business and preparing them for future leadership and passing on the baton in the context of succession.

The Three-Dimensional Developmental Model of Family Business Source: adapted from Gersick, Davis, Hampton, and Lansberg (1997) The firm's development stages, such as start-up, growth, maturity and even exit, indicate the significance of developmental change at both the individual and group levels. At the initial stages of venture preparation and creation, the family and business conditions may help explain the intention of the firm's survival, growth, profitability, and sustainability (Krasniqi, 2009). At founder-as-leader stage, the founder is driven to acquire and gain access to needed resources from internal and external sources and opportunities, as well as to respond to competitive challenges and threats (Ensley and Pearson, 2005). A family firm emerges through the entrepreneurial allocation of resources, capabilities, and relationships generated by the founder, participating family members and external stakeholders (Cope, Jack and Rose, 2007). The firm's survival and prosperity is attributed to the competitive advantages that are created by these resources, capabilities and relationships. Strategic change may occur, given the shifts in the vision of the business that occur with the pattern of development stages (Gersick*et.al.* 1999).

To maintain the firm's continuity as a business becomes the motivating force to adapting to changes in the economic and social environments, competitors, technologies, and customers' needs and demands. Ongoing generation of economic value has sufficient appeal to recruit the people needed to grow the firm and to compete effectively in the marketplace (Habbershon and Pistrui, 2002). A defining feature of most family businesses is that family members often work in the business system. The involvement of family members can be a resource or a constraint depending on the lifecycle stage of either the family or the business. In early years of a family firm, the family often provides the firm with a steady supply of trustworthy labour resources (Sirmon and Hitt, 2003). The informal nature of family relations frequently carries over into the firm (Trevinyo-Rodríguez and Bontis, 2010). The family firm often benefits from the overlap of family and business system, because the integrated overlap serves to foster commitment and a sense of identification with the founder's vision (Van Auken and Werbel, 2006). In later years, family firms can still benefit from the human resources of the owning family to expand the business.

The demands of a growing business may eventually require external human resources (Barnett and Kellermanns, 2006). Identifying and training a potential successor may still be limited within the owning family members as their transition between generations (Aronoff and Ward, 1992, Chrisman, Chua and Sharma, 1998, Aronoff, McClure and Ward, 2003). It has been demonstrated that the family is important source along with business development. However, relying on the family to develop the firm is a doubleedged sword. It provides unique advantages, but there is also a risk this constraining the firm's growth (Duh, Tominc and Rebernik, 2009). For example, succession in family firms is one of the greatest challenges that might result in the demise of the firm (Miller, Steier and Le Breton Miller, 2006). The role of family in succession may be of considerable importance.

In the development of family firms, the strategy of succession facilitates the preservation of the reciprocal relationship with major stakeholders (Lester and Cannella, 2006). On the one hand, a strong family ties may lead to better succession outcomes (Stavrou, 1999). On the other, a weak family tie may allow more external actors to facilitate succession, thereby producing better succession outcomes (Morris, Williams and Nel, 1996). In other words, succession outcomes depend on each family's conditions, especially its cultural values and norms Therefore, researchers have taken a business-focused approach to explore and explain the succession issues that are related to the development of the firm, recognition of an opportunity and the mobilisation of resources (Duh, Tominc and 39 Rebernik, 2009, Scholes, Westhead and Burrows, 2008, Griffeth, Allen and Barrett, 2006). At the start-up stage, a family firm's structure, culture and need focus, strongly resemble those of the family, because the firm is usually dependent on the family for critical resources (e.g. funding and personnel) (Daily and Thompson, 1994, Sharma and Manikutty, 2005).

At the growing stage, the family firm is increasingly supported by the organisation's employment practices. An important influence in the organisation development is the selection and promotion of employees. In a family firm, this choice is made by the owner managers (i.e. the founder-owners in the first-generation firm). Because the family owns a significant portion of the firm, it wields significant influence in setting constraints on firm behaviours. For example, it is likely that the founder will select and promote other family members that support and share the firm's values and goals that are similar to the family's values and norms (García-Álvarez, López-Sintas and SaldañaGonzalvo, 2002). The family's relational and structural dimensions also shape the development of the firm through employment practices (Barnett and Kellermanns, 2006).

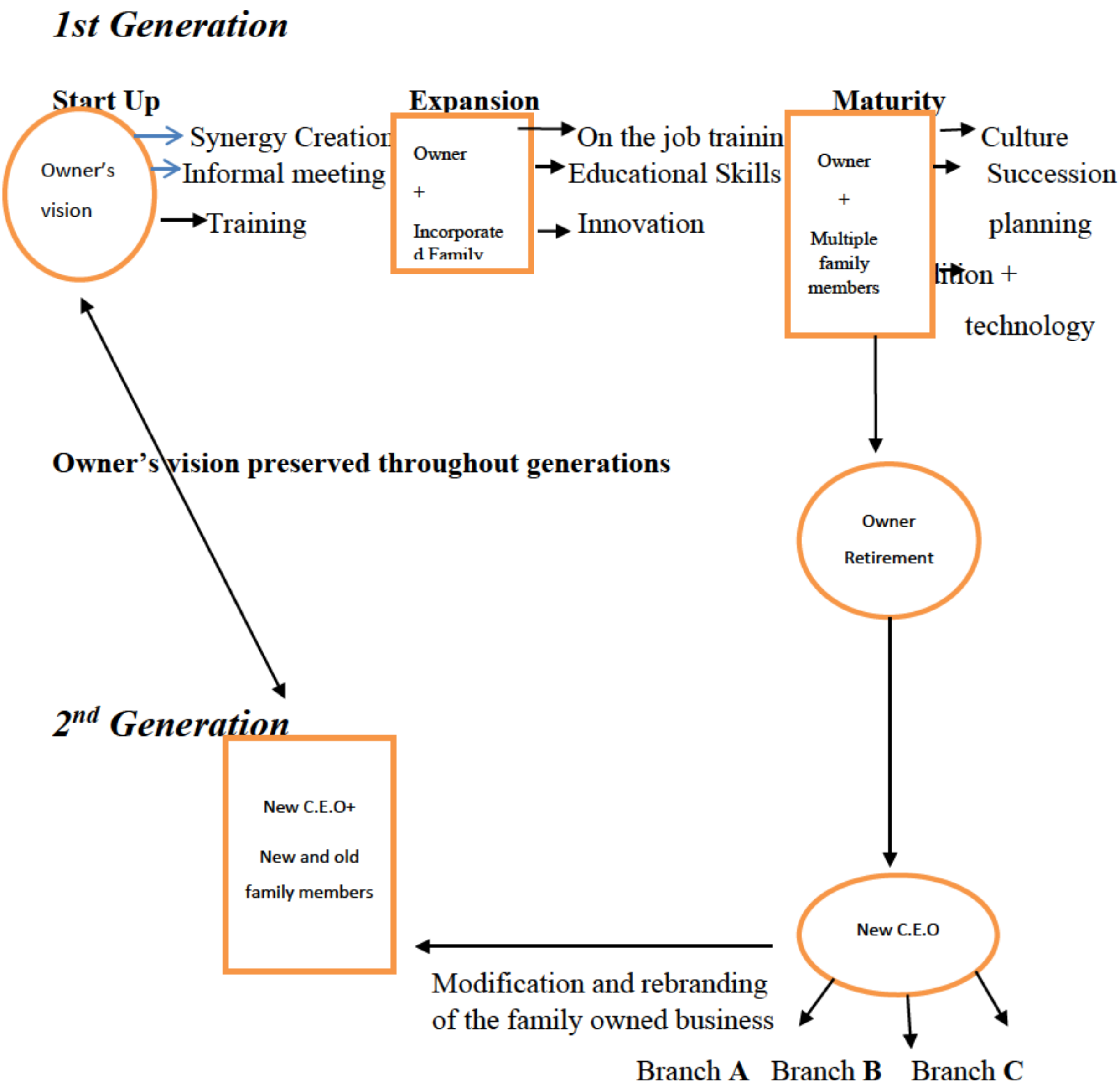
As the firm grows and develops over time, it will be influenced more strongly by external environmental factors and non-family employees. When the firm lacks the family members to fill key positions within the firm, a family-owned firm is likely to be more like, a non-family firm than to a family firm in the early stages (Reid, Morrow, Kelly and McCartan, 2002). It is likely that at the late stages of development, the governance of a family firm is not reliant on the family's involvement (Chittoor and Das, 2007). Research suggests that the firm owner's ability to shape the development of the firm decreases their firm's dependency on the family while simultaneously increasing its dependence on external sources (e.g. non-family managers) (Hall and Nordqvist, 2008, Songini, 2006).

The firm deals with interactions with changing internal and external factors, such as their customers, suppliers and communities, the legal and/or financial systems. All of these often influence the business success as they define a set of constraints and opportunities for the firm (Molly, Laveren, and Deloof, 2010). The families in the firm often have strong influence on their firm's practices and respond to these changes. The following section presents the importance that family values play in family firms.6.3 Limitations of the Study

The study aimed to find impediments hindering the continuity of FOBs beyond the first generation in Manicaland Zimbabwe. The major constraint the researcher had been that of time and budget constraints. This made it impractical to conduct interviews on more FOBs. The researcher would have wanted to broaden her research, but this required large sums of money, which was beyond reach to her, especially considering the economic challenges her country was facing. Efforts to get funding from the university were also not fruitful. Taking into consideration that most of the FOBs are sparsely populated, (especially those in the farming sector) this made it impossible to cover bigger geographical area. In addition, it was impossible to get a list of all the FOBs in Manicaland Zimbabwe. This is due to the fact that most of these FOBs are not formally registered anywhere and there was no accessible list from the government departments. Thus the study had to rely on information gathered from the Manicaland Chamber of Commerce

7.3 Researcher's proposed model to continuity of family-owned businesses beyond the first generation

Figure 7.2: Researcher's proposed model



- **Start-up : Owner's Vision**

The owner of the organisation is the one who carries the vision of this family-owned firm. This vision is to be written down and explained to all family members. The visionary is supposed to create synergies with other organisations in the same industry as they are operating. This allows for the sharing of ideas. Training can be organised by financial institutions to empower family members on how to run their businesses financially. This can enable them to account for their expenses well so as to calculate profit in a given financial trading period. Informal meetings such as dinners, fitness sessions, games, prayers, luncheons and holidays should be religiously done so as to foster a bond within family members, prior to them joining the organisation. These meetings will avoid major tempers erupting in the event of disagreements happening when they join the family firm. Transparency of finances and logistics is important from the visionary to the spouses and children. This way they will appreciate the running of the business. It's no secret that family businesses can struggle with governance, leadership transitions, and even survival. Family owned businesses need leaders, more than they need managers. Leadership skills such as patience, empathy, active listening, problem solving, conflict management, creativity, positivity, and effective feedback. Visionaries should lead their successors until they are able to execute without them.

- **Expansion: Owner + Family members incorporated**

On the job training is necessary for all new family members incorporated. The visionary can practically teach these family members how business is done. Assumptions that they understand the business should be avoided, as this can lead to mistakes that would cost the business a fortune, as well as ruining the firm's reputation. The family members should be encouraged to get educational skills that are linked to the line of business being done. This can help tackle some business challenges that need both theoretical as well as practical aptitude. Innovation should be encouraged, especially from the younger generation of family members that would have joined the organisation. Continuous professional development (CPD), in-line with the family business, should be considered quarterly. The business and entrepreneurship space have become so dynamic. Things are changing every day, especially technologically, and businesses are now operating in a global village, and family owned businesses are not spared either. Every member of the family participating in the business, regardless of their level of education, should be given an opportunity to frequently attend workshops, seminars and trainings in areas related to their lines of operation. Successor Development and talent grooming is key here.

- **Maturity: Owner + Multiple Family Members**

Succession planning is a concept that needs to be embraced and discussed freely amongst family members. It should be accepted that everyone will die one day; hence planning for one's death should be a normal phenomenon. Positive organisational culture is encouraged as the firm grows. As the firm expands and matures, tradition that is no longer applicable in that generation should be erased. Manicaland province, like any other province in the country, is not immune to the effects of patriarchy, especially gender inequality. Passing on of businesses to the next generation seems to follow the male species more than females. Parents prefer incorporating male children more into the business as females are believed to be weaker, and also because of the general assumption that they will eventually get married and leave their biological families. However, due to women empowerment programs and the quest for gender equity, women are becoming more and more empowered to take up leadership and entrepreneurial roles. It is, therefore, recommended that family owned businesses begin to equally consider both males and females as potential business leaders as FOBs transition from one generation to the next.

- **Owner retires:**

Here the owners retires and passes on the button to a new CC.E.O to run with the vision in the next generation. A lot of qualities and characteristics are looked at before choosing a suitable new C.E.O. Such qualities include dedication and resilience to the organisation. Educational qualifications as well as a strong understanding of the organisational secrets are necessary.

  - **New C.E.O**

As the new C.E.O takes over the button stick in the 2nd generation, a lot more branches are easy to establish as they still have the zeal and energy to expand the business. Expansion should be one of the major objectives of this new C.E.O.

- **New C.E.O + Multiple Family Members**

Other family members who have joined the new C.E.O should embrace change as being the only constant. This will help this new era of the business to go international in line with the new trends in technology. There is a lot of effort that needs to be put in terms of rebranding the organisation so that it is trending with change. In the process, owner's vision is preserved in line with the founder of the family firm. This should always be remembered and emphasised so that a certain "way of doing things" is preserved as being sacred

7.4 Areas of Further Research

The study's main aim was to find out impediments to continuity of FOBs beyond the first generation in Manicaland Zimbabwe. Areas of further research would require choosing specific industries like agriculture, education or maybe select health only. By so doing, a more in-depth study can be done with sector-specifics, unlike the generic ones used in this study. A follow up research could be done on FOBs that are actually in the second, third or fourth generation, as the researcher observed that there are some few successful FOBs in existence. These successful FOBs are usually those of non-indigenous Zimbabwean origin. This then would give more insight into the secrets for their success on continuity beyond the first generation, hence implementing the same secrets to failing businesses in FOBs in Manicaland Province, Zimbabwe and Africa. A more in depth research could be done for SMEs in particular. This could help conclude whether the impediments in FOBs are because of size or other causes.

One major hindrance to growth, hence leading to succession of family owned businesses in Zimbabwe is the lack of capital from financial institutions, due to the fact that small firms do not have immovable collateral to back up their borrowings. A test research could be done with a few firms who have brilliant ideas and no collateral, and a conclusion can be given on a new policy henceforth.

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APPENDICES

Annexure A: Informed Consent Form

UNIVERSITY OF KWAZULU-NATAL

School of Management, IT and Governance

Dear Respondent,

Research Project

Researcher: Chidochomoyo Portia Sango. (Telephone number: [0772 946 765) (Email: 217052232@stu.ac.za)

Supervisor: Dr Vangeli Gamede] (Telephone number: [+277 0332 606 101]) (Email: [gamede@ukzn.ac.za)

Research Office: Humanities and Social Sciences Research Ethics Administration, Govan Mbeki Building, Westville Campus, Tel: + 27 (0)31 260 8350, Email: hssreclms@ukzn.ac.za

I, Chidochomoyo Portia Sango am a PhD student in the School of Management, IT and Governance at the University of KwaZulu-Natal. You are invited to participate in a research project entitled ***An assessment of impediments to continuity of family-owned small and medium-enterprises beyond the first generation: A*** **case** ***of Manicaland in Zimbabwe.***

The aim of this study is to:

1. To examine the impact of entrepreneurial culture on the survival beyond the first generation of family-owned companies in Manicaland, Zimbabwe.
2. To assess succession planning for sustainability of the family-owned businesses beyond the first generation in Manicaland, Zimbabwe.

3. To explore the founders' entrepreneurial skills necessary for survival of family owned companies beyond the first generation in Manicaland, Zimbabwe.
4. To explore the role of family traditions in the survival of FOBs beyond the first generation in Manicaland, Zimbabwe.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this research project. Confidentiality and anonymity of records will be maintained by the researcher and School of Management, It and Governance, UKZN. All collected data will be used solely for research purposes and will be destroyed after 5 years.

This study has been ethically reviewed and approved by the UKZN Humanities and Social Sciences Research Ethics Committee (Approval number- HSS/1943/018).

The questionnaire should take about 30 minutes or less to complete. Thank you for your time.

Sincerely

Researcher's signature

Chidochomoyo Portia Sango Date **24/09/18**

UNIVERSITY OF KWAZULU-NATAL

School of Management, IT and Governance

Research Project

Researcher: Chidochomoyo Portia Sango (Telephone number: +263 772 946 765) (Email-217052232@stu.ac.za)

Supervisor: Dr Vangeli Gamede (+277 0332 606 101) (Email: gamede@ukzn.ac.za)

Research Office: **Humanities and Social Sciences Research Ethics Administration, Govan Mbeki Building, Westville Campus, Tel: 27 31 2604557, Email: HSSREC@ukzn.ac.za**

CONSENT

I____ (full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at any time, should I so desire.

_____________________ _____________________

Signature of Participant Date

Annexure B: Questionnaire for the demographics of the owners/managers in FOBs in Manicaland

<u>**Demographics**</u>- (Please tick where applicable)

1. Which industry is your organisation associated with? (Select one option only)

Manufacturing	
Retail	
Agriculture	
Education	
Transport	
Construction	
Health	
Other- Please specify	

2. What is your relationship with the owner/ visionary of the firm?

Owner	
Daughter	
Son	
Spouse	
Daughter in law	
Son in law	
Father in law	
Mother in law	

Other- Please specify	

3. Which ethnicity/ race are you?

African	
White	
Black-American	
Indian	
Coloured	
Other-Please specify	

4. How old are you?

25 and below	
25-30	
30-35	
35-40	
40-45	
40 and above	

5. What is your sex?

Male	
Female	

6. What is your level of education?

Ordinary Level	
Advanced Level	
First degree	
Master's Degree	
PhD	
Other-please specify	

7. What is your geographical location?

Mutare	
Rusape	
Nyanga	
Zimunya	
Vumba	
Other- please specify	

8. Marital status?

Single	
Married	
Divorced	

9. What is your religion?

Christianity	
Moslem	
Hindu	
African traditional religion	
Other- please specify	

Annexure C: Interview Questions

UNIVERSITY OF KWAZULU-NATAL

School of Management, IT and Governance

Dear Respondent,

Research Project

Researcher: Chidochomoyo Portia Sango. (Telephone number: [0772 946 765) (Email: 217052232@stu.ac.za)

Supervisor: Dr Vangeli Gamede] (Telephone number: [+277 0332 606 101]) (Email: [gamede@ukzn.ac.za)

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This study has been ethically reviewed and approved by the UKZN Humanities and Social Sciences Research Ethics Committee (Approval number- HSS/1943/018).

The interview should take about 60 minutes to complete. Thank you for your time.

Sincerely

Researcher's signature **Chidochomoyo Portia Sango** Date **24/09/18**

UNIVERSITY OF KWAZULU-NATAL

School of Management, IT and Governance

Research Project

Researcher: Chidochomoyo Portia Sango (Telephone number: +263 772 946 765) (Email- 217052232@stu.ac.za)

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CONSENT

I____ (full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at any time, should I so desire.

____________________ ____________________

Signature of Participant Date

Interview Questions:

Section A: Entrepreneurial Skills

1. What do you understand by family business?
…………………………………………………………………………………………………..
…………………………………………………………………………………………………..

2. Which entrepreneurial skills do you consider necessary in family owned businesses?
…………………………………………………………………………………………………
…………………………………………………………………………………………………

3. Do you have any academic qualifications for the position you are operating in?
…………………………………………………………………………………………………
…………………………………………………………………………………………………..

4. What position are you in the organization? Eg Director, manager, supervisor?
…………………………………………………………………………………………………..
…………………………………………………………………………………………………

5. What does the firm offer to encourage and foster professional and academic development?
…………………………………………………………………………………………………..
…………………………………………………………………………………………………

6. How does your organization measure and celebrate the success of its employees?
…………………………………………………………………………………………………
…………………………………………………………………………………………………

<u>Section B: Entrepreneurial Culture</u>

7. What do you understand by the phrase “culture?”

…………………………………………………………………………………………….

…………………………………………………………………………………………….

8. Which entrepreneurial culture is there in this organization?
……………………………………………………………………………………………..

…………………………………………………………………………………………….

9. What do employees generally do for lunch?
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10. Do employees have flexible working arrangements?

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<u>Section C: Family traditions</u>

11. Which family traditions keep the FOB intact and continuing beyond this current generation?

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12. Are these traditions in sync with existing technological changes in the business environment or they conflict?

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<u>Section D: Succession planning</u>

13. If you die unexpectedly, can your family continue to run your business? If your family cannot run your business, who can?

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14. If you die unexpectedly, will your family have sufficient liquid resources to hire someone to replace you?

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15. If you die unexpectedly, and have partners, will they pay your family a fair price for your business?

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……………………………………………………………………………………………......

16. How do you protect your family in the event of your early death?

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17. Will you have enough income when you retire?

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18. Do you have a management succession plan in place?

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………………………………………………………………………………………………..

19. Does your succession plan accommodate siblings with different skill levels or interest in the business?

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20. Have you considered the impact of estate taxes on your family business?

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21. Do you have an estate planning team familiar with business succession planning?
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22. Are you willing to pay the costs of protecting your business for your family?
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……………………………………………………………………………………………

23. Have you planned how to transfer your family business to your heirs?
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……………………………………………………………………………………………

24. Are you willing to make gifts of interests in the family business to your children, or trusts for their benefit, if you can maintain management control?

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26. Do you know how to give it away, but still maintain control?

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Annexure D: Ethical Clearance Letter

UNIVERSITY OF KWAZULU-NATAL
INYUVESI YAKWAZULU-NATALI

13 November 2018

Mrs Chidochomoyo Portia Sango (217052232)
School of Management, IT & Governance
Pietermaritzburg Campus

Dear Mrs Sango,

Protocol reference number: HSS/1943/018D
Project title: Assessing the impediments to continuity of family owned businesses beyond the first generation: A case of Manicaland, Zimbabwe

Approval Notification – Expedited Application

In response to your application received on 23 October 2018, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL.**

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

[redacted]
....
Professor Shenuka Singh (Chair)

/ms

Cc Supervisor: Dr Vangeli Gamede
cc Academic Leader Research: Professor Isabel Martins
cc School Administrator: Ms Debbie Cunynghame

Humanities & Social Sciences Research Ethics Committee
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