

Inter-Generational Succession Planning in Zimbabwe's Indigenous Family Businesses. A Case Study of The Challenges and Critical Issues For Consideration.

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ABSTRACT

Most indigenous family businesses in Zimbabwe are not able to continue operating after the founding owners pass away. Notwithstanding the government's investment in education and technology, the complexity of family business succession is unabatedly escalating in Zimbabwe. This mixed method empirical study sought to evaluate inter-generational succession planning in Zimbabwe's indigenous family businesses. The study employed the mixed-method research design and adopted the pragmatism research philosophy, with the case study research strategy being adopted. Underpinned with succession planning theory, the study sought to unravel the nature and extent of strategic succession planning; establishing the challenges and critical issues for consideration in family-owned businesses in Zimbabwe. The focus was on family-owned businesses in Harare Metropolitan Province with the population for the study comprising owners, managers and employees of the family businesses within Harare. A combination of non-probability and probability sampling methods were used specifically stratified random sampling and purposive sampling. For the interviews, the owners and directors from each company were selected whilst a total of 72 questionnaires were distributed. From the interviews, all the targeted 15 participants participated. Data for the study was collected using questionnaires and interviews. Quantitative data was analysed using SPSS version 16 whilst qualitative data was categorised and analysed according to themes using NVivo. The findings of the study revealed that most of the family-owned businesses in Zimbabwe do not have formal strategic succession planning policies due to unwillingness to choose successors, ignorance and family related tensions. The findings also showed that family differences which came out due to difficulty in giving up control, gender biases and conflicts over leadership roles were common amongst the family businesses. Lack of communication together with the lack of succession planning policies were some of the key issues noted. It was also revealed that succession planning greatly influences sustainable organizational growth of family-owned businesses. The correlation results revealed a significant strong positive link between succession planning and sustainable organisational growth.

Key words: Succession Planning, Family Businesses, Inter-generational

INTRODUCTION

It has been recognised that the potential of raising entrepreneurial skill that goes beyond one generation all over the world has been emanating from family businesses (Ghee et al, 2015). Succession planning is 'a deliberate process aimed at identifying and fostering personnel inside an organization who have the capacity to lead the company and sustain its success', as defined by Gordon and Overbey (2018:12). Succession planning has been mostly directed to Chief Executive Officers and leaving out the mid-level management, yet it should be for every professional who is preparing for career transition. It is not limited to Chief Executive Officers only but should include entrepreneurs and executives at all levels (Kouzes & Posner, 2017). Family businesses are found across the spectrum of all industries all over the world and are represented from large to small and medium sized companies. The uniqueness of family businesses from other non-family businesses is due to a number of factors (Leotta, 2020). One of the uniqueness of family businesses is the influence of one or more families over the business. Secondly, the expansion and

advancement of the family businesses may usually follow patterns of behaviour that might not be the same with the patterns followed in non-family businesses (Leotta, 2020). On the other hand, family businesses look less formalised in as far as management control is concerned than non-family businesses (Hiebl and Mayrleitner, 2017). It has been noted that family businesses are the source of entrepreneurial activities, economic growth and critical in the growth of economies all over the world (Acquaah, 2016). According to Panson et al., (2017) a family business is one in which (1) the founder or acquirer of the company (or their spouses, parents, children, or direct heirs) holds the majority of the voting stock and (2) at least one member of the founding or acquiring family is actively involved in the company's management or administration. Agbim (2019) claims that family firms have four characteristics: they are run by one family; they employ people outside the family; and they operate with an autonomous governing board. A particular number of the members of the family work for the family business. A family business is a company that is owned by members of the same family, and family connections have an impact on the company to realize the family's vision across many generations. (Agbim, 2019). There has been a surge in the recent decades on the studies of family businesses to recognize what is a family business (Anglin et al., 2017, Basco 2017). Resultantly, there has been heightened theoretical interest in what differentiates family from non-family businesses with more emphasis in areas such as strategic decisions (Boellis et al., 2016), management accounting and control tools (Quinn et al., 2018) and how firms are governed amongst other issues. Insight into these differences has helped researchers to identify the distinctive characteristics of family businesses. The succession plan is not limited to one type of organisation but it is for all organisations, including but not limited to private and public, small family businesses, and large organisations (Kouzes & Posner, 2017).

Literature Review

Family Businesses in Zimbabwe

Businesses which have started in Zimbabwe can be traced to some family businesses and in some instances being most successful when the founder was still in charge (Nyamwanza et al., 2018). It is also estimated that about eighty percent of the Zimbabwe businesses fall under the small to medium sized entities and family owned (Nyoni 2019). The changing socio- economic environment in Zimbabwe, has resulted in the economy shifting from big organisations to small and medium enterprises which have played a pivotal role in contributing to more than 60% of Zimbabwe's GDP (Mangudya 2017). The recent FinScope survey discovered that the Micro, Small, and Medium Enterprises (MSMEs) are key to the growth of Zimbabwe's economy as they now contribute up to USD8.6 billion to the national GDP (Tome 2022). Sadly, some of the early family businesses people amongst the black community which used to be the envy of many such as Machipisa, Makomva, Mwayera, amongst others are either not visible or have collapsed after the founding owners passed on (Musarurwa 2015). After passing on of the founders, the offspring's lacked experience to carry the mantle forward due to lack of expertise, poor education background or lack of funding for continuity. Family businesses in Zimbabwe which are not able to continue operating after the demise of founding owners pass away or are just incapacitated is a concerning trend (Chundu et al 2021; Dandira et al 2020). The socio- economic and political challenges in Zimbabwe which saw the economy receding due to the hyperinflationary environment, from the period starting around the year 2000 have seen most businesses scaling down or collapsing. Consequently, most family businesses which were in existence prior to this period are now extinct or they just struggled to operate especially when the founding members passed on (Musarurwa 2015), with the few surviving to date. Some of the early family businesses people amongst the black community which used to be the envy of many such as Machipisa, Makomva, Mwayera, amongst others are either not visible or have collapsed after the founding owners passed on (Musarurwa 2015). It would seem that after passing on of the founders, the offspring's lacked experience to carry the mantle forward due to lack of expertise, poor education background or lack of funding for continuity.

Succession Planning in Family Businesses

There are Asian family businesses which are arguably amongst some big corporates (Zhou et al 2016) and some family businesses which have been in existence in Europe for more than one hundred years (Ansari et al. 2014). The involvement of children from early age has been a good gesture for the family business continuity over the years. This has been evidence in most of the Asians empire setups. The key to their existence is on their generational exchange process (Bennedsen et al. 2015) which has to deal with passing on of business information and know-how from the current generation to the next one (Suárez 2012). In Zimbabwe, Sikomwe et al., (2012) considered important issues on succession planning whilst targeting the commuter transport sector in Zimbabwe and discovered that business failure is brought about by inability to adequately manage the succession issues. Nyamwanza et al (2018) explored succession planning in Zimbabwean polygamous family businesses and discovered that succession planning in polygamous families is indiscriminate and a cause of many disagreements.

Challenges surrounding Succession Planning in Family Businesses

The following elements have a negative impact on the succession process in family firms, as outlined by Oyeladun (2020): lack of succession planning, obstacles to succession planning, societal hurdles, ineffective family company succession, organization and relations in succession planning. Oyeladun (2020) further postulates that family structure, gender-related issues, the founder's role, the family size, the owners' lack of willingness to cede control, polygamy, shortage of resources, family dysfunction, a collapsing ownership structure, a poor overview and management system, and a decline in organizational commitment all have a negative impact on the succession process. The family businesses sustainability has been hinged on succession planning, (Boyd et al, 2015). According to Ghee et al (2015), succession planning has been seen as a key fundamental to the success of the family business. Years of training since childhood is also a major factor in contributing to business success in the Asian community. Ghee et al (2015) further provides a number of interrelated factors which contribute to the success of the family businesses such as the ability of the founder to manage, establishment of a strong system for the would-be successors and the processes used for the transition. If the factors below are not addressed, they can inevitably lead to the challenges surrounding succession planning in family businesses.

Lack of Succession Planning

The failure in most family businesses is due to lack in intentional succession planning and this is more apparent in instances when the founder suddenly passes on (Chundu et al 2021). Family-owned businesses typically fail due to lack of an efficient and open succession plan (Cater et al, 2019; Hillebrand, 2019). While effective succession planning promotes a company's growth as family members working together reduces tensions (Hillebrand, 2019; Sreih et al, 2019). Seventy five percent of family-owned firms are unable to survive to the second generation, and eighty eight percent fail to continue to the third generation, according to research (Mokhber et al (2017). According to Villagas et al (2019), one of the main reasons family-owned SME death occurs is the absence of succession planning procedures with just three percent of family businesses continuing through the fourth and subsequent generations (Mokhber et al 2017). Due to the inability to properly plan for succession and the transitional phase, the majority of family businesses do not survive past the first generation of family owners (Mokhbar et al., 2017) It is estimated that 70% of family businesses which are in the SMEs category collapsed due to the lack of succession planning (Kalra and Gupta, 2014). Absence of intentional and well-planned succession planning process results in collapsing of most family businesses (Buang et al 2013). Success and existence of family businesses in SMEs is hinged on the succession issues (Buang et al., 2013). It is therefore given that a flawed succession process will negatively affect the family businesses, and the country's economy as well (Buang et al 2013). Coffman (2014) suggests that due to their higher rates of succession failures, small family businesses do need

assistance in the development of their succession plans through early training, mentoring and empowerment process.

Internal Conflict

Internal conflict in relation to succession issues amongst family members has been cited as one main factor which hamper the effectiveness of the succession process (Buang et al 2013). There are internal conflicts which affect the effectiveness of succession process for family businesses that are in small to medium enterprises (Buang et al., (2013). The existence of succession plans alone does not negate the need for the successors to strategically start on how to climb the corporate ladder within the family business (Kaunda and Nkhoma 2013). Owners perspectives on business issues such as professionalism, risk appetite and growth direction are a prerogative of the owners hence they affect the strategic decisions and management of the business (Jayaram et al 2014). Buang et al (2013) reiterates that family business owners refusal to give up control to the successors in family business has negatively affected the preparation and subsequent grooming of the heirs of the business. Even with succession plans in place, it is the duty of those succeeding to generate their orderly career progression in family business transition (Kaunda and Nkhoma (2013). Buang et al., (2013) further also emphasized that the rejection of the owner to surrender control in family business is reflected a failure in the preparation level of heirs.

Family dynamics

Family dynamics seem to be the types of interactions that characterize the family's social existence which if not actively handled and addressed, they can lead to family disputes and negative feelings for multiple generations (Astrachan & Astrachan 2020). Such conflicts within families have the potential to be very stressful and alter family interactions. According to the literature on family businesses, the succession process succeeds when the business continuity is protected and when family cohesion is maintained (Calabro et al., 2018; Frank et al., 2017). Similarly, little research has been done on daughters as prospective company heirs, and the majority of the research in the field of family businesses has been on the commercial side and completely ignored the family aspect (Kubcek and Machek, 2018). According to a study employing dynamic panel data models, family enterprises that have female leadership do better than those that only have male leadership (Felix and David, 2019). Additional studies underscore the complicated nature of succession planning, showing that successors chosen and prepared by firm founders outperformed successors chosen and prepared by other family members in the workplace (Kiwia et al., 2019). Daughter succession in a family owned business is challenging, according to growing study in this field, because daughters are not generally seen as natural successors and are not typically socialized into family enterprises (Byrne et al., 2018; Mussolino et al., 2019).

Critical Factors for Successful Succession of Family Firms

Agbim's (2019) research found that the family-owned SME, the current, the possible replacement, and the features of succession planning all have a role in effective succession. Further, (Aalyo et al 2016) asserts that for a successful succession planning to take place, the following factors need to be considered; succession planning process, successor selection, and experience and training (Alayo et al 2016). There is interrelatedness on these factors; with the succession planning process being considered as the initial step. This step entails the selection of the successor as its main objective (Michel and Kammerlander 2015). On the other hand, possession of experience and training is a key consideration when choosing the successor.

Succession Planning

The rate at which most family businesses collapse might suggests that there is late succession planning and it is not being done properly, or that there might not be any planning at all (Alayo et al 2016). It should be

noted that failure to plan the succession can have dire effects in destroying both the business and the family business. There are two main objectives for succession process, namely identifying the likely candidates for succession and the second one being ownership transfer and business management preparation from the current generation to the following generation (Michel and Kammerlander 2015). Family governance mechanisms, defined as “voluntary mechanisms established by the business family with the primary aim of governing and strengthening relations between the family and the business, as well as the relationships between the members of the family itself,” are a suggested strategy for instituting succession planning (Suess 2014: 139). These family governance mechanisms which can act as family councils and family protocols help to create good family relations and are platforms that can be used to identify and select family managers (Cabrera-Suárez et al., 2015). A document called family protocol has written family business rules that clearly lays out the connection between the business and the family (Alayo et al 2016). It is recommended to write this document well before challenges and conflicts occur as it will clearly lay out the establishment of the successor and heritage determination (Alayo et al 2016). Succession of the family businesses should therefore be formally discussed by consensus and impartially in these family councils and their inclusion is a clear sign that there is succession planning which is formal within the family business (Alayo et al 2016).

Successor Selection

Challenges in identifying a successor are quite common in all companies, for both family and non-family businesses (Alayo et al 2016). This is, however, more pronounced in family owned businesses where a best pick has to be done for an individual who possess both the requisite skills and he or she being part of the family. Attributes such as financial and management skills need to be considered when evaluating a possible successor. External managers can prove to be the appropriate answer for the firm’s continued existence especially in instances when the children are not interested in continuing running the family business (Alayo et al 2016). Qualified and better prepared managers who are not from the family are usually preferred by the minority shareholders (Ansari et al., 2014). Mussolino and Calabrò (2014), however, argues that for the purposes of preserving family wealth and transferring the same to the next generation, some business owners are not comfortable in hiring non family managers.

Experience and Training for the Successor

Professional conduct of the family members in the firm’s business management should be displayed by the family first; when joining the business should not necessarily be due to being the family’s member only (Alayo et al 2016). Experience and knowledge can be gained through experience received from within or outside the family business and getting higher levels of education and this makes it easier for CEO’s position identification (Alayo et al 2016). The skills of a potential successor in the succession planning matrix need to be assessed to determine who is the best candidate who can drive the success of the organisation (Mokhber et al., 2017). Sufficient time has to be dedicated towards this process that will strategically work toward the identification of the most suitable individual to move the company’s vision and mission forward while the goals of the organizational are being met. The players who participate in the strategic process, in the context of family-owned businesses, must also consider the emotional profile and make-up traits of the current leader as they select the next leader of the business (Mokhber et al., 2017).

Ownership Life Cycle

Another important factor to consider in relation to family-owned business succession planning is the notion of ownership lifecycle. There must be a realisation and acknowledgement of own mortality and lack of ability by the current head of the organisation to continue being the leader of the organisation in perpetuity. Likewise, the owner must offer adequate social and economic capital to ensure that the organisation can succeed under a new leader (Mokhber et al, 2017). The successor may be more likely over-familiarize with

the family system, continuing in the family footsteps, that it might act as a further deterrence in regarding the positioning of the organization. This will result in the family lacking innovation and creativity resulting in the loss of its strategic place in the market (Mokhber et al., 2017). According to Jain and Jain (2014), “the life-span of Micro, small and medium family-owned business enterprises (MSM-FOBE) only last the life-span of the owner-manager” because “business owners’ failure to carry-out succession planning in a timely manner is a major reason why the life-span of MSM-FOBE only lasts the life-span of the owner-manager.”

Family Relationships

Mokhber et al (2017) posits that dialogue, trust, respect, dedication, family conflict, arguments, dispute, shared beliefs and customs and family strife are all aspects of family relationships. Conflicts frequently break out and have a disastrous impact on the succession process in family-owned enterprises, according to Kaunda and Nkhoma (2013). Effective succession requires a good working relationship and open lines of communication (Helin and Jabri, 2015). The family business should be left to the successor in the best possible condition so that the successor can easily continue its success, and ensuring its highest value possible, assuming it is up for sale (Gashi and Ramadani, 2013).

Overall Hypothesis

The escalation of the challenges of family business succession is hypothetically caused by the lack of willingness of families to choose successors and family related tensions.

Research Questions

The study is to answer the following research questions:

1. What is the nature and extent of strategic succession planning among family-owned businesses in Zimbabwe?
2. What are challenges and critical issues in regards to intergenerational transition or succession planning?
3. What are the effects of succession planning process on sustained growth of family-owned business in Zimbabwe?

RESEARCH METHODOLOGY

The study employed the mixed-method research design and adopted the pragmatism research philosophy, with the case study research strategy being adopted. The researcher had to use mixed research method as using both quantitative and qualitative techniques together provides a more comprehensive understanding of the research topic than does using only one type of techniques (Molina-Azorin, 2016). The study focused on family-owned businesses in Harare Metropolitan Province with the population for the study comprising owners, managers and employees of the family businesses within Harare. A combination of non-probability and probability sampling methods were used specifically stratified random sampling and purposive sampling were adopted in this study. For the interviews, the owners and directors from each company were selected whilst a total of 72 questionnaires were distributed. From the interviews, all the targeted 15 participants participated. Data for the study was collected using questionnaires and interviews. Quantitative data was analysed using SPSS whilst qualitative data was categorised and analysed according to themes using NVivo V12.

FINDINGA AND DISCUSSIONS

From the interviews carried out, the results were centred on the main research questions below. Nature and

extent of strategic succession planning among family-owned businesses in Zimbabwe The study aimed to determine the nature and extent of strategic succession planning among family-owned businesses in Zimbabwe. In doing so, the participants to the survey were asked if there was a clear succession planning policy in their organisations and the results are presented in Figure 4.1

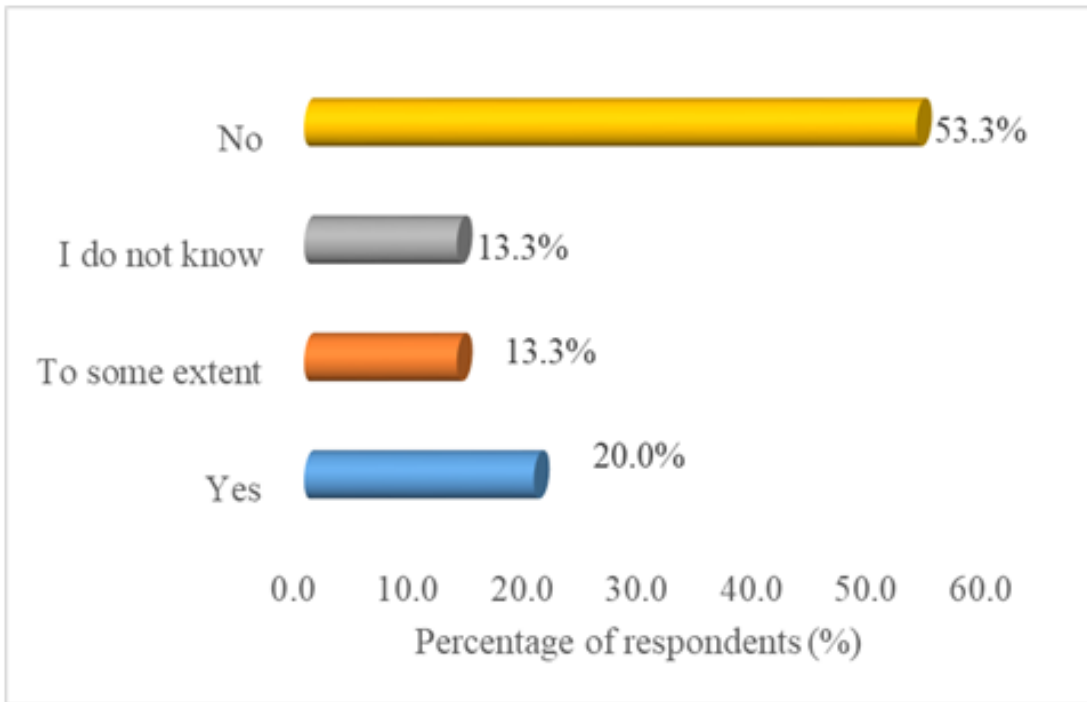


Figure 4.1: Existence of succession planning policy

Source: Field data (2022)

The results presented in Figure 4.1 show that majority of the participants (53.3%) indicated that their organisations did not have any succession planning policy in place whilst only 20% highlighted that their firms had succession planning policies. However, 13.3% of participants indicated that they were not aware of any succession planning in place. In overall, the survey results show that the family-owned businesses do have any succession planning policies in place. Similar findings to the survey were also obtained from the interviews conducted with the owners and directors of the businesses to understand in-depth the nature and extent of strategic succession planning among family-owned businesses. Majority of the interviewees indicated that there were no clear and formal strategic succession plans in place in most family owned businesses. One of the participants to the interviews made the following statement when asked whether the firm had any approved strategic succession plan in place: “No, there is no succession planning document in place. But we are in the process of creating one so as to ensure smooth flow of the business in the future” (Participant 2; Manager). In the same vein, the finance directors of some of the family owned businesses participated in the interviews and clearly stated that no formal succession plans have been put place. The participants observed: “What I mean is that we don’t have anything formal regarding succession planning. We have been in businesses for almost ten years but no formal succession plans have been made” (Participant 1; Finance Director) “With a family business it would obviously be generational so our family business scenario, my father got the business passed down to him from his father then my father passed it down to his kids which is myself my brothers. So my father worked with his father before our firm opened up for a good part of 30+ years.

In terms of generations myself and my brothers are the fourth as business in our family started with our great grandfather. Currently, we do not have a succession plan in place it is all spontaneous” (Participant 14;

Finance Director) On the other hand, other participants to the interviews indicated that succession plans were in place but more informal than formal. A director to one of the family owned businesses indirectly stated that informal succession plans were in place as older people informally passed leadership roles to younger family members. The participant remarked: “On that note, I’ve noticed through the three years that I work with the organization because I’m close to the leadership, the top leadership riding line between the old people and the young generation. So notice that the old people are some kind of waning off from the business and leaving the business to the young generation” (Participant 8; Director) Similar sentiments were also made by Participant 1, Participant 10 and Participant 15 who seemed to be the owners of the family owned business pointed out that informal and non-written succession plans were common in most businesses. The participants made the following statements: “So through the way of doing things I have noted that people in top leadership positions are leaving more authority and more decision making to the young children.

I therefore believe that this is the way of preparing them to take over the leadership roles” (Participant 1; Finance Director) “As the eldest and founding member of the firm, we not yet drafted any succession plan but we have made it clear to all the management that following my resignation or death, either my wife or eldest son will take over the role of company director” (Participant 10; Director) “Okay let me inform you that currently there is no clear-cut plan in place or documented if anything is to happen to me... Besides, just to mention if I am not around, my wife will take over and run the business, she is willing to in case anything happens. It is unfortunate that our children are still in school as it stands, they are not involved with any tasks at the farm. But the plan is when they finish their studies my wife and I will identify if our children have an interest in the family business, in doing so we would want to incorporate the farming business into our family structure. Currently, that is how our succession plan stands it’s not formal nor is it documented” (Participant 15; Owner/Director) In the same vein, Participant 6 stated that there were no formal succession plans in place, however, leadership positions have been passing on from one generation to the other. The participant openly stated: “There is an informal succession plan in place as we have noted that the current chairman is not the founder of the business but this was passed on to him from his parents. It is also likely that he will also pass this to his son who is current the operations manager” (Participant 6; Customer service manager) Participant 9 and 13 also made similar observations: “No formal and legal strategic plans are in place but succession is based on family systems. For instance, in this organisation, the oldest son of the founder is being groomed to take over the business. As a young child, the son was kept around the leader and other employees of the company just to see if he would get a feel for the operation of the business” (Participant 9; Customer service manager) “In regards to a succession plan, currently we do not have anything on paper or documented. Our current plans are to expand and to open some more stores here in Harare and maybe Bulawayo so this our continuation plan.

As, the son to my father who is the founder we didn’t have a succession plan in place for me to take over it just happened naturally, before I started working here at Frankly Services I was employed somewhere else but I realised the great potential which this firm had” (Participant 13; Human resource manager) Participants 11 and 12 also indicated that there were unofficial and informal succession plans whilst efforts to make them formal and official were underway. The participants made the following statements in relation to nature and extent of succession planning with the family owned businesses: “At this time of the study, the business had an unofficial and informal succession plan in place. However, we are in the process of making the succession plan a legal document that will go into effect upon the founder’s or leader’s retirement or in the case of anything unforeseen happens” (Participant 11; Human resources manager) “Right now the succession plan in place is unofficial, but the team is looking to make it official and continue to sit down with the managers and talk about things and how we can make this work. We have had some conversations and meetings about the succession plan and we are in the process of now trying to put everything on paper and to make this more of a legal document that will take effect upon my retirement or if anything happens to me” (Participant 12; Operations Manager) The abovementioned quotations from the interview data indicate

that majority of the participants to the interviews were in agreement that most of the family owned businesses in Zimbabwe do not have formal strategic succession plans. The results are in line with the survey results that formal succession planning is being practiced to a lesser extent. More so, the results confirm the findings of Kalra and Gupta (2014) who found that 70% of family businesses lack succession planning policies. In addition, the 20% of the participants who highlighted no succession planning policy were asked to indicate the most applicable reason for the failure in having succession planning policies. Figure 4.2. shows the research results pertaining to the question:

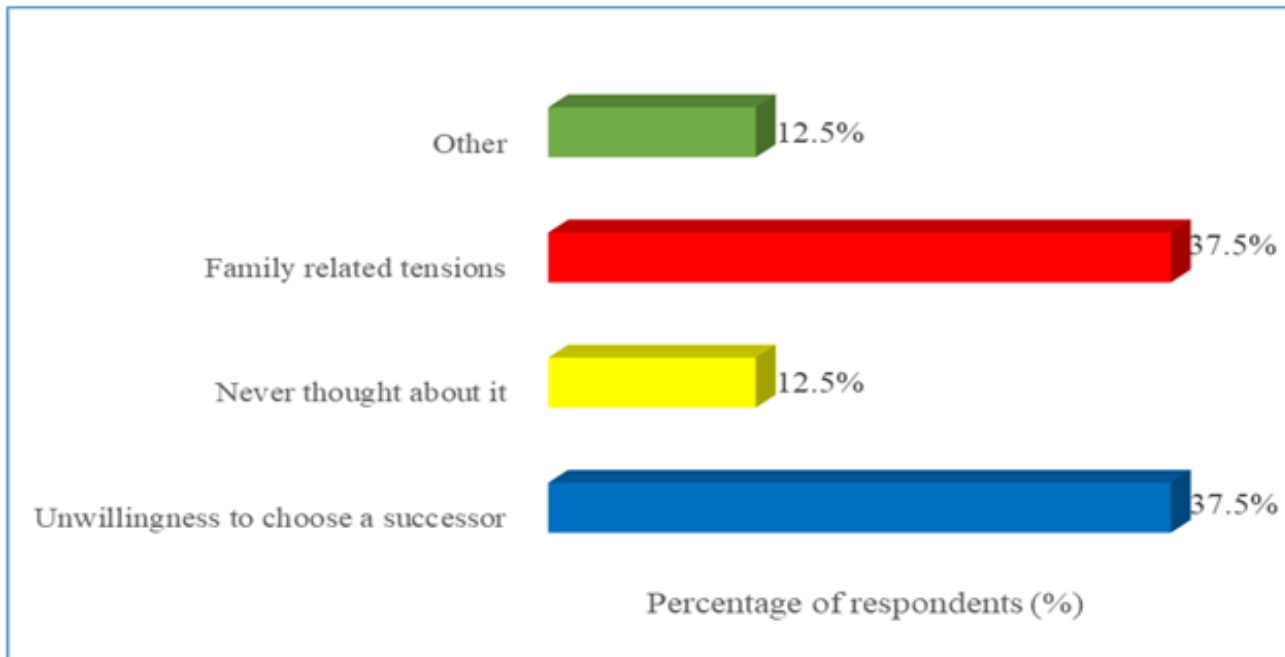


Figure 4.2: Reasons for lack of succession planning policy

Source: Field data (2022)

The results in Figure 4.2 show that 37.5% of the participants indicated that one of the reasons for no succession planning policy was family related tensions whilst another 37.5% indicated that unwillingness to choose a successor resulted in lack of succession planning policies. A proportion of 12.5% also indicated that those in power never think of succession resulting in absence of succession planning policies. The results support previous studies such as Lam (2011) asserted that lack of succession planning policies among family-owned businesses include family related tensions and conflicts. Nyamwanza et al. (2018) also discovered that succession planning in polygamous families is indiscriminate and a cause of many disagreements. In another research, Dumbu (2018) revealed that absence of suitable succession candidates and conflicts in families were primarily among challenges that encompass succession planning in family businesses.

Challenges surrounding succession planning in family-owned businesses in Zimbabwe

Furthermore, the study pursued to establish the challenges surrounding succession planning in family-owned businesses in Zimbabwe. To achieve this aim, the researcher gathered primary data using questionnaires and interviews. From the survey, the participants were asked to indicate challenges faced in the succession planning process in among the Zimbabwean family-owned businesses. The results are presented in Figure 4.3.

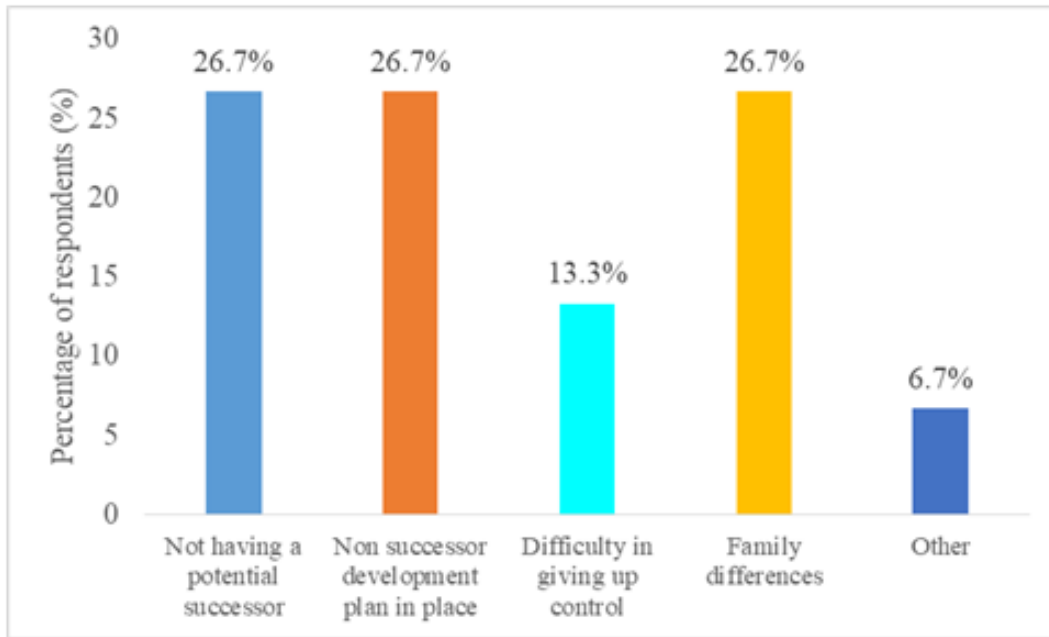


Figure 4.3: Challenges faced in the succession planning process

Source: Field data (2022)

The results presented in Figure 4.3 show that 26.7% of the participants highlighted not having a potential successor as one of the challenges faced in the succession planning process. Another proportion of 26.7% of the participants indicated that one of the challenges for succession planning among the family-owned businesses include absence of successor development plans in place. In addition, family differences were also voted by 26.7% of the participants. The other challenge as highlighted by 26.7% of the participants was difficulty in giving up control. More so, 6.7% of the participants highlighted other challenges such as lack of communication, reluctance among owners and leaders and lack of succession planning policies. Similar challenges and other challenges were also obtained from the interviews conducted. From the interviews conducted by the researcher with the managers, owners and directors of the businesses, several critical issues were mentioned by the participants to the interviews. The major themes that emerged from the data included reluctance among owners and founders, gender bias and conflicts over leadership roles.

Reluctance to transfer power and authority

This emerged as one of the main themes to the study and hypothetically resonates well with the hypothesis that failure of family business succession is due to the reluctance of power transfer and authority by founding members and owners of family owned businesses. One of the critical issues mentioned by most of the participants to the interviews was reluctance to transfer power and authority to the next generation. The following excerpts are some of the statements of the interviewees: “There is some grip from the senior from the old people. They still want to retain power and control. At the same time there is a need to transfer the role of general management to the young guys. The challenge is reluctance to transfer power to young generation” (Participant 3; Purchasing Manager) “The better of the young guys is that they went to school in Canada, USA, in Australia. So after they have the degree programs they came and they were trained. Now that they are in the position to make some formal decisions I’m noticing that senior old people, do not want to transfer the controllership of the business to that generation” (Participant 4; Operations Manager)

Similarly, a human resource manager who participated in the interviews stated: “The old people particularly the founders do not have trust in the younger generations and fear that these young generations may not be

able to run the business. They are afraid to handover leadership positions to the younger generations” (Participant 11; Human Resources Manager) Another participant to the interviews, Participant 8 highlighted that reluctance to pass on power was one of the critical issues surrounding succession planning among family owned businesses in Zimbabwe. The participant remarked: “There are two issues that I’ve observed. The first issue is the old initial owner that is the founders of the business, believe in the old way of doing things. The old principles of business management like for example, given example, the parents, they don’t believe in computers, they don’t believe in sophisticated computer systems. They don’t believe in the new way of doing things. The second issue is that they don’t have trust in the younger generation. Hence, they are not willing at all to pass management to the younger generations” (Participant 8; Director)

Conflicts of leadership

Hypothetically this theme is to a greater extend in line with the hypothesis that failure of family succession is due to family related tensions. The other related issue mentioned by the participants to the interviews was conflicts over succession due to absence of well-drafted and formally written succession plans. One of the participants stated: “The major issue surrounding succession issues is conflicts among family members whenever opportunities of succession arise in the business. For instance, following the death of the founder of this business, hostility was created among the sons of the founder regarding on who to take over the top leadership role till it was settled by the courts” (Participant 12; Operations Manager) In the same line of thought, another participant to the interviews stated that conflicts over leadership among family members were common among family-owned businesses. The participant observed that: “The issue of concern is conflicts over leadership due absence of succession plans in place. This lack of succession plans creates problems when the founder or owner dies or resigns as there will be competition over the leadership position leading to conflicts and fights” (Participant 9; Customer Service Manager) “Lack of succession planning has resulted in many conflicts in the family owned businesses especially when the next person to manage the family business decides not to take up the succession or when other family members such as in-laws are given the chance to take over” (Participant 10; Director)

Gender biases in succession

In addition, issues of gender biases are also very common in succession planning of family owned businesses as highlighted by four participants to the interviews. One of the participants stated: “Most founders of the small family owned businesses are males hence they have come up with the belief that only men can manage the business. As a result, they have been reluctant to pass on business management to female family members. I have also observed that in this firm, only male family members have been taking over since the firm’s establishment” (Participant 12; Operations manager) Another participant also mentioned the issue of gender bias as one of the issues regarding succession planning in family owned businesses. The participant remarked: “The issue of undermining the other part of gender continues to propel among most family owned businesses. The lack of succession plans has made only male succeeding other males regardless of leadership capabilities. In this firm, leadership has been passing from one male generation to the other and no female family has taken over yet” (Participant 5; Finance Manager) Participant 10 and 12 also raised the issue of lack of trust in female leaders arguing that this has made many founders of family owned businesses reluctant to pass on leadership to the next female generation. The participants reiterated: “There seems to be a general trend taking place in the succession of family owned businesses that only male family members take over. Over the years, only few females have been given the opportunity to take over however this is debatable based on cultural and traditional beliefs.

In African culture, allowing women to take over a family business is regarded as change of ownership of the business. Through these beliefs, there is low tendency of women taking over leadership roles in family businesses” (Participant 10; Director) “Over the years in this organisation, I have learnt that succession has happened three times, two planned whilst the last one was unplanned. In all these three circumstances only

male family members have taken over. The major reason is that there is the trending belief that women may not be effective leaders of successful businesses. But this is not true, some firms taken over by females or founded by females are flourishing whilst some led by males have collapsed” (Participant 12; Operations manager) From the aforementioned findings, there are several challenges surrounding succession planning among the family-owned businesses in Zimbabwe. These challenges include absence of potential successors, absence of successor development plans, difficulty in giving up control, lack of communication, reluctance among owners and leaders, gender biases and conflicts over leadership. These challenges were also documented in existing studies. For instance, Dumbu (2018) examined succession planning and discovered that absence of communication, absence of suitable succession candidates and conflicts in families were primarily among challenges that encompass succession planning in family businesses. Similarly, Mokhber et al. (2017) found that family-owned businesses have challenges in finding successors who can take the companies forward. Alayo et al. (2016) also indicated that challenges in identifying a successor are quite common in family owned businesses. In another research, Buang et al. (2013) stated that the refusal to give up control by the owner represented challenges for succession planning. Orole (2020) cites unwillingness of top managers to mentor middle management as one of the biggest succession challenges.

Effects of succession planning process on sustained growth of family-owned business in Zimbabwe

Furthermore, the study aimed to investigate the effects of succession planning process on sustained growth of family-owned business in Zimbabwe. This section presents and discusses the results pertaining to this objective. The participants to the survey were asked to indicate their degree of agreement to the question whether succession planning enhances sustainable growth of the family-owned businesses in Zimbabwe. The results are presented in Figure 4.4

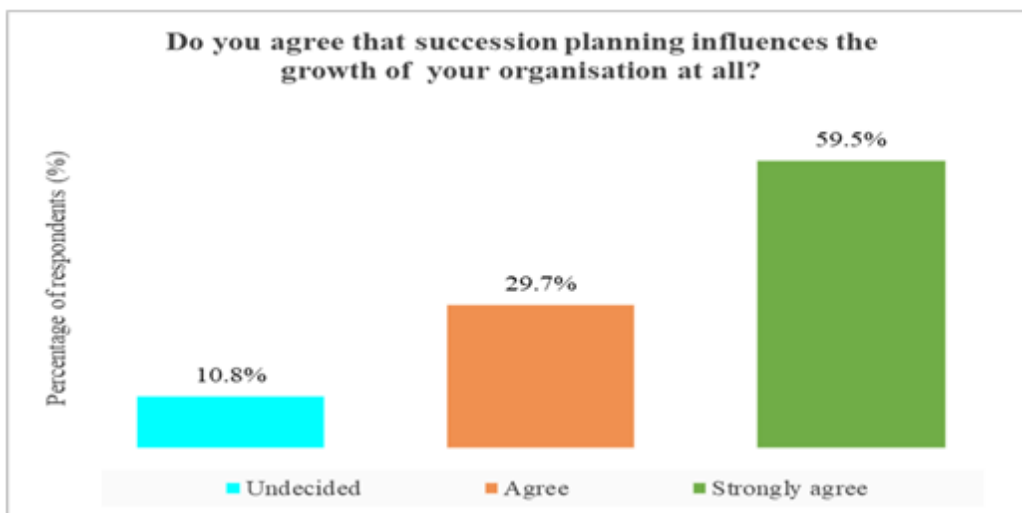


Figure 4.4: Effects of succession planning on sustainable organisational growth

Source: Field data (2022)

The results presented in Figure 4.4 show that majority of the participants (59.5%) strongly agreed that succession planning influences growth of their firms whilst 29.7% agreed. The minority (10.8%) of the participants were undecided. In overall, the results show that most of the participants were in agreement that succession planning enhances sustainable organisational growth of family owned businesses. Furthermore, the researcher carried out the Pearson correlation coefficient test to determine the effects of succession planning on sustainable growth of the family-owned firms in Zimbabwe. The results of the correlation test are presented in Table 4.1

Table 4.1: Correlation test: Succession planning and sustainable organisational growth

Variables		Succession planning	Sustainable organisational growth
Succession planning	Pearson Correlation	1	.704**
	Sig. (2-tailed)		.000
	N	67	67
Sustainable organisational growth	Pearson Correlation	.704**	1
	Sig. (2-tailed)	.000	
	N	67	67

** . Correlation is significant at the 0.05 level (2-tailed).

Source: Field data (2022)

Table 4.1 above shows the Pearson correlation statistic of 0.704 which is statistically significant at a 5% level (2-tailed). This demonstrates a significant strong positive link ($r = 0.704$, $p = 0.000$) between succession planning and sustainable organisational growth for the family-owned firms in Zimbabwe. These results show that effective succession planning by the family owned businesses can significantly enhances sustainable organisational growth. Supporting evidence was also obtained from the interviews conducted by the researcher. The participants to the interviews were posed with the question: “What do you see as the benefits that your organisation has achieved so far from implementing succession planning?” In responding to this question, the interview participants stated that succession planning has the potential of enhancing sustainable growth of firms: Participant 3 weighed-in alluding to the benefit of succession planning to continuity and sustainability aspects of the family-owned businesses. The participant said: “Effective succession planning will be beneficial. It means there will be continuity for the business if we have leadership succession plans in place. That’s why I believe for businesses to be sustainable, succession planning must be put into practice” (Participant 3; Purchasing Manager) Another participant (Participant 7) also shared his view of the benefit of succession planning by saying: “Leadership succession planning is very essential for sustainable growth of these family-run businesses. For instance, if one has a business succession plan, this means he/she has the plan for tomorrow thereby promoting viability and continuity. I also think that if one has a succession plan, the profits of the business may improve and even the life-span of the family business will improve” (Participant 7; Chief Executive Officer) Participant 11 concurred with Participant 7 supporting that succession planning enhances business sustainability. Participant 11 was quoted saying: “Succession planning is very beneficial and I have come to notice that if one wants his/her business to exist for generations, they have to come up with succession plans” (Participant 11; Human Resource Manager) The results presented show that succession planning is positively linked to sustainable growth of the family-owned businesses. These results infer that effective succession planning leads to continuity and sustainability of the family-owned firms. Many scholars and researchers have also highlighted similar observation. For instance, Mussolino and Calabrò (2014) viewed succession planning as one of the means to business sustainability across different family generations. Boyd et al. (2015) also stated that family businesses sustainability is hinged on succession planning. In support, Ghee et al. (2015) also found that succession planning is the key to the success of the family businesses. In the Zimbabwean context, Chundu et al. (2021) also found that sustainability of family-owned firms in Zimbabwe is significantly impacted by lack of succession planning. This was also corroborated by Clutterbuck (2012) who documented that effective succession planning is key towards enhancing sustainability and persistence of family-owned businesses.

CONCLUSION

The general conclusion drawn from the study was that the practice of intergenerational succession planning among family-owned businesses is very low and that the family-owned businesses in Zimbabwe do not have formal strategic planning policies in place. There is also a myriad of challenges faced leading to the low practice of succession planning. Besides, the challenges, the study also established that effective succession planning can lead to increased continuity and sustainability of the family-owned firms in Zimbabwe. From the literature review, it has been observed that as a good practice, a family business can have a family protocol document which has written family business rules which highlights on what can be done and what cannot be done. This document has to be written in advance well before any challenges or conflicts take place. For established family businesses, on the other hand, preferably should have family councils for easy of communication on issues such as family values and formal discussion of succession planning by consensus with impartially.

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