

CHAPTER ONE

INTRODUCTION AND BACKGROUND TO THE STUDY

1.0 BACKGROUND

In Africa, history is replete with family businesses that fail as a result of poor or lack of effective succession planning. Family firms have generally become as mortal as their founders since, "they also die with their founders" (Forrest, 1994:237). Literature on the crisis of succession in family firms is characterized by a dichotomy between Western and African realities and their ideologies to management of business and the ensuing dilemma family business leaders or owners face in attempting to reconcile "family – first and business--first" ethos. This study attempts to merge this dichotomy in order to come up with a model that takes into account both the uniqueness of the African socio-cultural context and the celebrated tenets of 'professional' management. Business leaders need to understand and manage the contradictions and the complexities associated with leadership succession planning to ensure business growth and continuity.

The problem of the continuity of the business after the founder is not unique to Africa in general and Zimbabwe in particular (Maphosa,1996; Willer, 1996; Wild, 1997) but has also been observed in many other countries like South Africa (Binedell, 1993; Meer,1997; Venter et al, 2003; Mitchell, 2004), Nigeria (Ukaegbu, 2003), 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). Most organizations owe their existence and continuity beyond the founder largely to the nature of the succession process.

The dominant view which has traditionally shaped the study of family businesses which views the 'family' and 'business' as two separate systems competing for power and control within the organization is inadequate for analyzing the complex contradictions and paradoxes which emerge from conversations with individuals working in a family business. Ram and Holliday (1993) suggest that the family business contains complexities and contradictions, which mean the dynamics at work, will be contingent 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 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, provides an interpretive view of family and enterprise which allows an analysis of the complex contradictions and paradoxes which emerge from conversations with individuals working in a family business. This thinking typifies a paradigm

shift from the rigid, rational and systemized 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). This model conceptualizes the family business management and succession processes in terms of mapped realities and argues for the need to accommodate the more complex issues drawn from the everyday experience and interpretations of business survival as perceived by family and non-family members.

In Africa, family business is an arena with competing realities where Western professional business interests struggle to co-exist with African traditional ones. It is therefore important for family businesses to accommodate the different world views and the subsequent contrasting ideologies if they are to survive beyond their founders. The method of succession has been conceived as one of the principal factors determining the stability of any given form of organization (Gouldner; 1954). Despite the concept's analytically strategic role, business scholars fail to give a coherent picture of the content and function of the succession processes in the African context. To date, there is not much literature that has come up with a model that attempts to fuse Western managerial succession processes with the African socio-cultural context. As a result the association between succession planning and business survival or continuity is inherently contradictory as the two tend to be at crossroads at various stages of the life cycles of the businesses. To deal with this dichotomy this thesis attempts to give a more coherent picture by locating research in a more complex

framework in which culture and history play a relevant role. Hence the adoption of a social constructivist enquiry which moves beyond the dichotomy and thus abandoning the determinism of convergence. This approach proposes a more integrative and interpretive view to the succession process and business survival.

While succession planning may influence business survival there is no empirical evidence yet on whether or not any business failures could be attributed to lack of it. Furthermore, interactions of actors during founder stage and those in post succession periods are not necessarily congruent and not so predictable as to ascertain their impact on future business survival.

The periods of the family firm survival are trajectories of conflicting generations; the founder and successor era. Patterns of business management and the resultant organizational cultures under the founder and successor are often diametrically incongruent. While strategic planning acumen ought to transcend all generations, inevitably skills required by the current generation will be different from those required or possessed by the next generation. History and social interactions out of which new leadership is borne invariably influence the type of leadership of either founder or successor. Transferring a business from an entrepreneurial family to a fiduciary can promote profound cultural changes adverse to continuity of the family's culture (Marcus, 1991). The skill, expertise and charisma of the founder are a cultural legacy or transient knowledge base that no successor can replicate. Thus, to Narva (2001) treating 'succession' as

one-for-one inter-generational substitution is a myth. There can almost never be a successor who exercises authority akin to that of the founder, leading to 'inter-generational incongruity' (Curan and Blackburn, 1991). This arises in various ways; different generational expectations and orientations; vision and strategy; and the incongruent patterns of family participation in both the ownership and management of the business.

1.1 STATEMENT OF THE PROBLEM

The absence of strategic planning by the founder or owner-manager in most family owned indigenous firms in Zimbabwe has been blamed for their failure to live beyond the founders (Maphosa, 1999). Research shows that failure to provide for succession is the primary cause for the demise of family owned businesses (Hershon, 1975; Lansberg, 1983; Danco, 1987). The problem with entrepreneurial leadership which is often characteristic of the founder unlike successors renders succession planning problematic. The 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: "leading in order to let go (Moore and Barrett, 2002). While new leaders can be catalysts for change, factors at the firm level can make changes messy and difficult and this is equally true of succession. Firms that have survived the entrepreneurial phase of founder may not have gone through a universal and conceptually simple pathway to manage the paradox.

Succession planning is a different kind of a problem of leadership but 'letting go' is a paradoxical kind of leadership problem, because it has to do with planning what needs to happen when the incumbent is no longer there. That is, the founder is indeed leading, but in order to 'let go'. This leads to the crisis of 'inter-generational incongruity' which is further compounded by the fact that even the current leader might not be the most appropriate person to select the next suitable leader for the business (Carlock and Ward, 2001). The ability to ensure competent leadership across generations may be even more complex (Ayres, 1990; Le Breton-Miller, Miller and Steve, 2004). Skills needed to establish a family business and negotiate it successfully through birth and growth stages are not the same as those needed to consolidate it into maturity and avoid it moving into decline. The problem is that even though most family business owner managers recognized the significant role played by succession planning in ensuring business survival they still did not put in place any plans.

Firms that undergo family transitions do not recover from the decline in performance suffered after succession. The lack of post-succession recovery is evidence of a permanent negative impact of family management. Despite the recognition of the high mortality rate of family businesses associated with the lack of succession plans, business leaders still did not approve of them. Written plans are treated as taboos just as wills. They are alien and incompatible with the traditional practices (Wild, 1997; Maphosa, 1999). Similarly, there are norms against discussing the family's future beyond lifetime of parents. Both the founder

and family are afraid of death (Holt, 1992; Lambing and Kuehl, 1997; Lansberg, 1988).

While many scholars have examined the character and dynamics of succession planning in general, studies specifically targeting family-controlled businesses have not been extensively conducted within the African context. Nearly all past studies have focused on large, public companies that are more visible than the smaller family businesses and where it is much easier to get data on their histories and succession issues. Where research on family businesses exists, it concentrates on experiences from stable economies of either Europe or Asia and conclusions particularly with succession, intergenerational incongruity and their relationship with business survival have been inconsistent and conclusive.

1.2. JUSTIFICATION OF THE STUDY

One of the greatest challenges facing African family firms today is the crisis of succession that is, uncertainty about the future of the organization beyond the founder. For an organization to survive beyond its founder there is need to prepare or plan for efficient and effective transfer of firm management in order to avoid inappropriate leadership that could threaten organizational stability and continuity. The importance of inter-generational transition as a precondition for family business survival, growth and continuity needs both scholarly and practical attention.

Evidence from both business economics and management literature, show the universality of the role of succession in formal business organizations. Thus, the tendency of the process to promote instability makes this phenomenon of crucial importance to organizational theory (Grusky, 1961:115). However, empirical studies of the process of succession and its concomitant problems in Africa general and Zimbabwe in particular are practically limited and this makes my thesis a timely intervention.

This observation makes the study of succession in family firms very critical since their form and character make them more vulnerable to the ramifications associated with the absence of strategic business planning in general and succession in particular. Consequently, family firms have very often died with their founders (Frishkoff, 1994; Forrest, 1994; Maphosa, 1999). So there is need for studies of this nature if the problem is to be understood, hence this present study. Family businesses are important economic players the world over and therefore their study is justified both as an academic exercise (for theory building) and as a practical issue (recommendations and extension). Perhaps more importantly, this study is more helpful in suggesting potential avenues for policy makers to improve the sustainability or survival chances of family controlled businesses in Zimbabwe and other developing economies.

Although it has been widely accepted that one of the ways to achieve a rapid creation of employment opportunities and a competitive economic environment in

Zimbabwe was through the promotion of Small to Medium Enterprises (SMEs) that are often owner-managed; the absence or lack of investment or efforts to sustain them 'beyond their founders' was glaring. This is evidenced by the limited research and literature on the subject in Sub-Saharan Africa in general and Zimbabwe in particular. This renders a study in such an area very relevant for development of both business management theory and policy interventions. This study hopes to integrate current trends and future directions in family business management.

1.3 OBJECTIVES OF THE STUDY

The study intended to achieve the following objectives:-

- to identify and analyze the various ways of succession among family businesses in Zimbabwe
- to assess the nature and extent of family involvement in the ownership , management and transfer of businesses across generations .
- to identify and analyze the reasons for the high mortality rate among second or later generation family businesses
- to investigate the relationship between the succession process and family business survival in Zimbabwe

The following questions guided the study:-

- 1) Why do most of the family firms fail to live beyond the first generation?
- 2) How do founders and owner-managers prepare for succession?
- 3) Why do family businesses not have strategic succession plans?
- 4) Why are family business leaders reluctant to relinquish control?
- 5) What are the motivations and practices of founders and successors and how do they influence family business continuity?
- 6) To what extent does the succession process or planning influence the business's survival?
- 7) To what extent do family social networks and practices influence family business organization and continuity?

1.4 ANALYTICAL FRAMEWORK

Earlier business management and social science studies on family business succession and survival in general and sociological enquiry in particular have been inspired by various models (e.g resource based view, family and familiness transmission systems approach, network embeddedness and relationships model, social enactment, linear stage/phased based approach, parallel planning process, leadership contingency model, endowment effect , intergenerational incongruity, succession conspiracy thesis, kinship analysis, cultural view, narrative discourse, gender-'glass-ceiling' thesis, agency cost theory...). These studies did not fully account for the multiplicity of definitions and meanings family

business, succession and survival. This study is guided by an approach that was advanced as a way of enriching the theories of succession by focusing on the richness and complexity of actual succession events. Hence, the adoption of the social constructionist model of analysis which falls within the post-structuralism paradigm.

The social constructionist approach attempts to integrate various strengths of models used in earlier studies through its emphasis on interactive relationships and social constructions of practices and actions of actors. Certain external influences, such as institutional and environmental ones, may have a significant impact however human factors and processes appear to be the areas of most concern during succession. The problems encountered in family business succession planning are generally human ones. Consequently, the areas most in need for consideration, the issues to be managed and the difficulties that must be overcome when family businesses plan for succession mostly revolve around relationships, individual attitudes and experiences, business and family cultures and values and aspirations involved. This makes it unlikely that any single model on succession planning can be applied in all situations.

According to this model, the world can be socially created by social practices but at the same time be experienced as if its nature is pre-given and fixed (Berger and Luckmann; 1966). In this section, a brief discussion of the key tenets of the

social constructionist view and its application to our understanding of succession planning in family businesses is given.

Social constructionists postulate that various institutions (re)produce constructions of leadership that coincide with concurrent episodes and processes at actor level (Shotter, 1933; Watson, 1994; Tourraine, 1988; Hannerz, 1992; Sjostrand, Sandberg and Tyrstrup, 2001). For example, Hosking, (1988), Zucker, (1988), Chen et al, (1991) and Sjostrand (1997) observed that from most of the studies, it is evident that the influence of managers on organizations is severely restricted. The presence of uncertainty in an organization implies the recognition that unexpected situations will arise and that they will continue to do so time and again. From a social constructionist perspective, one of the very relevant sources of uncertainty is the heterogeneous character of human beings. Due to the way people perceive, (re)produce and enact organizations, individuals with managerial responsibilities are encouraged to become involved in such processes and serve to mould expectations particularly in situations where expectations are disapproved or appear to conflict with one another.

In a sense, uncertainty provides a problem of co-operation and organized contexts must maintain some means of handling expectations and unforeseen situations (Sjostrand et al, 2001:8). Under uncertainty, however, unexpected events must be dealt with as and when they arise and dealt with in ways, shapes and forms that are highly improvisational. Individual understandings of reality

promote differences in expectations and ambitions, making it difficult to mobilize coordinated responses. Family-owned businesses are complex organizations and leading them is equally challenging, and fraught with uncertainty and anxiety. Owner-managers, as the ones who have to handle the unexpected, also have the task of deciding whether or not a situation is likely to reoccur in the future and therefore, should be the trigger for some reorganization.

Firstly, the social constructionist model takes a critical stance towards the taken-for-granted knowledge. Lack of business strategic planning in most family owned or managed firms is not fixed and pre-given but an outgrowth of social interactions. The notion of rational planning is not a myth but it must be seen as a situated practice. Succession planning is not a purely reflective process but occurs in a social context on which it is contingent. Given that planning in large organizations is often both rational and contingent it is even more complicated in family firms. Planning in all its forms and aspects is a practical, situated activity, (Dant and Francis, 1998). Hence any skills that any leader may have been taught or inherited from past generations may not necessarily be congruent to current contingencies.

Therefore 'the meaning and significance of any plan is constructed for use by the members of an organization, in and through the ways in which they orient themselves to the plan as a constituent feature of their circumstances of action' (Burr, 1995:40). Many a time, lack of strategic plans and subsequently business

failures are blamed on the founder or leader. However, this type of thinking fails to recognize that all family and non family stakeholders play a significant role in family business decision making and action taking (Carlock and Ward, 2001). When business families discuss their strategic plans for their firms, they should not underplay the role played by the interaction between the families and business systems.

Secondly, this model recognizes that historical and cultural specifics are invaluable in understanding family business succession processes. Patterns of family business evolution, management, ownership and transfers are invariably contingent on their historical and cultural specifics. This is aptly illustrated in this study by the infighting among the descendant brothers over the control of inherited assets. Succession planning is not a purely reflective process but occurs in a social context on which it is contingent (Gephart, 1978).

Thirdly, this model assumes that human beings together create and then sustain all social phenomena through social practices. The social practices engaged in by people, and their interactions with each other, are responsible for the patterns of business leadership and its transfer to the next generation at each period. Managerial leadership is conceived as a relational, ongoing social construction process rather than as a single clear-cut phenomenon (Sjostrand et al, 2001). An interactional approach to planning in organizations that draws out the relevance of both rationalist and contingent planning models is developed. No model is

however exclusively adequate to describe the process of planning because it is always a practical and situated activity whose character emerges in the process of interaction (Dant and Francis, 1998). For all the eight businesses in the second generation the choice of the next leader and the power and control that is created around this new leadership is an outgrowth of interactions among participating and non participating members and not necessarily a rational planning process.

Fourthly and lastly, for any sustainable social interaction and practice, social constructionists have identified language as a critical form of social action through which multiple identities were constructed and reconstructed. For example, the use of a particular 'name' given to a family business may depict either gender or power discourses. Consider such names as the 'Mushi and Sons', 'Murombo Munake and Sons' and also the 'G & M' Panel Beaters which is a brainchild of and controlled by two Mutongi brothers; Gidion and Meck. Similarly, through social interactions the meaning of 'business success' may even vary across generations. This 'constructive force of language in social action ensures a fragmented, shifting and temporary identity for all' (Burr, 1995:40). Business leaders at various points in the life cycles of both their families and businesses enter into various exchanges between themselves or with other people and construction of new identities takes place. People either actively or implicitly get involved in exchanges and in the process construct and reconstruct themselves (Burr 1995: 39). Identity is constructed out of the

discourses that are culturally available to actors, and which they draw upon in their communications with other people. To Irimoto and Yamada (2004) identity is dynamic sometimes variable and even fictional, though it can be absolute truth for those people concerned.

Kondo (1990) provides further understanding of the shifting, negotiated and relational nature of identities and the subtle deployments of power in a family and a business. Identities are multiple, ambiguous and contradictory. They shape and are shaped by relations of power and are produced within discourse. For example; the entrepreneurial identity, male and female, as observed in the discussion on gender dimensions of family participation in Chapter Six, emerges through participation and is constructed socially, culturally and in relation to others. These relationally defined selves are inextricable from the context of their negotiation. Those identities can be legitimized and undermined at the same time.

The notion of succession as a one-for-one intergenerational substitution is a myth (Narva, 2001) as organizations are conceived as arenas of interaction, and where order is an on-going arrangement of commitments and alignments entered into by personnel in their daily round of activities. This has something in common with Strauss's (1968; 1978) conception of organizations as 'negotiated orders', although the idea may not necessarily suggest that everything which constitutes the social reality would continuously be available for negotiation.

Picturing succession planning as a single clear-cut founder or owner manager driven phenomenon is faulty as it negates the role played by social actors and their rhetoric. Leadership is fundamentally a social rather than individual practice (Kondo, 1990). Accordingly, social interactions into which the founder and successor generations are engaged at different periods of either their family or business life cycles are relatively incongruent and this often results in a 'conflict of generational cultures' (Hofstede, 1994). Rhetoric is contextually embedded and discursive and often founder and successor rhetoric are incongruent as they come from relatively dissimilar generational cultures. Succession process in family businesses becomes inevitably a site of variability, disagreement and potential conflict, where power relations are acted out and contested. It is an outcome of a messy and complicated process.

The presentation of leadership of the family business may be ideologically determined and therefore most commonly male as observed in this study, but the realities of lives of those engaged in founding a business and the next generation succeeding them reveals that there are multiple and shifting forms of leadership that are constantly negotiated and renegotiated. Leadership at both founding and post-succession stages is negotiated in a shared dialogue by actors in relation to each other. In this context leadership can be interrupted, contradicted and questioned in the daily lives of those engaged in the business.

The absence of strategic planning by the founder in most family owned indigenous firms in Zimbabwe has been blamed for their failures to live beyond the founders (Maphosa, 1999). The problem with family owned businesses is that they are often founded by entrepreneurs who later transfer management and/or ownership to their family members who have no or little orientation to the business. However, from a social constructionist perspective, early orientation to the business management culture as the Mutongi brothers were attempting to do at the G & M Panel Beaters may not necessarily determine post succession success and survival of the firm in the long run. Actors and stakeholders at various stages of the business bring divergent orientations and motivations to the situation and react differently to their situations brought about by new governance structures.

Maurick (1999) provides three main modes or camps into which approaches or strategy-making in organizations fall: the entrepreneurial, adaptive and planning mode. Often businesses stumble in both the adaptive and planning stages. First generations are often not effective strategists as entrepreneurs and their core values and vision create some resistance to change. Their fear of the unknown (uncertainty avoidance) kills innovation and making the business fail to adapt to the complexities of the ensuing conditions of the second or third generation. Most founders are concerned about their heroic mission (Sonnenfeld and Spencer, 1989).

Entrepreneurs are naturally conservative and possess transformational leadership characteristics which do not lend themselves well to delegation. To them business success is the ability to have one's business survive now and beyond despite having no strategic intent to place someone in their position. They have joy in leaving a legacy that continues to make them heroes. Survivors or second generation leaders expect to inherit the 'heroic stature' and mission with no accompanying inspiration to achieve something of their own but only as an entitlement through kinship. Unfortunately, this 'incongruity' makes the followers incapable of recognizing when the leader's strategy or tactics are misaligned. The paradox in this debate is that the concept of intergenerational incongruity which has been largely blamed for the high fatality rate of family businesses in the second or third generation may also account for the success of some businesses.

Indeed, there are businesses which have lived beyond their founders not because there was any planning but due to successors who may have been better strategists than their founders. Many among African family firm leaders have failed to adapt to the possible shifts in conditions and fail to plan accordingly (Maurick, 1999). This has led to the failure of many businesses. Often, family owned businesses tend to create or develop an 'organizational culture that prevents the leader from believing that his or her position of responsibility is a reason for omnipotence' (Grint, 2000:420). This probably exposes one of the flaws of the social constructionist model; that is, it fails to

explain the source or origin of the meanings. It can also be criticized for over concentrating on social interactions and negotiation within the family business and failing to recognize that those meanings that govern the interaction might be generated by the wider society where issues of property transfer along patriarchy, gender or kinship lines are fundamental.

Narva (2001) takes issue with the view of picturing 'intergenerational incongruity' as entirely an outcome of social interactions experienced by both founders and successors. Rather blame is put squarely on heritage and tradition in family businesses. Family controlled enterprises aim to connect the experience of their past to the promise of the future. Value driven families who control business enterprises are built on their family core values and relationship strengths to nurture future generations of leaders. These family controlled businesses are 'built to last' (Ibid, 2001).

Although the social constructionist model gives credit to the issue of social interaction and social practice for an explanation to the leadership patterns in family businesses, this thesis attempts to show how certain characteristics of entrepreneurs may account for the high mortality rate among family businesses. Most entrepreneurs tend to demonstrate a high propensity for transformational leadership and such characteristics do not lend themselves easily to delegation and succession. It is important however to recognize the role of institutional constraints (cf: close kinship, traditional practices) to succession given that

entrepreneurship is also organic and adaptive (Beaver, 2002) and thus renders leadership succession a recalcitrant problem (Maphosa, 1999).

Why is leadership succession and family business survival at crossroads? The greatest challenge facing African family businesses is the crisis of succession that is, uncertainty about the future survival of the business beyond the founder. Leadership is called for particularly in conditions of uncertainty and the survival of any family business hinges on its capacity to adapt to new social interactions created by change of leadership. Leadership is fundamentally social rather than an individual practice. It is not a quality to be found within solely the individual owner manager or chief executive but situated within and is part of social practice inherent in day to day lives of families (Hamilton, 2004). The problem with successors is that they cannot easily assimilate their present conditions to some similar condition of the past, and use this as a precedent for making a plan of action. Succession planning is not a clear-cut and predictable process but is both relational and contingent. In all its forms and aspects, it is an outcome of a messy and complicated process that is historically determined and socially constructed (Locke and Henne, 1986). Accordingly, planning is just an inter-subjective construction of reality and is not a symmetrical process among individual family businesses and as a result, the relationship between succession planning and business survival may remain highly complex and at crossroads. It is those social practices engaged in by people and their interactions with each other which

business leaders fail to sustain that may provide the explanation to the high family business mortality rates in Zimbabwe.

1.5 ORGANISATION OF THE THESIS

The thesis is organized as follows;

Chapter One, consists of the background and introduction to the problem of succession and business survival in general from a global perspective before paying special focus to the Zimbabwean situation. The chapter also contains a concise statement of the research objectives highlighting the major themes in the context of the analytical framework chosen for the research.

Chapter Two, gives a review of relevant literature pertinent to the debate guided by the research objectives and analytical framework. Existing literature is dealt with along the following themes; various forms of succession, characteristics of founders and choice of successor, high mortality rates of family businesses, lack of succession planning, family social networks and social capital, the association between succession and business survival. Gaps in knowledge that exist in the area are also addressed.

Chapter Three takes the reader through the research design; including the rationale for the research orientation or paradigm choice, sampling, adopted research techniques, recording of data and its analysis. This chapter also

focuses on ethical considerations and other problematics encountered in the course of the study.

Chapter Four presents briefly in a narrative and descriptive way, an overview of twelve selected family businesses focusing on, among other things; the history of the business, business situation analysis, management practices, succession planning and family participation. These case studies which were chosen from ten business sectors are meant to be representative of the various experiences of owner managers at both founder and post succession stages of businesses.

Chapter Five examines the various forms of succession and the specific interpretation of actors. It also discusses the impact of the relationship between the characteristics of founders and successors on succession. In this chapter I conclude that succession is not a one-to-one generational transfer of power. There is no one single succession plan. The durability of one form is contingent on the outcomes of interaction of participants through negotiation.

In Chapter Six, I discuss the nature and extent of family participation in family business ownership and management at both founder and succession stages of the business. I show that the concept of 'family' and 'participation' shifts in meaning and this determines who or who does not participate in the business. It is observed that family participation is a social rather than individual practice. The

thesis shows that family involvement is a political interaction and family social networks are not always and necessarily collective.

Chapter Seven, is the core to the thesis and examines the relationship between the two variables; succession and business survival. Central to this analysis is the social construction of the meanings of both concepts. The meaning of business survival or continuity takes multiple dimensions depending on the situation and context into which actors find themselves. In line with the theoretical underpinnings of the thesis, the multidimensional character of succession and business survival render planning very complicated and fluid.

Chapter Eight concludes the thesis by giving a summary and general discussion of the research findings. This chapter shows the extent to which the research problem and objectives have been linked to the study findings. It also discusses what I consider to be the study's contribution to the advancement of knowledge theoretically, methodologically and substantively. Drawing on this discussion the chapter demonstrates suggestions for any future research in the area.

CHAPTER TWO

REVIEW OF THE RELATED LITERATURE

2.0 INTRODUCTION

Most family businesses tend to appear where entrepreneurship, managerialism and paternalism (family involvement) intersect. This study intends to provide insights into how such coexistence can be utilized to define succession and survival in family businesses. Family business sustainability calls for continued entrepreneurship and professional management as well as continued family involvement (Johannison, 2000b).

The succession of members in top-senior positions is a critical event in any type of organization. In the context of family controlled businesses, the ability to ensure competent family leadership while maintaining business survival across generations may be quite complex (Ayres, 1990; Lebreton-Miller et al 2004; Bocatto, 2006). Research shows that failure to provide for succession is the primary cause for the demise of family businesses (Lansberg, 1983; Danco, 1987; Hershon, 1995). Studies reviewed in this section reveal that only one third of these firms survive into the second generation; and only 10-15% make it into the third generation (Birley, 986; Ward, 1987). Succession decisions can cause serious problems when family needs and business requirements necessary for survival are not compatible. Inherited control is particularly questionable and

problematic since interests of the founding family and those of shareholders are not compatible.

Relevant literature is reviewed in the context of the following themes:

- Various Forms of Succession
- The characteristics of the founders and choice of successors
- High mortality rates among post-succession businesses.
- Succession planning among family businesses
- Family social networks and accumulation of social capital
- Gender dimension of family participation
- The relationship between succession and family business survival

2.1 VARIOUS FORMS OF SUCCESSION

Transference of both social and economic capital across generations could be done in various forms; 'unplanned and sudden', 'rushed succession', 'natural immersion' and 'planned transfers' (Steier, 2001). Family businesses that experienced any successions indicated a low level of preparedness for succession. In the third type of succession the successors gradually assimilate the nuances of the network relationships. Selection of successors is done tacitly and often not communicated to either heirs or other stakeholders. Of these four modes of succession it is only in the 'planned' transfers that the leaders tended to recognize the need for succession planning. For some organizations, a

combination of all or some of these modes depending on the characteristics of the founder or incumbent leader and his relationship with other actors and contingent circumstances was most appropriate (Moore and Barrett, 2000; Steier, 2001).

Given the uncertainty and complexity of the family businesses, various studies (Bowman-Upton 1991; Carlock and Ward, 2001; Moore and Sonsino, 2003; Moore and Barrett, 2002) have shown that the selection process took a 'tacit' route or just 'evolves' when time comes. The forms of succession were as many as they were different types of owner managers (Poza, 2004). Thus succession invariably followed a non-linear and unpredictable course.

The succession process in family businesses is therefore not a fixed and predetermined phenomenon but an outgrowth of social constructions that do not follow predictable evolutionary patterns (Carlock and Ward, 2001). It is a product of daily lives, a dialectical process and social interaction (Muzvidziwa, 2005). Like Berger and Luckmann's (1966) thesis, the process is a fluid, precarious and negotiated field of loosely connected activities (Seidman, 2004). Actors are operating from day to day on a set of assumptions that are favourable to them, hoping that their assumptions would come true. Often there is no clear-cut succession plan or timetable. "When" can be almost as important as "how" when the next leader is chosen.

Succession can take place gradually and orderly but too often, the successor is chosen too late when the business leader has died or becomes disabled. Instead of a planned phase-in of leadership, the successor takes over in crisis. The successor usually lacks the personality characteristics of the founder (Curran and Blackburn, 1991; Marais, 1991; Maphosa, 1999; Grint, 2000; and Steier, 2001) and it is important to identify the distinctive resources and capabilities family businesses require to establish what one generation should hand over to the next in order to give ensuing generations the potential to realize its vision.

2.2 THE CHARACTERISTICS OF THE FOUNDER OR OWNER MANAGER AND CHOICE OF SUCESSOR

Management style is key to business success hence the need for small firms to engage competent successors to ensure continuity and growth. Among the characteristics of successful family businesses analyzed in the case study of managers of twenty-one Spanish Companies, was the impetus with which they were created and the way in which the company's outline was influenced by the founder's personality based on certain values (Gallo and Cappuyns, 2004). Similarly, a study of ten Zimbabwean indigenous small scale businesses (Maphosa, 1996), indicated that the formation and the survival of an organization might depend on the individual effort and personality of its founder. These two examples guided by leadership contingency model suggest that the nature and character of the succession process also depends on the leadership or

management style of the founder or incumbent leader. The two studies however tend to present a counter-argument to the social constructionist model guiding this thesis.

However, it should be recognized that a particular leadership style may also be an outgrowth of 'social construction' (Berger and Luckmann, 1966). Versions of knowledge become fabricated through the daily interactions between people in the course of their social life. What is regarded as 'truth' is a product not of objective observations but of the social practices and interactions in which people are constantly engaged with each other. This model attempts to show that although leadership may be both relational and contingent, the social practices engaged in by people and their interactions with each other are responsible for the patterns of business leadership at each period. People either actively or implicitly get involved in exchanges and in the process, construct and reconstruct themselves (Burr, 1995; Gergen, 1999).

Sjostrand et al (2001) approached managerial leadership as a relational, on-going social construction process rather than as a single clear-cut phenomenon. Business leaders at various points in history enter into various exchanges between themselves or with other people and construction of the new person will take place. With both the celebrated requisite personal characteristics and learned entrepreneurial leadership skills necessary for both the formation and

survival of an organization, a family business leader may still fail to adapt to new constructions resulting from such social interactions.

According to Poza (2004) there are at least five different retirement leadership approaches that influence succession patterns in family businesses: monarchs; generals; ambassadors; governors and inventors. A 'monarch' is a leader for life and indispensable; 'generals' are leaders who partially retired and returned to the business often on the pretext of rescuing it out of crisis; 'ambassadors' delegate daily operations of the business; 'governors' set a 'departure' date openly and their replacement is public knowledge to all actors and 'inventors' are creative leaders who have tendencies to leave for other pursuits regardless of business performances (Poza, 2004: 27 – 33).

Leaders of family businesses are often autocratic, charismatic and transformational and such characteristics do not lend themselves to future planning. The personality of the founder (Brockhaus, 2004; Sonnefeld, 1987; Dancol, 1982; Maphosa, 1999) greatly influences organizational culture which inevitably leads to a particular personality type of the successor necessary for the survival of the business.

The founder's vision is to see his empire live beyond his time under his kinsmen. But during his time he has been very traditional and conservative, uncomfortable with both delegation and succession (Moore and Barrett 2002). High

individualism and the quest for 'my vision lives on' like a 'cult' have been characteristic of most entrepreneurs. Succession is not planned but expected to follow a given pattern along kinship lines regardless of the resultant possible incongruence in the leadership styles of predecessor and successor. Kinsmen would wish to protect the wishes of the founder. Thus any related leadership inheritance would be regarded as a moral obligation and which subsequently leads other kinsmen to equally expect a share of the 'spoils' (Bailey, 1970).

Different attitudes to succession and many family business related issues are derived from the divergent experiences of each generation involved in the business. Regardless of the many other factors involved, generational differences mean that incumbents and successors will automatically bring divergent attitudes, experiences and expectations to the succession process. To address the problem, it is recommended that the succeeding manager be a non-family member. While Gallo and Vilaseca (1998) in their survey of Asian family businesses utilized a behaviourist economic model of agency cost and found out that the performance of firms in general was not influenced by whether the Chief Executive Officer (CEO) was a family member or not, they also showed that when the CEO was in a position to influence the strategic direction of a firm, having a non-family in that position was associated with superior performance.

The practice of family business founders to hand over businesses to offspring (Kirby and Lee, 1996) instead of more competent professional managers (Kets

de Vries, 1993) has contributed to the failure of the businesses. Even though family firms seem to exhibit a preference for children to inherit their businesses results cast doubt on the benefits of such practices (Bennedsen et al, 2006). As earlier observed, the brilliance of founders in entrepreneurship and managerial traits would be partially inherited by descendants. Positive firm performance by family successors is associated with successor's development, successor's potential capability, commitment to the firm and successor's business skills (King, 2003; Wang et al, 2004). Case studies by Tan and Fock (2001) suggest that the entrepreneurial attitude and abilities in a successor may be the key to success in family firm performance. Chrisman, Chua and Sharma (1998) and Sharma and Rao (2001) both provide evidence that integrity and commitment may be more important to the selection and choice of successor than technical skills. Such attributes may be associated with firm's reputation.

Various authors on the characteristics of successors (Osborne, 1991; Sharma et al, 1997 and Stavrou, 1999) have suggested that it is important for a chosen successor to possess credibility. This can be in the form of experience acquired from rising up thorough the ranks in the firm (Sales, 1990) or from relevant external work (Stevens, 1990), appropriate educational background and functional experience. Exposure to the peculiarities of the family businesses will enable the successor to gain credibility with and acceptance by the key stakeholders (Barach et al, 1988). Guided by the resources based view theory, Sorenson and Audia (2000) added that entrepreneurs needed exposure to

existing organizations in the industry to acquire 'tacit' knowledge, obtain important social ties and build self confidence. The concept of 'tacit' knowledge was advanced by Cabrera-Suarez et al (2001). Tacit knowledge is situation-specific knowledge that is gained through experience and actions. The transfer of tacit knowledge is important for preserving and extending competitive advantage because the success of a family business often rests upon the unique experience of the predecessor. Experiences in the peculiarities of family businesses are modeled as idiosyncratic knowledge that the successor possesses or acquires over time (Lee et al, 2000). Successors may have been introduced too late into the firm to face the daunting task of attempting to adapt or change cultures and social interactions that they would not have created. They lack the awareness and intimate knowledge about how founders would have socially created their realities and this may result in conflict or strategic misalignment.

Family business background is also widely held to be an important determinant of entrepreneurship, with children of entrepreneurs being more likely than other workers to end up as entrepreneurs themselves (Dunn and Holz-Eakin, 2000; Fairlie, 1999 and Van Praag and Cramer, 2001). Parental guidance enables successors to gain knowledge of the business and challenges necessary for the development and maintenance of entrepreneurship at a later stage. This probably explains why most founders in this study indicated their preference for offspring as successors. However knowledge of the business alone may not make for a successful entrepreneur. The entrepreneur must persuade many

constituents to invest valuable resources in the risky venture. Employees, as human factor (Mararike, 2003; 2006) must invest labor with discipline, dedication and loyalty (patriotism) and investors must need to invest capital. Quality relationships must be established with suppliers and family and non family members engaged in the business.

The foregoing could suggest why family firms are apprehensive about engaging non-family members or agents as managers for their businesses. According to Lee et al (2000) these reservations were due to the agency cost and the paradox that they faced when they engaged agents as managers for their businesses. According to the agency theory managers who are not owners or family members tended not to watch over the affairs of a firm as diligently as owners managing the firms themselves. As a result family controlled business leaders prefer family members to non family members as successors. Succession along family ties allows social capital to be spread and exchanged through networks (Bourdieu, 1993; Woolcock 1998; Sassen 2002; Rogoff and Heck, 2003; Jenssen and Kristiansen, 2004; Meagher, 2005).

Social capital is also responsible for creating norms of behaviour and forms the basis for accumulation of human capital. It is an attribute that is created through interactions among people which increases the strength and value of personal qualities like intelligence and work experience and is manifested in norms and networks that enable people to act collectively. However networks made up of

greater proportion of kin create disadvantages in entrepreneurial ventures because their social ties are more in-ward looking. A high proportion of kin in a network may indicate a high level of redundancy in information sources (Renzulli et al, 2000). Therefore choosing a non-family professional manager as successor may increase potential successor's social capital by deepening or extending their knowledge through ties to others beyond their immediate circle. As Popielarz (1999) maintains, the most valuable social capital a person can mobilize is found via dissimilar ties.

Family heirs hurt the firm's performance and consistently underperform due to the fact that successors are selected from a small pool of managerial talent (Burkart et al, 2003). As a result successions that are based on primogeniture rules; which dictate who gains access to the helm of a firm based on birth order and gender, but not competence, have large and negative consequences for firm performance. This is widely practised among African, Asian and some European firms. The consequence of allocating assets to inferior managerial talent can potentially extend beyond family firms, hurting aggregate total factor productivity and economic growth (Morck et al, 2000; Caselli and Gennaidi, 2004; Bloom and Van Reenen, 2006). These findings have a significant management implication that founders interested in growing family fortunes should really seriously consider succession based on merit or managerial potential as opposed to selection along kinship lines. This is generally relevant to a society, particularly

the Zimbabwean one, which has a cultural bias towards inheritance by the most senior male descendant.

2.3 MORTALITY RATES AMONG POST SUCCESSION BUSINESSES

There are various explanations for the poor survival rates among family controlled businesses particularly those in second or later generations. “Family business transactions do occur more smoothly when successors are better prepared, when relationships among family members are more affable, and when family businesses engage in more planning for wealth–transfer purposes’ (Morris, 1992: 386). Thus, the closure of a company can be explained by the founder’s insufficient planning of the succession process (Willer, 1998). This is supported by later observations by Corbetta and Montermerlo, (1998), Flemming, (1997); Leach (1990); Morris et al, (1997), Neubaurer and Lank (1998), who indicated that the inability to manage the succession process as one of the most important reasons for the high failure rate among the first and second generation family businesses.

Many studies; (Brown, 1999; Kanungo, 1998; Handler, 1992; Holt, 1992; Panda, 2000; Chua et al 2003; Haverman and Khaire, 2004; Bocatto, 2006) have shown that since entrepreneurial work and managerial work are not the same, there comes a time in the lives of ventures when founder managerial capabilities are soon outpaced by changes in the environment. As such they must relinquish

control over important decisions and leave less experienced and diligent successors to handle delicate business issues. Jayaraman et al (2000) also added weight to this observation by stressing that the departure of founders was particularly painful because they valued their organizations more than non founder managers and so exert greater efforts to ensure organizational success.

The effect of dissimilarities or incongruities between first and second generation entrepreneurs, on family business survival, has been observed by many other scholars. For example, Curan (1991), Kazmi (1999), Carlock (2001) and Ukaegbu (2003), showed that the first generation entrepreneur does not possess a business family background and only ventures into business optionally and autonomously while the second may have just inherited. The successor's value for the business may not be equal to that of founder (Haverman, 2004). Successful transitions, Handler (1991) notes, are a function of mutual respect between generations and accommodation by actors in the succeeding generations. If one believes that the virtues of founders such as creativity, entrepreneurship and managerial talents are only partially inherited and mean-reverting (Yoo, 2003) this implies that choosing heir on the basis of 'family tree' would have negative implications on firm performance and survival. Furthermore and as earlier illustrated, family successors are selected from a small pool of managerial talent (Burkart et al, 2003; Perez-Gonzalez, 2006). As Morck and Yeung (2000, 2003) observed, because entrepreneurial spirit and talent are not necessarily inherited by ensuing generations of the controlling family it is much

easier for succeeding generations to create value by using their wealth and influence to obtain competitive advantages through political rent seeking than through innovation and entrepreneurship.

The intergenerational incongruity (Curan, 1991; Grote, 2003) between founding and succeeding owner managers leads to instability as actors bring different attitudes, expectations, perceptions and experiences to the business. As a result of the various identities arising out of those social interactions, inevitably leadership skills required by the different generations will be different and this subsequently leads to intergenerational incongruity. Transferring a family business from an entrepreneurial family to a fiduciary one can promote profound cultural changes that are often adverse to the continuity of the family's culture (Marcus, 1991). Additionally, the skill, expertise and charisma of the founder is a cultural legacy that few successors can replicate. There can almost never be a successor who exercises authority akin to that of the founder and this leads to 'intergenerational incongruity'. What one generation has struggled to achieve may be regarded by subsequent generations as irrelevant and unimportant and this results in many clashes between systems or aspirations founded in different periods (Bourdieu, 1993).

Generations may have distinctive social representations and that which is unfamiliar and unperceived in one generation may become familiar and obvious in the next. Heirs take the accomplishments of their parents and grandparents for

granted, and concentrate on maximizing the enjoyment of the fruits of the labour of their ancestors (Wild 1997; Brenner, 1999). Later stage family controlled businesses lacked or failed to reflect founders' strong ideologies and this increased the detrimental impact of founder succession on organizations' survival chances. Similarity between founders and successors does attenuate the potential harmful impact of founder succession (Dyck et al, 2002). Founders' departures are very likely to lead to loss of organizational vision and memory and poor performance and ultimately to low survival rates in the later generations. The identities of founders are more tightly linked to organizational identity than are the identities of later stage managers (Dobrev and Barrett, 2002). Goals set by founders are unlikely to be pursued with the same passion by successors.

The ethics and core-values of the founder which drove his vision and strategy and those of his successors are often at variance and this creates conflicting generations. Family businesses in their first or second generation of ownership may not have the same dynamics and therefore, follow similar strategies as family firms in their third generation of ownership. But some founders have also witnessed their enterprises die and successors inheriting only business 'corpses'. In accordance with social constructionist theory, the problem of 'intergenerational incongruity' and its contribution to family business mortality rates should not be conceived of as revolving only around the issue of the relationship between founders and successors but rather on all stakeholders and institutions with which the business interact. As Manolova and Yan (2002) observed in their

survey study of Bulgarian small firms, the institutional environment which is unpredictable and hostile was detrimental to growth and survival of private entrepreneurial firms. This was due to the fact that responses to such an environment were not strategic but short term. As a result there was no planning. The role of the leader as an independent actor should however not be underplayed. Further to the foregoing one discerns that the values and aspirations of family business owners and managers may influence the development and disposition of resources directly and indirectly through their perceptions of environmental opportunities and threats (Chrisman, Chua and Zahra, 2003).

It is critical to recognize the reciprocal influence of family stakeholders in sustaining family businesses. Because the family form of organization involves the interplay of a number of stakeholders with a diverse set of economic and non economic goals incorporating stakeholder and actor oriented frameworks into future research will help fill the gap. Such an analysis would have the potential to explain how different players, through the interplay of their stakes, power and legitimacy in formulating goals and strategies would influence the transfer of leadership and management across generations.

Literature on both family and executive succession emphasizes the importance of the association between the successor and the incumbent in determining the process, training and effectiveness of the succession. Brockhaus (2004)

observed that the quality of the relationship between the leader and the successor was a critical determinant of the succession process. However, the failure of second generation family firms is faulted on founders or entrepreneurs (Sonnerfeld, 1987, Dancol, 1982) for committing 'poreuthanasia', that is – the owner's act of wilfully killing off the business he owns by failing to provide in his life time for a viable organization of clear continuity. Strategic planning and continuity planning are related but the dilemma is reconciling the family -business dichotomy. Strategic planning that incorporates the strategic plans of the family as well as of the business as espoused by Ward (1987) may be feasible among the indigenous firms in Zimbabwe.

2.4 SUCCESSION PLANNING AMONG FAMILY BUSINESSES

One of the greatest derelictions of leaders is their failure to prepare or nurture their successors (Wharton, 2005). This view is in support of Rothwell's (2001) observation that continued survival of organizations depended on having the right people in the right places at the right time. Failure to plan for succession has been cited as the prime cause for the poor survival rate of family firms (Beckhard and Dyer, 1983; Dyer, 1986; Handler, 1989; Poutziouris, 2000). The impact on organizational continuity and sustainability could be devastating if a successor was suddenly required and none had been identified (Whittaker, 1997; Handerson, 2006). Although most scholars, (Ward, 1988; Haverman, 1993; Lansberg, 1993; Kirby and Lee, 1996; Willer, 1996; Maphosa, 1999; Yusuf, 2000;

Steier, 2001; Shepherd 2003; Wasserman 2003; Babby, 2004), agree that succession planning was an integral part to the continuity of family businesses paradoxically avoiding it was the most popular feature.

Maphosa (1999), in a qualitative case study of ten small indigenous enterprises based in Harare (Zimbabwe), observed that leadership succession was a recalcitrant problem in the transformation of African economies. He argued that the growth and continuity of family businesses beyond their founders was possible if there was a well-prepared succession plan. In his study, only four out of the ten businesses had clear succession plans. Although the business leaders knew the individuals whom they wanted to take over, only three had actually appointed those people to positions of substantial authority and responsibility. 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. A study of 35 family firms in the North East of England also found a lack of seriousness and importance placed on succession planning (Kirby and Lee, 1996). 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". According to Shepherd (2000), succession should be planned early to encourage the future leader to invest in financial and behavioral resources i.e. cash injection into the business and time and effort prior to

succession. Early succession planning will reduce the chances of family feuds because if it is planned late, it might tear a family apart (Frishkoff, 1994; Delaney, 1997). Businesses which were traditionally under sole management become subject to intra-family rivalry and disputes. Under founder management the business was a source of family unity with everyone directly and indirectly benefiting. However, when the founder disappears other members of the family start to get involved in the management of the business and in the process the business collapses.

Conflict within the family arises as many members campaign, lobby or engage in intrigues to secure power. There may exist conflict of interest between a family CEO and other family members leading to 'moral hazard' (Gomez-Mejia et al, 2001). This will create organizational instability which threatens business continuity. As observed by Ukaegbu (2003) in his case study of indigenous private manufacturing firms in the Igbo State of Nigeria, successors may create conflict among family members. The successor sometimes creates conflict and disunity when he or she starts to redraw boundaries for membership and participation in the business. For example, if the heir apparent is the eldest son in a polygamous arrangement he is likely to prefer to work with brothers and sisters from his own mother's house. Thus the founder's choice may also be reversed.

Research has also shown that family business owners are not keen to quit and

transfer ownership and management to the next generation. For some business owners, succession is never an issue as observed by Willer's (1996) study in Nigeria. Many of the business founders she studied had reached an age where the question of succession arose, but many of them did not have clear succession plans. Further, as Kennedy (1998) and Maphosa (1996) note, most of the African business leaders appeared too pre-occupied with establishing and consolidating their businesses to think about succession. Rather, it is the issue of survival now and not in future that guides them, hence, the lack of strategic planning. Wild (1997) in his exploratory case study on the history and business culture of entrepreneurs in Zimbabwe attributed the lack of planning to the hedonist nature of African entrepreneurs. For most of them profits were something to be enjoyed immediately. That 'instant harvest' logic of African hedonism was counterproductive as it conflicted with the philosophy of capitalist enterprise.

Bringing in children into the business during the lifetime of a founder was not in itself a guarantee for growth and continuity. In fact, the heir should also be interested in running the business and given sufficient training. A lot of family firms have developed into large successful international corporations through proper succession structuring. 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 does not necessarily suggest lack or absence of planning among family businesses. There are multiple meanings attached to succession that include the level and content of socialization and training and relationships between founders and heirs apparent. Succession is not fixed and pre-given but an outcome of social interaction and constructions of actors which do 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. As a result, 'plans' in the form of written or public announcements of heir apparent are avoided and often replaced by tacit 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). As a result no sufficient preparation for takeover is done.

Although a strong succession plan is best for smooth transition and subsequently business continuity, a number of factors do constrain the process. Yusuf's (2002) findings on the uncertainty and planning in indigenous small firms in the South Pacific identified main reasons why family business leaders did not engage in strategic planning. These were; having a mental plan rather than a documented one, time constraints, business environment too unpredictable and family and

communal obligations that made planning very difficult. The low number of firms in his sample who engaged in planning suggested there were factors hindering 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.

Similar studies by Ukaegbu (2000) among Nigerian small to medium manufacturing firms and Maphosa (1996; 1999), and Wild (1997); among Zimbabwean indigenous businesses, show that reasons for lack of planning generally centre on factors related to tradition and culture. For most family businesses leaders the mindset has already been created that the future is uncertain and unpredictable to the extent that makes any planning irrelevant. Under uncertainty, unexpected events must be dealt with as and when they arise and in ways, shapes and forms that are highly improvisational (Sjostrand et al, 2001).

Planning for succession was treated as an acknowledgement of one's mortality (Lansberg, 1988; Holt, 1992; Kets de Vries 1993; Kuratko and Hodgetts, 1998) and discussing such issues was alien and incompatible with African Shona philosophy. It is 'taboo' to discuss the life after father or mother's death! Written plans were treated as taboo and associated with preparations for one's death. For some, it was like admitting one's mortality. It was often psychologically difficult as choosing the heir can be like buying a cemetery plot (Hodgetts and

Kuratko, 1998). Communicating one's successor was one way of acknowledging one's mortality. Clearly the succession planning for family businesses can be very emotional and fraught with taboo subjects that might impede communication between family members (Meijaard et al, 2005).

It is not only the absence of a plan that confronts family business leadership but the challenge of non-communication of any arrangement even in situations where the owner has already identified the heir. Because of the potential conflict likely to arise out of making the successor public; some owner managers and founders avoided the issue entirely and opted to let the successors confronting the reality of their departure when time comes (Bowman-Upton, 1991). Failure by incumbents to communicate to potential heirs or successors creates anxiety and uncertainty among both family and non family members. As a result productivity is affected. Owner managers avoid succession planning while at the same time being conscious of the effects of lack of planning on business continuity. This also creates a legitimate expectation among stakeholders to take over the business when the current leader finally departs and his choice may be reversed (Handler, 1991; Ukaegbu 2003) leading to business disintegration.

Some of the findings from recent studies show that successions in family firms are related to some unique elements, such as culture (Forrest, 1993; Huntington, 2000; Weisner, 2000; Porter, 2000) and the quality of relationship between family members, something not found in non-family firms (Bocatto, 2006). Cultural

factors embedded in family structure and African traditional norms of inheritance particularly among the Shona tended to pose threats to successful entrepreneurial succession and enterprise durability. Each culture is historically determined and socially constructed (Hofstede, 1994). Entrepreneurial succession, like most forms of inheritance is a conflictual process. The larger the enclaves of stakeholders, the greater the chances of distributional conflict. Basing on selected cases in this study it would therefore be plausible to hypothesize that polygamous marriage was detrimental to successful entrepreneurial succession and post-succession durability.

The culture of secrecy among indigenous entrepreneurs effectively blocks delegation, rules out partnerships and undermines the chances of succession (Forrest, 1993). However, culture cannot be successfully labeled as singularly problematic and anti-accumulative. It may be theoretically faulty to conceptualize culture and values as inflexible and permanent traits that become part of both founders and descendants. Until future research thoroughly investigates the effects of culture on post-succession performance, it would be wrong to argue that culture supersedes other factors. There are various factors affecting succession planning; like a comfortable time-horizon for the transition between generations (Sales, 1990; Stevens, 1990; Fiegenger, et al 1996) and timing, type of venture, capabilities of managers, entrepreneurial vision and environmental factors (Kuratko and Hodgetts, 1998). Therefore the performance of family forms cannot be singularly attributed to African culture. From a social constructionist

inquiry, succession is viewed as a social interaction in which actors' views take centre stage. There are multiple dimensions to meanings of business performance or survival, succession and the quality of relationships between and among various stakeholders.

2.5 FAMILY SOCIAL NETWORKS AND ACCUMULATION OF SOCIAL CAPITAL

Social networks based along family relations or ties are considered collective forces that preserve familiness in the business. This familiness as observed by Chrisman et al (2003) could lead to competitive advantages and provides some insights for explaining how family involvement contributes to the development of 'tacit' knowledge. Habbershon and Williams (1999) suggest that 'familiness' consists of idiosyncratic internal resources created by family involvement. Family participation in family business ownership and management is considered a vehicle for the accumulation of social capital (Bourdieu, 1993; Wild, 1997; Lin, 1999). Chrisman, Chua and Zahra (2003) suggest that the values and aspirations of family owners and managers may influence the development and disposition of resources directly and indirectly through their perceptions of ethical obligations and recognition of involvement and threats.

According to Rogoff and Heck (2003) and Renzulli et al (2003) families are recognized as an important source of oxygen that fuels the fire of

entrepreneurship. The distinctive familiness that is persistent over time sustains business longevity or survival (Colli, 2003). The involvement of family members at the founding, growth stages and post-succession periods of the business facilitates the creation of social capital. Social capital is an attribute that is created in interactions among people which increases qualities like intelligence and work experience and networks that enable people to act collectively. Social capital is spread and exchanged through social networks. Social capital of various family members may reflect different levels of trust in social relations and have an impact on information search and transaction costs. Lyon (2000) made similar observations in a study on the creation of social capital among agricultural economies in Ghana. Relationships of kinship, friendship and ethnicity can form dense networks of solidarity, cooperation and communal sanctions that reduce the transaction cost of economic activities. Networks can also be used to mobilize credit, cheap labor, training, business contacts and information, further enhancing the competitiveness of communal networks (Granovetter, 1995; Portes, 1995; Lyon, 2000; Coleman, 2000; Jenssen and Kristiansen, 2004).

Benedict (1968) demonstrated by use of anthropological field work case study instruments the role of wider kinship in family business ownership and management transfers in a study of family firms in East Africa. The fact that kinsmen can be used for financing and creating business connections derives from the nature of transactional patterns between them where members of an emotional kinship group dominate policy making. Failure to cooperate with

kinsmen often leads to a complete rupture of relations. There is a general unwillingness among family business people to form partnerships or establish corporate forms of business involving the pooling of resources either between kin and non relatives. The disinclination towards partnerships is embedded in a widespread feeling of mistrust among relatives. The pooling of capital and managerial skills by family members is a rare phenomenon (Kennedy, 1988). African family firms in Zimbabwe seem to have failed to utilize the strength of their kinship links to build up trust and confidence that are necessary for the growth and continuity of businesses. Thus, they are failing to make use of culture as a “toolkit” in business transactions (Swedberg, 2000) which is a very strong and critical feature of African values and belief systems. It will be faulty theoretically to hold that Africans unlike Asians are culturally predisposed to the formation of perverse networks that undermine productive investment and innovation necessary for business development and growth. East African Asians and Indians are the real South Asian entrepreneurial success stories.

Adopting Barth’s (1996) transactional model of analysis, it is evident that reciprocity and the ideas of protestations and counter-protestations, ethos of self-sacrifice, self denial and hard work help in the generation of business roles among family members. As Frishkoff (1994) puts it family business succession is not about money, it is about relationships. Participation in family business is like self-sacrifice (Bahr and Bahr, 2001). Quite often benefits are not immediate and

usually not tangible and this sometimes discourages siblings to commit themselves in the enterprise.

It has also been observed that family business ownership and management was not genuinely collective (Johhannison, 2000; 2002) but was a myth that serves to mobilize members for continuity and loyalty. The philosophy of 'familiness' which was maintained through the persistent continuity of family names was partly blamed for the marginalization of female participants. It is just a label and ideology that masked the unequal nature of actor relationship in the family business. The nature and extent of family participation is reconfigured as succession creates new power and status as actors bring new meanings and multiple identities to the new relationship.

The use of networks enables the entrepreneur to reduce transaction costs because through networks one can easily access certain markets and suppliers that he would not as an individual (Woolcock, 1998; Coleman, 2000; Jenssen and Kristiansen, 2004). Business leaders want to be assured of income although they also want to create social relationships. Relationships involving risk and trust are an integral part of most entrepreneurial activities. The opportunity to work with those one loves most is also a major part of the magnificence of family business. Family relationships often play a greater role than skills and education in determining the makeup of management. Therefore, in succession planning

arrangement, communication skills and an understanding of family and business relationships are as important as the estate tax issue (Francis, 1993).

However, Portes and Landolt (1996); Meagher (2005) and Brautigam (2003), take issue with the view that African social networks were a necessary source of social capital capable of enhancing economic efficiency and growth. They suggest that the prominence of ethnicity in businesses also halts the ability of Africans to form ties across ethnic boundaries and entrenching parochialism. Family ties have been broken down by rapid urbanization but have not been replaced by strong association outside of kinship.

Using the social network theory; Barney, Clark and Alvarez (2002) argue that maintaining family ties reduces family and members' ability to maintain other strong ties. Considering the strong tendency for the assets of family members to be redundant, they argue that family ties are not likely to be a major source of the rare and specialized resources needed for entrepreneurship and value creation. The problems of close kinship, ownership and management transfers, and conflict of interests may also create inefficiencies that limit the ability of family businesses to create or renew distinctive familiness (Cabrera-Suarez, De Saa-Perez and Garcia-Almeida, 2001; Steier, 2001; 2003; Miller, 2003; Stewart; 2003). As either the family or business becomes larger or complex, opportunistic behaviors may lead to agency costs that can destroy or reduce the value of the family firm.

Family social networks can either be a major asset (Johannison, 1986) or a hindrance (Dasgupta, 2000) for the entrepreneur and where they fail to operate as social capital, they constitute liabilities. In the case of cultures dominated by family based clientele or redistributive networks like what has been observed among the Zimbabwean cases, networks can smother economic initiatives. The propensity of networks to promote secrecy and concealment has adversely affected the management of family businesses particularly during the post succession phase. As earlier observed in most of the selected cases, successors took over the businesses without knowledge and or experience concerning the peculiarities of the business including all the networks supporting the business. Distinctive familism was a source of competence and capital that sustained the businesses via social networks (Habbershon and Williams, 1999). Social networks are a form of capital for the family business.

However, with succession the benefits of the accumulation of social capital through social networks could be short-lived. The long standing relations entrepreneurs would have employed and established with trusted family members, colleagues, suppliers and customers could be disrupted by change in leadership (Chell, 1991; Nootboom, 1993; Dasgupta, 2000). With succession, old networks are replaced by new ones as new processes of social interactions; social exclusions and power relations are created (Blockland and Savage, 2001). The restructuring of networks does not take place within a vacuum, but is critically shaped by the locality in which the networks operate. Individual actors

also redefine the value and utility of maintaining or reconstructing old networks. Actors will continue to redefine their roles and negotiate for social space within the social network created by changes in management and ownership. Networks that used to be traditionally useful to the predecessor may not necessarily be of value to the successor. The characteristic role of social networks will be adjunct to the various interactions between the owner manager and other stakeholders and how each actor in the new relationship redefines the benefits and costs associated with the networks.

Networks are as much about power as they are about solidarity. According to Sayer (2001), networks do not necessarily fuse the self-interest of different actors into a harmonious and egalitarian whole; they may be characterized by inequalities of power, strategic coalitions, dissembling and opportunistic collaboration. As Meagher (2005) puts it, social networks have become a concept that conceals more than reveals. Even where groups are associated with kinship networks, as many in our study are, these are likely to be characterized by power asymmetries as well as a sense of moral obligation. What appears to indicate trust and cooperation may be largely a consequence of domination.

2.6 THE GENDER DIMENSION OF FAMILY PARTICIPATION

In Africa in general and Zimbabwe in particular, female owned businesses are still fewer than those owned by males and additionally, women have been

owning and managing businesses for a relatively short time (Chell, 2001). For example, of the twenty businesses selected for this study only three businesses are female founded. The lack of female entrepreneurship research is therefore part of a much wider problem which has resulted in the social sciences being structured in a manner which favors the male experience (Carter, 2001:179)). Women represented a hidden resource and their participation often went unrecorded (Colli et al, 2003). Concepts of entrepreneurship are traditionally assumed to be gender neutral but as Berg (1997:261) points out, they 'rely in fact on notions of humanity and rationality that are masculinist'.

Studies demonstrate how the entrepreneurship and family business literature constantly reflects and reinforces the relative silence and invisibility of women in the ideological dialogue that creates entrepreneurial discourse. Embedded in that discourse is the assumption that the leadership involved in founding and running a business is most traditionally male. The powerful leadership and influence of women in family business is therefore either ignored or presented in stereotypical feminized forms. Perhaps that particular invisibility of women's role and influence in family business can be explained by the traditional discourses in entrepreneurship which is so often gender and ethnocentrically biased and has been argued to be ideologically determined and controlled (Ogbor,2000; Hamilton and Smith, 2003).

Gender shapes the dynamics of the businesses in many subtle ways. In a study of immigrant Australian entrepreneurs, Collins (2000) investigated into ways that gender intersects with class and ethnicity. It was found that generalizations about female entrepreneurs ignore the diversity of background of women in small businesses. Although this study did not specifically look at the influence of diverse cultural and ethnic backgrounds on the part of women it is important to note the clear gender division of labor in the cases. For example, in Zimbabwe women tended to be more involved in personal service sectors; hairdressing, small commodity retail, cross-border trade (Wild 1997; Maphosa, 1999; Hebink and Bourdillon, 2001; Muzvidziwa, 2001). Within a particular business, men tended to do more hiring and firing, sourcing new markets and mostly tasks connected with budgeting and planning. In her analysis of 'entrepreneurial masculinities', Mulholland (1996) argued that patriarchal forces shaped the role of women in businesses. Women's domestic labor and feminine ideologies play a fundamental part in the construction of particular masculinities supporting entrepreneurial activity which results in accumulation of capital. Renzulli, Aldrich and Moody (2000) add weight to this debate by stressing that there are also consistent differences between the social networks in which men and women are embedded and this tended to affect the differential family business start-up rates.

However, contemporary research has not found any significant impact of the different networking activities on the performance and survival of family businesses. Women owners were just as aggressive as men in searching for

advice and just as successful in obtaining what they sought (Wahl, 2000; Watson, 2003). As observed in Mitchell's (2004) study of South African entrepreneurs, both men and women were found to be primarily motivated by the need for independence, achievement and material incentives. Earlier studies, (Kuiper, 1993; Meer, 1997; Veciana, 1999), on the motivation of African women entrepreneurs presented similar findings. The aspect of women marginalization and the urge for economic independence were the dominant driving forces for their participation in businesses.

Despite the fact that women constitute a significant and growing proportion of owners and managers of small enterprises, studies (Mulholland, 1996; Meer, 1997; Mbiba, 1999; Mtika and Doctor, 2001; Mtika, 2003); in the small business sector in Africa have tended to ignore the female entrepreneurs. The important role that the female spouses play in contributing to the businesses run by male entrepreneurs has often been absent or downplayed and this thesis attempts to fill this gap in the discussion of 'invisible' and 'hidden' participants in Chapter Six. Spouses, sisters and daughters help in raising capital and maximizing trust and loyalty. Their participation brings in a sense of 'familiness' which is an important stabilizing business resource (Carson et al, 1995; Carter, 2000).

However this type of familiness can be double-edged (Johannison, 2000; 2002). While it can be useful for preventing work related conflicts among family members it can equally be a liability as choice of employees or successors will

not be based on competency. This as earlier observed does adversely impact on organizational performance. Furthermore, the embedded nature of work and home in the context of most family businesses wherein the boundaries between the two are enmeshed and blurred will continue to create conflicting family role expectations (Alverson, 2002). The role of spouses, daughters and sisters in the management of family businesses get redefined and reconstructed as actors bring different orientations and expectations to the new relationships arising as a result of the changes due to succession. The story of their lives and the life of the business as told by the participants reveals the complex dynamics of gender, identity and power relations. Literature showing the different survival rates of family businesses particularly those owned and managed by women successors is not yet available and this study attempts to fill this gap.

2.7 THE RELATIONSHIP BETWEEN SUCCESSION AND BUSINESS PERFORMANCE

One of the earliest studies on the effects of poorly planned succession was carried out by Gouldner (1954) in a United States of America (USA) based gypsum plant employing 225 people. He observed that succession, if not properly done, would lead to an increase in tensions, lowering of worker morale and general decline in productivity. There is a general tendency by managers or business leaders even in large corporations to be afraid of the uncertainty associated with any management or ownership transfer processes.

Recent studies in succession issues in the USA have resulted in a number of observations. Family businesses are of particular concern because nearly 90% of USA's more than 12 million businesses are family owned/controlled and managed, generating approximately half of all employment and half of the Gross Domestic Product (Shepherd, 2000; Francis, 1993; Dascher et al 1999). According to Kets de Vries (1993), 70% of family businesses fail to survive through the second generation and 90% through the third generation. These statistics on business failure do not necessarily indicate succession as the cause of business failure but only suggest that it is a major issue because what is critical is the issue of transferring management.

A number of studies have reached similar conclusions on the relationship between succession and post-succession performance (Giegener et al, 1996; Gomez-Mejia et al, 2000) and performance characteristics such as size, growth, financial structure, productivity, and profitability (Gallo, 1995; McConaughy and Phillips, 1999; Westhead and Cowling, 1998). A recent comparative analysis (Anderson and Reeb, 2003) shows that, even among the S & P500, firms under the influence of founding families outperform those that are not. Why? Morck and Yeung (2000, 2003) argued that was because entrepreneurial spirit and talent are not necessarily inherited by ensuing generations of the controlling family. It is much easier for succeeding generations to create value by using wealth and influence to obtain competitive advantages through political rent seeking than through innovation and entrepreneurship.

One of the problems facing family business management succession was the problem of entrepreneurship. Entrepreneurs innovate, bear risks and invest in new opportunities (Maphosa, 1999; Ukaegbu, 2003; Johnes et al, 2005; Nair and Pandey, 2006) and such distinguishing characteristics do not lend themselves well to delegation and hence succession. However, other researchers have shown that it was the absence and not presence of entrepreneurial spirit among family controlled owner managers particularly successors that has contributed to failures. On the departure of the founder, as Haverman and Khaire (2003) put it, that life sustaining force is removed and subsequently the organization fails. In our study, Mushi and Sons Bus Service and Guvha's Warren Moonlight Bar are cases in point where the successors only became involved in the business after the departure of founder. Those who succeeded had entrepreneurial family backgrounds that would have socialized them to become entrepreneurs. Those whose parents were primarily self-employed during their formative years were more likely than others to become entrepreneurs (Fairlie, 1999; Dunn, 2000; Aldrich and Martinez, 2001; and Van Praag and Cramer, 2001).

Kanungo, (1998) observed that family ownership entrenchment that was characteristic of the businesses discouraged innovation and entrepreneurial spirit which were both key to business performance. Entrepreneurial orientation was positively associated with business sustainability. The fall or decreased performance of family businesses in later generations could therefore be

attributed to the disappearance of entrepreneurial zeal among successors (Haverman and Khaire, 2003; Wasserman, 2003)

There is evidence that show a positive association between succession and firm performance. According to what Sraer and Thesmar (2004) found out among a cross section of French family firms, heir managed firms do outperform widely held corporations. In fact heirs do as well as founders. Succession may be a rejuvenating and revitalizing process (Haverman and Khaire, 2004). Previous studies that show a positive association between succession and performance (Smith and Amoak-Adu, 1999; Leuterbach et al, 1999; King, 2003; Caselli and Gennaioli, 2003; Shen and Cannella, 2003; Huson et al, 2004; Wang, 2004) indicate that appointment of an heir has a positive wealth effect for family firms. They however concur that post–succession is superior for external successors. Thus long term performance is superior with non-family successors.

Rowe et al (2005) also examined the impact of leader succession on organizational performance and concluded that it had significant positive effects particularly in cases where it is properly timed. They add that leaders need time to develop organizational specific skills. Successor's development and intergenerational relationship affected profitability. Therefore firms with an heir designated on the death of the CEO have significantly higher cumulative abnormal returns than firms that have not identified an heir apparent. Such would occur in circumstances where there was succession planning and development.

Studies that compare family successors between themselves (King, 2003; Wang et al, 2004; Bocatto; 2006) found that positive firm performance by family successors is associated with successor's development and intergenerational relationship, succession planning, successor's potential, commitment to the firm and skills.

The impact of family leadership at both founder and succession stages has been very ambiguous and numerous studies have equally illustrated mixed findings. For example, Anderson and Reeb (2005) observed that family firm status impacted positively on performance and survival. The interests of managers are naturally aligned with those of owners as the distinction between family and business was blurred and enmeshed. In addition, family managers have a longer time horizon for investments than professional managers, and founders have informational advantages (Farma and Jensen, 1983; Schulze, Lubatkin and Dino, 2002; Fahlenbrach, 2005).

However research results that provide direct evidence that founder or entrepreneurial succession in family controlled businesses hurt post-founder durability are numerous. Bennedsen et al (2006) observed that family successions have a large negative causal impact on firm performance. Controlling firms that enjoy the private benefit of control might select a family CEO even when the performance is negatively affected as a result. Morck et al (2000) and Bocatto (2006) in their recent studies of Canadian and Spanish family

firm samples respectively demonstrated that concentrated and inherited corporate control is associated with low industry-adjusted financial performance and impeded growth. New wealth created by founders enhances firm value but managerial entrenchment and distorted incentive structures impede the growth of firm value in descendant inherited firms. Villalonga and Amit (2006) show that family ownership creates value only in a firm with a founder CEO and that firm value is destroyed when descendants take over.

2.8 CONCLUSION

Both previous and most recent research on entrepreneurship and small business has largely focused on firms in the relatively stable developed economies particularly the European and Asian ones. Despite the proliferation of private entrepreneurs and family business owner managers in Africa in general and Zimbabwe in particular there has been limited literature on the phenomenon. A cursory overview of the current literature indicates overwhelming evidence that such firms are extremely prone to organizational death. Explanations for the high mortality rates particularly for businesses in post founder generations are varied. Apart from the institutional constraints that confront the businesses, entrepreneurial firms have to depend heavily on informal relationships in their business transactions such as family ties or other social networks. This has profound implications on the character and direction of social interactions which subsequently influences the pattern of succession.

Guided by the social constructionist inquiry, this research attempted to fill in the literature gap by paying special attention to the entrepreneurs and owner managers' perceptions and experiences thus resolving the issue of succession as a social interaction. This study offers some practical implications for both founder and successor owner managers with respect to how to manage the critical interactions with other stakeholders and how to craft adaptive strategies to ensure post succession durability.

CHAPTER THREE

METHODOLOGY

3.0 INTRODUCTION

The research aimed to understand the process of succession and at the same time assessing its subsequent association with business growth and survival. This occurred with a focus and concentration on the perceptions and experiences of family business owner managers and other participants and this required a qualitative approach. This chapter takes the reader through the research methodology including the rationale for the research orientation, data gathering methods and analysis. Furthermore, ethical considerations and all other related challenges encountered in the course of study are dealt with in this section.

3.1 RATIONALE FOR THE RESEARCH ORIENTATION

In line with the social constructionist model, I adopt an interpretive and actor oriented research approach that primarily utilizes qualitative description and analysis focusing on participants' constructions of their world (Jorgenson, 1986; 1989; von Glasersfield, 1991; Steier, 1995; Chell et al, 1998; Grant and Perren, 2002). Constructionist inquiry does lead to greater tolerance in social interactions. This research approach is based on the perspective of those being studied (Rieman, 1998). Accordingly, this tolerance springs from the realization

that neither problems nor solutions are exclusively independent entities but arise out of particular ways of constructing. Reality does not exist for us in a ready made form; we 'construct it' (Ravn, 1991). The process of reality construction takes place in the family business members' ongoing routines of interaction and social exchange. Meanings are constructed and reconstructed by actors in the course of social interactions.

It is against this background that I chose the descriptive and exploratory case study methodology. Due to the 'multiple identities and realities' (Shultz, 1964) or 'different orders of experience' (Watson and Goulet, 1992), the use of qualitative tools such as; interviews, observations and informants' historical experiences allows one to explore different meanings to specific interpretations of the social world. As a result scholars; (Long et al, 1992; O'borch and Arthur 1995; Kristiansen and Jensen, 2004; Brockhaus; 1994; 2004) suggest that more emphasis be given to qualitative methodological tools for exploring the processes of social interaction.

Qualitative tools are associated with anthropological methodology and hence help to gain an in-depth knowledge of the phenomenon (Bailey, 1980; Cheater, 1986; Patton, 1990; Nachmias and Nachmias, 1989). Qualitative data particularly one that is collected by way of narrative case study material are usually seen as richer, more vital, as having greater depth and as more likely to present a true

picture of a way of life or peoples' experiences, attitudes and beliefs due to their uniqueness.

The qualitative case study approach is more suited to providing an in-depth insight into smaller sample of cases (Curan and Blacburn, 2001; Gubrium and Holstein, 2002; Czariawska, 2004). Yin (1994) made earlier observations that this research design allows an investigation to retain the holistic and meaningful characteristics of real life events such as family and business life cycles, organizational and managerial practices. This was very useful in my study of both founders and successors in family businesses.

By selecting individual family businesses as case material the approach attempts to arrive at a comprehensive understanding of the groups. Janjuh-Jivray and Woods (2002) used such a similar approach in an attempt to analyze the behavioral attitudes of South Asian business entrepreneurs within South Wales to obtain their views regarding succession planning, linking their thoughts to their own experience and the roles family members especially in areas of succession planning, strategy direction and conflict resolution. Other researches; namely Ukaegbu's (2003) on post succession durability of Nigerian small manufacturing firms, Muzvidziwa's (2001) case material on Zimbabwean cross border traders, Hebink and Bourdillon's (2001) on the role of women in rural livelihoods survival strategies in South East Zimbabwe and Maphosa's (1996) on the role of kinship

in indigenous businesses in Zimbabwe; illustrate some considerable popularity with this research design.

3.2 SAMPLING

Data was collected from twenty family firms based in Harare, selected through the purposive availability sampling method. This type of sampling was preferred over other types because these small businesses particularly family influenced ones tend to have protective structures that tended to block access. The study allowed some flexibility in the choice of respondents and relied heavily on the availability of the various owner managers and business leaders or spokespersons. Since some of the businesses were located in one business area according to their sectors for example; panel beating in the light industrial parks, it was easy to always move to the next firm in the event of being denied access.

In selecting the businesses, I controlled for the following variables to ensure the sample was reasonably representative: main activity or focus of business, prevalence, location whether central business district or residential suburban environments, life stage or generation of the business. In doing this I was looking for different contexts and sites of difference which would generate rich data from a range of contexts, with a view to revealing a variety of aspects of family business organizational and managerial practices (Hamilton, 2004). This

approach would encourage further reflection and reflexivity, (Steier, 1995; Zahra and Sharma, 2004), by uncovering and confronting different issues relating to gender, power and culture. The final list of twenty firms selected for the in-depth studies was based on the criterion of the owners' or informants' interests to talk and reveal their experiences. This selection criterion meets the sampling criteria recommended by some scholars on choosing information on rich and 'meaty' cases (Patton, 1990; Erlandson, 1993; Krathwohl, 1998).

This small sample was found to be suitable for understanding complex phenomena and this enabled me to study the actors, processes and events both closely and holistically (Eisenhardt, 1989; Stake, 1995). It permitted the grounding of observations and concepts about social action and structures by studying day to day activities at close hand in their natural settings. Further to this, it provided information from a number of sources and over an extended period of time thus allowing for a study of complex social processes and meanings. The sample encouraged and facilitated theoretical and conceptual development which is critical for generalizations, that is, linking findings from this sample to the general level of theory. In adopting such a miniature sample, I also recognize that it is not the number that provides the basis for the truth; rather it is being clear about objectives, being systematic and consistent in observation, analysis and interpretation.

The final list was drawn from a selection of an average of two firms from each of the following ten sectors; transport, general dealer and retail, vehicle repair and panel beating, hair saloons, driving school, bottle stores, security firms, hardware, construction and manufacturing. However four bus companies were studied as representative of the transport sector. The large numbers involving bus companies was due to the fact that family involvement and high business mortality rate was most pronounced in this sector (Wild, 1997; Maphosa, 1996). All the businesses are indigenously owned and either managed or controlled by family members. For purposes of our sampling, data collection and analysis the terms; family business, family managed or controlled, family firm or family owned will be used interchangeably. However, due to the fuzziness or plasticity of the 'family' (Jorgenson, 1991) and the unclear boundaries between family and business (Fletcher, 2002; Davies and Harveston, 1998; Carter, 2000), the definition of family business is not a fixed one and varies with actors involved. Nevertheless, this study identifies the family businesses as those where one or more families maintain control of the business through a block of shares and or participation in governance or management (Tapies and Barbero, 2005). Components of family involvement; ownership, management and the probability of trans-generational succession in a business are not always precise and have potential to pose sampling challenges. One may need to define family firms partially by whether or not the firms consider themselves to be family firms (Chrisman, 2003). This however has problems theoretically because it would be

difficult to establish what kind of firms would classify themselves as family businesses.

I looked at small to medium enterprises which traditionally have very few workers as few as five and are mostly related to the owner. As such I managed to interview a reasonable number of workers. However there were two bus companies, one panel beating and one security firm which were relatively large with an average of fifty workers and very few related to the owners.

It was easy to collect large quantities of data from considerable numbers of family owned businesses over a relatively short period of time. However, the major drawback with my sample was that there was little or no control over what was selected within the category. Although this method lends itself to generalization across sectors, there is some threat to validity. For example, when reflecting on the past events, or historical experiences, business owners tended to give information which was 'slanted or false' (Chambers, 1991:51) particularly on issues like reasons for starting the business and reasons for failure or success. These family business owners often preferred to remain anonymous possibly for fear of publicity and exposing themselves to the taxman. In some firms it was difficult to access the general employees rendering my basis for certain conclusions vulnerable to 'elite bias' (Sieber, 1973). Conclusions were based on what firm leaders and managers would have said instead of general employees. However, for some it was even difficult to distinguish between

ordinary worker and family member. Relatives tended to speak with the command or authority of the executive and likely to be uncomfortable with issues relating to organizational politics like succession and delegation.

3.3 METHODS

This section addresses how I dealt with each research objective. The research fieldwork which started in mid 2004 and was completed at the beginning of 2006, relied heavily on qualitative methods utilizing both structured and unstructured interview questionnaires, visits and observation reports.

In order to identify various forms of succession patterns, I, with the assistance of a research assistant, conducted in-depth unstructured interviews on selected family business informants; owner managers, family members and employees among businesses at founder and post founder stages. Some of these interviews were combined with observation on business premises to get insight into management practices and in some instances, away from the premises in case of business people who were in full time employment somewhere else. Interviews and questionnaires are easier to justify in practical and ethical terms (Simpson and Coleman, 2002). The interviews and selected observations also focused on motivations and practices of founders and successors; and on outcomes of interactions on issues relating to components of family involvement; ownership, management and frequency of intergenerational succession. Mishler

(1986) advocated the use of unstructured interviews with a view to allowing participants to construct their understanding of their experiences in narrative terms.

Case study notes that were produced at the initial interviews were later verified and followed up by onsite visits and notes collected from dialogue and conversations with business leaders and informants. The qualitative interview and intense dialogue are at the centre of the data collection methodology (Ryen, 2002). The interviews which were spread over some several days for some enterprises gave both time and opportunity for observation of multiple social interactions.

Responses to questionnaires that were administered among various participants indicated multiple dimensions on the nature and extent of family involvement in family businesses. This required a combination of observations, interviews and narratives on actors' personal experiences with family businesses, particularly the extent of family social networks in organization and management of businesses. Furthermore, to control for the gender variable in the study particularly the issue of patriarchy and succession, interviews were conducted mostly with selected female business leaders and family members.

I also participated and discussed informally with business people in conferences, focused group discussions and/or seminars (where possible) for business

people. One of the seminars held in 2006 was organized by International Labor Organization (ILO) in conjunction with Zimbabwe Government's Ministry of Small to Medium Enterprise focusing on creation of social dialogue and challenges the small business sector was facing. During such fora, I managed to collect notes based on participants' views and personal experiences of small business failures.

Combined with methods adopted for other objectives, I also visited and interviewed field extension officers from organizations like the small enterprise development cooperation (SEDCO), local authorities, associated NGOs to gain an insight into reasons for failure rate and lack of strategic plans in family owned businesses.

Overall, multiple sources of evidence; semi and unstructured interviews, questionnaires, direct and sometimes 'covert' observations dialogue and conversations, were employed in varying depths depending on the contexts. The use of multiple research tools, through the development of 'converging lines of inquiry' (Yin, 1994), allowed me to address a broader range of historical, attitudinal and behavioral issues. I do not hold that qualitative and quantitative methods are 'antithetical' but mutually supportive and collaborative, more so in an interactionist study.

3.4 DATA RECORDING AND ANALYSIS

The initial data was recorded by way of case study notes captured by the research assistants during the field work. Each report was based on themes in line with the research orientation and objectives. I adopted a linear analytic structure of case study reporting (Yin, 1994) which captures the content in descriptive, explanatory and exploratory way. Although my sample initially comprised of twenty family businesses, twelve detailed case reports are presented in Chapter Four of the thesis. Detailed responses to twenty questionnaires that were collected from the twenty family business representatives were combined to form the strategic themes of the study whose content forms part of the main research findings of the thesis. This is presented in chapter five to seven of the study. The same data which is primarily qualitative also contains quantitative material which was collated into a summary of demographic features of each of the twenty businesses in line with the themes of the study.

Notes on observations of dialogues and conversations were presented in similar manner and additionally used to verify and validate the research assistants' initial case study notes.

In line with the above approach of data recording, my thesis follows the combination of 'pattern-matching' and 'explanation building' modes of data

analysis. The concern of a case study is with the overall pattern of results and the degree to which a pattern matches the predicted one (Yin, 1994). However there is need to provide an explanatory character to the patterns between the variables in the research problem. A previously developed theory is used as a template with which to compare the empirical results of the cases studies. Therefore in line with the social constructionist inquiry, my analysis follows the original objectives and design of the study which in turn reflected a set of research questions, reviews of literature and new insights. The pattern-matching of the two variables; succession planning and business survival and explanations provided for the association between the two was by way of themes guided by the social constructivist view.

All sources of evidence were reviewed and analyzed together, so that the findings are based on a convergence of information from different sources. With such data and methodological triangulation, the potential problems of construct validity can also be addressed, as the multiples of evidence essentially provide multiple measures of the same phenomenon.

3.5 ETHICAL CONSIDERATIONS

In coming up with this thesis I have adopted an ethically informed approach to issues surrounding the negotiation of access and recording of data. Research ethics are fundamentally negotiable and cannot be dealt with and dispatched at

the start of a research project (Collins, 2002; Bacon, 2002). No researcher can demand access to an institution, community, or materials (Bongo, 2002). One cannot just bring himself to study people without their consent (Peil, 1982). I gained entry into my research communities as an admitted researcher, but this required careful staging. Although I had an official introduction letter from the University, I still needed to negotiate for full entry. The use of 'covert' observations albeit the associated ethical challenges faced was unavoidable in order to allow the collection of valid and appropriate data. However research participants have a right to protect their privacy and confidentiality and in this light may choose what to or not to disclose to an outsider.

From my initial report writing up to the final write-up of the thesis, I have been using real identities for all the cases. However at the last stage, I finally decided to adopt pseudo names or anonymous identities in an attempt to protect the well being of those I have studied and to respect their rights, interests, sensitivities, and privacy. This is because since anything we learn is likely to be put to immediate and effective use for ends beyond our control and anti-ethical to our values, we must choose our research undertaking with an eye to its implications (Berraman, 1968). When the case study has been on a controversial topic, anonymity serves to protect the real case and its real participants.

Although all the twenty individual respondents to the questionnaire had no problems with their names being published I decided not to use their real names.

This is because the issuance of the final report may affect the subsequent actions of those I studied. Therefore, we must not only take into consideration the short term consequence of our work (Mosse, 2005; Sridhar and Stirrat, 2005) but also be prepared to be answerable to any possible questions or controversies that may be raised by participants in future.

I do not suggest that my approach was free from any challenges. Not only does the adoption of anonymous identities eliminate some important background information about the case, but it makes the mechanisms of composing the case difficult. The case and its components had to be systematically converted from the real identities to fictitious ones.

Another problem with the approach is that anonymizing people, places and their organizations, as (Finnegan, 2003) observed, can also be seen as a kind of a self-serving protective smoke screen which tries to give the impression of 'objectivity' or 'scientific detachment' by concealing the subjective aspects of research.

3.6 LIMITATIONS OF THE STUDY

Gaining access to information, some of which could be confidential either for strategic purposes or tax purposes, was not an easy task. Furthermore, the study dealt with African family firms that have traditionally not experienced any

professional management hence, leaving a lot of time to be wasted while attempting to negotiate entry. My previous association and acquaintances with some business owners assisted me in having a breakthrough in this regard. However, I was still not so accepted as to be permitted all details regarding the sensitive and confidential issues related to ownership and succession.

Additionally, most literature and researches available on the area is predominantly Asian and European and their relevance to African in general and Zimbabwean context in particular needs to be treated with great caution given the variances in cultural and individual business orientations. This posed some threat to their relevance and my choice of research design.

African business practice is generally riddled with secrecy. Some informants particularly founders and owner-managers were initially uncomfortable with the presence of researchers. An attempt to guarantee confidentiality or anonymity to respondents was made to reduce possible resistance. The introduction letter from the University of Zimbabwe which my research assistant and I used was explicit on this issue and quite helpful. However I must acknowledge that there were some methodological challenges with the use of a research assistant. Since there were no return visits to some business premises it was difficult to verify some observations made by the research assistant who could have imposed his own perception and interpretation of the situation instead of the subjects'. The dialogue and interactions between the informants and the research assistant and

what people thought and perceived about him could have had some implication on the nature of findings.

Another problem was that of the dispersion of various family businesses across sectors with their unique characteristics which tended to make data analysis a bit incomprehensive and inconclusive. Responses from participants were not systematic enough to allow consistent interpretation as observations made on the processes within each business were also dispersed. Caution had also to be exercised with what informants said particularly about how they projected their families or businesses.

As stated in the discussion of the sample, there are also questions regarding the generalizability and transferability of the findings beyond the selected family firms. In generalizing the results I took care of the fact that not all family firms in Zimbabwe were homogenous. It is however hoped that the findings of the study will be relatively indicative and will form a basis for further research and discussion on the issue of succession and family firm survival. The basis of my generalization is not from the sample to the population but from the case to theory. The way I accomplished this was not by teasing out causations between variables, but, instead by teasing out deeper generative mechanisms that account for observed patterns in processes and events.

Although I acknowledged ethical considerations in handling the respondents and any related interviewees, I observed that it was unavoidable to mask my intentions because they could have denied me entry. That was one of the reasons why for some clients I had to hide my real identity particularly my employment status to allow freedom of opinion and accurate assessments. As an employee from a government tax collection institution; the Zimbabwe Revenue Authority, I would not have easily gained entry given the high rate of tax evasion in Zimbabwe.

Published articles on Zimbabwean examples were very limited. I am not aware of any similar study focusing on post succession family business. Furthermore, if any such study existed it may not have been extensively reviewed and critiqued in an attempt to improve the quality of research methodology.

The limited availability or lack of secondary data sources on the subject forced the researcher to conduct the field research study. This in turn was difficult to achieve because of the family business owner's lack of interest in participating in such studies, the wide spectrum of the family business, and the lack of commonly accepted definitions of an enterprise or family business or performance indicators.

This research has also suffered from a lack of longitudinal studies. This omission is understandable. Firstly, family businesses are seldom willing to take part in a

study that requires a single response from them and one that requires several periods of interaction is even more difficult. Secondly, the discontinuity rate is high for small businesses, thereby making follow-up difficult. By the time one goes back to make follow-ups or cross checks on the findings, the family business may either have relocated or folded or significantly changed in character or structure.

There were of course limitations as regards my sample as well as methods of analysis. The data was collected primarily from a conveniently selected sample and this potentially makes it organized for and primarily meant for a particular audience. Issues of reliability are complicated though not substantively by the fact that I am one reader and writer who offers one interpretation.

CHAPTER FOUR

CASE STUDIES OF THE SELECTED FAMILY CONTROLLED BUSINESSES

4.0 INTRODUCTION

This chapter looks at the selected case studies of family businesses under the ownership and management of both founders and successors. Twelve cases were finally chosen from the initial twenty representing each of the following sectors; transport, retail and general dealing, vehicles repair and panel beating, hardware, bottle store, security , driving school, hair dressing, construction and manufacturing. I first present six cases from the founder controlled businesses before looking at the other six from the successor generation.

Although the other remaining eight family businesses are not presented in this chapter as detailed cases I will make specific references to them in the next chapters. To make my data presentation an ethically informed one I have used fictitious names for each firm, owner manager and other informants to ensure confidentiality but retained the real identities for the geographical areas or industrial parks where the businesses are located or operating from at the time of study.

4.1 CASE STUDIES OF FOUNDER CONTROLLED BUSINESSES

4.1.1 CASE 1: THE CASE OF G & M PANEL BEATERS

Background

G & M Panel Beaters Company is wholly owned by two brothers, Meck and Godwin Mutongi. The two were born and grew up in Mutare, a town on the Zimbabwean eastern border with Mozambique. The company was formed in 1995 dealing with spray painting and panel beating. The company was formed following the recognition by the two that the 14 year experience they had gained between them in their respective jobs as panel beaters could effectively be utilized in the new venture. The elder of the two, Godwin worked for P'n P Panel Beaters and Meck for Golden Ship Garage before starting their own. The two brothers and Meck's wife are the active directors assisted by two other non related and non active directors.

G & M Panel Beaters Company is located in Msasa, one of the commercial industrial parks East of Harare's central business districts. On one of our visits to the premises there was a hive of activity with scores of people working tirelessly and orderly in the workshop. It compared well with any 21st century corporate as evidenced by its modern management practices.

Reception of visitors and customers is relatively professional and formal. Every incoming customer is immediately attended to. If help is not immediately

rendered by the front desk crew, any of the directors would assist as their office is strategically situated a few meters from the reception. This section's vision as articulated by one of the receptionists is immediacy and expediency. Normally manned by three to four attendants clad in uniforms, this is also where job quotations are arranged by work estimators.

There is a television plus a VCR in the reception. In addition to this there is a miniature park garden with flowers and flowing 'river'. This is an attempt by the company to give a five star treatment to the customers something that has become a tradition with all big companies in the city.

Management practices

Communication is centralized at the front office by linking the workshop to all the other offices by use of micro phone and speakers. Communication between shop floor and management is facilitated by use of supervisors. One of the directors, Meck allows himself time to mix and mingle with the general workers adopting some form of management by walking around. He said this allowed him the opportunity to get real experience of operations and any challenges. Initial impression by the researcher showed that the workforce was coordinated.

According to Meck the company vision was:

'efficient and top quality service you will be back for'

He added that this was their guiding principle and

' we can't afford to lose big clients because of poor service because competition in this industry is stiff'

He takes charge of the day to day running of the firm supervising all functions at the shop floor. There are six managers, three of whom are non family members. Meck's wife and two young brothers make up the three other participating family members. There are twelve supervisors and five of whom are cousins of various relations providing the missing link between management and shop floor. Godwin is in charge of finance and administration while Meck is responsible for human resources and operations. Although there is role allocation, observations showed supervisors could report to any of the directors accessible at the time. It is believed that specialization at management level often stifled continuity and tended to promote bureaucracy. The Finance and Administration section is professionally run with five bank account signatories to allow business to go on even in the absence of the two owning directors.

There is focus on personalized management. Directors often directly deal with operatives in the workshops in follow-ups to urgent assignments. Observations made indicated workforce appearing very jovial and motivated. Staff is provided highly subsidized breakfast and lunches.

Primary recognition is given to efficient use of time with strictly followed timetables. Client queries are dealt with expeditiously. Everything has to be done on time and according to correct work designs and procedures. According to Meck some time ago a work study was done although not very scientific but this assisted in coming up with standard work procedures and the time taken to complete a task. This had ensured higher productivity per work group.

G & M Panel Beaters was basically relying on the concept of team management both at executive and supervisory levels. Both directors recognize that although most family businesses fail due to lack of planning, team management was also a critical success variable. Teams comprise of panel beaters, spray painting, electrical, welder and fitters etc each under a leader. Such arrangements enhanced workforce control. Management has to exercise control over the leaders as they were accountable for the operations of their teams. To Meck team management ensures a higher degree of effective and efficient control of the workforce. Meetings with team leaders are held daily to check on progress.

Recruitment and selection is done through networking and even 'head hunting'. They used to advertise for vacant posts particularly of skilled artisans and technicians but this was found not to be working well for the company. Pre-starts tests are also conducted to check on competence on candidates. In-house training of individuals is tailored to meet the needs of the environment. Members of the immediate family and any other cousins interested in working for the

company are normally selected in the same way but some conditions like academic or professional qualifications are relaxed to give them an added advantage over outsiders.

There are three outside non family individuals who make up the board in a non executive capacity operating as 'advisors' to the two active family members. They are involved in business strategic meetings. This arrangement was put in place so as to comply with best practice in modern corporate governance and it has helped them to win big business tenders with even government controlled organizations like parastatals and the army.

Succession planning

The issue of succession planning according to both directors was an integral part of any successful family business. Failure to plan accordingly would spell disaster for the company. Four directors' sons are already receiving training in the company where one does estimation and also assists with supervision and appears happy with the arrangement. The other three work in the workshop as technicians. One of the wives who is also in management on part-time basis assists the two directors in 'tacitly' grooming and orienting possible successors. The other director's wife and all daughters are not at all involved in the business.

Meetings are also held often with only family members to discuss their views about the company and any changes due to be effected. This however sometimes causes discomfort, confusion and uncertainty among supervisors who are not members of the family as they may not get accurate instructions.

There is no proper written succession plans because it is feared that that would cause conflict and despondency among family members. Meck conceded that it was not easy to separate management from ownership. If done professionally he thought that an effective plan was where a professionally trained non family member could be chosen successor only as non-owning or executive director and family members inherit ownership. The plans should also be flexible.

4.1.2 CASE 2: THE CASE OF EXCEL CRAFTS AND WALLS

Background

The business is owned and directed by a Mr Mar who is a former research technician with the Blair Research Institute in Harare. He is aged 48, married with four children; three sons and a daughter. The company which is located in one of the industrial parks in Harare, specializes in the manufacture of the following various items among others; coffins, slat boxes and oxcarts. He also owns a general retail shop and an eating house in two other towns. He is also involved in

commercial farming activities at Nyabira farming area located about 30 km outside Harare along the Harare –Kariba highway.

Mr Mar calls himself an opportunity finder. He said he reacted to opportunities as they came his way. For example, he said he initially targeted schools and that made his business booming. However this customer base began to fizzle due to macro economic variables and challenges schools were facing. He recently got a new niche among farmers particularly those recently resettled or allocated farms under the government land resettlement programme. He got a lot of new clients who demanded supply of oxcarts, wooden crates or boxes for packing agriculture produce for both exports and the local market. However most of these customers are also facing many challenges due to the unfavorable economic conditions that range from shortage of agricultural inputs to fuels. For most small to medium enterprises (SMEs) the harsh economic environment bedeviling the Zimbabwean economy is the overriding factor.

Management practices

Mr. Mar is one of the few Zimbabwean indigenous entrepreneurs who has managed to both own and direct a multiple of diverse ventures. The business is wholly managed by Mr Mar with no other immediate family members actively involved. There is no distinction between ownership and management. The structure is relatively amorphous with no clear organizational structures put in

place. The owner is both the executive board and operational management. He is also both the head of family and business. The business relies on casual or contract employees. He does the basic functions of the business with the assistance of these casuals without any permanent staff except two who were sometimes used as supervisors. Upon being asked why he had such an arrangement, he noted that the current macro economic environment was not conducive for the operation and survival of small businesses such that in many instances one would be left with no choice but to do it alone; that is by being both the owner and manager.

In an interview with one of the supervisors who chose to remain anonymous it was stated that Mr Mar ruled with an iron fist which has seen the business suffering unprecedented labor exodus at critical times. For instance, the employees as indicated by the supervisor were earning below Zimbabwean poverty datum line rates. In addition to this, the workers were even overworked particularly on weekends. The business has failed to recruit and retain qualified personnel and this is probably one of the reasons he has failed to run the other two branches in Mvurwi and Marondera. Based on observations made during the visit to the premises it was apparent that employee satisfaction and productivity levels were very low. One of the workers being interviewed confused the research assistant for a newspaper reporter and wanted the story published right at the front page as a way of making the owner change his management styles.

Mr Mar admitted his business was operating below capacity because ordinarily the business optimally operated with over twenty employees but at the time of research interviews there were only seven employees and four had just recently deserted him the previous week due to unbearable working conditions. Mr Mar does not seem to be doing anything to address the remuneration issue.

The rate of staff turnover and decrease in business clientele are good indicators of low performance. On average the firm was losing at least three employees per month. Thus the owner decided to rely on casual employees but this ironically threatened quality service delivery and productivity. Although the firm continued to be visible in the market its sustainability was inevitably under threat.

Succession Planning

One of his sons, aged 23 is currently receiving training in woodwork at Danhiko Vocational Training Centre in Harare and on work related industrial attachment at one of the local manufacturing firms. He occasionally assists in the production line management of the family business. This way Mr. Mar argued was one of the most cost-effective ways of succession preparation. He added that technological skills and knowledge of business ranked high in his choice for succession especially in businesses that demanded use of new technology. According to him succession should be context specific. In other words it has to be perceived within a specific time frame, historically and socially. For instance, he stressed

that it was absurd for any business owner to leave behind a business that was in disarray. Successors should not inherit problems. Under such circumstances it was more reasonable to sell off the business. It was more difficult for a successor to resuscitate a business than to maintain or improve on a healthy one. It was always a torrid time for a successor to put a business back on track. According to Mr Mar any founder who intended to leave the business to the next generation should endeavor to leave the business in a good shape. He is of the opinion that any potential successor should receive formal training which is in line and basically consistent with the kind of business to be inherited. Formal training allows the successor to gain experience and relevant knowledge. His son who is currently a trainee in woodwork is expected to take over management of the business in the event of a sudden departure through either death or incapacitation. However in this business, there is no clear succession plan put in place. The non involvement of other family members in both operation and management structures leaves the business with no one to possibly take over in the event of his departure. It is not yet established if his son who is on vocational training was equally interested in running a business. Furthermore, technological skills about a particular trade like under the given circumstance does not necessarily imply an equal acquisition of managerial skills.

4.1.3 CASE 3: THE CASE OF T & M APPRECIATIVE POTTERY (PVT) LTD

Background

This company is owned and managed by two families, the Moyos and Tomas. In terms of shareholding capacities, the Moyos who had two participating brothers owned about 75% of the business while the rest was owned by the Tomas. The business is located along Robert Mugabe Way in Harare adjacent to the Vehicle Inspection depot in Eastlea and about five hundred meters out of the City Centre. Before this partnership the Mr. Toma family had been in partnership with a Mr Siya. However with time, a Ken Moyo who was Mr Toma's lawyer and childhood friend or 'homeboy' (those who come from the same ethnic or rural or communal area) later bought the majority of the shares of the business and added another dimension to the business which is the 'pottery side '. Initially the business had tombstone construction as its core business but recently has diversified and expanded into pottery. The name, 'Appreciative' was chosen for its strength in capturing the real meaning and sense of the operations as perceived by the founders in line with client demands and appreciation of quality service. While their business was commercial it also was a symbol of respect and appreciation of the deceased according to Shona culture.

Mr Ken Moyo said he was inspired by the progress made by other indigenous Zimbabwean businessmen like Mutumwa Mawere, Nigel Chanakira and Strive

Masiyiwa. He was also driven to persevere by his parents' background who were both orphans but still managed to send their children including him to very good schools. He also paid tribute to the positive influence of his church, the Apostolic Faith Mission for its role in building an entrepreneurial culture among its congregation.

Mr. Moyo indicated that he was motivated to venture into a new area because he perceived it to be very viable since he had some fair knowledge of the business as he was one of the founders' family lawyers before the formation of the partnership. With the addition of pottery to the investment portfolio the business is set to make significant contribution to the national economy through foreign currency earnings. The business's progress is driven by its vision. He added that all his workers are inducted on the company vision: *doing the right thing at the appropriate time*. According to him talking about the vision was the only way workers could remain focused and thus motivated. Thus they would fully contribute all their energies into the job. The vision was articulated through what he called 'strategic fitting'. Quality service was guaranteed through matching the right person to the right job. The vision was however influenced by the environment as what recently happened when their plans to establish a pottery product distribution centre in Cape Town, South Africa by March 2005 failed to materialize due to shortage of foreign currency.

The products particularly the pottery and some tombstones are made according to specific customer needs. They operate what they call 'running orders' with exclusive city shops in Harare and some products are exported to South Africa. One of their biggest clients particularly for tombstones is the Department of National Monuments in Zimbabwe which is solely responsible for the management of national shrines and heroes acres whose demand for tombstones has recently increased. This contract was earned through political networking by one of the founders, Mr. Toma who had strong relationships with some senior ruling party members and cabinet ministers. Mr. Moyo admitted that marketing was one of the challenges indigenous businesses faced and without any political influence or some form of networking one would not manage to win any contract or tender.

Management practices

Mr. Moyo is the executive director and is supported by a general manager who is a holder of an accounting qualification from a local polytechnic college. He acts as an overall supervisor of all the operations in the workshop. There are operational teams responsible for specific processes for example the cutting, glazing and polishing. The administrative and operational patterns are characteristic of specialized formal organizations often found in large companies. To guard against problems in the event of absence or departure of any skilled

worker in these specialized functions, a system of rotation was recently introduced to allow multi-skilling and continuity.

The pottery section is directly controlled by Mr. Moyo as he believed that since it was his 'brain child' and due to its potential to be the chief economic driving force to the whole business as a foreign currency earner such a portfolio needed personal involvement of the owner. He said that he was also assisted by his *muzukuru mwana wavatete* (nephew) to supervise its operations. This was done because he wanted someone he trusted to have an intimate knowledge of operations. The nephew also worked in the kiln. This arrangement worked as both a quality and pilferage control mechanism.

Family members are not visibly involved in the management of the business. His wife B, a qualified teacher did not have much interest in the management of the business although she often did well in sourcing business clients particularly for the pottery products. Legally the business is a simple partnership but practically both partners admitted they had both social and political obligations to ensure their kin derived benefits from this business. In some cases, Ken Moyo's relatives would receive assistance in the form of either temporary employment, getting tombstones on credit or for free for deceased extended family members. However events at this business do not show any relationship between the business and family visions. Family matters, according to Ken Moyo, should not be mixed with those of business and they should not influence business practice.

Similarly business matters should not be discussed at home. Apart from his nephew who is permanently employed in the kiln he did not wish to employ any other close relative particularly brothers, children, wives and or in-laws in future. To him;

Business is not a family territory. Wife and in-laws should be totally shut out of any family business.

Succession Planning

Mr Moyo indicated that there was no written succession plan at the company although he acknowledged the importance of such a plan for the sake of business continuity. He said the successor designate should be educated in the area in which he would take over. He added that partnerships also laid very strong basis for the future of many small businesses. There should be no room for trial and error. He confirmed that his thirty year old brother was a suitable candidate for succession due to his fair knowledge and experience of running a business. Furthermore he was an aggressive problem solver. Currently his brother was the owner and director of a vocational and professional training college in the city. He occasionally took care of the company books due to his accounting knowledge. Succession should not include any in-laws and wives and they should only be involved where there were no suitable candidates. Thus succession should pass along kin lineage as wives and in-laws would take the business empire out of the family heritage. He planned to persuade his brother to

buy some of the shares from the partnership to reinforce their family's control of the business. He believed that relatives should only be involved as partners or shareholders and not actively engaged as employees to avoid conflicts.

4.1.4 CASE 4: THE CASE OF K-C GUARD SEC

Background

K-C Guard Security was established as an equal shareholding partnership in 1993 by two legislators; Chaka and Kamas. Both had experience in the security industry as a private firm manager and state security operative. Presently the company has headquarters at Msasa Industrial Park in Harare with branches across the country. It has an administrative support staff in excess of twenty and more than five hundred security guards. It has business contracts with very large public and private corporations in Mutare, Rusape and Harare.

Management Practices

One of the founders' wives is a non active director in the company. It has six managing departments; Operations, Administration, Finance, Loss Control, Human Resources and Public Relations. Each department is manned by relatively qualified and experienced personnel. According to Flora, the Public Relations Manager; one of the directors, Mr Kamas was involved in the day to

day operations of the firm supported by divisional managers and team leaders. This enhances efficiency and effectiveness in the organization and control of labor. The company has managed to create a corporate business culture that ensured all employees upheld organizational values. Loss control management and close security guard supervision well supported by a code of conduct was instrumental in creating a loyal workforce. Staff development is organized and maintained by use of refresher courses. Such courses helped to safeguard values and uphold performance standards. She added that the organization was not spared of high incidences of employee crimes in the form of thefts of company assets by security often in collusion with some Administration staff. Many security firms in Zimbabwe are bedeviled by unprecedented theft levels almost on a daily basis but such incidences were reasonably low at this company.

Most of the business management practices were relatively formal with recruitment and selection based on academic qualifications and relevant experience and most pronounced particularly in non security areas; like accounts or human resources. Recently the company introduced the requirement of five 'O' level passes for all new security guards recruits. Those with police service experience are normally engaged to work in cash-in-transit (CIT) duties where knowledge of use of fire arms was mandatory. Most security guards had also some experience in National Service training and operations and also recruited along either political party partisanship or kinship lines.

Apart from Mrs. Kamas' involvement as a non active director there are no family members participating in the management of the business. The few relatives from either director's kinship lines that were being employed in various capacities in various divisions had no bearing on either ownership or management patterns. Both families had direct interests in the company but were however not formally invited to join the firm. The company was being directly managed by outsiders mostly as previous workmates in former employment and a few friends, political acquaintances and some very distant relatives. Although Mr. Chaka had no direct involvement in the business his political networks in both public and private sector guaranteed the company new business contracts and retention of old clients. In the absence of such political influence the company would face stiff market competition. According to Flora, the turbulent economic environment and cut-throat competition characteristic of the current tendering procedures required someone with strong political networking like the two legislators. The survival of the business was not only hinging on the type of management but political patronage. As a result the company has managed to get business contracts with the large organizations in the city.

Succession planning

There was no written succession plans by any of the directors although Mrs. Kamas ceremonial role as director could easily be translated into an active

director in the event that her husband left the organization. Unlike the Kamas whose children and wife were often involved in the business, no one from the Chaka family was involved in the business in any capacity and such delayed or denied entry in the business could have long term sustainability challenges. Family members appeared disinterested in getting involved in the business. The involvement of Kamas family members was not a deliberate arrangement to prepare anyone for any succession but just a labor supply mechanism. However the introduction of professionally run divisions could function as an effective way of separating ownership from management. The company had no active formally constituted board of directors but given its recent phenomenal growth their introduction could make it more sustainable. The company's vision was to be among the top three Zimbabwean security firms in five years' time.

4.1.5 CASE 5: THE CASE OF KG BROTHERS' DRIVING SCHOOL

Background

The driving school which is owned by a family partnership, Ked brothers and a Mrs A Gasa with the Keds having majority shareholding is located in Harare with another branch in Marondera. It was established in 1987. According to Mr. Ked, it was the brain child of his late younger brother, Gin, who had realized that the three cars they had between them could be profitably utilized if one of them was

used for that purpose. The school started with three employees; one instructor, the late brother, a clerk and himself as director.

One of its most trying times was during 2003 and 2004 when the transport sector almost got grounded due to the fuel crisis and shortage of foreign currency to import spare parts. One of the challenges was labour turnover particularly of skilled instructors who left to join more secure employers. Due to the stiff competition in the city, management decided to draft a code of conduct for their staff and also sent instructors to public relations courses and seminars. Another challenge was the dilemma they faced in an attempt to balance professionalism with prospective drivers' need for quick acquisition of licenses by any means often through bribing issuing officials. Mr Ked indicated it was a most serious misconduct to bribe anyone.

The company used to operate another branch in Chinhoyi but this has been closed. Most of their clients were workers and white children from the surrounding farming community but this stopped as result of the agrarian reform between 2000 and 2002. Due to the harsh economic environment the family is already moving or diversifying into another sector. Mrs Ked was a trained dressmaker and recently set up a tailoring shop which she claimed was doing quite well. There were also unfinalised plans to start a bookshop.

Management practices

According to the company organogram, Mrs Ked was the managing director while Mr Ked was the operations director. Initially Mrs Gasa was the controller in charge of all operations involving instructors and clerks but has since been moved to the Marondera branch. Mr Ked took over the role of operations director in 2000 when he joined the company on full time. The intention was to surrender the Marondera branch shares to Mrs. Gasa as a tribute and recognition for her loyalty and contribution to the business.

The business structure is relatively formal with distinct lines of communication. For instance the instructors are obliged to communicate first with junior clerks before the senior clerks. Communication between the junior ranks and the directors is restricted. The managing director should be left to concentrate on strategic planning for the business instead of daily routines.

KG driving school attempts to strive towards a professional approach to business practice particularly as regards staff placements. Instructors are mostly graduates from the Zimbabwe Safety Traffic Council and holding defensive driving licenses. Clerks , apart from being members of the extended family needed to have some basic short courses on office administration preferably Speciss College graduates. Funds permitting all employees were expected to attend short refresher courses.

According to Mr Ked the business was run in accordance with a vision, mission and values. There is a strategic plan which attempts to address the following issues:

- Fuel procurement for 2005 and 2006
- Put in place clear job descriptions for all by July 2005
- Acquire one new vehicle (sedan) and second-hand truck for class 2 lessons

Succession planning

The wife, Mrs Ked, is now engaged on full time basis as a managing director. Of the three sons, only one aged 25 and an accountant was interested in the business. He had been involved in the business for some time. Accordingly he was the most preferred and potential succession candidate but this was not explicit. He occasionally assisted his mother in managing the finance side of the business. The eldest daughter is a pharmacist and married to an accountant. She was also partially involved in the business but according to Mr Ked she was already out of the running because culturally she would not inherit any family assets. She was not directly compensated for her services but sometimes relieved loans on concessionary or no interest terms. The youngest daughter was aged 21 and studying computing science at the National University of Science and Technology in Bulawayo. She had no interest in participating or getting involved in the business and on talking to her about the issue she

appeared to be more interested in computer business and has no passion for that kind of business. Although there was no written succession plan, the family could still consider Mrs. Gasa as a potential succeeding leader due to her wealth of experience in the business. In fact she was managing the Marondera branch independently.

Family and business interests were separate but complementary. Family members like children were free to contribute in business meetings even though they were not involved in the day to day operations. According to him it was always difficult to compensate them fairly for their contribution.

Mr Ked noted that despite numerous economic challenges the company was facing it has managed to survive. In 2005, there were nine vehicles fully operational and seventeen employees, among them four clerks and ten instructors. Some of the instructors were engaged on part-time basis and involved on need basis. At one time the vehicle fleet size rose to sixteen including those which were operating at the now defunct branch in Chinhoyi.

4.1.6 CASE 6: THE CASE OF 'HIS' RIB HAIR SALOON

Background

'His' Rib Hair Saloon is a hairdressing shop owned by Mrs. Nkosi. She was motivated by the need for self sustenance after her husband had left to work in Botswana in the mid-1990s. She previously worked for two years in a saloon in Westwood (Kambuzuma suburb in Harare). She first opened one saloon in the same area in 1997 but later moved to Kambuzuma 2 Shopping centre where there was better space and relatively excellent market opportunities.

Mrs Nkosi employs seven permanent workers that include three barbers and four hair dressers. She has managed to open up two more saloons in Kambuzuma 3 and 5 representing some phenomenal growth in the business.

Management practices

The owner is fully involved in the day to day running of the saloons. Mrs Nkosi is in charge of two saloons in Kambuzuma 3 and 5, one of them she co-runs with her sister and the one in Kambuzuma 2 is under Sam, one of her most experienced hairdressers. She believes that was one way of ensuring staff dedication. She has managed to build staff loyalty despite the seemingly older ages of the barbers and she has great influence on them. From the interview one discerns that the vision was driven by the external environment. According to her,

planning in this type of environment was rendered useless as they were always at the mercy of highly unpredictable circumstances.

Succession planning

No family member except one of her sisters was involved in the business. The husband who is currently based in Botswana only assisted financially and morally but was effectively out of the picture. Her children aged five and seven were still too young to be associated with the business in any capacity.

The issue of succession was considered a family secret and there was need to always respect the 'rules' of inheritance:

'It is not good for family stability to nominate your successor. They will start fighting.'

Where one was nominated the other family members needed to provide support for the good of the business. Both Mrs. Nkosi and the supervisor who was interviewed agreed that family business needed to be run along professional lines. Even choosing a successor was supposed to be done professionally.

There is no succession plan in place but the orientation and associated mentorship her sister was undergoing currently may suggest her as the possible person to take over in the event of death or retirement or in case where she

would have left for Botswana. Her sister is aware of the possibility to take over the business when her sister decided to leave.

4.2 CASE STUDIES OF SUCCESSOR CONTROLLED BUSINESSES

4.2.1 CASE 7: THE CASE OF MUSHI AND SONS BUS SERVICE

Background

Mushi and Sons Bus Service was formed by Mr George Mushi in 1945 who was raised up in a polygamous family of three wives with a total of twenty three children. His father, Mr Amon, was killed through suspected witchcraft when George was still a baby. Mr. Amon's widow (George's mother) is said to have had a very difficult life against a humiliating background. George grew up as a carpenter and this made him very industrious venturing into various income generating projects that finally saw him operate his first bus in 1945. This bus was the turning point in the Mushi entrepreneurial life as it was the genesis of a business empire that included notably a hotel/night club, bars, restaurants and a farm. During the Zimbabwean war of liberation proceeds from some of these businesses were directed for the assistance of freedom fighters instead of reinvestment or recapitalization of the business.

The bus company was inherited by James one of George's surviving sons.

The history of the bus company is characterized by high and lows. At one time the fleet had risen to forty eight buses in the early 1980s but now stands at only four.

Asked when things 'fell apart' for the business, Mr James Mushi blamed his elder brothers as the culprits. The company once underwent a crisis management during the transition from the founder to management by sons. It is alleged that the elder brothers, motivated by greed wanted to exclude younger ones in the running of the business despite their lack of expertise and skill. The problem was later resolved when it was agreed each child gets a share of the businesses. That was when James was allocated the bus company in 1985 as part of his shares. He however indicated having problems in trying to put the fleet back on the road. He said he got the buses because most of his elder brothers were reluctant to take them. He also blames what he calls inconsistent government pricing policy which has rendered passenger transport business unviable. For instance, he argues that the government gazetted fares were not in line with real input costs. He also lamented the erratic fuel supply often on black market and ever high rising costs of spare parts as contributing to the slump in business. For instance, (at the time of this interview in July 2005) bus tyres cost a minimum of Z\$20million (revalued) each yet in most of the routes they ply they may only get Z\$4 million from a good trip. He argues that there was great need for the government to put in place policies responsive to the needs of the transport operators. This has seen them aborting rural trips which the public may

unfortunately perceive as a sign of bankruptcy. They were a lot economic factors beyond their control which made it very difficult for them to operate their businesses viably.

Management practices

Of the three family directors in management, James is the only active one as the other two are only working as advisors. There is also a chief inspector who is a non family member and operated as the overall supervisor. There are also clear role allocation that is cashier, bookkeeper and ticket checker who all report to him as both director and general manager.

Two of his sons are only involved in the management of the business on part time basis or as relief employees. James feels that sons and wives should fully participate as that guaranteed the future survival of the business. He added that sons should be also given positions on merit. The history of Mushi particularly the conflict over inherited assets has taught him that children should be trained to work hard and not only wait to beneficiaries of inheritance. They should demonstrate competence.

Family members are normally consulted on issues relating to the business or before business meetings that are held once in very three months or earlier depending on matters arising.

Succession Planning

This business experienced a succession crisis which was an outcome of lack of planning. The idea of splitting assets was not the best solution. Mr Mushi feels that children who are born in a family owning a business should receive sufficient training in management. Involvement of non family members in operations should be encouraged to create a culture of corporatism.

There is no nominated or selected successor because he believed that would create conflict among family members. However when time comes one should be appointed on merit not by birth rank as has already been painfully experienced in this business. Managerial experience, knowledge of the business and family history were considered the leading criteria in the choice of successors regardless of sex or birth order. Mr Mushi advocates for participation of spouses in daily operations and management to guard against unscrupulous relatives who may come in when the founder finally leaves. The Mushi 'empire' has been doubtlessly popular in and around Harare particularly Highfield suburb which housed the hotel and night club but poor succession planning has taken it to the grave yard together with its founder. At one time they received a lot of respect from business community, politicians and civic leaders. He however conceded that the empire has assisted them to get recognition with some rising to positions as mighty as Mayor of Harare:

'People associated our family name with success for many years and it is shameful for our disputes over inherited assets as brothers to be read in newspapers. Succession planning is critical; look at what happened to the great Boka empire, the Ruredzo motors, Matambanadzos, Gono one-one ...just to name a few. In our case we resolved the dispute by splitting assets but I still feel that is where we went wrong but there is nothing one can do when dealing with greed.'

4.2.2 CASE 8: THE CASE OF MATE TRANSPORT

Background

Mate Transport began operating in 1983 primarily providing passenger transport services to commuters between Harare and Wedza a rural service centre about a hundred kilometers South East of Harare. The Mate family also operates a supermarket and bottle store in Wedza. Another supermarket located at Sadza Growth Point has since closed due to viability problems. There is also a shopping complex in Marondera which is being rented out. These businesses have been operating since 1972. The first bus started operating in 1983 and the founding owner, Mr Sam Mate, died when the fleet had just increased to four.

Management practices

Family is evidently separated from the business. Problems within the family are not allowed to encroach into the business sphere. Family members confront common problems as a unit but the individuals were expected to initially attempt to solve their own problems.

Some of the brothers are reluctant to get involved in the business. According to Kennedy, the current leader and one of the six remaining sons involved in the management of the business, succession was based on birth rank and gender. All the sons are involved in the running of the business in one way or the other either on full time or partial basis and only on voluntary basis. However daughters were never part of any succession planning and were not at all invited to participate in the management of the businesses. When Kennedy took over there were no more than ten buses with a workforce size of only seventeen in operation but the fleet has reached to twenty eight with an estimated staff establishment of nearly eight. Due to the current economic challenges facing the country as regards shortage of fuel and spare parts the business is even failing to generate money enough to pay workers' wages. Kennedy's mother is partially involved in the business but is also operating poultry project and a shop in Wedza. These are also treated as part of the family business.

Succession planning

There is no clear succession plan for the business. Although, as earlier indicated, the other brothers were involved in the business it was not explicit if they would be interested in taking over from Kennedy as most of them were already involved in their own businesses or in full time employment in Harare. The oldest son at any point in time will always be the next leader although ownership is said to be open to all sons. Only male members of the immediate family; brothers and their sons are the legitimate heirs to the company inheritance.

4.2.3 CASE 9: THE CASE OF PEN FAMILY BAZAARS

Background

Located in Westlea which is one of fastest growing suburbs of Harare, the supermarket is owned and managed by a family of five brothers and two sisters. It is part of an expanding empire under Matutu investments which are found in many parts of Harare and comprise butcheries, supermarkets, bars and a night club. There is a three storey complex with a supermarket on the ground floor, a takeaway and night club on the upperfloors. It began operating in earnest in 1993 and its growth is influenced by the inspiration its directors got from their ever enterprising late mother.

The family has a humble background. The father, Mr Pen Matutu worked for a local pension concern, now National Social Security Authority (NSSA) before his death in 1983. His wife, Mrs. Matutu (now late) had to take over the upbringing of the children in the absence of traditional breadwinner. From the interview with Mrs. Chiwa, the elder of the two daughters indicated that their mother had an extremely high entrepreneurial aptitude. She could sell tomatoes by day at the local market in the suburb and then *madora* (caterpillars) in bars by night as a means to raise her children. In the mid 1980s she tabled the idea of acquiring a commercial stand in Glen View to her children. The family agreed and committed a total of \$75 000.00 earned from the father's pension. Their mother had the idea of building a supermarket on the stand although she knew the money the family had was not enough. They however, committed themselves more to the project despite being subjected to denigrations and ridicules from neighbors. Mrs Chiwa stressed the need for seeking God's guidance in any assignment because it was only Him who gives power, dedication and determination necessary for such undertakings. They managed to secure loans from Small Enterprise Development Cooperation (SEDCO) and Beverly Building Society for construction of the supermarket complex in Glen View, one of the high density suburbs which is now their headquarters. In 1993, ten years after the death of the father, the children together with their mother began to operate their first supermarket which was according to Mrs. Chiwa a special tribute to him. The death of their mother in the same year was tragic. Despite this, the family never looked back and the business has since grown from strength to strength.

The supermarket is propelled by a distinct vision:

'to be amongst the leading providers of retail and entertainment services in the country'

And mission:

'we commit ourselves to continuously satisfy our customers needs and wants through efficiency and effectiveness'

According to Mrs. Chiwa, their family background and the history of their business particularly the ridicule and pessimism demonstrated by the community about the idea of opening a supermarket have inspired them to work much harder in defiance of prophets of doom. When the business began to show significant progress some observers began to suspect or allege that there could be some big corporate or white 'tycoon' behind the sudden phenomenal growth. According to her some would say:

'zvine varungu mukati izvi, zvingave zvega?' (Some rich white men should be bankrolling them, they can't be alone')

The business endeavored to operate professionally by offering competitive and market rate wages for all staff whether family or non family members. A visit to

the business premises would confirm a seemingly motivated workforce and enthused staff clad in uniforms.

Mrs. Chiwa underscored the need for continued family unity as that was critical for the family business's survival.

Management practices

The business is under a family directorship and management of five brothers and two sisters. Although legally the estate is under Sylvester Matutu, the eldest son (understood to be in his early 50s), who is known as the Managing Director it is family owned and all members are actively involved and under his leadership in the day to day running of the business. It is interesting to note that from observations made there is a distinct hierarchy with an efficient and effective role allocation. The family is highly entrepreneurial as evidenced by the number of other businesses (butcheries, night club.) they have since established since 1993. Mrs Chiwa, known as the overall supervisor is very business minded and this she attributes to the orientation she received from her parents particularly her late mother. Her management style is result based but may be temperamental at times as indicated in one case in which in the presence of the researcher one of the employees approached her to enquire about what to prepare for the workers' breakfast:

'Back off from that idea and resort to work rather than kungofunga zvokudya (to only think about eating)'

The management ensures the vision and mission are articulated and posted onto walls for all to see. Directors are implored to directly supervise operations observing challenges and areas in need of change. Often during the study, the researcher observed cases in which one of these directors directly supervised till operators. In addition, there is a clear duty roaster which appeared to be followed allowing continuity and consistency particularly in shift work. Roles for family members are however not clear.

There is an ongoing planning process to address 'strategic issues' facing the business and meetings were regularly held to review progress and future plans against current performance. Given the stiff competition from other players, Mrs. Chiwa noted that there was need to realign strategic plans of the business given the current economic challenges facing the whole industry. Observations made on a visit to the premises in Westlea showed management was pro-change. It has become difficult to put in place long term plans as the environment has become unpredictable. The shortage and ever rising cost of household consumables has adversely affected operations in the supermarket.

Succession Planning

Mrs. Chiwa said the issue of family hood (*humhuri*) was crucial for business survival. To her the family was not separate from the business. The family has to jealously protect the business and guard against any possible decline since it was the source of their livelihood. To the Matutus, the business was their family and their life! There was an emotional relationship between the business and their family making it mandatory for all family members to respect unity and cooperation:

'we did not only inherit this business but more importantly the idea and initial capital from our parents'

Although they attempted to hold business separately from family meetings, it was confirmed that whenever they held business meetings, they would engage themselves in 'family discussions' to identify any business problems and map the way forward. Mrs. Chiwa had this to say about the family-business relationship:

'we take time to discuss problems faced by each of us whether the issues pertain to business or even those relating to our spouses or children'

On being asked why this was important for the business, she said that was the only possible way they could maintain dedication and commitment from all members.

When their mother died the business was legally entrusted onto the eldest brother and the other brothers and sisters became automatic directors. On whether or not such an arrangement would not cause any problems in the future, she said that was the best option any family could reasonably take as that guaranteed maximum cooperation from each shareholder. To her and other family members the business belonged more to the family than individuals. The family and business visions were quite in tandem with each other and mutually supportive. The need to prosper as a family and not as individuals was the guiding philosophy and worked as a direct incentive to each member. The business was a symbol of family unity and success rather than an individual asset and therefore more of a 'social' than 'economic' capital investment. Their background as a family has motivated them to record positive results in their business.

There is notable active participation of family members as demonstrated by some who have since quit their more seemingly secure careers to join the family business. For instance, the Managing Director, Sylvester was previously a Personnel Officer with NSSA. Family meetings are traditionally held in Glen View which is treated as the head quarters for the family business. It is also the

location of the family home. Business issues have become as routine as family matters leaving the dividing line between the two very thin.

Family business participation was not just pastime but a collective responsibility requiring a lot of commitment. Members of this family perceived the current heir as capable of driving the business ahead. However they did not leave everything to him but stressed unity to ensure business growth and survival. Members argued that core values of the family and business needed to be cultivated in the next generation. Family and business life was perceived as intertwined. Their business has given their family respectable status in the community and they felt that any decline in the business would result in the same for the family as a whole.

What the Matutu family treasured most was the family heritage which has become invaluable asset to the life of Matutu Investments. In an interview, Mrs. Chiwa said that the family history was indeed very valuable and should be cherished and protected for the benefits of future generations.

Their children should be given proper orientation to the values of the family and so as to create sufficient willingness to participate in the family business. However, what was currently worrisome was their own children's lack of interest in business and the conspicuous absence of her brothers' wives in the running of

the business. The participation of both brothers' and sisters 'spouses is very invisible. There was no succession preparation in the Pen Family Bazaars.

4.2.4 CASE 10: Z BODY MENDS

Background

Z Body Mends is a panel beating and spray painting shop located in one of Harare's industrial parks and was formed as a partnership by three directors in 1992. The two active directors, Munyaradzi and Kwedza aged 30 and 45 respectively had experience in panel beating and mechanics respectively while the third, only identified, as Jim had business accounting experience and was currently not active in the management of the shop. The shop specializes in panel beating as well as engine tune-ups.

Management practices

Unlike other directors, Munyaradzi is not a founder member but only got shares through inheritance from his father by virtue of being the only son. He is however the current active managing director and also responsible for the day to day running of the business. The other two directors tend to participate on part-time basis as they have other businesses somewhere in the city. The partnership was only active during the founder stage. The current owners were not active team

members as only Munyaradzi and Kwedza were involved in the management while the third member was a bit passive and invisible. Kwedza operates a fleet of passenger mini-buses where he often operates as a relief driver while the other unnamed partner is understood to be in full time employment with a local retail shop. This management arrangement subsequently leaves only Munyaradzi with full responsibility to direct the firm in the future.

What is unique about this firm is the fact that both ownership and management is partially in founder and second generation stage. According to Munyaradzi the firm has seen steady growth since formation when it started with just over ten employees and now at sixteen. Since his father was the most dominant of the founding directors in terms of both investment and commitment, the life of the business was inevitably determined by him.

Succession Planning

There is no succession arrangement by either of the partners. Munyaradzi only got involved in both management and ownership of the firm by accident because during his father's time he was working as a panel beater at one of the local panel beating and sprays painting shops. His mother and sisters had encouraged him to join the business to protect family interests. While the other two partners considered incomes from the firm as secondary and supplementary for the Munyarardzi family the business was their principal income generating venture.

One of the directors indicated that the survival of the business was more critical to the Munyaradzi family than either of them. The family was understood to be currently building a family house in one of the low density suburbs of Harare. According to Kwedza his own continuous participation in the business was almost a social obligation to assist his late friend's family. In fact the other partner was already contemplating selling his shares. Munyaradzi thinks that in the event that he finally leaves the business through either death, illness or for any other reasons no one could take over his position except probably his younger sister who is married and often comes to assist in some daily business routines at the workshop. The continuous presence of Kwedza in the business is considered a stabilizing force and as result the firm has managed to retain some of the expert workers despite the turbulent economic environment.

4.2.5 CASE 11: WARREN MOONLIGHT BAR

Background

The business was formed in 1995 by a Charles Guvha who was born in a family with retail and general dealing concerns in Murehwa, a rural service centre estimated to be seventy kilometers North East of Harare. He comes from a family of five brothers and five sisters. His father owned supermarkets, and bottle stores and this became a springboard for his future entrepreneurial ventures. He is

currently thirty five years old and attributes his early involvement in businesses to his late father.

Upon the death of his father, his estate became a centre of conflict and struggles. Avarice and greed were the most serious problems that faced the initial businesses founded by their father. In this case, his elder brothers were motivated by greed to the extent of wanting to take over the entire concern in defiance of instructions in the family will; which had stated that the estate would be shared equally among the five sons. It was argued that the daughters were excluded from the ownership because the family name was only extended to the next generation through the patriarchal links. The experience he has had from this succession showdown compelled him to become an advocate for wills which bring stability to the family.

Using a few shares inherited from part of his father's estate and the support from his mother he started his own business in Warren Park thus divorcing himself from the endless disputes with his brothers. He named it Warren Bar trading as Moonlight. He however still participates in the running of one of the family shops in Mrehwa where his mother is staying. He however indicated that the family business left by his father is on a continuous decline and is now more of a residential home than a commercial business. His participation was more of a social obligation without any than economic benefits but only for the sake of his mother.

The bar which he founded is now well established and has been in existence for the past ten years. It has good infrastructure that makes it comparable with other up-market spots in the city with a powerful disco system

Management practices

The bar is primarily under the management of the owner who is actively involved in the day to day running. There is a small workforce including one in charge of accounting and bookkeeping. Mr. Guvha recognizes the significance of delegation and role allocation based on skill and competence. He however acknowledges that his staff size was not conducive to the adoption of western management practices best found in large corporations. According to one of the informants, he is such an open, free and approachable leader that his employees feel comfortable in his presence. His management style has enabled him to create a loyal workforce which is passionate about the business's survival.

Mr Guvha's wife who works for Standard Chartered Bank is not at all involved in the business. Reasons for her lack of participation were not very clear. However his mother often acts as an adviser particularly in matters that deal with the business inherited from his father. His children are still too young to be involved although one of his sons often is called in to help with some bookkeeping. This sort of initiation as he noted was very critical as it was the same way he got involved in running the family business.

Succession planning

Mr Guvha is a disciple of succession planning due to the experience he gained from his upbringing and involvement in family feuds over his late father's estate. As observed in the previous paragraph, his son is already on 'apprenticeship' and getting a 'feel' of the business:

'that will make him ready to take over even when I am still alive and active'

'children cannot just take over without orientation'

Mr Guvha is of the opinion that succession would only be successful if done through the male line as that was the only way to perpetuate the family name. Experience and knowledge of other similar cases have taught him that the issue of succession needed to be treated seriously and properly handled because if not handled properly it can degenerate into a fiasco that can threaten the whole business and family survival.

4.2.6 CASE 12: THE CASE OF MUROMBO MUNAKE HARDWARE

Background

The hardware was founded by Mr. Munake and his wife Hilda in 1983 but it is currently under the full management of his two sons, Munake and Runyararo.

The business was established through both loans and savings. The official managing director, Hilda is also a nurse by profession. Initially the parents ran the business before allowing their sons to assist and finally taking over the management. The elder of the two, Munake, is more actively involved in the day to day operations.

According to Mr. Munake the name of the hardware is derived from a Shona idiom which meant that: *a man is only liked when he is poor as soon as he becomes rich more enemies are created.* This was used to describe the history of this family. The family started from humble beginnings struggling to survive and with very few people sympathetic to their poverty. However, recently due to their hard work many people were coming to them for assistance. The recent phenomenal success has created more enemies than before as people including close relatives were now jealous of their progress.

Hilda pointed out that the hardware has survived for over twenty two years now and she was no longer scared of any competition. She praised the efforts of their sons in the running of the business. She noted that the mushrooming of the informal sector had significantly affected their operations although the recent 'Operation Clean up' could be a blessing in disguise.

She emphasized the need for family business leaders to practise good public relations with both suppliers and customers. She attributes the success of this business to their good public relations.

Management practices

Meetings are held as and when issues arise although they were originally held daily depending on the challenges currently facing members. Mother and son are actively involved and both believe everyone's participation was paramount to business survival beyond the founder.

Succession planning

There is no written down succession plan, but from the observations made at the premises and in addition to what Hilda said, one of the sons, Munake the elder of the two who is an accountant is already playing the role of a possible successor. His active involvement in the management of the business is in preparation for the possible take over. He is being developed, tested and mentored to take over both ownership and management when the parents are no longer present. Hilda added that it was very important for owners to involve family members like sons and daughters to avert any future disturbances likely to disrupt business growth and survival. She however stressed the need for family business leaders to completely shut out extended family members out of the business even as just

ordinary employees. As a result there is no other relative engaged in the business as an employee.

4.3 CONCLUSION

The results of the case studies indicate that the performance of family business ventures in Zimbabwe is most often measured in terms of survival. There is very limited room for entrepreneurial choices. When the environment is too harsh and hostile the firms particularly those from the transport sector are forced to shut down. Therefore as observed among the successor controlled case studies, performance expectations are reduced only to survival, the basic lowest level expectations. What threatens the survival or durability of firms is that they are concerned with what they can do, rather than with what they want to (Hrebniak and Joyce, 1985). This finding thus enriches previous literature which has observed a pronounced absence of strategic and succession plans among most businesses. However it was also shown that most owner managers preferred a tacit way of choosing a successor to avoid potential intra-family conflict arising from open or public announcements of successors. Succession process among most businesses is a social interaction whose outcome is not a fixed and predictable one to one transfer of ownership or management but results in new power and status configurations among actors.

The case studies have also illustrated a strong association between succession and business continuity. Business durability is more threatened in post succession than founder controlled firms.

Knowledge of family history, birth order and gender were identified as the key successor attributes needed to lead the business beyond the founder. Gerontocratic and patriarchal values that are deeply entrenched in the family (Birley, 1986; Cheater, 1986; Wild, 1997) impacted greatly on the character of succession. Institutional constraints coming in the form cultural and environmental considerations were identified as a key family business survival variable (Manolova and Yan, 2002; Ukaegbu, 2003; Mtika, 2003). Succession is culturally influenced in that the business was part of the family property and assets and would be owned by everyone and the eldest son would be expected to hold the assets in trust for the benefit of all. In this particular case business premises naturally became family residential property rendering any succession plans irrelevant. Lack of clear plan for the company to manage the unforeseeable future and the use of ad hoc strategies may have a bearing on its survival.

It is also observed that partnerships were a strong option for business owners to ensure sustainability and durability beyond the founders. T&M Appreciative Pottery and KG Brothers Driving School are good cases in point as are the current successes posted at G& M Panel Beaters and K-C Guard Security. Wining big business or contracts and the issues of network were rather a

complex matter and the dynamics of corruption coming to picture may also have been unavoidable. Business leaders and informants were not clear on what these companies gave to their clients or what forms of exchanges they were engaged in that made them better off.

One of the observations from these cases, illustrate how the 'real world' can become a discursive construct through an enunciation or production of a pattern of statements or symbols. Mrs. Chiwa's remarks to employees and the issue of appointment of Boards in some of the companies are good cases in point.

Another observation from the case studies, particularly the six founder-controlled ones, is that most founders started their businesses because of the desire for autonomy and to invest proceeds gained on retirement from formal employment. The case studies presented above also demonstrated significant invisibility of females in the management of businesses except in hair saloons and general dealers. In addition it was shown that the boundary between family and business was very blurred and the definition of family is continuously reconstructed as participants negotiate and renegotiate for social space and in the accumulation of social capital through involvement in the businesses. For some, participation in both management and succession matters was a social obligation and members redefined their engagements in line with new obligations and benefits.

In summary, the social practices engaged in by actors and their tangent interactions, were responsible for the leadership patterns at each stage of the business.

CHAPTER FIVE

SUCCESSION PLANNING IN FAMILY BUSINESSES

5.0 INTRODUCTION

This chapter examines the way in which the motivations and perceptions of founders and successors influence the succession process. Unlike in large bureaucracies where succession is generally routinised through the use of formally structured retirement, rotation, replacement or promotion rules (Grusky, 1961:261) in indigenous family owned businesses with relatively small and unbureaucratic structures, it is usually unpredictable and unplanned.

Among the twenty businesses studied, only four business leaders indicated that they had succession plans. Of the remaining sixteen, one indicated that they had no desire to transfer ownership and leadership to the next generation but would want to dispose it by selling it off. No business leader had a written succession plan in place. It appeared that writing a succession plan was not a priority for most of the founders or leaders. However eight of them claimed to have strategic business plans stretching over five years. Despite the lack of succession plans leaders acknowledged the possibility of a leadership crisis as a result of sudden death or incapacitation due to poor health or age. Even those eight leaders who

had inherited businesses and have had intimate knowledge and experience with succession challenges, they still did not have any clear succession plans.

Founders and incumbent leaders adopt a 'tacit approach' known only to them as effective and sustainable. In twelve cases, family members or employees were not aware of any succession arrangement in place. Founders had not communicated their succession choice to anyone. This was the case in three of the businesses where the current leader had indicated that this was known by other family members and employees.

5.1 SUCCESSION AS A SOCIAL INTERACTION

At G & M Panel Beaters, the Mutongi brothers who are running their business as a family partnership, on a near formal basis do not have a proper written success plan although Meck, one of the directors and the elder of the two, agreed that succession planning was integral to any successful family business (Steier, 2001; Bowman-Upton, 1991; Maphosa, 1999 and Babby, 2004). One of the director's wives and four sons were said to be receiving some training in the company. Meck's wife was receiving on-the job business management and accounting practice induction while the sons were receiving technical training in the form of apprenticeship in the workshop with a view to make them hands-on in order to become foremen in the long run. Therefore, a succession plan could still be in place without being written. It is a process by which potential successors and incumbent leaders engage in 'social interaction' that invariably constructs a new

leader (Sjostrand et al, 2001). Therefore the meaning of succession planning could be socially constructed.

There are no written succession plans because it is feared that these would cause conflict and despondency among both family members and non-family employees (Frishkoff, 1994). Mrs Nkosi of 'His' Rib Hair Saloon reinforced that the issue of succession should be a 'family secret' although there was still need to respect any rules of inheritance that were available:

“it is not good for family stability to nominate your successor. They will start fighting”

Once the family decides to keep the business, it is time to begin planning for the process of succession. Successful management transition involves much more than selecting a future C.E.O. Succession is a whole-family process that affects everyone in the family deeply and differently. It will change the family system forever. More often than not, the new business leader also becomes the next leader of the family. The succession process in family-owned businesses is therefore a collective phenomenon (Johannison; 2002).

Interviews with seven of the successors in this study revealed that there was no communication or any discussion on transition arrangements with the founder. Mr Guvha, the current owner of Warren Moonlight Bar, attributed and owed his

early involvement in business management to his late father. However, lack of succession planning and explicit expression of the successor by his father, immensely contributed to the current problems facing his late father's empire. Despite the existence of a will that had instructed for the division of shares equally among five sons, the elder brothers attempted to take control of everything. This influenced him to start his own business despite having spent most of his childhood in the family estate. He could have been the successor but this failed due to family politics and collective involvement in the disposal of family assets. The family business as an identity is seen as both an asset and liability depending on situations. For example among the Matutu family, Pen Family Bazaars was an asset as it engendered a spirit of unity and growth while for some like the Guvhas and Mushis the business was a liability as it ruptured the family apart.

The family business owners face what could be termed the 'timing crisis'. In essence, planning succession is like planning one's funeral as one grieves through the succession process. The questions 'who' should succeed?, 'when'? and 'how'? are often left unanswered until the business crumbles. There is no doubt that succession is difficult for many business families and that many family-owned businesses have been sold or shut down mainly because the family did not satisfactorily handle the succession issue. The cases of Mushi and Sons Bus Service, Freespace Transport, Runa Motorways and Ken Sec bear testimony to the above observations.

The worst scenario is when the founder dies suddenly and unexpectedly without any planning for succession and the successor is not sufficiently experienced in the new leadership role as what happened to James when he took over the Mushi and Sons Bus Service. Similarly when Arnold took over Freespace Transport, as the eldest son he was only 21 years old when the father and founder of the business died in 2002. He proved to be too overwhelmed by the challenges and tribulations of the transport industry which has seen a bus fleet of seven falling to only one in 2005. In fact, when I paid a routine visit to the business premises about six months after the first meeting with both the 'son' and his mother, it was confirmed that the only remaining and operating bus had been forcibly taken from them and driven to the rural home by one of the uncles (the founder's brother).

The reluctance of owners to relinquish power is demonstrated at Murombo Munake Hardware, where the parents claim that they only owned but did not manage. Of the two sons, Munake is understood to be actively involved in the day to day management. Despite that arrangement, there has never been any discussion between the two concerning succession. Munake has never raised the subject with his father nor has the father confirmed that he was the heir apparent. At Excel Crafts and Walls, the owner, Mr Mar confirmed that one of his sons who was already receiving business related training at a local vocational centre, Danhiko School, and also on attachment at the firm, was being prepared

for succession. However, the son indicated that given the current economic environment, he could do better in a neighbouring country or even in a different field altogether.

The lack of a clear dividing line or boundary between ownership and leadership or management in family businesses, has had a significant influence on the pattern and structure of succession. What further complicates the issue is the ever changing definition of 'family business' which is relatively unending. There are family members, like the Mutongi brothers of G&M Panel Beaters who argue that theirs was not a family-owned business but just privately owned and a professionally managed entity. It seems anything 'family' like was perceived less 'professional'. Family business identity is fluid and meanings attached to it are situational.

However, ignoring the 'familiness' characteristic inherent in the firms could have an overall adverse impact on its survival. Mrs. Chiwa, one of the surviving daughters and managers of Pen Family Bazaars, admitted theirs was a family business and the issue of family-hood (*humhuri*) was crucial for business survival. To her, family was not separate from the business. There was an emotional relationship between the business and their family.

Management and ownership in family businesses is treated as one. All the crises and ensuing rivalry and conflicts between and among founders' siblings were

ordinarily over 'ownership'. In African philosophy, one cannot manage what one does not own and equally cannot own without managing. One of the reasons why partnerships tended to fail was the direct and visible interference in the management of enterprises, which often led to mistrust. Mr K. B, founder and owner of SF Private Limited indicated that he was compelled to start his own venture after having felt cheated by his previous business partner. One of the problems likely to threaten business survival was the undue involvement into the business by either partner's family members particularly spouses or children.

At K-C Guard Sec which is wholly owned by two Zimbabwean legislators, a Kama and Chaka is one of the successful partnerships. The two are supported by Mrs Kama as non-active director and Kama's two sons who occasionally come in to assist in various capacities. Kama is operating as a full time director and does not appear ready to leave other people run the business in his absence. If absent he would only be comfortable with his wife's involvement to the extent that she would protect his interests. This supports the argument that business owners tended to be reluctant to transfer management to outsiders (Lansberg, 1988; Holt, 1992; Maphosa, 1999).

5.2 CHARACTERISTICS OF FOUNDERS

In the previous sections, I discussed the inherent contradictions within the ownership-management distinction and in the following section; my analysis will

be influenced by the fact that the two concepts are used interchangeably and attempt to link the characteristics of the founder to the crisis of succession. The argument is that the founder's inability to plan for succession or his choice of succession pattern or structure where it is available is responsible for many business failures. Indigenous businesses are generally small and unbureaucratic and these characteristics, coupled with the leadership characteristics of entrepreneurs, render the succession process unpredictable and more likely disruptive (Maphosa, 1999).

Drawing from my study of the twenty businesses in Zimbabwe and from related literature on such businesses, I attempt to discuss some of the notable founder characteristics that influence business continuity beyond the founder namely: the problem of entrepreneurship, lack of strategic planning skills, conservatism and inward orientation, age, gender, experience, leadership styles, (Poza, 2004) and risk aversiveness.

Age of the Founder

Of the twenty businesses studied, twelve were still in first generation (founder stage). The average age of the founders was 46 years. The current age of the business, indicated that the average age of the same founders when they started their respective businesses was below 30 years. Lack of attention to succession in indigenous business has in some cases, been attributed to the age of the

founder (Maphosa, 1996; Kennedy, 1988). Young, first generation family business people are still very energetic and pre-occupied with business growth or expansion to think of succession. Mr Guvha's Warren Moonlight Bar is more than ten years old and despite his knowledge and awareness of his mortality; he has no succession plan in place.

He argues that the involvement of his son in the business on 'apprentice' basis would:

"make him ready to take over even when I am still alive and children cannot just take over without some orientation".

All the business leaders interviewed including second generation leaders indicated that they were aware of the critical role of succession planning given the ever present possibility of death due to HIV/AIDS and accidents, that might permanently disable them but they still failed to face and plan succession, due to "succession conspiracy" (Lansberg, 1988). Young business people fear personal loss of identity and work activity. They are also reluctant to let go power and control (Ibid: 1988). The case of Murombo Munake Hardware, however, demonstrates that even at the age of sixty, the founder was still reluctant to completely hand over control of the hardware to one of the sons. Business was an index of social status and power within both the family and community.

Founders tend to function like 'generals' (Poza; 2004), partially retiring and returning to the business often on the pretext of rescuing it out of crisis. Of the twenty businesses studied, there was no founder and incumbent leader who completely 'let go' control of the firm. Even at Mal Investments where the founder and owner was residing in the United States leaving the haulage trucking business managed and co-ordinated in Zimbabwe by his younger brother, he is in direct contact and literally in charge by 'remote control'. In a way the business is like under transnational management. The exceptions here are Runa Motorways and Ken Sec but these cases are not surprising given the fact that there was nothing of real value to control. The businesses have declined to irreversible state; for example, Ken Sec is almost dormant and the only employee left at Runa Motorways, who claimed to be the 'secretary', said he was merely present to 'guard' the grounded haulage fleet and the remaining bus.

Gender Dimension

In all but three businesses studied, founders were males. The only females who were both owners and managers were found in two hair saloons, a traditionally female occupation in Zimbabwe. The third, a supermarket, was founded by Mrs. Matutu from proceeds of her late husband's pension benefits and profits earned through sale of 'vegetables' at a local market.

Historical patriarchal rules of inheritance and property rights in Zimbabwe have had a significant bearing on the nature and extent of the succession process (Mbiba, 1999). Even in cases where sibling rivalry and conflict over succession were experienced, females were not actively involved although their 'covert' participation could not be ruled out. Although most business leaders appreciated the need to appoint successors on the basis of knowledge of business and related experience, they still argued that the family name was built by the business and everyone was expected to endeavor to protect that 'identity' as an obligation. Sisters and daughters could be married and that would create an additional problem as their spouses and siblings would also expect to benefit from any succession arrangement. Passing on the business to a female would sound the death knell of the family name! Women are however beginning to take control of family businesses. At Pen Family Bazaars, the eldest daughter is the overall supervisor and at Mupa General Dealers, the eldest daughter has returned home after her divorce to manage the shops which were left by her late father.

These study findings indicate a general shift in the 'construction' of family businesses. The meaning of 'family' had traditionally excluded daughters as demonstrated by some names given to the businesses. Succession would equally follow the same principle. Succession structure and pattern was not a 'fixed' or 'given' (Luckmann, 1975). It is a relational and even protracted process.

Although all the incumbent leaders in sixteen of the non-female owned businesses studied, did not consider gender as a critical succession factor they still maintained that given a choice, they would prefer a son or brother as successors to allow the family 'beliefs', 'visible artifacts' and 'values' to be maintained. As Schein (1987) observed, a company's culture was made up of these three elements. The values held by the founder should be kept alive over the years and passed on from generation to generation. To Gallo (2004), 'artifacts' are the things belonging to the business that are considered part of its tradition. Examples include the founder's office furniture, insignia, brand names, expressions or phrases that are repeated around the office.

Successors, regardless of gender, were expected to be images of founders and with a moral obligation to ensure business continuity. Given the founder's position, his or her values can be continued by the rest of the family, whether or not the founder remains actively involved in the business. Mrs. Chiwa of Pen Family Bazaars said her late mother was the 'spirit' behind the current business success and she wished to emulate her.

The foregoing underlines that the business culture and values were characteristic of the company's founder (Gallo, 2004), which he practised and succeeded in passing on to the next generations. Therefore, the characteristic of the founder and incumbent leader significantly influenced the character of the firm in the next generation.

5.3 PROBLEMS WITH ENTREPRENEURSHIP

This thesis considers entrepreneurship as a process in which the entrepreneur and the entrepreneurial process are aspects of the same phenomenon. It develops an explanation of how the social construction of the entrepreneurial personality may be placed in the context of the social construction of their business reality. Entrepreneurial characteristics and orientation together with willingness to take risks and need for achievement (McClelland, 1961) are expected to lead to superior performance by founder managed organizations. To Maphosa (1999), many organizations owed their existence to the individual efforts of founding entrepreneurs. He added that the formation and survival of an organization during its formative stages might depend on the individual efforts and personality of its founder.

Whether or not all founders were entrepreneurs is still subject to a lot of debate. Organizational management science literature from as early as Peter Drucker (1985), Mill (1848), Schumpeter (1934, 1947), Machell (1961)] and Timmons (1994) have grappled with the definition of the term 'entrepreneur' without ease. For example, Timmons (1994), defines entrepreneurship as:

A human creative act that builds something of value from practically nothing. It is the pursuit of opportunity regardless of the resources or lack of resources at hand. It requires a

vision and the passion and commitment to lead others in the pursuit of that vision. It also requires a willingness to take calculated risks.

There are many “entrepreneurial orientations” and activities hovering over our communities but it would be faulty to classify each individual in each case, as an entrepreneur. In this section, I attempt to discuss the motives for starting or being involved in business in the context of selected entrepreneurial traits and assess, how such traits were pronounced and affected the patterns and structure of succession in the selected businesses. For such an analysis, Lambing and Kuehl (1997:12 – 15)’s trait list is adopted:

- Passion for the business
- Tenacity despite failure
- Confidence and self-determination
- Management of risk
- Changes as opportunities (basis for innovation)
- Tolerance for ambiguities
- Initiative and a need for achievement
- Creativity
- Perception of passing time: everything is a crisis

In the twenty businesses studied, the following factors, in order of preference or popularity as indicated by business leaders, were considered as the key reasons for being in business:

- Motivated by a family member to start a business
- Had excess resources to invest
- Driven by business opportunities
- Operate own business (independence)
- To build something that made contributions to the family
- Inspired by previous experience and family success in a similar nature
- Cushion oneself against unemployment

Passion for the Business

The hurdles and obstacles associated with family business particularly under the current environment require tremendous passion for business if the business has to continue or survive. Such a 'trait' was absent among the founders of these firms; Mupa General Dealers; Ken Sec; Freespace and Runa Motorways and equally among successors at Mushi and Sons Bus Service and Mal Investments. Most incumbent business leaders tended to have a casual interest in the business. There was lack of personal and emotional commitment to the business. Passion for the business is invariably the basis for the creation of business culture that transcended generations (Lambing and Kuhl, 1997; Gallo, 2004).

Our informant and 'secretary' at Runa lamented the lack of interest and passion in the business shown by business successors and how this has affected business survival:

'Although during inheritance and succession processes, we outsiders are not considered it is surprising to observe that we may be more committed to the business than them. For us, family business is our employment and for them it may just be a pastime. Only the founders really appreciate our role.'

Tenacity

"Difficulties are merely opportunities in work clothes" (Richardson, 1994).

Many successful entrepreneurs succeeded only after they had failed several times. In this study, of the twelve first generation businesses, no founder acknowledged that 'failure was an opportunity' that could turn around their fortunes. In fact, all tended to blame the external environment; that is, the

economic and political challenges facing the country characterized by hyper-inflation as the key factor in their problems. However, Mr. B of SF admitted to have learnt good lessons from the failures and obstacles associated with partners' ownership to start a successful hardware of his own. However, Mr. Mupa did not see 'opportunities' in his sons' failure to run businesses. He chose one of his daughters as a possible successor ahead of what he had called 'weak and unsuccessful' brothers.

Lack of tenacity was evident in both founders and successors. As a result most businesses have succumbed to environmental pressures and failed to put in place contingent plans to sustain the business beyond their era. Mushi and Sons is a good case in which the first, second and third generations failed to put in place any contingency plan that would sustain the business.

Management of Risk

The twelve businesses in the first generation are noted for their ability to take risks. Despite the diversity of motives for starting their businesses, it is critical to note that six started on a part-time basis either as employed somewhere on full-time or operating another business. This was the case with G&M Panel Beaters, Mal Investments, KG Driving School, K-C Guard Sec, Ken Sec and Pen Family Bazaars. Founders tend not to put all their resources and time into the venture

until it appeared to be viable (Lambing and Kuehl, 1997). In fact, for Ken Sec and Mal Investments, the founders never got occupied full-time into the businesses.

Such traits do not lend well with principles of succession planning and the idea of initiating change. The calculations of risks and benefits associated with the businesses become distorted. At some stage, Ken Sec had 70 security guards with business contracts with reputable property owners such as Old Mutual but now has none. Although the founder claimed the business would soon re-emerge, that could be wishful thinking because he is now in a different occupation altogether; that is, business consultancy.

Security business is arguably one of the fastest growing industries in Zimbabwe, which could have seen Ken Sec grow to become one of the largest today had the then founder and directors put in place a 'business continuity plan'. Family business founders see risk differently. There is a general unwillingness to transfer the business to someone especially ownership. Some perceive such change of power as high risk and this resultantly, works as a force against any possible succession planning (Lansberg, 1988).

Tolerance for Ambiguities

This trait fits relatively well with those of the current family business owners in Zimbabwe. Unlike the corporate organizations, the chief executive or director's

life is unstructured and riddled with ambiguity. Work schedules and related processes are very unpredictable. Such a scenario does not lend well with any business strategic planning. In eight out of the twenty businesses, there was no indication of any plan and it was indicated that the environment was surrounded by such uncertainty that made any planning difficult. Hence, the incumbent leaders or managers were too preoccupied with daily output and benefits to concentrate on post-founder era challenges.

Even sons, daughters and spouses who either partially or fully participate in the management of the business were not clear about their roles such that even if the founder suddenly died or is incapacitated, a spiral of more confusion, conflict and confrontation would ensue. Under such circumstances, successors' desire to be like the incumbent while seeking independence will be hardly fulfilled (Grote, 2003). Under such circumstances, success is not guaranteed. Often, attempts by potential successors to change the structure to less ambiguous ones would be resisted by founders and moreso, by employees and non-active members who are reluctant to let go of any of their personal relationships with the founder. Kinsmen thrive on 'sharing the spoils' that come by way of an unstructured manner (Bailey, 1980).

Creativity

The willingness of entrepreneurs to act on their ideas and envision alternative scenarios let them apart from the ordinary businessmen. For example, Mate Transport was not started out of the founder's initiative but by just the mere advice from a relative. With the current economic environment riddled with lack of spare parts and fuel blues, one would have to come out with alternatives in order to survive. The family businessmen have failed to recognize opportunities that other people do not see.

However, the case of Mutongi Brothers at G&M Panel Beaters is a single success story in this study where 'corporate' professionalism and 'familialism' appear to have been meshed (Reigh, 1987). It is the concept of 'collective entrepreneurship'; that has been diffused throughout the company. There is some kind of participative decision-making and delegation of authority and responsibilities (Maphosa, 1999).

Despite the fact that the directors are clearly conscious of the integral role, succession planning played in their business, the arrangement currently was also not clear. The four sons currently working in the workshop were neither trained nor fully prepared for any managerial succession. They are more involved in routine workshop skills than business management. Although one of the directors is actively involved in management, it is also not clear what would happen if this 'team entrepreneurship' falters. What is worrying is the continuous close

identification of the business with its owners, which could in the long run prevent the development of the business into a genuine corporate identity.

Perception of Passing Time

Entrepreneurs are aware that time is passing quickly and they therefore often appear to be impatient. Because of this time-orientation, nothing is ever done soon enough and everything is in a crisis. To Chell (2001:61), “entrepreneurs plan insufficiently and this may be a contributory factor in the failure of the business venture”. It is argued that all potential and actual owners of a business enterprise need to understand the planning process and be sufficiently well informed to plan ahead.

It is not true to suggest that one of the reasons owner-managers tend not to plan, was that they were simply unaware of the various tools to enable systematic planning. Most of the founders and leaders have recorded sterling performance in their previous employment but still fail to provide answers to problems facing family businesses. James, the succeeding leader at Mushi and Sons Bus Service which was currently on a ‘deep’ slump is a professionally trained business accountant, the founder and director of the recently defunct Ken Sec had ten

years experience in banking when he started business and recently completed a PhD in Business Management in the United Kingdom, one of the founding directors of T & M Appreciative Pottery (Pvt) Ltd was a training manager at Astra Group (Zimbabwe) at the formative stage of the business. The founder and owner manager of Excel Crafts and Walls had worked as a research technician for the Blair Research Institute in Zimbabwe for more than twenty years before starting his own.

Both the panel beating businesses, that is, G&M and Z Body Mends were founded and directed by people with relevant industrial experiences ranging from a minimum four to fourteen years between themselves. However, possession of experience and skill may not necessarily guarantee success. A family business is quite unique and apart from strategy and organization structure, the 'family' dimension is a critical additional variable (Gallo, 2004).

This kind of time-orientation and the personalized leadership trait, characteristic of entrepreneurs are likely to render the business succession process in family businesses unpredictable and more likely, to be disruptive. Such business leaders tend to be impatient and have a high risk avoidance index (Hofstede, 1999). Maclelland (1961) defines an entrepreneur as an individual with a high propensity to take risks. For most business leaders in this study, delegation was in itself a risky maneuver, moreso, succession planning. It was also risky to change the business into a private enterprise as a legal entity because this was

considered incompatible with traditional claims to ownership and expectations of patrilineal continuity.

5.4 LEADERSHIP OR MANAGEMENT STYLES

This study has shown that various leadership styles have diverse impacts on succession depending on the size and stage of business. A good illustration of this is the autocratic and personalized leadership expressed at Excel Crafts and Walls. The founder, Mr Mar has failed to attract qualified personnel and the only hope would be his son who is currently on vocational training at Danhiko Vocational Training Centre in Harare. If he happens to succeed his father, he could probably ensure business continuity by introducing a different leadership style.

Following Poza's (2004) leadership model; which was earlier discussed in this thesis, it is observed that a business can experience both the 'ambassador' and 'general' type of leadership depending on the stage of development of the business. For example, at Murombo Munake Hardware, the founder partially relinquished control of the business and let in his sons but continues to return from this 'partial' retirement when he feels the business was declining. In all the businesses studied, both in first and later generations, characteristics of a

'monarch' are evident although some of them are attempting to slowly introduce children and spouses to the businesses. They will view themselves as indispensable and leaders for life.

Furthermore, all indicated that setting the departure date openly in the manner 'governors' would, was disastrous to both business and family unity. In other words, written succession plans created jealousy and rivalry among both family and non-family members. These sentiments were echoed by participants in many firms notably, James Mushi and Mrs Chiwa.

'Inventors' as shown in this model, are also hardly visible in this study. For example, at G&M Panel Beaters and T&M Appreciative Pottery, there was some evidence of creativity but the owner-managers were still reluctant to relinquish power and control for other pursuits.

But do leaders make any difference? In this study, it is indicated that no leadership characteristic was mutually exclusive and solely influential to the structure and pattern of succession in family business. This follows the theme that managerial leadership is an interactional phenomenon, that managers are regarded as one of several important constructors and practitioners of organizational leadership, rather than exclusive helmsmen (Sjostrand, 2001). Other actors in the social interactions created out of the changes in leaders play a significant role in shaping the succession process.

There is a general shape shifting among the business founders or owner-managers depending on the stage of development of the business and the contingent challenges. Business leaders or owner managers negotiate for 'social space' by applying leadership characteristics that are specifically relevant. Social reality is continuously available for negotiation and success or failure is an outcome of the interactions between actors (Strauss, 1964, 1978). This argument will be the guiding analytical framework in the following section that focuses on the motivations and perceptions of founders and its influence on family business succession.

5.5 MOTIVATIONS AND PERCEPTIONS OF FOUNDERS AND INCUMBENT LEADERS

“... leaders ought to be guided by their experience, to do what they know, to remain risk averse. The alternative – to try new things, to innovate, to deviate from their personal experience of business – is a commercial suicide ...”

Moore and Sonsino , 2003:126

The view is that people believe that the context of business life today was so inescapably complex that there was almost no point in trying to get to grips with it at all. As a result all the business leaders interviewed in this study reported too

preoccupied with daily challenges confronting their enterprises to engage in any strategic business or succession planning. During a crisis or some period of organizational transition, a critical moment arrives when things change. Either the organization pulls through the critical moment and is successful, or performance continues to decline. Before the critical moment or 'bifurcation point' (Leifer, 1989), the organization is in line with its environment and reasonably well adapted to its role there. As it approaches the crises zone, (for example, death/sudden departure of leader), however, it comes under increasing pressure from the complex interrelations of external and internal forces. The organization soon becomes unstable and ambiguity arises – this may even amount to chaos, both figuratively and literally (Moore and Sonsino, 2003). This was the case with Freespace, Mushi and Guvha brothers.

The inter-link between family and business interests and the subsequent thin line between family business ownership and management have made the issue of succession more complex. In our study of the twenty firms, all the current leaders admitted that the survival of the business was critical for the continuity of the family name. The reasons for making the business survive were not only economic but social. The purpose of the enterprise was not primarily to ensure maximum utilization of the capital invested, but to provide for the needs of the entrepreneur and his kin as well as to accumulate status, influence and power (Wild, 1997). Family names like Mushi, Matutu, Mate and Munake were not only identities but symbols of status and influence in their local communities.

Succession should be properly handled through advance planning ahead of any crisis. Although they also acknowledged the disruption and potential chaos resulting from absence of such plans, no one had a written succession plan in place. The Matutus believed that the family had to jealously protect the business and guard against any possible decline since it was a source of their livelihood. The business was their family and their life. There was an emotional relationship between the business and the family. In fact, their business has given them respectable status in the community.

Mrs Chiwa, one of the sisters and overall supervisor summed this up:

“...we did not only inherit this business but more importantly, the idea and family name. This one belongs more to the family than individuals”.

Understandably, in addition to following inheritance rules as dictated by tradition, leaders should be chosen based on one's participation and commitment to the business.

Family business was perceived more as 'social' than 'economic' capital. 'Succession' planning was equally viewed as a delicate process as it involved transferring that social capital across generations. The only way to perpetuate

the family 'name' and power was to ensure family relations were considered in any succession decision. Mr Guvha of Warren Moonlight Bar and Munake of Murombo Munake Hardware both acknowledged the role of succession planning but agreed that written succession plans were potentially disruptive to family value fabric. Only two business leaders in this study; Mrs Nkosi of 'His' Rib Hair Saloon and Mr B of SF (Pvt) Ltd, did not intend to keep the business in the family as they argued that the choice of the next person to carry out the CEO role was often met with insecurity, friction and rivalry (Moore and Barrett, 2003).

Some of the informants who felt succession was being managed well in their family business (Murombo Munake , G&M Panel Beaters, Excel Crafts and Walls and T&M Appreciative Pottery), agreed that it was important to have a clear line of succession. They however, argued that the process of choosing the next leader should be dealt with as and when such events arose, and dealt with in tacit ways, complex shapes and unstructured forms that are highly improvisational (Sjostrand, 2001). In fact, they were very convinced that the process was working well by using such a tacit approach. Although it was important for everyone including employees to know well in advance who that person would be, the tacit approach was effective in dealing with resistance from either employees or family members. It was not hard to see that the successor designate at T&M Appreciate Pottery was Mr. Ken Moyo's brother. Although his brother operated a private school somewhere in the city, he occasionally came to

assist with the management on part-time basis and exerted a lot of influence in decision making.

Succession arrangements had to be more or less natural and as a matter of tacit understanding, rather than through formal planning and management development. Therefore, the social practices engaged in by people and their interactions with each other, are responsible for the patterns of business leadership at each period (Burr, 1995). Organizations are conceived as arenas of interaction and arrangements of commitments and alignments entered into by personnel in the daily routine of their activities.

For owner-managers or founders, discussing succession, worse still putting a time-plan, was as uncommon and exotic as were wills among Zimbabweans, particularly the Shona. It is perceived unethical and against traditional norms to discuss anything associated with mortality. This was compounded by the fact that some founders tended to feel jealous and rivalry towards the successor. They are emotionally unsuited to it. They think and act intuitively (Chell, 2001). There is a general tendency of delaying or 'partially' introducing children or spouses to the business (Maphosa, 1999).

Succession involves a mental disassociation from the firm that is conscious and deliberate often just when the firm typically needs the most direct detailed involvement by those running it. Often, succession is discussed at the death of

founder as part of inheritance rituals. The two sons who took over management of Runa Motorways after death of their father were never involved in the daily operation of the business. They were just part-timers and sometimes going for days without paying a visit to the company premises except when in need of cash. The only surviving son was much worse as he had almost 'resigned'.

5.6 SUCCESSION AS RHETORIC

Founders and owner-managers also perceived the process as a personal loss of identity and the associated power and control (Lansberg, 1988; Wild, 1997). It is observed that was the reason they were reluctant to genuinely 'let go' their empires. Thus, any attempts to prepare or plan for succession was a rhetorical tool (Sjostrand et al, 2001). Employing the 'ethos, pathos and logos' that create the 'monarch' status, ethos and logs are all involved extensively in order to persuade the employees of the need and direction of change. This approach is effectively working at Pen Family Bazaars and G & M Panel Beaters. By emphasizing the need for teamwork with the help of numerous metaphors, the future with all its demands appears less fearful.

The rhetoric creates a feeling among both employees and family members that the current leader was indispensable (monarch) and this would naturally legitimize partial retirement (general) that would allow him to return at a later stage of the business (Poza, 2004). Rhetoric worked to maintain loyalty and

commitment to family enterprise thus discouraging unity. Like ideology, (Mannheim, 1991) they worked as mental fictions whose function is to veil the real nature of society. The image created by the founder even to the spouse, is not that of a 'father figure' but rather that of a very competent, powerful and value driven leader.

Mrs. Chiwa spoke highly of her late mother particularly her 'visionary' leadership:

"we owe a lot to her and we think any failure today would do injustice to her service to both the family and business"

As a result members of the family were expected to provide labor sometimes with no direct compensation in order to preserve the family business from decline. Survival of the business meant continuation of the family name, status and power. Similarly, such practices as conspicuous consumption were not viewed as personal extravagance but as part of mechanism of social accumulation (Wild, 1997; Holt, 1992).

5.6.1 SUCCESSION AND DEVELOPMENT OF CREATIVE LEADERSHIP

One of the reasons, owner-managers and founders did not have written succession plans was that they possibly wanted successors; be it spouse, child or any relative, to become creative leaders. This creative leadership would be constructed in the process of social interaction. Through tacit orientation by way

of active participation in various positions in the business, whether on part or full-time basis, they play and actively participate in the re (production) of their own identities. The implication of this is that those presently excluded from such 'orientation' or 'participation' effectively run the risk of cutting themselves off from the business leadership beyond the founder.

For example, Mr Moyo's brother is the successor designate at T&M Appreciative Pottery (Pvt) Ltd, not because it is explicitly pronounced in any plan but it is the 'social interaction' in which he is involved and his brother's perception of his 'aggression' and 'creativity' that differentiates himself from other potential successors. Such participation gives him a social capital legitimacy (Bourdieu, 1984, 1988, 1998) to govern after his brother's era. Such a process is intended to create a competent and creative successor who would ensure survival beyond the founder.

At KG Brothers' Driving School, through the process of social interaction, one of the senior instructors and non-family member who is currently managing the Marondera Branch, appears earmarked for succession. According to the current director, the non-members in the family could fare equally well compared to family members in the business.

However, that approach may generate consequences that contradict the leader's intentions. Instead of 'giving room' for creativity, it has produced 'prisoners of the

past' (Ericsson, 2001). They perceive the founder as 'hero' through idealizing and possibly following the leader religiously and run the risk of cutting themselves off from the capacity of critical thinking and innovation which are both important for the business expansion and survival. Most of the leaders in the second generation have failed to introduce changes to the fortunes of the businesses and some have even led them into decline. Mushi and Sons, Runa and Freespace Bus Services are cases in point. It is also not certain for how long the Muza Pools would remain a successful story given that the successor appears to 'over idealize' his father (his predecessor) at the expense of coming up with constructive alternatives to ensure business survival under the current harsh economic environment. Hence, the successors have almost become 'prisoners of the past'.

5.6.2 SUCCESSION AND INTERGENERATIONAL INCONGRUITY

Grote (2003) emphasizes the way that human psychology can create a contradiction at the heart of succession for any successor as he desires to be like the incumbent while seeking independence. This contradiction causes internal conflict or dissonance for the successor. Both the incumbent and successor desire to be leader and their desire for the lead role reinforces the value of this position for each person and this leads to a spiral of conflict, confusion and confrontation.

Different attitudes to succession derive from the divergent experiences of each generation involved in the business. Regardless of the many other factors involved generational differences mean that incumbents and successors will automatically bring divergent attitudes, experiences and expectations to the succession process. The conflict between two generations in terms of characteristics and value system leads to 'inter-generational incongruity' (Carlock and Ward, 2001; Gallo, 2004; Curran et al, 1991). The identities of founders are more tightly linked to organizational identity than are the identities of later stage managers (Dobrev and Barnett, 2002). Founders tended to value their organizations more than the non-founder managers or successors and so exert efforts to ensure success. Founders unlike successors tended to solely own and manage their firm, which ties their personal fortunes to their organizations, hence likely to work diligently and develop managerial skills that would yield superior performance (Jayaraman, et al 2000). Runa Motorways and Pen Family Bazaars are cases in point where the appointed or official successors are partly involved in the running of the businesses. For both enterprises both the heir apparent are literally invisible. However, it is not only intergenerational congruity that explains family business failures. Rapidly growing firms soon outpace their founders' capabilities, and so founders must step aside or be replaced by professional managers (Buchele, 19967; Drucker, 1985) because entrepreneurial work and managerial work were not the same. K-C Guard Sec Security and G&M Panel Beaters have attempted to introduce professional management in their companies and this has contributed to their current business performance.

The intergenerational crisis is worsened when daughters, sons and spouses who are the potential heirs apparent are often reluctant to join or run businesses (Curan and Blackburn, 1991; Lambing and Kuehl, 1997:36). Children and mostly males and spouses were fully active in six firms only. There is evidence of 'low entry' or 'delayed entry' to the family business by both children and spouses. Potential successors lacked interest and motivation to join family businesses for various reasons. Some of the children are not even convinced that family business ownership or management was a meaningful and sustainable career for their generation. As a result children pursued other careers other than those associated with parental business interests. As Barkhatova (2001) puts it; the mirage of business dynasty fuel commitment.

At Pen Family Bazaars, the possibility of future conflict between leaders and potential successors was most pronounced. The supermarket is family managed by five brothers and two sisters but currently, no child or any spouse was involved. The current management, which itself inherited both ownership and management from their late mother, appear unworried about the situation. One of the informant noted that they were currently pre-occupied with building the businesses and consolidating any gains out of the venture. Although the eldest of the five brothers is legitimately understood as the heir, the elder sister's role of overall supervisor of the operations may pose future succession challenges.

Despite the fact that second generation leaders also succeeded the founders, they were still reluctant to pass on ownership. In fact, their children were even pursuing different careers. They did not perceive participation in family business as a meaningful career and viable investment. The only surviving son who inherited Runa Motorways was not even enthused to operate the business and currently pursuing a professional career as an accountant. Children perceived family enterprises as 'parents' businesses and were scared to participate given the 'uncertainty' surrounding the ventures. Experiences of family 'feuds' and rivalry observed at Mushi and Freespace were scaring enough, leading to high risk avoidance levels by children (Hofstede, 1991; Lansberg, 1988). Successors perceive family business in general and the succession process in particular, as a risky exercise.

5.6.3 SUCCESSORS' VIEWS OF THE FOUNDERS AND THE SUCCESSION PROBLEM

'..the problem of succession is the umbilical cord which connects charisma to its heir'

Max Weber (1864-1920).

Previous sections illustrated how the general lack of strategic planning has contributed to the high failure rate among family businesses as they attempt to survive from one generation to the next (Ward, 1988) and how this was linked to

the characteristics, motivations and perceptions of founders (Poza, 2004). In this section, I attempt to apply a stakeholder conceptualization model in explaining how the second or later generation perceives both the family business and the succession process. There is remarkably little research on the perspective of future successors of businesses. Future leader's decision making reflects his perceived value of the family business and his or her attitude to risk.

Additionally, the propensity of the incumbent to step aside has a positive relationship with successor's perception of the success of the business and succession process (Sharma et al 2000; Venter et al 2005). The inward orientation of family businesses also affected the family members' perception of the business environment.

All the interviewees among the second generation businesses spoke of their founders with pride, explaining in no uncertain terms how the founders were gifted, brave and with an eye for business and an indefatigable spirit of survival (Gallo, 2004; Lambing et al, 1997). Mrs Chiwa spoke of her late mother as:

“...mai vange vari murungu chaiye” (she was really hardworking and enterprising like what a white owner would do)

She added that competitors and observers alike thought that her phenomenal business success must have had some backing from someone else.

Founders were even perceived as heroes that inspired most successors. The heroic stature and heroic mission that leaders often felt they had (Sonnenfeld and Spencer, 1989:238) made founders and leaders more or less troubled by the prospect of relinquishing their status. Subsequently, choosing and appointing successors particularly in those companies where founders were still in charge like at G&M Panel Beaters, and Excel Crafts and Walls, was considered as highly an insecure and risky enterprise.

In fact, heroes believed that they alone were capable of running the business and as a result, they could use the company as their private fiefdoms. Mupa General Dealers and Excel Crafts and Walls are quite good examples. Sons, where they were involved, were permitted to work in vaguely described jobs where they did very little real work. This created confusion and unnecessary uncertainty among other participants in the enterprise.

The late Mr Mupa, founder of the Mupa General Dealers would ignore anyone who suggested to him that he transfer management of the businesses over to any of his sons. Today, the once 'empire' which is now under the leadership of one of the surviving daughters has crumbled. The surviving sons are not even interested in reviving the business. Most business founders in this study suffer from what Brockhaus (2004) termed 'poreuthanasia' – that is, wilfully killing the businesses they loved by failing to provide a continuity plan. Most of the businesses died with their businessmen (Wild, 1997).

Children also argue that parents have their own internal battles about their children joining the family business. At G & M Supreme Panel Beaters, the involvement of sons in the business was no guarantee that the directors were seriously preparing them for any possible succession. They would have wanted to pass along their creation to their children, but they also did not want to trap them. They were worried about possible conflicts among their children and spouses or with themselves and also concerned that hiring their children would drive away valuable and competent non-family managers (Carlock and Ward, 2001). The Mutongi brothers' attempts to operate professionally, in which they exercise management functions, may create difficult relationships with their children who are fully employed in the business. Both parents and children unfortunately perceive each other as rivals. Parents could suffer from intergenerational envy; unconscious fear that their children threatened their position in the company, possibly as a competitor to surpass their business achievements.

The parents' failure to communicate clearly their desire to have their children in the business, both as 'valuable' employees and potential heirs could be misconstrued as reluctance to 'let go' the business. Although all but one family businesses indicated willingness to 'pass on the business' to the family, in only four, are both the incumbent leader and heir apparent aware of such arrangement plans. Succession plans or rules that are often unspoken and unshared with potential successors create misunderstandings. Mixed messages

about opportunities available to them in the family business lead many off spring to see these as obstacles and walk away. For example, the successors at Mushi and Sons and Freespace which are both visibly on the decline, confirmed that they were never prepared for take over as James summed it up:

“my father didn’t plan or warn us of it ... We just found ourselves at the helm ...”.

This failure to communicate creates divergent perceptions and constructions, among potential successors, about the succession process and future of the business. This results in situations where different people or groups across an organization have different views about what it stands for, and therefore, act differently in support of those ideas. This is what Moore et al (2003) termed “identify drift” and was most pronounced in family businesses where family members participated in ‘vague’ roles like in Murombo Munake; Pen Family Bazaars and T & M Appreciative Pottery.

5.6.4 SUCCESSORS’ VIEWS OF THE PROCESS OF CHOOSING A SUCCESSOR

The contradiction between the ‘family’ nature of the business and the ‘business’ nature of the business were enduring ones that made the family business a

complex organization. Family business was somehow different and special, 'despite being like any other business' (Moore and Barrett, 2002).

All the six successors interviewed indicated that succession should just 'evolve' because selecting a successor may be viewed by siblings as favouring one child over the others, a perception that can be disastrous to both family well-being and sibling harmony. Because of the potential for emotional upheaval, some owners avoid the issue entirely, adopting an attitude of "let them figure it out when I'm gone" (Bowman – Upton; 1991).

Mrs. Nkosi of 'His' Rib Hair Saloon reinforced the above:

"it is not good for family stability to nominate your successor.

They will start fighting".

This position is also supported by James of Mushi and Sons Bus Services who observed that although a succession plan was important for business survival, nominating a successor ahead of one's retirement could create conflict. However, heirs who are active and already capably involved in the business, perhaps through a mentoring process, are essential to the continuation of the business (Moore; 2002:29, Maphosa, 1999).

The successor satisfaction with the succession process has a significant influence on the survival of the business. According to Handler (1989) and Morris

et al (1997), success as regards management succession for a family firm consisted of at least two interactive dimensions: family members' satisfaction with the manner in which the process is carried out (that is, the subjective assessment of an individual based on perceptions) and effectiveness which deals with how succession affects the subsequent performance of the firm.

Twelve of the twenty family leaders interviewed did not prefer any specific method of selecting a successor although they concurred that when time comes, appointment should be on merit. They still preferred a tacit way.

The family business is a challenging and complex organization, fraught with uncertainty and anxiety. As a result, part of the leadership role was not necessarily to overcome the uncertainty but to learn to live with it.

Accordingly, and as Moore and Sonsino (2003) put it:

“The task of incumbent leaders or any successors ... is not to foresee the future because non-linear systems react to in ways that are difficult to predict or control. Adaptation must evolve ... it can't be planned. Adaptation is the passage of an organization through an endless series of organizational microstates that emerge from local interactions among agents trying to improve their local pay offs”.

Therefore, leaders should nurture self-organization and the emergency to achieve better performance that will ensure survival. The succession process does not always follow a smooth and predictable course. This study has demonstrated that for some successors, the sudden death, disability or retirement of the parent led to rushed succession and organizational death. This is because “they have not yet acquired the proper skills; these young heirs are forced to act more like entrepreneurs than like professional managers. They learn to do what is necessary through instinct and the sheer need to survive” (Carlock and Ward, 2001:109). The situation that pertained at Runa Motorways, Mate Transport, Pen Family Bazaars and Freespace, are good cases in point.

5.6.5 POTENTIAL SUCCESSOR ABILITIES

The following behaviours or characteristics were identified from the twenty firms as critical for business continuity: knowledge of business, managerial experience, and educational level, technical skills, outside experience, personal experience, and knowledge of family history, birth order and gender.

Among eighteen of the twenty family businesses studied, knowledge of the business was rated the strongest criterion for assessing successor abilities. This was observed to strongly influence the decision over who eventually took the leadership role. Further interrogation would ordinarily indicate that ‘knowledge of business’ could still be gained through training or one’s experience within the

family business or 'in a similar environment outside the business' or could be interpreted as just knowledge of business; that is, one who demonstrated general business skills or competencies.

However, this could also be confused with 'technical skills'. Of the eight business leaders in second or later generation, where succession has once been experienced, only in three could they be regarded as without knowledge of business that is, at Runa, Freespace and Mushi and Sons.

Knowledge of family history, gender and birth order were rated lowest and this could be attributed to the characteristics of current crop of leaders and family businesses which tended to value 'commitment to the business', 'competence' and 'personal experience' including relationship with incumbent leader, as key behaviours contributing to success or performance (Moore and Barrett, 2002; Carlock and Ward, 2001).

'Gender' was rated the weakest factor. Despite the 'invisibility' of women (Cole, 1997) in family businesses due to the continuing stereotyping and discrimination that are the result of prejudices in society and also reflected and expressed within the family business system; successors still did not regard it as significantly influential to successor performance. Although the absolute numbers of female owned businesses is still fewer than those of male owners in Zimbabwe and also the fact that women have been owning and managing

businesses for a relatively short time, this has had little effect on post-succession performance of firms. Rather, it is women's own limiting attitudes toward their own potential and attitudes derived largely from the way they have been socialized (Chell, 2001). In fact, events at the two selected hair saloons and Pen Family Bazaars all which are female founded and also the active involvement of females in management at KG Brothers' Driving School, G&M Panel Beaters, do not render any support to 'glass ceiling' (Dumas, 1989; 1992). This thesis argues that because they are females, women particularly daughters do not advance as quickly as men and remain in lower level positions and tended to see themselves as not successful successors.

Although gender was lowly rated, it is still important to recognize the potency of 'patriarchy' in shaping the succession process in family businesses. All but one, business leaders including the female-owner managers interviewed, expressed their desire to have their businesses passed on to the next male generation as a way of keeping the family name and spirit 'alive'.

Property ownership and management transfer would normally follow the Shona cultural rules of inheritance and succession, where successor or heir apparent are 'fixed' by 'gender' or 'birth order'. However, recent practices have witnessed some re-negotiation and reconstructions of the trend. Successors are appointed based on competence, commitment, capability and or credibility (Carlock, 2001).

It is however unlikely that any successor candidate will possess all of these behaviours.

Successors interviewed echoed founders' assessment that entrepreneurial attitude, integrity and commitment and loyalty are the critical success factors necessary for family business survival. Chrisman et al (1998) and Sharma and Rao (2000) provide supporting evidence that integrity and commitment may be more important to the selection and success of a successor than technical skills.

5.7 DISCUSSION

It has been observed in this study that the transfer of both ownership and management within the family owned businesses was not an event but an intractable process whose pattern and structure was an outcome of social interaction. The problem of succession planning was primarily human. As Burr (1995) puts it, people either actively or implicitly get involved in exchanges, and reconstruct themselves. This suggests that the process is hardly predictable and its outcome may not be always preceded. Unlike in the corporate world where succession planning and essentially the filling in of gaps left through deaths, incapacitation; resignations or dismissals, was substantially routinised and structured; in small unbureaucratic indigenous family managed or owned firms, the process was more complex.

The foregoing does not suggest the insignificance of founder or entrepreneur's leadership styles or personality traits which as I have observed, have tended to have a bearing on the pattern and structure of succession. The problem of entrepreneurial leadership was that it negated delegation and exhibited high levels of risk avoidance (Hofstede, 1992) characteristics that did not lend themselves well with succession. Although the social interaction between actors or systems; the family and business interests, in the post-succession era directed the character or shape of the business, examples in this study have demonstrated that characteristics, motivations and perceptions of founders (Poza, 2004) were linked to the high failure rate among family businesses as they attempted to survive across generations (Ward, 1988).

The reasons for the lack of succession plans in whatever forms written or unwritten and spoken or unspoken was not entirely attributed to the lack of awareness of the concept among founders. The individual motivations, experiences and perceptions of founders led some of them to leave the issue unresolved. The entrepreneurs were too pre-occupied with issues relating to building and expanding the business to start looking at such identity related issues. The ambiguities and uncertainty that were reported to be making planning difficult could have just been one of those cover-ups or ritual scapegoats adopted by inefficient business leaders.

All entrepreneurs began their small businesses as profit maximizing ventures in order to meet their immediate economic needs and not entirely to plan for their continuity beyond the founder era. Although there were no plans in place most of those interviewed on this issue were keen to have the business transferred to the family members. Only the founders of SF (Pvt) Ltd and 'His' Rib Hair Saloon, did not intend to have their businesses remain within the family. They opted for selling them off when they suddenly decided to retire. Owner-managers perceived innovation and change as risky exercises and were not convinced any of the potential successors were capable of withstanding pressures associated with the business. Enterprises such as hair saloons were one special type of a complex organization which any successor would rarely succeed.

The founder's perception of the relationship between family and business interests and issues also determined the structure of post-founder management. This chapter demonstrated the difficulty of delinking ownership from management. Among the indigenous family business philosophy is the fact that one cannot manage what he does not own and equally own something without managing it. Ownership and management have an umbilical connection. For example, at Murombo Munake Hardware management was reported to have been transferred from parents to sons. However the potential of the parents to continuously interfere with the day to day decision making processes could not be ruled out. This concordance of interests is one of the problems with succession.

Sibling rivalry and conflict which most founders feared would erupt if the succession plan was made open to everyone is one of the reasons owner-managers indicated for the lack of plans. Owner-managers may not succeed in their attempt to use this excuse for any long. Why is it that even those with only one son or daughter were still reluctant to relinquish power? The business would have created a community status for the founder which one would lose if such power was transferred. Even those who would have inherited property from parents were also reluctant to pass on to the next generation.

A further challenge with the succession problem was the contradiction between the perceptions of founders and successors of family business and the associated attitudes and experiences of each actor. Incumbents and successors will automatically bring divergent experiences and expectations to the succession process. The conflict which arises due to what has earlier been referred to as 'intergenerational incongruity' (Carlock, 2001; Gallo, 2004) leads to further confrontation. This situation is worsened by the failure by incumbents to communicate to potential heirs or successors leading to divergent perceptions and constructions about the succession process and future of the business. The different orientations to the business and family value system of the incumbents and successors; notwithstanding the varied socio-political and economic environment pertaining and the stage of business cycle of the enterprise, makes intergenerational incongruity inevitable.

This thesis also examines the critical success attributes; any successor needed that range from knowledge of business to ethical considerations like integrity. Commitment to the business and gaining legitimacy among other stakeholders particularly family members would help a successor to do well. For the business to survive and continue, it needed to be satisfying the needs and expectations of various stakeholders. The social constructionist thesis tends to downplay the role played by individual actors and overly recognize the outcome of social interaction. This has also led to difficulties in assessing what can be regarded as real business success or survival. For example, at Pen Family Bazaars, where family members expressed satisfaction with the succession process they tended to construe this as 'effectiveness' and subsequently business success. Where stakeholders did not perceive the succession process positively they would inadvertently regard it as a threat to business survival.

5.8 CONCLUSION

The above argument subscribes to the social constructionist position that managerial leadership was seen as relational, on-going social construction rather than a single clear-cut phenomenon. Although leadership may be both relational and contingent, the social practices engaged in by people and their interactions with each other are responsible for the patterns of business leadership at each period. But does this in any way suggest any irrelevancy of succession planning?

The meanings of both succession and business survival is in the process being constructed and reconstructed by actors (Burr, 1995). I maintain that the succession process does always follow a non-linear and unpredictable course and hence, the role of leadership to ensure that the interactions among agents were managed to allow the organization to adapt well enough to make it survive was critical. Succession process was therefore a social interaction. The pattern of succession was not fixed and predictable and its success or failure was an outcome of the interactions between actors (Strauss, 1964; 1978).

The emotional relationship between the family and business and the resultant individual expectations and experiences from the interactions between the two systems render the succession process very unpredictable and conflictual. For example, one cannot easily relinquish ownership or retire from a family business as the business was family and family was business.

CHAPTER SIX

THE POLITICS OF FAMILY PARTICIPATION

6.0 INTRODUCTION

The previous chapter has demonstrated the complexity of the family business and its place in different households in attempting to meet both economic and non-economic goals of families or individual entrepreneurs. In this section, I discuss the conditions under which the positive forces of family involvement can be unleashed and directed towards these goals. However, there is also need to further explore the issue of how families understand themselves and their family businesses as institutions whose origin is out of an on going negotiated achievement between individuals and not as an objectively coherent order. The concept of “family” and “family business” must be decentred. To Alversson (2002), given the multitudes of temporal, varying and sometimes inconsistent or even contradictory meanings in motion, the two concepts, ‘family’ and ‘family business’ are constructed and reconstructed in different situations.

The family faces definitional challenges. It can be regarded as a psychological, biological, social, economic or political construct. To Grassby (2001), it can be extended upward, downward and laterally. It is therefore not a rigid institution and there can never be consensus as to whether it should be defined in terms of just

blood or kin, social interaction or whether it exists as only a state of mind and a reified ideal.

This thesis maintains membership to family business is a political interaction. It is possible for one to be head of both the family and business but with no real connection between the two institutions. Similarly one can utilize the family rhetoric as a labour mobilization and control strategy for the survival of the business with no member of the family directly benefiting from the proceeds of the enterprise.

6.1 THE EXTENT OF FAMILY INVOLVEMENT IN MANAGEMENT AND OWNERSHIP

It was not easy to draw a clear dividing line between management and ownership in order to assess the extent of participation of family members in businesses. Choosing between what might be the best decision for the business and what might be the best decision for the family or an individual member of the family is very critical for family business survival across generations (Handler, 1992).

For most of the businesses, management and ownership tended to be inseparable. In fact, those who managed were also the owners in one way or the other. Only in four businesses were owners not actively involved in management. These were Mal Investments; Murambo Munake Hardware, KG Bothers' Driving School's Marondera Branch and Runa Motorways. As illustrated in Chapter Four,

the extent of full or partial involvement of family members in either ownership or management is very blurred. In fact, it has also been difficult to ascertain fully whether one was either fully or partially involved. For example, although only one of the brothers' wives was actively involved in the management of the business at G & M Panel Beaters, it would be folly to assume the other brother's wife was completely out of picture. The complexity of the link between business and family could have a significant bearing on the pattern of either ownership and or management. Non-involvement may not also suggest any disinterest in participating in the management of the enterprises.

Despite the fact that most businesses in second or later generations were either managed or owned by surviving sons, it is interesting to note that their own siblings were actively out of businesses. This was attributed to either late or delayed introduction to the businesses. Spouses, brothers and sons were the most popular family members in businesses and, this according to one of the informants was due to the 'natural' rules of inheritance:

"It is culturally appropriate to pass on wealth to either son or spouse or brother".

Most firms, both new and established ones are 'family' businesses, that is, they are operated by and for families with the intention of keeping the firm within the family after succession. It is believed that in patriarchal families the preservation

of both family name and heritage, through the passing on of wealth to sons, brothers or spouses was rational. The family is a dominant institution in most cultures and obviously a basic collective form of entrepreneurship as well. To Johannison (2002), the family business is an arena where social concerns heavily influenced the way the business activity is organized and operated. The family business is also usually paternalistically organized (Leimn, 1985).

6.2 INVISIBLE AND HIDDEN PARTIIPANTS

“In every organisation, there is a person who knows where the bodies are buried. The person will be there after the cockroaches are dead”

(General Colin Powell; United States

Defence Chief, in his autobiography).

It would be misleading to view the extent of family involvement with respect to only those with full or partial roles in management. There are family members or other relatives who are neither employees nor owners who still exert power and influence on the business. These non members were obviously integrated in business through an ideology of kinship. For example, Mrs Chiwa is visibly part of the Pen Family Bazaars business management structure but her husband remains an ‘invisible’ or hidden participant who may still have influence on the succession process. He is part of her personal contact network and assists her in the current management of the business. The small-firm owner-manager’s

personal contact network has been regarded as a business resource (Carson et al, 1995:200; Carter, 2000). Networks assist small firms in their acquisition of information and advice (Shaw, 1997).

There are also some non-family members who over the years, literally have been visibly understood and regarded as ordinary employees. However, due to the creation of alliances, relationships and networks with family members particularly their close relationship with the founder or current leader, they significantly play different roles with strong influence on the organization and planning of the business. Family membership is continuously reconstructed and redefined in line with changes in social interactions and experiences participants get involved (Steier, 1991). For example, Mrs Gasa, the lady instructor, at one of the KG Brothers' Driving School branches and 'brother' Sam at one of 'His' Rib Saloons were reported to have demonstrated unparalleled commitment and loyalty to the business that have led them to be treated more or less like family members by owner managers. Such 'honorary' family members (Weidenbaum, 1996) would take seriously any inheritance or succession issues as any related changes would directly affect them. In the event of any succession crisis arising, it would not be untoward to consider them for leadership take-over. Consequently, the areas most in need of consideration, the issues to be managed and the difficulties that must be overcome when family businesses plan for succession mostly revolve around relationships, individual attitudes and experiences (Dunemann and Barrett, 2004).

6.3 FAMILY PARTICIPATION AS AN INDEX OF COLLECTIVE ENTREPRENEURSHIP

Gartner (1989) presents entrepreneurship as an enactment process indicating that entrepreneurship is primarily a social and an interactive phenomenon. The entrepreneurial venture then presents itself as socially constructed in which only in dialogue with collective forces will these individual characteristics make entrepreneurship happen.

Family members regardless of the extent of participation in the ownership or management of family business regard the business as a vehicle for accumulation of 'social capital' (Wild, 1997; Bailey, 1988). The survival or death of the business, if it is particularly in the local community, is a concern for all kin. Moreso, if the business bears the family name. The business would have assisted the family members to become 'community entrepreneurs'.

Family members, even those who had never participated in management of the firms either at the formative or incubative and or growth stages of the enterprise, would inadvertently and in the spirit of 'familiness' participate in the succession debate of the firm. They would expect to benefit from the spoils of inheritance in terms of their culture. In their quest for negotiating social space (Pederson et al,

2001), new meanings and power structures are created which subsequently would have a bearing on the succession pattern.

6.4 THE MYTHS AND IDEOLOGY OF 'FAMILY' PARTICIPATION

This study demonstrates how the conceptualization of 'family' is bound up in the process by which interviewer and respondent negotiate a sense of mutual understanding out of initially ambiguous questions and terms. How they 'accomplish this cooperative construction depends on how they come to interpret each other as social actors' (Jorgenson, 1991:215). 'Family business' is a social construction and acceptance of the concept in a particular enterprise depended on the value system of either the founders or successors. Family as part of a set of ideological precepts can be mobilized in socio-political disputes and certainly open to internal manipulation. It can also respond to external efforts to displace its local hegemony mainly by absorptive tactics (Cheater, 1986).

The Mutongi brothers at G & M Panel beaters acknowledge the 'familinist' characteristic of the business but still believe they may not be fixedly identified as 'family' business. They observed that theirs was a 'corporate' run on professional basis. It then appears like any enterprise with seemingly western professional or bureaucratic structures would not fit the 'family' identity! At Pen Family Bazaars, the participants are convinced that the value of 'familiness' and collective participation that they inherited from their late mother were the critical success

drivers. Mrs. Chiwa was not in any doubt that theirs was a family business and added that even most of the clients were aware of that.

Furthermore, the location of a business also tended to influence particular perceptions of the status given to a business by observers. Most African businesses for reasons that date back to colonization were predominantly located in the high density suburbs of cities (Wild, 1997). Only recently have most indigenously owned enterprises begun to take space in large industrial parks of the cities. On an initial visit to G & M Panel Beaters, one would not suspect that the enterprise was owned and managed by family members. It is located in one of Harare's large industrial sites, Msasa, where most firms were originally large corporates of foreign origin and enjoying the export processing zone status. It is also interesting to note that the owners are mindful of the effect of the client perception on the type of management. One of the directors indicated that the Zimbabwean business community is yet to come to terms with the concept of family business. There were still many suppliers or consumers, be it individuals or government departments who were yet to be convinced a family run business/concern would deliver as good a service as the large privately owned corporates. Even if the family business is owned or managed by family members, the issue of 'shareholding' and the associated legitimate power disparities render the concept of 'collective' or family ownership futile. Family business is influenced by ethics of communalism reminiscent of the traditional African value characteristic of the pre-colonial era. The recently reported cases of

family rivalry and near feuds over property inheritance or succession, demonstrate the adverse effect of individualism that now tend to characterize business.

Managerial participation of family members in businesses has been well pronounced in most of the cases in this study. However, most of the businesses are not 'genuinely' collective (Johannison, 2000; Maphosa, 1999). There is unwillingness by founders to form genuine family businesses or even to go into joint ventures with relatives. This has a direct effect on the character of succession. In the event of a sudden death or incapacitation of the founder or leader, there would not be anyone available with substantial authority and responsibility to take over.

When the late Mrs Matutu founded the Pen Family Bazaars from proceeds of her earnings from the sale of *madora*, green vegetables and fruits at a local market and her late husband's pension benefits, she involved all her children in the business in various ways depending on their ages. She also attempted to bring her children early into the business by giving them responsibilities and authority during her lifetime. Her children assumed authority in a manner that would deter and resist any possible extended family pressures. The current overall supervisor, Mrs. Chiwa, the elder of the two surviving daughters, started to be 'fully' involved in the management of the business before she got married. The eldest son who is the heir – apparent and other brothers are not directly involved in the management of the business. However the proceeds from the enterprise

are supposedly equally shared among the surviving children or reinvested into the business and this invariably creates potential intra family conflict.

In contrast, Mr Munake, the founder of Murombo Munake Hardware, has put in place an arrangement in which he only partially involves his sons in the management of the business. It is not even clear what would happen in the event of sudden death. There is not real 'genuine' family management and moreso, ownership.

At Freespace, Runa and Mushi and Sons, the founders solely owned and managed the enterprises but surviving informants maintain they were 'family' businesses. It appears the concept of 'family' did not have a fixed meaning but is only an illustration of ideas or understandings that emerged from a relational self as perceived by a family business member (Alverson, 2002). There are varying and sometimes inconsistent or contradictory meanings in motion, as the concept of 'family' business gets constructed and reconstructed. As Seidman (2004) puts it, family business is a fluid, precarious and negotiated field of loosely connected activities. Like any society, it is held together ultimately by the thin threads of shared understandings and a common language.

In many cases, the concept of 'familiness' in business is just a myth. Unlike among the Asian communities in Africa, in which the value of communalism and ethos of self-sacrifice, self-denial and hard work are cherished (Weibner, 1994),

the African entrepreneurs in general and Zimbabweans in particular, have struggled to reap any meaningful benefits out of the traditionally viable extended family ethos. Eastern African Asians and Indians in Southern Africa are the real South Asian entrepreneurial success stories who are still organized via the social networks of the family (Shaw, 1997). Although in this study, I did not deeply contrast these types of businesses to my own cases, I shall not 'generalize' that Asians 'genuinely' form family businesses and take this to suggest they could be archetypical role models for successful transitions. However, in both systems of family business ownership and management, culture (ethnicity) and class are regarded as resources conducive to small-business formation and maintenance.

Traditionally, entrepreneurs have been viewed as individuals with a high drive for individualism and independence (Scase et al, 1980; 1982) and while they may be characterized by their autonomy, paradoxically, they are very dependent on ties of trust and cooperation. Colonialism in Africa created a tendency among black Africans and Asians to react against racism and the blocked avenues of social mobility to start own-businesses as a means of surviving at the margins of a white dominated society (Wild, 1997; Jenkins, 1984; Carter et al, 2000). However, the concept of 'economic opportunity' tends to lead us into regarding the ethnic-minority business activity as essentially no different from routine capitalist activity. Both so called African 'family' businesses and Asian ones, seek to explore market fortunes. They are not immune to drives for individual satisfaction through exploitation of resources via profit maximization.

Proceeds from the business will not always naturally accrue to family members. The case materials reviewed indicate that proceeds only begin to accrue directly to individual family members possibly after the death of the founder. And not all family members benefit but those who are defined to be actively participating either as employees or directors. The real benefit is only to the extent to which one would not go through the standard recruitment and selection rules. For example, at Ken Sec, K-C Guard Sec and G&M Panel Beaters, one would be appointed as an employee or director on the merit of one's position in the family network web without looking at skill or experience.

In fact for some, they were not even aware they were 'directors' and as a result equally ignorant of their rights and obligations. Founders or entrepreneurs tend to just desire to fulfill the legal requirements of company registration. In all but four of the twenty cases reviewed, spouses were co-directors and in some businesses, holding as much as equal shares. This appears a common pattern at founding stages of most studied firms in this study. Maphosa's (1996) study of ten businesses in Harare observed this problem, where although spouses, especially wives, could be registered as partners, they often assumed little or no authority or responsibility to meaningfully prepare them for succession. Moreso, some of the would-be successors in this study had little contact with their family businesses and therefore were not familiar with the operations of the businesses, making it uncertain if they would face up to the demands of the business if called

upon to take over. The so-called directors or partners are not even consulted over key business strategic decisions like diversification, relocation or even closure.

6.5 THE ROLE OF MEETINGS AND THE IDEOLOGY OF CONVERSATIONS

Organizations are created, sustained and changed through talk

Ian Mangham.

*Words, utterances are not only ... signs to be understood and deciphered;
they are also signs of wealth ... signs of authority*

Pierre Bourdieu.

As most of the studied businesses were founded by individual entrepreneurs in which participation by other family members was either voluntary or through invitation, developing and sticking to a specific retirement plan may need consensus. Even if the incumbent leader needed to develop a plan, he needed to consult other members of the family and the business to make the process credible or legitimate. This is done through formal or informal family gatherings which can significantly help in making the family members aware of the possibilities of establishing a career in the family firm.

However, the family businesses are generally small and unbureaucratic making formal business meetings very rare or irrelevant. This characteristic coupled with

the concordance of family and business interests also renders any possible distinction between family and business meeting equally unnecessary.

Ten of the businesses studied confirmed to have scheduled meetings at various intervals ranging from daily to yearly. Four indicated they held meetings as and when need arose, and the remaining six did not hold any meetings. Such meetings, where they were held, were generally dominated by issues relating to business opportunities, marketing and resolving employee disputes. While most of the businesses emphasized the need for separation between personal and business problems, the interlocking ramifications of these two on business continuity were inevitable (Bowman – Upton, 1991). Succession or inheritance issues were not openly discussed in the family and did not feature in any formal business meetings. The reason for this was the issue of norms against discussing family future beyond the lifetime of parents (Lansberg, 1988). Among the majority indigenous people, it was almost taboo to discuss succession hence the conspicuous absence of such an item in any family meetings.

In this study, the frequency of family and business meetings tended to be similar. On average most businesses held their meetings as and when a business issue that needed to be addressed arose. Given the fact that business and family interests interlocked, it was difficult to separate a family meeting from a business one. In most businesses which are relatively small, the owner-manager would only informally discuss the issues with co-manager or owner, normally a spouse

or sister or brother. At G&M Panel Beaters, such meetings were held after business hours; the Pen Family Bazaars business meetings were held at one of their branches as and when need arose; K-C Guard Sec regularly held monthly meetings mainly focusing on business performance update in preparation for board report. In both the business and family meetings, the issue of succession was never discussed.

But how do those firms which indicated they neither held family or business meetings get to plan, communicate or organize? The family business is a complex organization with leaders who over the years, have learnt to do what was necessary through instinct and the sheer need to survive (Carlock and Ward, 2001). As articulated in previous sections, a tacit approach was common in handling both business and family issues. As Mtika and Doctor (2001) observed, the problems encountered in family business succession planning are generally 'human ones'. The areas most in need of consideration, the issues to be managed and the difficulties that must be overcome when family business plan for succession mostly revolve around relationships, individual experiences and attitudes, business and family activities and the values and aspirations. All these are likely to render the succession process unpredictable.

Although in some organizations there were reports of formal business meetings, informants were not convinced these were genuine ones. Since the 'family' members in the business were the executive, meetings that were held at

business premises were just meant to create a false impression of genuine participation. There were just deceptive gestures ostensibly aimed at building loyalty among non-family workers. The meetings were not meant to genuinely promote any industrial democracy but to act as labour control strategies.

6.6 CONVERSATIONS AND THE SUCCESSION PROCESS

Founders cannot control organizations eternally, but can only influence them and their identities through conversation with stakeholders. Organizations are composed of a network or nexus of conversations in which the leader is just one of the conversation partners.

Actors are influenced or disturbed by the conversations of leaders and other stakeholders. Most of the family businesses may not regularly hold meetings to discuss key strategic issues and where they are held may not also discuss succession. However, this may not indicate no succession planning occurs. The reality is that all stakeholders are aware of the mortality of the founder and that one day, the organization could be suddenly leaderless. Some organizations have opted for the 'tacit' approach of succession planning.

In this study, I maintain that conversations that go around in the organization may be used to sustain that approach. To Moore and Sonsino (2003):

Conversation was the main process we used to create our own
and our organization identities ... We construct or agree with what
goes on through conversation with the people around us ...
Organisations fundamentally are nothing more than
networks of conversations – ephemeral, intangible and
intractably complex.

Although there were no written succession plans some owner-managers still maintained that stakeholders were aware of who the successors were. Some were being prepared for take over via information sharing, dialogue and discussions. These conversational practices appear to be the keys of transformations of social practices. People in most companies at the local level are immersed in conversation. Like all social phenomena, succession processes are generated in and through conversations (Ibid: 333). The organization was ephemeral and intangible, constantly constructing and enacting itself through time in an endless series of microstates' (Anderson, 1999).

Both incumbent leaders and potential successors appear to concur that the crisis was not very visible at the time of departure. Actors may be aware of who becomes the immediate interim leader. Business for some would continue

uninterrupted by external forces for a moment and the business only begins to struggle after a reasonably long period. According to some informants in this study, this was not because there was no communication between successor and predecessor but sometimes a crisis arose when the successor attempted to introduce changes that led to complex systems to fail to adapt or that the leaders had had 'incomplete' conversation with the key actors that sustain the organization. Therefore, meetings were only part of the conversation mechanisms actors utilized to influence succession processes in family businesses.

6.7 DISCUSSION

Previous sections attempted to show how the inward orientation of family businesses affected the family members' perceptions of the business environment and how the family system created and maintained a cohesiveness that supports the family 'paradigm'. This paradigm is described as the core assumptions, beliefs and convictions relative to its environment. Information that was not consistent with the paradigm was resisted and or ignored.

The concept of 'family' label is no more than just an 'identity' issue but a survival strategic resource which businesses utilize in preserving, strengthening and extending the firm's competitive advantage (Chrisman et al, 2003). But do we understand the sources of family firms' competitive advantage?

The family label creates an ethic of commitment and loyalty necessary for business sustainability and like the Asian experience in Africa, kinship invariably functions as a potential labour procurement and control strategy. This ideology engenders a heroic status that influences successors and would be successors to be less critical of the founder or leader's management. The label, like any other political ideology, gets more entrenched if family or kinship related names are adopted. Only recently have most businesses chosen to use names with no direct cultural or kinship inclination like Excel Crafts AND Walls, G&M Panel Beaters, Freespace and T&M Appreciative Pottery ... Twelve of the businesses in this study in one way or the other, directly associate with their family or kin names depending on the stage of the business. Cases in point are Murombo Munake Hardware, Mupa General Dealers, Mate Transport, Muza Pool Construction and Pen Family Bazaars.

The ideology of 'family' and 'family names' serve as a unifying mechanism between ownership and management. The ambiguous position which the founder occupies between ownership and management as he or she relates to other family members vis-à-vis his status in line with the family tree outside the business; have a strong bearing on the survival of the business.

To Steier (2002), the traditional view has been that agency issues in family businesses are of little interest owing to the concordance of interests of owners

and managers in such firms. However, recent research suggests agency issues are more complex than previously believed. Entrenched ownership and asymmetric altruism could create their own unique agency problems that must be controlled. Family business stakeholders may behave as stewards rather than agents. Goals, altruism, trust and relational contracts may vary across family firms and this variation will influence how stakeholders behave and that relative agency and ownership behavior can vary depending upon the stage of the family business cycle (Corbetta and Salvato, 2004).

The family label operates as a mechanism to narrow the gap between 'stewards' and 'agents'. The family business can be seen as both a social and economic capital which both owners and other family members exploit in the process of negotiating for social space. Even beyond the founder, obligations and expectations tend to be premised on this argument.

The 'family' philosophy may work as a stabilizing force under the founder with only 'pseudo' participation of other family members but may turn out to be self destructive under post-succession era. Family ideology can be both an asset and liability. For example, informants at Ken Sec and Pen Family Bazaars indicated that meetings that involved non family members rarely attended to critical business issues but just served as political control instruments. Similarly family members also used the family ideology to safeguard their own personal interests

through use of various kin or family based networks to access family business proceeds.

Family members who have been involved in the business tended to have legitimate expectation of the benefits accruing from such participation thus creating potential conflict. At Freespace, the founder's surviving brother who was traditionally participating in business is alleged to have taken the only bus left to the family's rural home in Wedza on the pretext of safeguarding his brother's assets. For other family members participation at management level would not translate into ownership and most are conscious of this. In the previous sections of this thesis, Mr Guvha, the founder and current manager of Warren Moonlight Bar illustrated how his brothers fought over assets left behind by his late father. He argued that his father had created a legitimate expectation among his sons which made them to regard the business as equally owned by all sons regardless of one's current involvement.

The role of the family is 'double-edged' (Carter, 2000). While familism could serve as a unifying force over reliance on it could actually get in the way of economic reality or constrain business development. The case of Pen Family Bazaars and Muza Pools are cases in point. Recognizing that network ties and trust are important elements of innovation and entrepreneurship, Morck and Young (2004) explore the negative consequences when these ties become over embedded as in the case of oligarchic family ties. Paradoxically, the core

elements of societal wealth creation can become an impediment to innovation and entrepreneurship if the actors involved resort to political rent seeking. Because entrepreneurial spirit and talent are not necessarily inherited by ensuing generations of the controlling family, it is much easier for succeeding generations to create value by using their wealth and influence to obtain competitive advantage more through political rent seeking than through innovation and entrepreneurship (Morck and Young, 2002; 2003). It is hardly disputable that families are often able to create advantages that other firms find difficult to duplicate. Similarly, it is equally dangerous to carry over this advantage too far.

The ideology of 'familiness' and the desire to avoid becoming incongruent to the founder, as demonstrated by Mrs. Chiwa stifle innovation. Among the Shona religious beliefs, the 'family' comprises both the 'dead' and the living. The founder, particularly if late, has even greater influence on successors. The spirit world monitors the performance of the living (Wild, 1997). It is safer to upset a living founder than a dead one as one is believed to have mystical powers capable of influencing future business success or failure that transcend across generations. Successors believe that the dead founder may cast misfortune on the successors if they failed to live according to his expectations. The dead can resist choice of successor and evoke mystical punishment on the chosen and community if certain rituals were not followed. The will of the ancestors manifest itself in the riches of the living. Thus in African religion, success and failure in life are dependent upon the relationship supposed to exist between a person and the

spirits who control life. There is a spiritual relationship between the dead and the living.

The 'family label' tends to mask the unequal nature of gender relations inherent in family systems. The various forms of participation by daughters and sons may have distinctions that may appear traditionally gender-neutral when in fact; they rely on notions of humanity and rationality that are masculinist (Berg, 1997). Most family business leaders preferred brothers and sons to daughters to take over their businesses for continuity of family name. Some male founders were even reluctant to pass on the 'relay' baton to spouses but unmarried sisters who were believed to be loyal and committed to the family vision.

Due to the current HIV/AIDS scourge which has seen most productive and energetic business leaders suddenly leaving leadership through either death or incapacitation due to long illness; brothers have tended to co-partner sisters. One informant noted that this was because a young widow could remarry and have all the assets transferred to another man's family name. Such arguments have rendered the succession process more complex than before.

Actors are redefining their positions and consistent with new demands of the environment. There is a situation of interface, negotiation and renegotiation of

meanings by actors as they interact during succession processes (Berger and Luckmann, 1966).

The conceptualization of family and business is bound up in the process by which actors negotiate a sense of mutual understanding through cooperative construction. In other words, actors in a family business, attempt to reconstruct the two concepts “family” and “business”, in a manner that brings out varying meanings and interpretations. It is hard to attempt to separate the two. Our case material has shown how inseparable the two were.

It is true that most of the incumbent business leaders interviewed mentioned that theirs were family businesses but it was not well established if their perception of the concept was congruent. It has been observed that the ‘family label’ (Carter, 2000) was double-edged. For some, it was used as a stabilizing mechanism in the event of potential resistance to any suggested changes to either strategy or structure of the business. Therefore it would serve as a political mobilization tool for business leaders. Family participation may not be genuinely collective but only work to mask the power inequalities or imbalances across gender or age. The concept of participation could be just a deceptive resource aimed at creating and sustaining loyalty among family members. The perception of shared beliefs may be an important stimulant of collective family activity (Habershon and Astrachan, 1997). This ‘family label’ philosophy is however self-destructive as in the long-run actors will still realize and feel the real contradictions.

The concept of family participation ignores the issue of invisible participants in the business. This concept which subscribes to 'unitarism' assumes all participants are homogenous and unquestionably loyal and uncritical to the common strategy of the business. However, it has been observed that there are many who may not be visible actors but still covertly influential like the spouses and children of active participants. The fact that different family members bring different orientations, attitudes and experiences to both the business and family renders the philosophy of family participation an unsustainable project. If the definition of family varies with a particular audience it is invariably folly to take a single interpretation of the family business. For example, due to patriarchal contradictions inherent in the social interaction during the succession process, female participants are engaged on different terms from those of males.

The idea of using the family business as a tool to transfer 'family name' from one generation to the next reinforces Roth (2000) and Sonsino's (2000, 2002b) picture of family businesses as a mechanism for diffusing innovation. Owner-managers have often applied the family label thesis to avoid practices of managerial innovation within the organizations on the pretext of family continuity. Through various conversations and 'small talks' (Sjostrand, 2001) there is sense making, sense giving processes in these complex stakeholder networks. I witnessed one incident where the founder(s) admitted to me that they were running a family business, but when confronted by a different client, they said

theirs was a privately owned and corporately run entity as evidenced by a large professional clientele. Furthermore, during meetings which were only attended by family members often after working hours, the philosophy of 'familiness' was reaffirmed. The family label operates as both a labour mobilization and control strategy.

The lack of 'genuiness' on the part of incumbent leaders is demonstrated by lack of succession plans (written or unwritten), more pronounced delays or late entry of key family members in the businesses. Even in circumstances where they were somehow involved, family members did not directly see benefits of the enterprise accruing to them as individual stakeholders or did they participate in key strategic decisions? The fact that family members were fully active in organizations like Pen Family Bazaars ,Murombo Munake, Mate Transport and KG Brothers' Driving School was not necessarily optional or deliberately arranged as part of succession planning. All the surviving family members had initially participated at incumbative stages of the firms. Inversely, those who had not previously participated were also not currently involved and some did not show any interest in the business.

The concept of family participation is one of the major sources of succession problems. Family members, even those who have had no or little association with the business during founder stage perceived their participation as legitimate since membership to the family network or any of its related institutions was not

negotiable. During the founder era participation would ordinarily be by either option or invitation but on his death more actors wishing to have a share of the spoils would come into play. This has influenced most surviving spouses to dispose of the business through sale in order to dismantle the property (which has become a centre of potential rivalry) into invisible sub-units which have no direct association with the family.

Therefore the concept of 'collective phenomenon' associated with the family business in the previous sections, will continue to haunt the actors as they endeavour to renegotiate for social space during succession. As Gartner (1989) puts it, succession is an enactment process. Succession creates new networks of people across the family businesses which are intended to support collaboration across the group. It is designed to give people the space and time to connect, and to invite genuine participation and not mere presence. This will 'build the value of the business's social capital which is recognized as a significant business performance indicator' (Moore and Sonsino, 2003:331).

6.8 CONCLUSION

Participation of family members in the businesses is both an ideological and political phenomenon. By involving everyone in the management and daily business operations, the founder or owner-manager creates among all kin a sense of 'collective entrepreneurship' or 'involvement' (Johannisson, 2000; 2002)

that engenders a sense of cooperation and shared vision necessary for business continuity. Assessing the extent of family participation or involvement is hardly measurable given the complexity of the concept and the intractable and unpredictable nature of the process. For example, appointment of board members and claims for holding of meetings could just have been just symbols of being modern or just to meet legal requirements. It has been generally assumed that family businesses were relatively collective and interactive but I maintain that the 'collective' nature of the organizations was a social construction arising out of the interactions between stakeholders.

Both family and business leaders did not fully realize the benefits of meetings and conversations in sustaining 'familiness'. This adversely affected the future of the business, as Narva (2001) puts it, without gatherings of the clan and family dinners; there are no venues for telling the stories and without these children's identities form without the building blocks of memory, 'the elements of culture', handing down from generation to generation.

The family ideology becomes a system of thought that is self-confirming and immune to critical examination and resistance. On the other hand the family business contains inherent self- destructive features. In post-succession era, all family members whether or not they previously participated in the running of the business would claim rights to proceeds from the business. The example of Freespace is a case in point, where the late founder's brother fought protracted

battles with his late brother's surviving son over the ownership and management of the only remaining bus.

Family business is seen as both an asset and liability depending on situations. As result the issue of succession is a source of both cooperation and conflict. The fact that the family businesses are recently experiencing multiple identities and unprecedented reconfigurations renders succession process inevitably unpredictable, dialectical and complex. Organizations are not just vehicles for the achievement of goals by all members but they are also arenas for emotions and politics. This has to be recognized when making sense out of management transition in family firms particularly where business and private family interests have to coexist. 'Family participation' or 'involvement' is therefore not a fixed phenomenon but a political and social interaction whose meaning varies with constructions of actors at various stages of the business.

CHAPTER SEVEN

THE RELATIONSHIP BETWEEN SUCCESSION AND BUSINESS SURVIVAL

7.0 INTRODUCTION

“Family businesses are found to split up like amoeba as they grow and very few of them survive beyond three generations”.

Ramachandran (2006: 5)

A cursory look at the information available on the subject of succession reveals that only about one-third (approximately 30%) of family influenced businesses make a successful transition to the second generation and only 15% make it to the third generation in the family (Leach, 1994; Poutziouris and Chittenden, 1996).

Of the twenty businesses in this study, eight of them were in the second generation and only two had survived into the third generation. These had also not properly planned their succession making them vulnerable or potentially vulnerable to decline. The foregoing underscores the importance of succession planning in ensuring family businesses' long-term survival and success. In this section, I examine the relationship between succession and business survival using case material detailed in Chapter Four of this thesis. The prime question

concerning the succession process – business survival discourse is whether or not the family business survival or continuity was at all influenced by the succession process.

This chapter addresses the following issues in an attempt to assess the relationship between the succession process and business continuity:-

- Multiple dimensions of business survival
- Succession process and productivity
- Performance and politics of change
- Familiness as an index of business continuity
- Succession process and death of entrepreneurship
- Negotiating family and business interests
- Strategic and succession planning
- The place of succession plans in family businesses

7.1 THE MULTIPLE DIMENSIONS OF BUSINESS SURVIVAL

In order to make a reasonable and sustainable contribution to the debate and body of knowledge on the link between the succession process and survival of the family firm, this thesis, adopts a social constructionist approach in defining the survival indicators or measures. Business survival or continuity does not take a 'fixed' character but a socially constructed meaning (Berger and Luckmann, 1966). As has been illustrated in Chapter Five, succession process in family

businesses was not a pre-given phenomenon but an outgrowth of social constructions that do not necessarily follow predictable evolutionary patterns (Carlock and Ward, 2001). Similarly, the meaning of 'business survival' tended to shape-shift with a particular group of actors. As Burr (1995) puts it, the meaning of both succession and business survival are in the process constructed and reconstructed by actors. There are multiple dimensions to the concept of business survival as founders, successors, participating family and non-family members and other stake-holders like clients interact.

Meanings also vary across generations depending on the perceptions, motivations and experiences of actors. This thesis takes issue with the traditional business survival measures like profitability, sales growth, return on equity that tend to emphasize monetary returns of a business. Although it was impossible to interview the founders of all the businesses in our sample, it was evident that wealth creation was key to the reasons for starting most of the businesses.

The wealth created, as Mr Munake, founder of Murombo Hardware noted, would be able to sustain the present and next generation livelihoods. Traditionally, an increase in profits (Habbershon et al, 2003) and the creation of new jobs (Reynolds et al, 2003) were used as primary business performance or survival indicators. However, in line with Chrisman et al (2003), economic rent in family firms is not limited to the creation of monetary wealth, as wealth creation is not necessarily the only or even primary goal of family firms. Family firms are found to seek a variety of values, for example; simply survival of the firm, independence

or social prestige. Value creation is therefore the ultimate goal, including monetary and non-monetary.

Family business survival could be illustrated by what Serrano and Habbershon (2006) referred to as the continuity of 'trans-generational entrepreneurship' that is, the family's mindset and economic wealth creation across many generations. The family business is regarded as surviving or continuing if it contained the familiness and the entrepreneurial orientation (Habbershon et al 2003) as attempted by Pen Family Bazaars, G & M Panel Beaters, Murombo Munake Hardware, Mate Transport and KG Driving School. The translation of values into a persistent cultural attitude has a lot to do with continuity of family control, based on identity and self-consciousness. The ultimate outcome of this was an entrepreneurial attitude which materialized into a persistent behavior characterized by familism and family ownership. The ability of the enterprise to identify with the family and the consequent adaptation of the company's goals and strategies to the family's benefit is a significant indicator of survival.

Another indicator of a family business survival is shareholder satisfaction. Although this study did not investigate quantitative changes like sales growth and profit growth in pre and post-succession era, it was significant to consider shareholder value or satisfaction as a critical family business performance variable. Although this is a rather subjective measure, Morris et al.'s (1996;1997) findings that business survival or continuity could be illustrated by the level of

satisfaction of the owner, managers, participating family and non-family members with the succession process is in support of this. Although this does not necessarily indicate that smoother transitions may result in better post transition performance, attitudinal changes such as satisfaction with the founder, commitment to the business and motivation to continue the business were key to business sustainability (Meijaard et al, 2005). Successful succession would have occurred if the business continued to operate or "persist" overtime. Trans-generational continuity was thus measured by persistence of a business. On average, companies survived for ten years although companies like Mushi and Sons Buses, now in the third generation, was more than sixty years old. The successor, James, expressed his dissatisfaction with the current performance of the company and indicated that the family rivalry which the business suffered at the death of the founder had a significant bearing on its performance

As has been indicated earlier in this section, family members as shareholders will perceive a business as 'surviving' if jobs for family members are secure while non-family members would consider the ability of a firm to attract and retain key non-family employees in the business. At G&M Panel Beaters non family members indicated satisfaction with the 'professional' manner the business was being run. Habbershon et al (2003) address the issue of family firm performance by asking how family involvement and interactions can generate unique resources and capabilities that contribute to the family firm's ability to create economic rent.

Another dimension of family business survival worth considering is the 'size' of the business in the form of creating and securing new jobs for offspring population (Reynolds et al, 2003). Size in this study also refers to the additional branches ventures established before or in post-succession era. In the transport sector, Mushi and Sons Bus Services , Mate Transport, Runa Motorways, Mal Investments and KG Driving School , fleet size is considered a critical variable. Fleet size could reasonably indicate whether or not the business was growing, falling or dormant. Size can also work as an incentive for family members to participate in the management of the business. The actors' perception of current status and future potential of the family business influenced the degree of participation. As Barkhatova et al (2001) put it; the mirage of a business dynasty fuels commitment. Similarly, shareholders perceive 'size' as a survival or viability gauge.

According to the Zimbabwean Government, size is also considered a critical variable in the definition of small to medium enterprise (SMEs) (Ministry of Small to Medium Enterprises Policy Document; 2004). Definition in this policy document is by reference to the number of employees, total net assets and legal structure. A registered enterprise with employment ranging from 30 to 70 employees and depending on the type of industry will be referred to as a small or medium scale enterprise. In our sample, only four businesses; Pen Family Bazaars, G & M Panel Beaters, K-C Guard Sec and Mate Transport Services are relatively large enough to have graduated beyond SME status. Of these, only

Mate Transport is in second generation but is already showing signs of struggling as its other branches comprising a bottle store and supermarket in Marondera have since closed down and the premises are already being rented out. Therefore, the size of a business can be a measure of whether or not the business is surviving or continuing. This measures business growth in quite significant ways as large family firms tends systematically to outperform their managerial counterparts (Barontini and Caprio, 2005).

The size of the client base could be one of the indicators for assessing business success. Of the twenty firms studied, K-C Guard Security and G&M Panel Beaters were the most successful given that they had business contracts with government owned departments and large corporates or institutions. For example, G&M Supreme Panel Beaters have the following as some of their clients; large insurance companies such as Zimnat, the Airforce of Zimbabwe, locally based UN agencies, the Reserve Bank of Zimbabwe and Zimbabwe Revenue Authority. K-C Guard Security also has long-established relations with large property owners like Old Mutual and Cities of Harare and Mutare and Rusape Municipality. The rest of the enterprises in this study are struggling to graduate from SMES into large organizations.

From a resource-based view of family business survival, the resources available or left after succession provided a significant measure of business continuity. The resource base in the form of human, financial and social capital is important in

assessing family business survival. This approach helps to address the question why some firms successfully renew themselves over time, while others eventually become obsolete (Serrano and Habbershon, 2006). This is however, notwithstanding the heterogeneity of beliefs about the value of resources. In Chapter Six, we showed how the family members and offspring get enthused to join the business for purposes of accumulating social capital as business was considered a source and symbol of power and social prestige (Frishkoff and Brown, 1993; Wild, 1997). In fact that is one of the reasons the family business has often become an arena of both conflict and cooperation.

Family participation or involvement can communicate the 'health' status of the business because when parents regularly complain about business problems, offspring can be discouraged from wanting to enter the firm (Stravrou and Swiercz, 1998). The success or failure of an enterprise could be indirectly measured by the level of interest or disinterest of family members to be involved in the business. Thus, the status of the business has a great influence on the character of the succession process. However, other times parents pressure their offspring to manage the firm (Farhi, 1990; Nelton, 1991). Others offspring may participate not as a result of being attracted by the business success but only as a way of keeping the life they had while growing up (Frishkoff and Brown, 1993; Rosenblatt et al 1985). This was the case with the Munake sons and Mrs Chiwa. Similarly, non-involvement or participation would mark some kind of a 'cultural disorientation' (Berger and Luckmann, 1966) for family members particularly

those children who would have grown up being socialised to take positions in business management as a given.

7.2 SUCCESSION PROCESS AND PRODUCTIVITY

Human factor plays an important role in the succession process. To Willer (1998), a highly motivated and successful owner-manager passes on his experience and knowledge to the next generation. In this study, we have seen that many operations and practices of family businesses lacked organizational planning in general and succession in particular and this explained why family businesses failed to survive beyond their founders. However, along with inadequate planning come ineffective human resources management systems (Welsch, 1993). Issues of motivation, staff training and retention and conflict and cooperation among participating family and non-family members were key to productivity.

The functioning and performance of family and business systems across generations is directly influenced by the succession process. Successful succession is important not only to the immediately involved but to the economy at large. It is also important, not only to the owners and their family but also to the many key stakeholders whose economic well being is linked to the individual businesses. Whether or not the business was transferred to the next generation

through family succession or sold out to an outsider, the process has been observed to have profound structural ramifications and subsequently productivity.

Lack of interest by spouses and children to get involved in the business as is the case with K-C Guard Sec, T&M Appreciative Pottery , Pen Family Bazaars and Mate Transport was due to the political uncertainty with the family business future. Family members did not consider involvement in family business as a secure career worth pursuing. Furthermore persistent family feuds over resources and related inheritance matters, high staff turnover as was the case with Mr Mar's Excel Crafts and Walls and poor relations between successor and other stakeholders invariably affected family business survival and thus leading to reduced productivity. At G&M Panel Beaters, Murombo Munake and Pen Family Bazaars 'stakeholder' satisfaction was more pronounced than in any other firm as evidenced by the level of 'family' involvement in the businesses and absence of reported conflicts. Those interviewed reported satisfaction with the current form of 'participative management' and the professional manner in which businesses and family matters were handled.

Lack of planning, which is often associated with the lack of professionalization of a firm, creates uncertainty as to the firm's future and in the process reduces productivity. Such uncertainty can drive well qualified offspring and non-family members away from the firm (Lory, 1990). For example, at Excel Crafts and Walls, it was reported that the business which started in 2001, at one time, had

twenty employees but had been reduced to seven in 2005. At the time of this study it had only four, following the sudden departure of three in a space of a week. Such staff turnover rates were not sustainable as they had a significant bearing on recruitment and training costs both key productivity indices.

Hough (2005) observed that for retiring family owner-managers, the transition to retirement is even more complicated as personal issues are generally entwined with issues of leadership succession and development. As a result, these impacted adversely on firm productivity, continuity and viability, ownership and wealth transfer organizational governance and family harmony. Experiences at Mushi Buses, Guvha brothers, Mupa General Dealers and Freespace are good cases in point. The objective of employee satisfaction is generally considered to be the driver of employee retention and employee productivity. Satisfied employees are a precondition for increasing productivity, responsiveness, quality, and customer service (Norton and Caplan, 1996).

Earlier in this thesis, we show how charismatic authority involving the acceptance of a ruler because of his singular personal attributes was held to be very pronounced among family owned businesses. Instability in the business provokes insecurity among followers who seek to safeguard their material and social interests. Their anxiety is brought to a climax by the problem of succession. In our study these followers are predominantly family members whose resistance to changes arising out of the new leadership structures could

be subtly manifested. This conflict can be attributed to a short circuit in communication between the successor and the old staff who over the years of association, could have developed subtly expressed understandings of which the successor is ignorant.

7.3 FAMILY BUSINESS PERFORMANCE AND THE POLITICS OF CHANGE

“To introduce change successfully, leaders must be political. Executives at every level in the organization need to be aware of the effects of every move and every word they contribute, and it also means knowing how to manage the politics and the way politics is practised”

(Moore and Sonsino, 2003:105).

Regardless of whether offspring plan to join the business or not, business families should develop formal management and succession criteria that could ensure their firm's long term survival and success. When family members are not certain about their future in the business, they would either ordinarily cease to be loyal to the business or resist any change. Such resistance generates conflict between the successor and other members. Mr Guvha and James Mushi agreed that their parents (founders to the original businesses) had failed to communicate effectively their desire to have their sons involved in the business resulting in serious inheritance disputes over the assets.

Family business owner-managers often keep company issues as secret and have difficulty delegating responsibilities to or asking for input from their offspring or employees (Stavrou and Swiercz, 1998). Lack of communication creates uncertainty and some kind of a cultural shock leaving staff, particularly non-family members bruised. This was the case with businesses which were both founder and successor managed. Management of uncertainty is a political process that has potential to adversely affect company productivity and hence, longevity and continuity. Change may stifle family level participation and equally steals enthusiasm and employee productivity. Participants can be expected to resist any change that they perceive to be uncertain and ambiguously defined and this adversely affected business performance.

Organizational transition from an entrepreneurial stage to a system driven, professionally managed firm is not easy, and involves evolutions, revolutions and crises (Greiner, 1998). There is political maneuvering before, during and after any leadership change. Most family business owners interviewed acknowledged the danger of failing to handle succession with great sensitivity. Although they all placed value on the succession plans, they however did not endorse the idea of overtly communicating the succession structure to the rest of the stakeholders. The head of the family, therefore, often did not want to worsen this unstable situation by selecting one child ahead of others as this tended to frustrate other children or other members particularly if they were actively involved in the business as employees. As has been observed in Chapter Five, leaders sought

to avoid any 'political meltdown' through the use of a 'tacit' way of communicating any succession structure or plan. Transfer of management and ownership can be communicated through various stakeholder interactions such as involving heir designates into key business strategic decisions or letting them act in their absence. Through these tacit succession arrangements new meanings to the process are constructed (Moore and Sonsino, 2003).

In fact, of all the twenty businesses studied, there was no transfer of ownership except in circumstances like death of a founder. Mr Munake was still effectively in charge although he occasionally left his sons to manage the enterprise. For some employees like one interviewed at Pen Family Bazaars, succession was no way near a 'genuine change', because founders or current leaders would continue to indirectly influence new leaders.

In line with the concept of 'succession conspiracy' (Lansberg, 1998), the question of succession was not discussed by family members. Both father and other family members are too afraid of death to discuss any mortality related issues. Clearly succession planning for family business can be very emotional and fraught with taboo subjects that impeded communication between family members. Although major events like death or divorce were critical for both family and business continuity they were never discussed. Galbraith (2001) and Shepherd (2003) contended that such personal life events were fundamentally different types of business crises as they were typically unanticipated events that

consequently cannot be planned for in a pre-emptive or formalized fashion. They concluded that these had an impact on the short term performance of small closely-held family businesses. Disorientation and desertion of employees and customers would be the result.

As questions concerning inheritance were not allowed to be dealt with during the period of mourning, the period of disorientation was even prolonged. Among the Shona in Zimbabwe, the period of mourning would last for as long as a year. For example, at Freespace, between the time the founder died and the time the deceased estate was distributed, the company had lost six bus drivers and the fleet size had been reduced from thirteen to six. Many skilled drivers and mechanics left for more secure engagements. James also indicated that when his father died, the popular Mushi and Sons 'empire', which boasted of a large fleet of buses and supermarkets, almost got grounded as brothers jostled over inheritance proceeds. This situation introduced a crisis in the enterprise, especially if the company was closely entwined with the person of the founder, as most of the businesses in our study have shown. The following section assesses the relationship between the succession process and familiness and entrepreneurial orientation and their subsequent contribution to the survival, longevity or continuity of family businesses.

7.4 FAMILINESS AS AN INDEX OF FAMILY BUSINESS CONTINUITY

In the earlier sections familism or familiness was defined as 'the identification between the family and the enterprise and the consequent adaptation of the company's goals and strategies to the family's benefit' (Colli, 2003). Business continuity also entails the persistence of the familistic nature of the enterprise over time.

Mrs. Chiwa Pen Family Bazaars maintained that *humhuri* (familism) took precedence over all other issues. However, the prime question concerning succession planning was whether or not entrepreneurs were interested in the continuation and development of the company after the end of their active involvement. This depended on how they perceived of their enterprises including whether or not they were only providers of income or organisms initiated by the founder with an enduring interest in sustaining and further developing the company. Familism persists when in a family business a strong and constant vision is more likely to exist and to survive new generations in the firm. In firms where the successor is an insider and where the successor is related to the predecessor, the post-transfer period was more profitable (Meijaard et al 2005). The vision of this new leader is thus more likely to refer to the same underlying values as the vision of the predecessor. Values of the family become values of the leader. Therefore, visionary leadership can be seen as a collective phenomenon driven by family interactions. Vision may play a crucial role for the

successful development of a business as “a guiding star which gives information on which types of strategic actions have priority and will be legitimized” (Hall and Merlin, 2003).

Vision and values are hardly quantifiable and level of participation of family members in the business may not necessarily indicate the level of familism in the business. As observed earlier on, some offspring and family members may be forced to participate in the business by circumstances like death of founder as seen in the Mushi and Sons, Mate Transport, Freespace, Muza Pools without prior-socialization to business leadership. The succession process impacts on familism' within a business in various ways including; continuity, extension or persistence of values propounded by the founder. However, it is still difficult to establish with certainty if the new business still contained the familiness of the original business. In the context of firm growth, the influence of the growth intentions and attitudes of founders is increasingly seen as being critical. The shape and evolution of growth is intertwined with the personality, attitudes and willingness of the owner-manager (Ennis, 1999).

The assumption that these family businesses were originally set up to promote family values and continuity could be flawed given that it has been impossible to have interviewed all of them because founders of businesses in second or later generations were no longer there. Although the business could have been formed in order to accumulate social capital (Bourdieu, 1966), the idea of

economic wealth creation is hardly dismissible. The continuity of 'familiness' among most of the businesses studied facilitated business sustainability. Maintenance of such family values as respect, cooperation and loyalty has had a great influence on the continuity and sustainability of the businesses like G&M Supreme Panel Beaters, Murombo Munake and KG Driving School. Social capital in the form of social skills, trust and social networks provide individuals with an important type of social identity that can be converted into significant, tangible benefits (Jenssen and Kristiansen, 2004).

However, the family system sometimes contains inherent contradictions that arise normally out of disputes over fairness in sharing proceeds of family investment. For example, once there are members of the family who have a share in the ownership of the firm but are not involved in the management, it becomes essential to differentiate clearly between a 'return from ownership' and a 'reward for participating in management'. Unless this is done transparently, relationships within the family will come under strain. Suspicions that some family members are benefiting at the expense of others may arise and the contribution which some are making to the firm may also not be properly recognized. Even if the members of the family who are directly involved understand and accept the split between pay and dividends, their spouses may be less convinced. For example, Mrs. Chiwa's husband and her brothers' wives and one of the Mutongi brothers' wives were not be directly involved in the businesses but could still expect their spouses' rewards to accrue to their immediate families. At Murombo

Munake the situation was even more complex as their participation suggested they would soon take over management. “As the family circle expands, the links between the circle and the circumference become weaker and the fairness of the way in which the financial returns from the firm are divided becomes more likely to be called into question “(Cadbury, 2000:18).

In our study, the involvement of spouses remained silent but as previously demonstrated there may be hidden conflict that has potential to derail the succession process and business survival. No business can escape family influence as even the decisions of the Chief Executive Officers (CEO) of a publicly held and professionally managed business are sometimes influenced by their spouses and children (Sharma, Chrisman and Chua, 1996). Morris et al (1996) observed that trust, openness, lack of conflict and lack of resentment were all positively related to the ease of transition and Sharma and Rao (2000) agreed that the family has a great influence on the ease and success of the succession. Therefore, respect, understanding and complementing behavior between next generation family members and the organizational leader were critical to an effective succession. Intergenerational familiness is therefore a significant dimension in the succession process and survival of family business.

7.5 SUCCESSION AND ENTREPRENEURIAL ORIENTATION

Succession alters the processes and outcomes of entrepreneurial development and orientation. Founders like Mutongi brothers and Mr Guvha who started businesses as a result of their intensely entrepreneurial zeal admit that succession would adversely affect business continuity if not properly managed. Organizational traditions frequently have their origins in the “ideology of an entrepreneurial founder who sets out both a strategic perspective on the task of the organization and a philosophy in the form of labor process to accomplish it” (Child, 1987: 171). This ideological zeal or entrepreneurial orientation, as Haverman and Khaire (2003) put it is a self sustaining force for the family business. Founders’ succession therefore removes this force leading to loss of organizational vision, poor performance and ultimately to failure. Goals set by founders are unlikely to be pursued with the same passion by successors (Kimberly and Bhouchikhi, 1995). Similarity between founders and successors does attenuate the potential harmful impact of founder succession (Dyck, et al 2002; Wasserman, 2003). When the founders are ideologically zealous, finding similarly zealous successors may be very difficult. In such circumstances founders departures if not properly planned or prepared is likely to lead to organizational failure. Mushi and Sons, Runa Motorways, Freespace, Mupa General Dealers are good cases in point.

The event of enterprise creation can be seen as the consequence of congruence between environmental conditions and entrepreneurial behavior of individuals (Robinson et al, 1991). Hence, interventions to develop individuals for creating enterprises would have to be built on perceived behavioral dispositions in addition to environmental factors that directly relate to the repertoire of what constitutes entrepreneurial behavior. The key elements of entrepreneurial behavior repertoire, as cited in Chapter Five; personal resourcefulness, innovativeness, strategic vision, achievement orientation and opportunity seeking are all principal drivers to enterprise growth (Kanungo, 1998) that need to be sustained during succession.

Entrepreneurship is more a state of becoming than a steady state or event.

Some elements in the repertoire of entrepreneurial behavior may be weak while others are strong, so also, the extent of strength may change over time or across significantly different structures (Shaver and Scott, 1991; Johnes, Kalinoglou and Manasova, 2005). The process of the development of entrepreneurial spirit is non-linear. This could explain why most successors despite their entrepreneurial family backgrounds, as observed at Mushi and Sons, Freespace, Mupa General Dealer and Runa firms, failed to maintain the growth started by their parents.

The initial assumption in this discussion is that most founders were entrepreneurs and that entrepreneurial dispositions could vary across different stages of a small enterprise's life cycle. Eleven of the twenty cases were in the

first generation and only one of them had closed after operating for eight years. The different roles taken by a person when his or her enterprise goes through its life cycle would be viewed as any extension of his entrepreneurial role. The changes in roles would be consistent with the changes that take place in the intensities of different components in the repertoire of entrepreneurial dispositions. However, Gartner (1989) strongly objected to this view and insists that entrepreneurship ended after the creation stage of the organization was over. The case of Ken Security would explain why some experienced enterprise owners may show weak entrepreneurial dispositions when they start managing enterprises after creating them. At some stage the firm experienced phenomenal growth with over seventy security guards in 1998 but by 2004 there were just six left with only two relatives understood to be holding managing positions. These two are already engaged in different scopes of business; one is in cross border trade while the other is in sole commodity broking in the city. While the strength or weakness in the five mentioned behavioral dimensions would explain the likelihood of a person successfully setting up an enterprise, it would be misleading to assume that these attributes automatically resulted in a person becoming an entrepreneur. Entrepreneurs need to play both the roles of managership and leadership to assure business survival. This possibly explains why most family businesses in this study particularly those in later generations struggled to survive. Successors may just be 'leaders' but not entrepreneurs since leaders may be somewhat less innovative, resourceful and opportunistic

than an entrepreneur. Succession may produce new leaders or managers but often without any of the entrepreneurial dispositions of the founder.

Entrepreneurial transition does not necessarily involve succession as the entrepreneur may prefer to continue in the same venture by making some transformations in his or her personality according to the demands of the adult organization. Unlike Ken Security, G& M Panel Beaters aptly illustrates why some firms successfully renew themselves over time while others eventually become obsolete (Serrano and Habbershon, 2006). The fall or at least the difficulties of many well established family businesses was due to the decline or disappearance of entrepreneurial zeal in post succession stages of businesses.

Founders and owner-managers of both Ken Security and Mal Investments abandoned direct control of the firms to seek better fortunes abroad. Those who took over management did not possess the same passion for achievement and success as the founders. Even among the businesses whose owner-managers remained in leadership, the disappearance of 'entrepreneurial alertness or insight' (Ibid) over time was evident in most of them particularly those in second and third generations. Among many family leaders, this insight may be tied to intuitive tacit knowledge and practical experience gained over time through interactions with current social structure. Understandably, entrepreneurship is inherently conservative and does not lend itself well to be transferable from founder to successor. In fact, for some enterprises, entrepreneurship may not

ordinarily have died with the founder or change of leadership, but may not have existed in the first place.

7.6 NEGOTIATING FAMILY AND BUSINESS INTERESTS

The inseparable connection between family and business systems has had a profound effect on governance and sustainability of the family business. The intensity of the associated emotion between the two has been exacerbated by the difficulty in separating the owner manager from the organization.

Johnson (1995) who investigated the nature of stress and its management in SMES, concluded that among the main reasons that the context of small firms is so different to a large organization is that for the owner-manager of a small firm the business is often the individual's 'psychological child'. A business loss represents a personal loss. To a large degree, the owner is the business. The individual's personality and talents make the operation what it is. If this person were to be removed from the practices, the company might be unable to continue (Hodgetts and Kuratko, 1998). Similarly, there is no separation between family relationships and business relationships and no relief from one in the other. Those who work for someone else can leave business frustrations behind them when they return home or seek refuge from home problems in the office. This is unlike in the family business where 'the family is the firm and its members are denied that kind of safety valve' (Cadbury, 2000:7).

This explains why the issue of succession has been contentious and problematic leading to intra-family rivalry. The close entwinement of the company's structure and organization with personality of the owner-manager is one of the main reasons the family business had failed to live beyond the founder. The close ties were expressed in the organizational structure which was centred on the owner-manager and therefore resulted in the death of the company as soon as the founder was absent (Willer, 1998). If the founder disappears the business would equally disappear from the scene. This possibly explains the story of decline in business at Ken Security after the founder left for studies abroad, Mushi and Sons, Runa buses, the closure of two ventures belonging to Mate family and Mupa General Dealers. While the emotional bond between family and business negatively impacted on the continuity of some businesses after succession, the same can be credited for the current stability at Pen Family Bazaars. However, the life of this business in the third generation was not guaranteed given the detachment of children and spouses from the business.

The succession process has great potential to disturb the family – business bond and equally the same bond can determine the pattern of succession. The 'family business' and the 'business family' are two distinct components that must be dealt with and disentangled if progress toward business sustainability in post succession era is to be made. Pressure and interests inside and outside the firm make succession a highly charged emotional issue that requires not only structural changes but cultural changes as well. Family succession includes the

transfer of ethics, values and traditions along with the actual business itself. Family business owners typically fail to recognize the different needs of family and business. Even in firms that attempted to formalize their operations and management like K-C Guard Sec and G&M Panel Beaters, family influence was still unavoidable. Even when family members do not play an active role in the business, they can still exert pressure on and hold interest in the firm's succession. Often business's traditions and norms collide with family culture, strength and influence.

Although fifteen of the business owners expressed the importance of considering business interests when choosing a successor, most entrepreneurs usually focused on a son or daughter or brother with intention of gradually giving the person operational responsibilities followed by the transfer of strategic power and ownership. Family interests take precedence. However, it is interesting to note that of the eight businesses in the second generation, there was no evidence of the business having been transferred to a 'wife'. This is understandable given the gender bias in terms of patriarchal rules of property ownership and inheritance among the Shona in Zimbabwe. Inheritance practices are however, neither static nor uniform. These practices, according to Deere and Leon (2001), have changed over time in response to a myriad of factors that include legal reforms and more equitable property inheritance practices. The demand for equality of inheritance rights among men and women is beginning to enter the public discourse. Recently, male owner-managers have intuitively involved wives in

their businesses as some kind of preparation for taking over management and subsequently ownership. KG Brothers' Driving School, SF (Pvt) Ltd and G&M Panel Beaters are cases in point. This is done as a way of protecting offspring or kin from losing the benefits to non-participating members in the event of his death (Wild, 1997). This in a way is done to avoid direct family conflicts that may disturb current stability and future survival. This is a controversial issue, since women's equal access to property will challenge many existing beliefs, practices and traditions (Meer, 1997; Mbiba, 1999), thus creating possible tensions between successor and other family members. Business ethics and related practices and procedures ought to be guided by human culture (Mararike, 2003). Succession constructs new family business configurations that have potential to threaten family business survival and continuity.

Previous sections have illustrated that when the founder or owner-manager was still active in business; he could choose or involve either members of his nuclear family or extended family in management of the business. He could also exploit the 'family myth' as a resource that would bind the family and business together (Carter, 2000; Johannison, 2000; 2002). However, when he 'let go' both ownership and management, family members including the previously non-participating ones would join in the fight over the deceased's estate. Such a situation creates a crisis of expectation as observed at Freespace where the fight over inheritance of the bus company between nuclear and extended family members led to the business decline. A brother to the late founder resented the

arrangement for the succeeding son and his father's wives to take over management of this business. The new arrangement meant loss of power and identity (Hodgetts and Kuratko, 1998). There were thirteen buses and a haulage truck in 1997 but only one bus was operating in 2005 and the haulage truck was understood to have been sold off. Non-family employees may also join the fight as they have hopes and expectations which needed to be addressed. Such events pose a threat to post-founder organizational durability (Ukaegbu, 2003).

7.7 STRATEGIC PLANNING AND FAMILY BUSINESS CONTINUITY

“.... since many people want to keep the business in the family, a decision has to be made regarding the heir. This is often psychologically difficult. Choosing an heir can be like buying a cemetery plot. It is an admission of one's mortality “

(Hodgetts and Kuratko, 1998: 596).

This study supports other research findings by Maphosa (1999); Wild (1997); Holt (1992) that show that less than half of small business owners had formal plans prior to going into business. Many founders engaged in formal planning soon after forming businesses, but a third could not recall ever having a formal business plan. For some one could not even know the reasons for that. This lack is understandable because few of those who failed are still around to be interviewed (Holt, 1992)!

Strategic planning appears to be a scarce, fragile commodity in the small business environment particularly family businesses. In our sample of twenty businesses, forty percent (40%) had no business strategic plans and this was due to the fact that there were too many uncertainties surrounding the business environment to allow any form of planning. Most of them did it intuitively; facing or confronting issues as they came on a day to day business.

Those businesses which believed in strategic planning tended to have plans as the firm grew and became more formalized. This was the case with G & M Panel Beaters and K-C Guard Sec Security. Ken Security management occasionally held formal planning meetings particularly during the period the business had grown to more than sixty guards. This was done as way of complying with requirements to access financial assistance from institutions or maintain business contracts with large corporates. Fifteen of the business leaders interviewed also identified lack of planning as a major cause for the high rates of business failure. Most of the small firms particularly family owned or controlled ones do not at all engage in true strategic planning, and the rest may do so only sporadically or temporarily despite the evidence that strategic planning can help firms survive and prosper (Sexton and Van Auken, 1985). Too often planning stops after loans and investment capital are acquired.

Ward (1987) stresses the critical importance of strategic planning for growing firms that desire to continue through future generations. Of the twelve businesses

where strategic plans were claimed to have existed only two had lived beyond the first generation. This explains that the plans were either not genuine or failed at execution stage. It was very difficult to ascertain whether or not the successes being recorded by some of the businesses were due to the presence of strategic planning. It is however, evident in our study that most businesses did plan although it is not always true that all family businesses understood the concept of strategic planning. Of the twelve firms which preferred plans, there was no distinction between vision or strategy or plan. There is often confusion between strategic and operational plans. This is understandable given that even in large corporate firms the concept of strategic planning was fairly new and recent. Furthermore, the costs associated with building organizational strategies and plans particularly in circumstances where a facilitating consultant is contracted, tended to discourage business leaders to truly do strategic planning.

The level of understanding varies from business to business and depends also on the business leader's and family members' experience before starting a business. In our case, it was observed that although some of the businesses were formed or owned by experienced business professionals ranging from accountants, bank managers, and lawyers to technicians of various skills, there was still no evidence of strategic planning in these businesses. Despite the absence of such plans, twelve firms still cited the presence of strategic planning as one of their strengths. For these professionals, even though the concept was not novel to them their business still struggled or failed. For personal service

firms like hair saloons, the lack of strategic planning is understandable as the owner is truly the business and the business is equally the owner (Holt, 1992; Hodgetts and Kuratko, 1998; Moores and Sonsino, 2003).

Succession Plans and Business Continuity

The high rate of business failures is particularly irritating to family business owners who often have no successors. In the absence of a successor, the life of a venture is limited to the working life of its founder. Often the company's structure and organization are closely entwined with the person of the founder. Therefore the problems of the companies managed by the second or third generation mirrored these founders' mistakes concerning the regulation of succession (Willer, 1998).

Only one out of the twenty owner managers interviewed indicated no intention to keep the business within the family. The owner of SF (Pvt) Ltd, Mr B wished to sell off his business when he finally retires. He however does not have an answer to what will happen if he suddenly dies before he sells it off. The enduring interest in sustaining and further developing the company was the prime concern for most family business owner-managers or entrepreneurs. Since many people wanted to keep the business in the family, a decision has to be made regarding an heir. The basic rule for family owned businesses is that the owner should

develop a succession plan as this controlled the destiny of an enterprise (Hodgetts and Kuratko, 1998; Nadel, 1997).

The fact is that one generation succeeds the other with biological inevitability, yet most family businesses never formulate succession plans (Hodgetts and Kuratko, 1998). Succession planning should not be limited to replacement of founder who has died. There are many circumstances that lead to the replacement of the owner-manager resulting in severe business decline namely illness, mental or psychological breakdown, abrupt departure or severe business decline, resulting in the owner-manager deciding to quit.

Of the nineteen businesses whose owner-managers preferred to have their businesses remain within the family, there was no written succession plan even among those who had indicated that they had one in place. This is probably possible due to the multiple dimensions attached to the meaning of succession planning. The absence of written succession plans does not necessarily suggest no planning was taking place. We have seen that interactions and relationships between and among family and non-family members provided some kind of preparation for taking over the firm. These actors tended not to worry much about specific roles which some of them are allocated by the founder but the actual transfer of power which comes with the departure of the founder was the critical issue in the implementation of every succession plan.

The meaning of succession planning is socially constructed (Berger and Luckmann, 1966) and varies from one business leader to the other depending on the interactions among actors and their adaptation to the various contexts. In four of the twenty businesses, leaders argued that they already had succession plans in place since the other family members were aware of the next leader of the business. However, in twelve cases, family members or employees were not aware of such an arrangement even among those in three firms where the founder had confirmed that the chosen successor was already public knowledge. It was also observed that most family business founders or owner-managers restricted the 'family' boundary to only members of the nuclear family. This, however, has limitations as the experiences at Freespace showed that beyond the founder, other family members of various relations particularly brothers or sisters would evidently emerge to claim rights over what they called 'sweat of their kin' (Birley, 1985). This often creates protracted succession agendas and dramas.

For some like Mr Guvha of Warren Moonlight Bar and James of Mushi and Sons, a 'will' could equally work as a written succession plan if the survivors respected its instruction. But a will is only an instruction on how assets left by the dead would be distributed! It does not go beyond putting in place or preparing someone for management of the same inherited assets. In sixteen of the businesses, different roles or training that were given to participating family members could work as preparation or an arrangement for succession. This goes with any form of power one would be exercising during the founder's time. The

difficulty in separating ownership from management of a family business renders succession even more complicated. Founders or owner managers like Mr. Munake who claimed to have transferred management of the firm to their sons while they retained ownership would effectively not have practised any real transfer of power. This is because in African philosophy, one cannot manage what he does not own (Mbigi et al, 1993).

Most of the family businesses preferred the tacit way of choosing the next business leaders to avoid costs associated with making public their heir. While owner-managers differed on the selection method, they concurred on the need to adopt the tacit route. Among the thirteen family firms where no written succession plans were approved of, various reasons were given by owner managers and leaders, some of which is the fear of igniting conflict among family members. It was also observed that most owner managers particularly founders were unwilling to relinquish power and status associated with the business. Family firms were a symbol of both social and economic capital. Founders appeared to have no confidence in the possible successor abilities. The case of Munake sons is a case in point. The founder is operating like Poza's (2004) 'general' where leadership is only temporarily relinquished and later repossessed for what has been claimed to be for the security of the firm. As a result these businesses are left without well trained and effective leadership. Problems currently being faced by Mate Transport, Runa Motorways and the fall of Freespace and Mushi and Sons illustrate the impact of succession on business

continuity. For personal service businesses like hair saloons the impact is even much more severe as the founder would disappear with the business.

7.8 DISCUSSION

Although it has been difficult to measure the actual impact of the lack or presence of succession on business survival, the relative positive association or correlation between the two variables is evident. According to the case studies in this thesis most of the businesses struggled to survive beyond first generation due to lack of clear contingent future business continuity plans. For some, current business practices may see the businesses folding even under the founder leadership.

The transition from entrepreneurial style to managerial is not an easy process. A strong succession plan is best for smooth transition and subsequently business continuity (Chrisman et al, 2003; Wasserman, 2003). Among the different transitions that are possible, probably the most difficult to achieve and also perhaps the most important for organizational development is that of moving from a one-person, entrepreneurially managed to one run by a fundamentally organized, professional management firm (Kanungo, 1998; Hodgetts and Kuratko, 1998; Haverman and Khaire, 2003).

It was argued, earlier in this thesis that often entrepreneurs are unable to manage what they would have created. It is one thing to commit entrepreneurial will and energy to establishing a large commercial enterprise like K-C Guard Sec and G&M Panel Beaters. It is quite another to create an organizational structure that can enable that enterprise to survive and endure. Goals set by founders are unlikely to be pursued with the same passion by successors. As Ukaegbu (2003) puts it, investments may grow and flourish with committed leadership or excellent managerial acumen of the founder but may not survive his exit. At formative stages the founder skills and characteristics can be very effective but may become inconsistent with demands of an advanced firm and this may find him unable to manage the growth.

In the definition of the business survival; growth of a family firm in the form of size of workforce, additional branches or management structures were identified as some of the critical indicators of business survival or continuity. However growth can be both a paradox and contradiction. Some entrepreneurs and business founders get overwhelmed by the phenomenal growth of the business because they are unable to confront the planning and administrative challenges coming with the new structures. A number of changes that confront rapidly growing firms include instant declines, sense of infallibility by the owner managers, internal turmoil and extraordinary resource needs and these can lead to company decline if not well managed. The cases of Mushi and Sons, Ken Security and Runa Motorways are cases in point. Thus growth can be both a threat to and an index

of business survival. It should however be acknowledged that not all business declines were as a result of lack of either entrepreneurial or planning skills. Macro-economic and political challenges confronting businesses that included labour turnover and shortage of spare parts and other related inputs led to companies like Ken Security, Freespace Enterprise to decline steadily over the years. All economic declines may not be attributed to the dead founders.

After having traditionally operated as one-person management with probably the assistance of a spouse, child and or a few relatives for so long without any need for delegation, the new structures arising due to either the expansion or just an increase in workforce may result in loss or redistribution of power and influence. As Wild (1997) observed, status among the African economies was 'true capital' and any transfer of management and ownership was perceived by owner-managers as loss of power and identity. We have already seen that succession possibly leads to the death of entrepreneurship and while it leads to reduced innovation and reduced growth, death of entrepreneurial orientation can encourage delegation and allow employees to be more innovative and creative. Thus family business leaders that plan for succession would be preparing for future survival by way of putting in place contingent structures to deal with uncertainties and politics associated with the departing founder. However this assumption tends to treat all founders as having entrepreneurial vitality and all successors as without.

The social construction of the meanings of both business survival and succession is critical in this analysis. We have already seen how the concept of business survival takes multiple dimensions depending on situations and contexts and the diverse ways both founders and owner managers and the heirs apparent perceived succession. This has significant implications on the character of succession and impacts on the performance of firms. For example, it has been observed that the adoption of a 'tacit' route of choosing a successor by most owner managers while an effective way of avoiding intra-family rivalry it may also send wrong signals to the same family members. It may create an impression that the business leaders did not wish to have them participate in the management of the firm. Further, this created a crisis of expectation among the participating family members. In post- succession era, reduced productivity could be experienced as stakeholders are preoccupied with issues of power and legitimacy arising from the confusion and uncertainty created by lack of preparation and planning for succession. In earlier sections we have seen how brothers and uncles fought endlessly over both ownership and management of the businesses their late fathers had founded and left.

It has also been difficult to disentangle family from both business interests. As a result life changing events that occur to different individuals often put pressure on the firm. For example, death, divorce or illness or any departure of a key member may result in the business being temporarily suspended and sometimes with no recovery chances. Although our sample did not have any divorce case, it would

be folly to dismiss such a possibility outright. In fact, the conspicuous absence of spouses in management of most businesses could indicate that in terms of property ownership and management, female spouses are excluded from any succession or redistribution claims (Mbiba, 1999). The meaning of family participation and involvement appears to be reconstructed conveniently only for purposes of mobilizing and controlling labor in the form children and relatives. For example, at KG Brothers' Driving School some in-laws were reported to be assisting with the management of the enterprise in various ways. It appears 'family' or 'kin' involvement in businesses is more of a survival ideology and rhetoric than an ordinarily genuine practice. Furthermore, the number of family members observed across the management structures of businesses in this study, may just be meaningless unless taken into context. For example, some children may be barred from entry by their parents while for some participation may not be an option but a social obligation (Heck, 2004). As a result it would be difficult to assess their interest in the family business or satisfaction with the succession process. It is also not easy assessing the level of 'familiness' in a business by way of number of children, spouses, brothers and sisters alone.

7.9 CONCLUSION

Although this thesis has established a strong association between succession and business continuity, a number of factors do constrain the relationship. The perception of the business by the second or later generations also interfaces with

the succession process. Businesses are possibly failing because the successors do not perceive genuine ownership. If we applied the 'endowment effect' model (Kahneman et al, 1990; Isaacharoff, 1998), we would expect that once the successor owns and controls the family business he or she would value the business more than he or she did prior to this ownership. The perceived value attached to the business is also dependent on how the successor obtained the business. Those who just become owners by way of inheritance after having invested nothing in terms of any financial capital as what happened in all the second or later generation cases in this study were likely to place less value on the business. The new leader's perceived value of the business is unlikely to be always congruent with that of the founder and this has impacted negatively on the business survival.

Succession creates new multiple identities, statuses and power relationships between stakeholders that strongly impact on the future of the business. Perceptions and capabilities of successors and their interactions with other family members, employees and contingent factors that include culture and experiences have a strong effect on succession and hence post-succession organizational continuity and durability. While succession plans, either pronounced or tacitly practised, strongly influenced the family business survival, the relationship between the two is not clear-cut and symmetrical and should not be taken for granted. Succession planning can be both an asset and liability and equally a source of cooperation and conflict.

CHAPTER EIGHT

DISCUSSION OF THE RESEARCH FINDINGS AND CONCLUSIONS

8.0 INTRODUCTION

The first chapter of this thesis presented a background to the issues around succession and family business survival from a social constructionist analytical framework. The second chapter reviewed literature along themes that were guided by research objectives leading us into the third chapter which takes the reader on a tour of the adopted research methodology. In chapter four, detailed cases of family businesses are presented. An overview of the research findings and the related debates in the context of related literature are presented in Chapters Five, Six and Seven. Finally, in this concluding chapter, I present a final discussion of the research findings and draw conclusions in line with the objectives of the study.

8.1 FORMS AND ACTORS' VIEWS OF THE SUCCESSION PROCESS

The first objective of this study was given as to identify and analyze various forms of succession among family businesses in Zimbabwe. In line with this objective, we have observed in Chapters Four and Five that succession planning

was an intractable social process whose outcome was not pre-given and easily predictable. The method of succession has been conceived as one of the principal factors determining the stability of any organization (Gouldner, 1954). All but three of the twenty businesses selected for this analysis were relatively small and medium enterprises and mostly based on informal structures. 'Strategic replacements' among these businesses were more complex and unstructured.

While I recognize the significant influence of founders or owner managers' characteristics, motivations and perceptions on the pattern and structure, it is my argument that the social interaction particularly the relationships between them and successors and other family members were crucial to determine the form of succession for the business. In this context succession in its content and nature is a relational and ongoing social construction (Sjostrand et al, 2001; Burr, 1995). Most of the business owners interviewed indicated that they had no formal planning and where some form of succession plans existed it was done tacitly, often without the knowledge of both the heir and other family members.

This study has demonstrated the influence of founder characteristics in influencing business continuity planning. As Poza (2004) and Gallo (2004) put it, the particular way of succession planning for a given business is significantly directed by how incumbents perceived would be the reaction of other actors. Looking at cases like Warren Moonlight Bar, Murombo Munake Hardware and

T&M Appreciative Pottery, the owner managers preferred a tacit to an open and structured plan because they argued that that created intra family rivalry which was unhealthy for the business. Reluctance by owner managers particularly founders, to put plans in place, as observed in Chapter Five and Seven, was also due to 'succession conspiracy' (Lansberg, 1988). Founders and participating family members were not comfortable with discussing succession. In fact, among the Shona people discussing leadership succession when the incumbent was still alive was considered a taboo. As a result actors were not comfortable with discussing such issues. Entrepreneurs or founders are predominantly conservative and such characteristics do not lend well to delegation and subsequently planning (Maphosa, 1996; Willer, 1998).

Often there is no clear cut succession plan or time table to follow. Succession arrangements, as was observed in Chapter Five, were a matter of tacit understanding between founders or owner-managers and potential successors, rather than through formal planning and management development. As Burr (1995) asserted, the social practices engaged in by people and other interactions with each other, were responsible for the patterns of business leadership at each period. Through tacit orientation, by way of participating in the business on part-time or full time basis new leaders got created. The cases of the Mutongi and Munake brothers' management at G & M Panel Beaters and Murombo Munake Hardware respectively are cases in point. The only problem with this approach is that the leaders are not explicitly communicating their intentions to both the

designated heirs and other participating members. Some successors were not even aware of such plans to have them succeed in the management of the businesses. This failure to communicate created even more trouble for the business as it often caused anxiety and uncertainty particularly among non family employees resulting in reduced productivity.

Some of those tacitly selected may not be interested in the management of the business. Gallo's (2004) observation which this study confirmed is that successors brought divergent perceptions and constructions to the situation leading to 'intergenerational incongruity' (Carlock and Ward, 2001). It is argued that businesses often fail to live beyond their founders as a result of this. However, scholars like Narva (2001) and Haverman and Khaire (2003) take issue with this argument and put blame of the high mortality rate of family businesses in later generations squarely on the other factors contingent to the family controlled businesses rather than on the founder or successor's leadership styles, characteristics and orientations. The effects of founder succession on business failure were contingent on either the following; extent to which the organization reflected the family history and heritage (as indicated by the profiles of all the successor controlled businesses), roles by founders or the availability of support from various stakeholders and institutional framework.

The thesis of intergenerational incongruity and its contribution to high mortality rates in later generations revolves around the issue of the relationship between

founders or incumbent leaders and successors. As Brockhaus (2004) and Dunemann and Barrett (2004) observed, the quality of the relationship between the leader and successor was a critical determinant of the succession process. Relationships between founders and successors, participating and non participating family and non family members are strongly influenced by individual expectations and perceptions to the situation.

Although this thesis has attempted to demonstrate how motivations and perceptions strongly influenced the succession process, there is need for further exploration on this, possibly by way of a largely ethnographic and longitudinal case investigation on a much smaller sample of about five selected businesses.

8.2 DIMENSIONS AND POLITICS OF FAMILY PARTICIPATION

In an attempt to address the second objective that focused on assessing the nature and extent of family involvement in the ownership, management and transfer of businesses across generations, I discussed the concept of succession as a social interaction. I further analyzed how it takes a 'collective narrative' and a political dimension. We have seen, in Chapter Five and Seven, that those perceptions and constructions of the situation by actors (Berger and Luckmann, 1966) did not only influence the assessments of the character of family participation but also the multiple dimensions of business performance or survival and continuity beyond founders. The meanings are continuously reconstructed

depending on the actors' views and the stage of business cycle. My study was conceived as a piece of constructionist inquiry in that its focus was on family members' and other stakeholders' constructions of business survival and succession.

This thesis is supported by Serrano (2006) who takes issue with taking a fixed definition of both family and business performance and asks: whose performance and survival? And for whom? Who is family? Grassby (2001) adds that family has never been a rigid institution and its structure has changed continuously with the life cycle, as its members move in and out, marry, age and die. Thus the family is therefore a moving target. Although most of the businesses in this study were founded by individuals solely to generate incomes for themselves as entrepreneurs and their immediate families it was evident that other members of the kin group tended to get involved in various ways. For the business there was no boundary between family matters and business issues and distinguishing income earned from participating in business and that accruing only as membership benefit was a difficult exercise. As Fournier (1996) argued, the concept of family business blurs separation of 'market' and 'home', as the family and the business were inextricably intertwined. For example, the Matutu family members who are the owners of Pen Family Bazaars all except the elder sister appeared invisible as far as management was concerned. However, Mrs. Chiwa, the only family member who is involved in the business on full time basis indicated that everyone was actively involved.

It is also not clear how proceeds from the businesses were distributed. Furthermore, the conspicuous absence of spouses and children in the management of the enterprises is an issue needing further interrogation. The absence and delayed introduction of children and spouses or in-laws in the management of businesses was also observed by Maphosa's (1996) study of ten indigenous businesses in Harare, where some of these were even officially registered directors although they did not even participate in the running of the businesses. The so called directors or partners who were often wives were not even consulted over key business strategic decisions. As a result when the founder finally retired no one would be ready to face up to the demands of the business.

The concept of family participation as an index of collective entrepreneurship as presented by Gartner (1989) was hardly supported by any findings in this study. Instead, as Johannison (2000) and Maphosa (1999) observed and as demonstrated in Chapter Six, the family businesses were not genuinely collective. There is unwillingness by founders to 'let in' or go into joint business ventures with relatives. The sustainability of the current 'brother' or sibling type of partnerships at G&M Panel Beaters and KG Brothers' Driving School would need future reassessment. Family was both a myth and ideology. Whether or not the business was owned and managed by the family members is therefore a process of social construction, as meanings and values or orientations members attach to the process depended on the value of the actors (Jorgenson, 1991 and Berger,

1995). How family members discursively construct the domain of 'family' from within is a question that proceeds from the view that family reality is socially created. The process of reality construction takes place in the family's ongoing routines of interaction and social exchange. We also saw in Chapter Six that the involvement of children was not by choice. A good example is that of the late Mrs. Matutu who looked at her children not only as future leaders of the enterprise but also as a source of labor. After the death of her husband she had to look for the assistance from her children in both the management and daily operational chores of the firm. She could not afford paying wages to non-family members.

Participation in family business as a social obligation was also shown in Chapters Four, Five, and Six. Family business was a social system and all actors; employees and managers were social animals whose meanings of the processes were constructed and reconstructed (Alvesson and Skolberg, 2000). Family has never been a rigid institution. For some, 'family' excluded females although recently some of them have been drafted into management or ownership. 'Familianness' was considered a myth and intended to mask inequalities across levels in the organization. It acts as a technique of sustaining the power and domination of a 'monolithic' knowledge (Ogbor, 2000). Consider how women's role in the family firm constitutes another interesting issue because of their low performance in management, and its importance with respect to the extension of trust networks (Pfeiffer and Campins, 2006). The 'familianness' approach has also

been acknowledged as an appropriate framework for exploring how families find advantage, and for exploring the relationship of that advantage to performance outcomes (Klein, 2004; Navarro and Martinez, 2004; Habbershon and Williams, 2003). The role of the family and of family related influences on wealth creation have to be placed at the centre of entrepreneurship discourse. We have already seen, in Chapter Four and Six, that family cohesion like all other forms of social group dynamics does not occur by accident. It needs to be collaborated and maintained by way of communication. Unlike in large, formally operating firms, communication among family business members was rather informal and by way of conversations. In this thesis, I also demonstrated how difficult it was to distinguish between family and business discussion. Even though participation was not always genuine enough regular conversations created perceptions of shared beliefs which could be an important stimulant of collective family activity (Habbershon and Astrachan, 1997).

‘Familianness’ as a form of entrepreneurial identity might be better understood from the concept of self as relational, multiple and contradictory. ‘It is not a fixed ‘thing’, it is negotiated , open, shifting, ambiguous, the result of culturally available, power-laden enactments of these meanings in everyday situations ‘ (Kondo, 1990: 24).

It is not easy to assess the level of ‘familianness’ in a business by way of the number of family members participating or not participating. Using the social

constructionist orientation, we discern some fuzziness or plasticity of conceptual family boundaries; since 'family' as a gradient term, is applicable to various individuals in varying degrees (Jorgenson, 1991). Absence of spouses, children and in-laws from direct involvement may not necessarily suggest any form of intergenerational incongruity .Such members may have been denied chance by owner managers or founders. Similarly, some degree of involvement could only function as a labor mobilization and control mechanism to ensure loyalty while reducing the potency to resist both the physical and social changes.

In line with the same objective of assessing the level of participation of family members in the businesses, I further examined the management and governance structure of family businesses through Boards of Directors. Families can also exercise influence through leading and or controlling the business by means of such management and or governance participation (Astrachan et al 2002). Ensely and Pearson (2005) add that the behavioral processes of top management teams affect the strategic decisions and performance of family firms and that this depends in turn upon the composition of the team in terms of family and non family members. However, this study did not find the 'composition of members' a significant variable in family business governance as those Boards and company directors were not genuine. Some family members are officially listed as company directors only as a statutory company registration requirement (Maphosa, 1999). They neither held business meetings nor played any advisory roles. As a discursive construct, the Directors were appointed to

communicate certain points rather than to facilitate management and business development. They acted as symbols of modernity or professionalism and as rhetoric of inclusion that provided images and character to familism (Shawver, 2004). They would be defined as good for both the business and family.

Although a significant number of owner managers approved of such an arrangement in only three was there an attempt by owner managers to introduce 'genuine' board member participation. Examples of such boards are found at K-C Guard Sec, G & M Panel Beaters and T & M Appreciative Pottery. We need to note that the existence of boards among the three businesses was possibly due to the fact that these were unique and a bit uncharacteristic of indigenous family influenced businesses. They operated on partnership basis and in such cases the role of the board, which is composed of both family and non family members, would be to ensure equitable distribution of shares and power. They were all in first generation and founded by people who had recently retired from fulltime employment and with relatively fair knowledge of such concepts as strategic planning and corporate governance.

We have already observed, in Chapter Six, how some composition of management boards as indicated by the official organizational structure could be misleading. Often lists would include spouses, children, parents and other relatives without even consulting them. All the twenty businesses selected for this study were officially registered and had lists of 'company directors' whose

invisibility was even most pronounced at succession stage. The board members do not influence any policy changes and their involvement is even very marginal with some of them as low as general employees. I maintain that where real board members were in place they would assist in holding the firm stable and in the event of sudden death of a founder or owner manager they would assist by providing strategic guidance to the heir. Appointing active board members was one way of preparing for succession and ensuring smooth trans-generational transfer.

8.3 THE ROLE OF WOMEN IN FAMILY BUSINESS GOVERNANCE

The assumption that the leadership involved in the founding and running a business is most naturally male is constantly reflected in, and reinforced by, the entrepreneurship and family business literature (Hamilton, 2004). Our study lends support to this gendered and stereotypical assumption about women participating in family business.

In the literature reviewed and as reinforced by the study findings, wives, female partners, daughters, and sisters of the owner managers rarely appear in the management and or ownership of the businesses. As a result, the role of women in founding and running businesses has been 'invisible' or 'hidden' (Ogbor, 2000; Poza and Messer, 2001; Colli , Perez and Rose, 2003). In seven of the twenty businesses selected for investigation, women were conspicuously absent either

in management or ownership across all the three generations. However there were cases when females founded their own enterprises particularly hair saloons. We have also seen that in only two businesses; that is the two hair saloons, were females the direct owners although with bounded authority and autonomy. At 'His' Rib Hair Saloon, the owner Mrs. Nkosi seemed to have no perfect control and full ownership as she invariably continued to be answerable to her husband who worked abroad. The situation is the same for, Sandy of Genesis Hairdressing whose father, from whom she received starting capital, continued to exert significant influence on the control of the business. Due to patrifocal influence she would need to consult her parents when it came to key strategic decisions like relocation, expansion, diversification or disposing of the business. Even if she was the official sole owner of the saloon effectively the business was partly family controlled.

Female successors among indigenous businesses are generally scarce and in our study only four (20%) of the successors were women. The rest of the successors in all the businesses in second and later generations were males; mostly sons and brothers. Children, particularly sons have rights to their father's wealth under patriliney to the extent that at the death of the father, the eldest takes charge of the father's wealth (Stafford, 2000) and even succeeds the father as head of the household with decision making powers. According to the Shona practice of succession the oldest surviving son, provided he was of age, succeeds to his father's name and assumes control of the estate of his deceased

father for the benefit of its members. The situation at Freespace is a case in point where the late founder's eldest son was only twenty-one years old when he became head of the business. When we visited the company premises about four years after the death of the founder it was indicated the business was already a centre of dispute between him and his *babamudiki* (uncle, that is, his father's younger brother). His mother and the other of his late father's three wives appeared very invisible and almost hapless.

In an attempt to further explore the role of women in family business management and succession, I focus my discussion on what Poza and Messer (2001) called the 'CEO spouses'. These are the wives of owner managers' experiences and perspectives of the situation in which they find themselves. We have already seen, in Chapters Four and Five , that there are few attempts by owner managers to make their wives visible in the management of businesses. KG Driving School, K-C Guard Sec Security and G & M Panel Beaters are cases in point. All these are in partnerships and in each of them the spouse of the other core-owner manager was not actively involved in the management of the business. Presumably the spouses can be visible as long as they do not challenge the power of the 'CEO.' There seems to be an acknowledgment of the importance of the role of the wives in succession and continuity, but the possibilities are gendered and remain limited. My thesis reflects and reinforces the relative silence and invisibility of women in entrepreneurship in general and family business research in particular. I maintain that the powerful leadership and

influence of women in family businesses is either ignored or presented in stereotypical feminized forms.

The role of women in family business succession and continuity is therefore not only under researched, but existing empirical studies including our own appear to conform to the gendered character of family participation in businesses. This serves to reinforce and perpetuate entrepreneurship as a male construct and limit our understanding of entrepreneurship and entrepreneurial behavior. In order to reveal the complex dynamics of gender, identity and power relations (Hamilton, 2004), we need to explore the story of women lives and the life of the business as told by the participants. In our study we did not find any evidence linking females to any conflict over succession or wealth transfers across all generations. Transferring wealth to females could reduce intra-family feuds which were a common feature between brothers and sons in this study. Furthermore, there appears to be no significant difference in the failure rates between the female and male managed businesses (Watson, 2003). The potential of female leadership was well illustrated at KG Driving School and the two hair saloons. For example, one of the KG Driving School branches was solely managed by a lady instructor while at Pen Family Bazaars both the founding and succeeding managers were females.

The 'invisibility' of women contributes to and reinforces a dominant discourse of entrepreneurship, which has been described as individualistic, gender biased

and discriminatory; producing an ideologically controlled heroic male entrepreneurial narrative (Ogbor, 2000; Hamilton and Smith, 2003). This study has shown that the marginalization of women in the management and succession in family businesses is shaped by patriarchal forces. Although women might be playing an active role in the creation of wealth they often do not receive the recognition deserved.

8.4 REASONS FOR BUSINESS FAILURES IN THE SECOND OR LATER GENERATIONS

The third objective of the study was to as identify and analyze the reasons for the high mortality rates of family businesses in later generations. To address this objective an overview of the case study findings as presented in Chapter Four and further explored in Chapters Five and Seven is presented.

Among the twenty selected family businesses the following factors were identified as critical for a family business to survive: entrepreneurial orientation, integrity, commitment and loyalty. Lack of entrepreneurial skills, experience and orientations had a significant bearing on the performance of family firms particularly in later generations (Poza, 2004). While the survival of the organization during its formative stage could easily depend on individual personality and efforts of its founder; continuity in post succession period required a different leadership and management culture. There is wide literature

supporting this view; for example, Gallo and Cappuyns's (2004) study of twenty Spanish companies, Maphosa's (1996) investigation of ten indigenous firms in Zimbabwe and Kirby and Lee's (1996) exploration of thirty-five family firms in the North East of England, all support the above position notwithstanding their different cultures and institutional backgrounds. In my study, all the informants except two attributed current organizational problems to lack of planning acumen on the part of the founders and owner-managers. Mrs Chiwa and Mr Muza spoke highly of their late founding parents.

However, the persistence of entrepreneurial attitude among owner managers in later generations would not necessarily indicate business success. It is not only individual founder or owner manager's characteristics that influenced future business continuity but also the quality of the relationship between the founders and successors. This finding supports Sjostrand (2001), Burr (1995) and Jorgenson's (1991) observations that; the social practices engaged in by actors at various points in history made leadership a relational and on going construction. Integrity, commitment and loyalty were not rigid attributes. Their meanings vary depending on individual actors constructions. We have already seen in Chapter Five that both founders and successors bring into the relationship divergent perceptions and motivations that often result in conflict between generations leading to intergenerational conflict (Carlock and Ward, 2001; Curran et al 1991). This, as James of Mushi and Sons and Mr Guvha of

Warren Moonlight Bar indicated, often created an intergenerational leadership vacuum. As a result the businesses often die with their founders (Wild, 1997).

Another reason for the failure of family businesses to grow and continue in later generations was the lack of business knowledge often by both founder and successor. In eighteen of the businesses studied, (90%), it was confirmed that owner managers and employees considered successor's knowledge of the family business apart from strong general business experience as very critical for survival. Most of these business owners unfortunately did not prepare their children, brothers or spouses for taking over the business when they finally retired. Moreso, in the event of death of founder some children as young as twenty and without any knowledge and experience were left to take over both ownership and management of businesses. The situation is worse in personal service businesses like hair saloons. The successor would have been a barber or hairdresser before and acquired all the requisite business skills including knowledge of the marketing and networking intricacies common with such type of business.

8.5 THE RELATIONSHIP BETWEEN BUSINESS SUCCESSION AND SURVIVAL

The fourth objective of this study was to investigate the relationship between succession and family business survival. In line with this objective, we have seen

how the following issues became indices of successful succession and business survival or continuity:

- Performance and politics of change
- Familiness and death of entrepreneurship
- Strategic and succession planning
- The place of succession plans

The succession process was observed to have a profound effect on productivity. Family businesses fail to survive beyond founders due to inadequate planning and ineffective human resources systems (Welsch, 1993). The process which is often manifested by departure of leadership; sometimes charismatic, created uncertainty and in the process reduced productivity (Lory, 1990). Succession particularly that arises after the death of founder had an impact on the short term performance of small family held businesses.

One of the most common explanations for the failure of businesses in second or later generations is the succession process itself; that is how it is managed or planned and also the absence of succession plans. Failure to communicate clearly and manage the succession process adversely affected survival of family businesses. Furthermore, it was also shown that absence of written succession plans did not necessarily mean no planning was taking place. There were multiple dimensions to succession planning and what was being planned for

transfer; that is ownership or management. Twelve of the twenty business leaders indicated that they preferred not to communicate their intentions or successor choice to anyone including those targeted to take over. Most of them supported the 'tacit' way or just have it 'evolve when it comes' approach (Moore and Sonsino, 2003). Succession did not need to follow a smooth and predictable route. Failure to communicate to anyone created a lot of anxiety and uncertainty among stakeholders particularly participating family members and experienced non family members. High levels of labor turnover as illustrated by situation in the transport sector were unhealthy for business continuity.

We saw, in Chapter Seven, how business continuity takes multiple dimensions including the persistence of familiness. Business continuity can also be measured by the extent to which an enterprise continued to exhibit familistic ethics and ethos. There is however a paradox with this 'persistence of familiness'. While the survival of family business is measured by the persistence of systemic family influences (Serrano et al, 2006) in business practices, the same can be blamed for the death of entrepreneurship (Gartner, 1989). The disappearance of entrepreneurship overtime will result in loss of innovation and reduced productivity.

Business traditions and practices collide with family culture and change of ownership and management structures would inadvertently lead to loss of power and identity for the incumbent (Hodgetts and Karatko, 1998). This is

understandable given that the distinction between family and business across generations is blurred. As a result, any structural change in the family due to the death of the father or mother naturally has a direct influence on the management structure of a family business.

This study did not assess the impact of succession planning on family business performance thereby drawing comparative statistical analyses of performance at each stage of the business cycle. Rather, an attempt to explore the association between the two variables was made using a qualitative analytic framework. One of the reasons for failure of businesses to gain competitive advantage and realize growth was the lack of strategic planning. Most of the businesses in this study did not have either any strategic or succession plans although all acknowledged the critical role played by such planning. We have seen how succession influenced continuity of family business and how business performance equally affects the character of succession. A well performing company has potential to attract the attention of all kin while an under performing or folding one will naturally be a burden. In laws, siblings or cousins will all get involved in the management or succession debates depending on one's expected rewards.

8.6 CONCLUSIONS

Our research findings are not far from the previous findings that established that on average across family businesses in Europe, America and Africa, only thirty

percent of the businesses survived into the second generation and only fifteen percent made it to the third generation (Leach, 1994; Poutziourris and Chittenden, 1996). My study supports Maphosa's (1996) findings that in Zimbabwe, only three out of a sample of twenty businesses, had managed to survive up to third generation. One conclusion drawn from this study and supporting Wang's (2002) findings is the fact that successors have to prepare themselves for handling residual conflicts and stress consequent to succession. Successor training was an essential variable in business transition. Most owner-managers and other participating family members agreed that family business transitions did occur more smoothly when successors were better prepared. However, our study did not establish if smoother transitions would necessarily result in better post transition performance. Therefore further study, preferably by way of a longitudinal exploration that assesses the correlation between successor training and business performance, needed to be undertaken.

This study also observed that there are multiple dimensions to 'succession planning', 'business survival' and 'family'. Actors' views of the succession process and its relationship to business survival engender a paradigm shift from a rigid rational and systemized view to a more interpretive and constructionist one. Succession planning entails contradictions and paradoxes which emerge from conversations and interactions of stakeholders.

Social practices engaged in by people and their interactions with each other are responsible for the patterns of business leadership and its transfer across generations. Planning is a practical and situated activity whose character emerges in the process of interaction. While owner managers argued that an open and structured plan created rivalry and disunity among other family members and chosen heirs, I maintain that the tacit way was still communicative and meta communicative in nature (Cicourel, 1964) because messages carry multiple orders of information. Actors may perceive such 'silence' as a symbol of total exclusion which would kill interest and loyalty.

This study attempted to show how actors' meanings of succession and business survival or continuity embody certain social constructions. We have seen, in Chapter Seven, that the relationship between succession and business survival was both a paradox and at crossroads. As Moores and Barrett (2002), Holt (1992) and Landsberg (1988) asserted, the founder or owner-manager was leading but in order to 'let go'. They all acknowledged the importance of successions planning in family businesses but were still reluctant to relinquish power. This was illustrated by their lack of interest or enthusiasm in letting their spouses, children and other family members involved in the running of the enterprises. This was possibly due to the fact entrepreneurs were relatively conservative and such characteristics did not usually lend themselves well to delegation and planning. Founder and owner-manager succession translated into loss of status and power (Wild, 1997).

Founder or owner manager succession may be a rejuvenating and revitalizing process and equally disruptive to organizational performance. This is situation specific and dependant on actors' constructions of the situation. Succession involves not only replacement of founder and or owner-manager but also a redefinition of positions and relationships in the family and constructions of new identities. Succession removes a life sustaining force in the form of social capital (Wild, 1997; Jenssen and Kristiansen, 2004) and entrepreneurial zeal (Haverman and Khaire, 2003) that founders would have created over time. Entrepreneurial trait, personal ideological zeal and organizational ideology overtime become contextual factors that influence the manner in which participants in family businesses react to succession.

One of the key conclusions to emerge from this study was that not all those referred to as 'family' businesses were genuinely collective. 'Family involvement' faced both definitional and practical challenges. For Hamilton (2004) family involvement was a rhetoric, myth and ideology meant to ensure sustainable cohesion and cooperation from all actors. We saw, in Chapter Six, how 'familism' as social capital (Bourdieu, 1961, Jenssen and Kristiansen, 2004) worked as a labor mobilization and control strategy at both founder and post succession stages, in companies like G & M Panel Beaters, Pen Family Bazaars and Murombo Munake Hardware.

My thesis illustrated the multiple dimensions to both family and business survival. Since my research was conceived as a piece of constructionist inquiry, I focused on members' constructions of what they called 'family', business survival and succession. In line with this analytic framework, I conclude that the multifunctional character of succession is a complex issue and as a result its association with business survival remains at crossroads.

This study also found out that intergenerational relationship was a significant dimension in the succession process. The quality of the relationship was also crucial to the business development (Lansberg and Astrachan, 1994). Founders and successors bring to the relationship divergent individual and business orientations that often lead to incongruence which adversely impact on post succession survival. This issue was however not adequately investigated for various reasons. Firstly, for those businesses at post succession stage, the predecessors or founders were no longer available as they had died before this study was carried out. As a result I relied mostly on what my informants told me. Most of them, particularly those who considered the current business performance as satisfying, confirmed that their relationship was cordial and hero-worshipped their predecessors. Secondly, for those businesses still under founder regimes, the potential candidates for succession were either too young, disinterested or hardly persuaded to be actively involved in running the businesses. Even if I were to be able to access them measuring stakeholder satisfaction would still not be an easy task.

The study's contribution to the advancement of knowledge needs to be acknowledged. My extensive review of the literature and the analytical rigour employed underscore the study's contribution to scholarly debate on succession planning and business survival and thus making it a timely addition to social science problemization, conceptualization and theory development. It casts new light on something that earlier had escaped serious attention or been understood in a conventional way. Through the use of social constructionist inquiry, my study provides a novel explanation for understanding the succession process and its relationship to business survival in family controlled businesses. The model focused more on the processes within succession than the causal relationship between the two. Actors' view and experience of succession and its relationship to business survival engender a paradigm shift from a rigid rational dualistic and systemized view to a more interpretive and constructivist one.

This thesis allows researchers, business policy makers and practitioners to obtain a wholesome reflection on succession planning, which is often made complex by sheer volume of diverse opinion. Despite the need for further scientific and validated research, family business owners and managers are urged to devote sufficient resources and attention towards succession to promote long-term survival. In order to help families in businesses to better understand how to succeed with their enterprises we need qualified and updated research and this study is one of such timely interventions

I submit that any future research in this area can be extended theoretically and methodologically. Theoretically, there is need to refine the themes assessed in this study with a combination of behaviorist and statistical frameworks. We need to further explore the impact of succession on individual business performance drawing conclusions from comparing performances over specific business life stages; founder, transitional and post succession. This study only examined one measure of failure, that is; discontinuity of the business. The business performance dimension could be extended to include such measures; volume in sales, profit margins and productivity levels. This would assist in making the results more generalizable.

The relationship between succession planning and business survival is more complex than previously thought and that in and of themselves, simple definitions of these do not lead us to ready conclusions. Future research may want to incorporate more complex issues such as the multiplicity and fuzziness of the meanings of 'family', business survival and succession planning. This would require the use of broader family business definitions as ignoring this would suffer from the omission of very conceptual and empirical variables. There is need to recognize the family systems theory in the development of definitions particularly exploring more the place of 'in-laws' and 'honorary' family members in the negotiation and reconstruction of participation in family businesses.

Questions of what is transferred and who gets what advantage in the process need to be further explored. This will add to our knowledge of how tacit knowledge emanating from social capital is transferred during leadership transitions and suggests how different methods of transfer may influence post-succession performance.

To deal with the dichotomy between Eurocentric organizational structures that are common among non family businesses and the persistence of systematic family influences in family businesses, further research should be undertaken on a comparative basis. One could use the same social constructivist model to explore the succession processes among both types of firms.

Methodologically, we need to consider subjecting our sample to more longitudinal study methods that allow more in-depth interviews of leaders of the businesses across at least two generations. Future studies should further explore the views and perceptions of currently 'invisible' participants like spouses and children particularly their choice of careers. Further research by use of critical discourse analysis (CDA) (Fairclough, 1993) is also encouraged. There is need to do much more by examining the dialogue between 'invisible' and 'hidden' participants. This would help to systematically explore the often opaque relationships, processes and events.

Additionally, the sample used was for the small to medium sector mostly urban based so the results may not pertain to macro- businesses and also not representative of those in rural areas where the impact of kinship and the family institution on ownership and management of business is relatively more pronounced. There is need to investigate on a wider scale the consequent changes in family ownership had on some governance structures, decision making processes, strategic competitiveness and firm performance.

The principal focus of my thesis has been to explore how actors reacted to succession and how related social practices and interactions influenced family business survival across generations. Succession in family businesses is a social construction that requires further research through multiple inquiry methods. With such an approach any future researcher would be able to draw conclusions from the observations made out of an actor's view of events. However each construction, no doubt, creates its own problems (Jorgenson, 1991). The multifunctional character of succession and the various constructions family members make of their participation in the businesses render any planning for business continuity a bit complex and fuzzy.

Depending on the situation and actors' construction of events succession planning can be both an asset and liability. The process contains inherent contradictions and paradoxes that pose threats to post founder durability. In an attempt to prepare for future business continuity through succession planning,

the founder or owner-manager may actually create rivalry and conflict among family members which are both threats to business survival. The association between succession and family business survival is a strong one and the two are often at crossroads.

APPENDIX 1

Schedule of Interview Questions

1. Business or Trading name
2. Name(s) of owner(s)
3. Age(s) of owner(s)
4. Gender
5. Age of enterprise/business
6. Nature of business
7. How did you become the owner of the business?
 - 1) Inheritance
 - 2) Purchase/own savings
 - 3) Loans
 - 4) Franchise
 - 5) Other: (specify)
8. What is your position in this firm/business?
9. How many businesses have you started?
10. When did you become leader or head of the enterprise?
11. What is your relationship with the predecessor?
12. How many years of experience in the field had you when you began this business?
13. Did you have any prior training before starting or joining this enterprise?
Yes/NO
14. If Yes, specify
15. What was your reason(s) for starting your business?

16. Ownership and Control Pattern

Position	Non family members	Family members
Board of directors		
Management		
Supervisors/team leaders		
Clerical		
Other operatives		
Total		

17. Number of employees at the start of the business

18. The current number of employees

19. What stage of enterprise development is your business?

- 1) 1st generation or founder stage
- 2) 2nd generation
- 3) 3rd generation
- 4) 4th generation
- 5) Other

20. Which best describes your business?

- 1) Sole Owner managed
- 2) Family partnership
- 3) Non family partnership
- 4) Other (specify)

21. How is your business managed or controlled?

- 1) Both family owned and managed
- 2) Non family owned and managed
- 3) Family owned and non family(employee) managed
- 4) Other (specify)

22. Do you have a written business strategic plan? Yes/NO

23. If NO; state reason(s)

24. What is your vision? (Where do you want to be in the next 5 years?)

25. To whom do you want to transfer management of your business?
26. Are your children keen to take over the business after your departure?
Yes/No
27. Give any reasons for the above
28. To what extent are your family members involved in the management?

	FULL TIME	PARTIAL	NOT INVOLVED
Spouse			
Sons			
Daughters			
In-laws			
Brothers/sisters			
Other relatives			

29. What are the common challenges facing your business today?
30. Identify your strengths (if any)
1.
 2.
 3.
 4.
 5.
31. Identify your weaknesses (as above)
32. How often are family meetings held? .Daily/Weekly/Monthly/....other...
33. How often are business meetings held?
34. How do you select the next leader or your successor?
35. Would you want outside board members to get involved in the selection process? Yes/No Give reasons.....
36. Are other family members aware of who is the next leader? Yes/No

37. Which areas best evaluates the potential successor abilities?

Ratings

Criterion	1	2	3	4	5
Educational level					
Technical skills					
Managerial experience					
Outside experience					
Knowledge of the business					
Knowledge of family history					
Gender					
Birth order					
Personal relations					
Other					

38. Which are the critical success factors for any business survival?

Ratings

Factor	1	2	3	4	5
Entrepreneurial attitude					
Successor Integrity					
Successor commitment/loyalty					
Institutional constraints; laws, culture,					
Family relations					
Other					

39. What can you attribute to the lack of written succession plans in family owned businesses?

40. What do you recommend for family businesses to ensure growth and continuity?

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