Global Scientific JOURNALS

GSJ: Volume 12, Issue 1, January 2024, Online: ISSN 2320-9186
www.globalscientificjournal.com

The Family Business Entrepreneurial Dilemma! Navigating through challenges faced by Family Businesses in Africa

Dr. Milton Gwakwa
Lecturer Business Management & Entrepreneurship
BA ISAGO University
Botswana
drgwakwa.africahorizon@gmail.com

Abstract

This paper provides a pedestal and an ontological perspective within which family businesses operate in Africa. Significantly, Small and medium sized businesses in Africa are the engines that drive economic development and contribute significantly to the Gross Domestic Products (GDP) of most countries. The paper argues that family businesses assume a vital role in African economies as well as the economies of many developing nations across the globe.

This role is distracted by potential sources of discord among family members affecting generational transitions, family relationships, ownership issues, major investment decisions, and appropriation of profits, leadership appointments and succession frameworks. Overcoming egos and internal conflicts to find family business next leader-and put a succession plan in place before it is too late underlines one of the key controversies of family businesses history. The paper explores many of the challenges and complexities experienced by family businesses in enhancing their sustainable continuity want to share my insight, experience, research, and my point of view, and I want to open a platform a start a conversation with all Africans locally and in diaspora on issues facing family businesses and what is it that, together we can do to create successful family businesses. To obtain critical data required to make informed recommendations, the present study focused on existing literature on family businesses experiences and also conducted eleven in-depth, face-to-face interviews to gather empirical data from next-generation representatives from family-owned companies in a few selected countries across Africa. The primary finding of the study shows family businesses in Africa are still challenged and are incapacitated by intentional and non-intentional faults amongst which are governance crisis and paranoid; inclusive of structural issues based on failure to separate family issues from ownership as the root cause of constrained development of most family businesses. . Ensuring objectivity and meritocracy in appointments is vital to the long-term success of a family business. The study recommends the adoption of a radical African family business ethos framework build around global business trends which encourages the maintaining of family values, succession planning and introducing further professionalism into the family firm as opposed to the traditional family business model, which fails to distinguish economic ownership from social threads that ties it. Further research is recommended to look at a longitudinal study on family businesses owned by women entrepreneurs and another study on creation of effective network of African Family businesses for sustainable livelihood-the unfinished future.

Key words: Family business, Entrepreneurial Dilemma, Governance structure, succession plan, discord, conflict, meritocracy**,** Business Sustainability

"It is often said that the typical family business in Africa goes from rags to riches and back to rags in three generations!"

Introduction

It is reassuring to see that despite continuing nervousness within the African economies, the family businesses surveyed are consistently confident and optimistic in their outlook for the future despite mounting challenges interfering with their growth and survival. In almost all countries in Africa, family-owned businesses are the backbone of the economy despite them facing complex challenges, involving not only business and investment decisions, but also ownership issues and family relationships. Most family-owned companies struggle to survive beyond a single generation, if not second and third. Family businesses are amongst the small and medium–sized enterprises that are known for creating jobs and economic wealth globally and are becoming the dominant form of enterprise in developed and developing countries around the world (Venter et al., 2007) Family businesses (FBs) are one of the driving forces behind economic growth in the developed and developing countries. Their general lack of longevity is a cause for concern. Their lack of longevity is attributed to poor succession management systems and processes which hinder the transfer of the family businesses from one generation to the next generation. Most businesses in Africa are family owned businesses especially during their start up. Research conducted in South Africa by Van Buuren (2007) states that in South Africa, the estimations are that more than 80% of all businesses have family ownership involvement and more than 60% of all listed companies on the JSE had family involvement at least during its start-up phase. In the same study it is claimed that a large proportion of family businesses in South Africa are small to medium-sized enterprises.

There are many positive indicators signaling hope for the contribution made by family businesses in Africa. Family businesses have always occupied a particular niche in the economies of developing countries. This research was conducted in order to provide possible family business operating framework that can be adopted and implemented in order to ensure sustainable future of the family business.

Problem statement

That family-owned business represents a unique context that is different from non-family-owned businesses cannot be over-emphasized. The presents of complicated and complex dynamics that exist among family provides a rich background underlying several challenges bedeviling FBs. Business founders play critical roles in determining the growth, development and laying foundation for successful survival and success of businesses. The history of Family businesses is slowly changing and this is a cause for concern. It is also vital that the challenges facing these businesses are identified and researched. The challenges facing this sector of the economy peripherally shows that growth and survival of these businesses remain highly questionable if no intervention measures are put in place to reduce and or deal with these challenges effectively. This study purposively intends to provide FBs with a simple, yet comprehensive, tool to manage the business for sustained growth from one generation to another.

Research questions

In order to get answers to the challenges facing Family businesses in Africa, the study posits the following research questions:

- What are the fundamental barriers hindering successful intergenerational transition of family businesses in Africa?
- How can business and family interests be strategically intertwined (strategic orientation) in order to balance and enhance operational effectiveness and efficiency of family businesses in Africa?

Methodology

Mixed methodological design underlined this study. Thus in order to understand the historical and current context of family businesses, I conducted an review of existing literature on family businesses supported by empirical study on family businesses across a few selected countries in the SADC region. The purpose of the literature study was to attain in-depth knowledge of family businesses and management succession. The literature study formed the basis of understanding family businesses and the unique challenges facing such businesses. The literature review was conducted in order to provide a comprehensive and competent theoretical understanding of episteme on family businesses and also understand the latest theoretical developed models and debates in the area of research and to acquaint this study with the underlying problem and results from previous studies. For the empirical study, the targeted population was family owned business in Zimbabwe, Botswana, Zambia, Namibia and South Africa. Jukka, Chetty, and Arto (2014) stated that case study can be selected in instances where the phenomenon under study is clearly noticeable. In-depth study of eleven thirteen (13) family businesses was conducted. The qualitative data collection method was used (semi structured interviews and observations). The CEO's and management team of the eleven businesses where interviewed (five through the telephone and six through face to face interviews) due to their proximity to the researcher. Two Zambian family businesses and two South African Family businesses were interviewed through the phone. The choice of the phone was most appropriate because the study was partly conducted partly during the COVID-19 lockdown and the other interviews were conducted prior to the lockdown period. The names of the businesses cannot be made public for ethical reasons. The interviews were tape recorded and transcribed. Content analysis played a critical role in diffusing data meaning-with results arranged into emerging theme [thematic data grouping (TDG).

Literature

The study of FBs is not new and neither is it unique in the scholarly world. There has been an extensive number research in the area of family business, majorly focusing on what makes family business different from other forms of businesses. It is fundamental to acknowledge that, there is little research on FBs in Africa although we have a number of researchers who have showed interest. Intensifying research on opportunities that FBs have is critical and also on how to deal with FBs discourse.

Family business –explained

Available literature and studies conducted on FBs indicate that family businesses have been in existence and operating for centuries. Interest to research in this area started since the 1980's; prior to that they were largely ignored ((Benavides-Velasco et al., 2013). In 1983 a special issue on organizational dynamics triggered interest in research on family businesses (Melin, Nordqvisk and Sharma, 2014). It should also be noted that family business research has evolved dramatically over the last three decades (Wilson et al., 2014). Today the field attracts a diverse global base of researchers (Xi et al., 2015; Wilson et al., 2014; Litz, Pearson and Litchfield, 2012). Fundamentally family business in most instances grows from a one man business into a business controlled, managed and operated by two or more family members. Having above 50% of the total assets of the company/ business and having active participation of more than single family member is what makes the business a family owned business (Sharma, 1999; Xi et al., 2015). There is no one definition of family business. The definitions of a family business are evolving and can be understood in different contexts.in different contexts. The term has many meanings and applications. However, it is used to describe the role of the family in entrepreneurial activities of all types (Heck, Poutziouris and Steier, 2008).

According to Chua, Chrisman, & Sharma (1999), family business is anchored on the philosophy of ensuring the business ownership remains within the close control of family members over successive generations. Hatten (2012) defines family businesses as those in which two or more members of the same family control, are directly involved in, and own a majority of the business. The Family Business Association of Southern Africa (FABASA) defines a family business as an enterprise in which the majority of the votes are held by the person who established or acquired the business (or by his or her spouse, parents, children or children's direct heirs); at least one representative of the family is involved in the management or administration of the business and where the company is listed, the person who established or acquired the business (or his or her family) possesses 25% of the voting rights through his or her share capital and at least one family member sits on the board (FABASA, 2014b. FABASA act as the official mouth piece for family owned businesses in Southern Africa and its mandate is to help FBs on best business practices including corporate governance, succession planning and financial advisory services. For the purposes of this study a 'family business' is defined as a business in which: the majority of shares (51%) are held by the person who established or acquired the firm (or their spouses, parents, child, or child's direct heirs); and at least two or more people are in the management structure.

Empirical studies on family businesses

Several studies conducted across the globe shows a mixed bag of results. Carlock and Ward (2001: 3) postulate that a family business is an important instrument which creates jobs that address unemployment and provide sustainable growth for the economy of any country. Astrachan et al. (2003) conducted a study in Germany which shows that, 60% to 90% of all forms of businesses can be classified as family businesses. The study notes that the live-span of these businesses is short, as only a limited number of these businesses survive the transition to the second generation, and hardly one-third even into the third (Beckhard & Dyer, 1983; Neubauer et al., 1998). In Europe, according to research done by the International Family Enterprise Research Academy (IFERA) (2003: 235), family businesses are the majority of all businesses in France, Germany, the Netherlands, Portugal, Belgium, United Kingdom, Spain, Sweden, Finland, Greece, Cyprus and Ital (IFERA,2003). Most family business research takes the position that family firms possess certain unique characteristics related to their governance, ownership, management and vision (Carrigan and Buckley 2008). A study conducted by Allouche and Amam (2003) (as citied by Fattoum & Fayolle, 2009), shows that 90 percent of U.S. firms are family-run and contributes between 30 and 60 percent of the GDP. The study further shows that in Western European countries, the contribution of family businesses contribute between 45 percent and 65 percent to economic growth. According to (Fishman, 2009) family businesses are said to account for 50 percent of the economic growth in South Africa. In another study conducted by Kenyon et al., (2005), 50 to 90% of the Gross Domestic Product in all free market economies is represented by family-owned businesses. For example in Holland, small family businesses represent 75% of all companies in the country where-as in the United States, small family firms generate 65% of employment. Sixteen family groups in India made up to 65% of all private sector assets and in Chile, fifteen family groups represent more than 50% of the market value.

Survival of Family Businesses

The transition of the businesses from one generation to next is critical to its survival (Pinfold, 2001). Existing studies shows that the survival of family businesses is heavily depends on the founders' beliefs, role in establishing sustainable structures for growth and development that will hold upon their departure (Muriithi, 2016). Family Business founders encounter psychological deterrents to succession planning as it may imply a letting go of power and their business control (Lansberg, 1988) the study observes that; most founders tend to avoid planning, worrying about the subsequent loss of identity, family harmony, and their privacy. Studies conducted across the globe show that there is increasing evidence that family businesses continue to move progressively from the founders to the next generations of ownership (Aronoff, Astrachan, Mendosa & Ward 1997). Further evidence is that some founders spend much time empowering their successors with appropriate leadership skills, management skills and governance mechanisms (Lansberg 1999; Ward 2004).

Characteristics of family businesses

Family businesses can be understood by refocusing on key characteristics common among them across the globe regardless of their size. Below is a table with key characteristics that characterize the majority of family businesses.

Family businesses characteristics

Shared values: family member's share the same beliefs and values as employees (Morris et al., 1997).
Longevity: assurance of continuity from generation to generation and the extent to which succession planning assumes

a key and strategic role in the life of the business (Carrigan & Buckley, 2008 ; Daba, 2007).
Unique source of information: family businesses have competitive advantage derived from the interaction between the family, management and owners (Carrigan & Buckley, 2008)
Family member involvement: clearly defined roles and responsibilities for each family member within the business, recognition, defined, respected and understood for the family business to run profitably (Carrigan & Buckley, 2008).
Decision making as competitive advantage: Quick decisions are easily taken on the matters that are concerning the marketing of products, complains, changes, technologies, innovations, competitions and family relations. (Carrigan & Buckley, 2008).
Family name (Goodwill) : It is considered to be trustworthy to have a family name on business by customers because they believe that their owners have the responsibility of protecting the family's name (goodwill) and future economic benefits (Carrigan and Buckley, 2008)
Family spirit: The biological bond that ties family members together plays a vital part in the success of the family business and also helps to overcome challenges in the family business and promote family unity in difficult times (Ibrahim & Ellis, 2004).
Shared values and vision: Beliefs and vision of the family is held together by 'glue', and in a family business the glue is their deeply entrenched values and beliefs (Ibrahim & Ellis, 2004).
Loyalty and nepotism: Family members are likely to stick together in hard times and show the determination needed for business success (Upton , 2001)
Owners of family businesses often believe that they are more agile and flexible than their corporate competitors, which means they're better able to exploit gaps in the market (Ibrahim & Ellis, 2004).
Family business owners tend to be self-driven, fearless, hands-on individuals, who believe in themselves and in what needs to be done (Carrigan and Buckley, 2008
Family firms are notable for the strength of culture and values, and this belief often grows stronger with time (Carrigan and Buckley, 2008
Family businesses are unique in the sense that family interests should be aligned with the interests of the business (Daba, 2007).
Family business needs to be accountable to the family (Carlock & Ward, 2001: 146).
Trust: High levels of trust between the members of the families who own family businesses and the employees who are not members of their families are vital for the success of family businesses (Carrigan & Buckley, 2008).
Founder capital continues in the family business through the founder's descendants. If the founder left a legacy in the form of an "inheritance", then the founder's principles, beliefs, practices and general business philosophy is left open for interpretation, and will likely change as the next generation exerts its influence (Ogbonna & Harris 2001:25-26
Familiness is created by the interactions between the founder (or founder legacy), family members, generations of family, and the business (Daba, 2007). **Source: Researched data (2024)**

Challenges faced by family businesses

Studies conducted elsewhere shows that FBs face series of perennial challenges. Some of these are resolvable and some needs forms of collaborative solutions. The table below provides a summary of some of the key identified challenges experienced by FBs. Before indulging in these challenges, here are some few highlights of some empirical experiences obtained from some family businesses across the globe.

Empirical revelations

Melvin Gordon, boss of Tootsie Roll, an American confectioner, died in office in January, aged 95. Serge Dassault, boss of Dassault Group, a French conglomerate, is 90.
Viacom, a media conglomerate, is floundering in part because Sumner Redstone, aged 92 and in poor health, has

resisted handing over to his daughter, Shari
Christophe Bernard of KPMG says families need to devote as much thought to getting the former boss to move on as they do to training his successor.

Source: compiled by Researcher (2024)

Below are a summary of challenges faced by most family owned businesses across the globe.

Forms of challenges experienced by family businesses

Blind loyalty and nepotism: Blind loyalty occurs when there is employment and appointments of staff that are all related in one way or another regardless of their qualifications (Miller, Le Breton & Scholnick, 2008)
Governance crisis (Miller, Le Breton & Scholnick, 2008)
'Hiring and firing' practices in the family business tend to be in the best interest of the family rather than the business (Fishman, 2009)
Rigidity: In the family businesses it is very easy to "do the same thing, in the same way, for too long (Fishman, 2009)
Family businesses are characterized by the concentration of ownership, control, and, often, key management positions among family members, even after the retirement of the businesses' founders. (Fishman, 2009)
Compliance with the regulatory environment affects them to such an extent that they become uncompetitive (Miller, Le Breton & Scholnick, 2008)
Family businesses experience external economic environmental challenges such as market conditions – which include a lack of confidence in government, policy uncertainty and existing infrastructure (electricity, e-tolling and taxes), exchange rate fluctuations, and government policy and regulation (PwC, 2013).
Family conflict: family conflict is rife and those of the business as a whole, usually develops into an emotional issue unheard of in non-family business (Aronoff et al., 2002).
Human resource management issues that continually surface in family businesses are striking a balance between nepotism and meritocracy, and managing privilege. 'Nepotism' refers to a management philosophy of selecting and promoting people based on family ties, while 'meritocracy' is a management philosophy of selecting and promoting people based solely on them being the most capable persons for the job (Katz and Green, 2014).
Issues pertaining to family relationships are a threat that influences the growth, success and survival of family businesses. It is from conflict laden family relationships that many family issues emanate (Molly, Laveren and Deloof, 2010
A lack of shared expectations; family conflicts not being addressed; repercussions of divorce that may lead to the destruction of the family business; and family members emigrating (Miller, Le Breton & Scholnick, 2008)
Negative goodwill : Depending on the goodwill of the business, customers develop the perception that family businesses are sentimental and conflict-ridden, resource-starved and conservative (Ibrahim & Ellis, 2004)
Impulsiveness: The family business uses the quickest response when taking the decision such as calculating "Return on Investment", and "Net Present Value" (Allio and Allio, 2005)
Boundary problems: Family businesses are composed of the family, ownership and management sub-systems (Poza, 2007).
Role confusion: Role confusion which leads to stress within a family business as a result of tasks overlapping without clear definition of each family member's responsibility is prevalent (Ibrahim & Ellis: 2004).
Selection of unqualified or incapable successors within management lacks or weak next-generation leadership (Miller, Le Breton & Scholnick, 2008)
Lack of infrastructural facilities Infrastructural facilities has over the years played a huge role in preventing the growth of family business in Africa " (Allio and Allio, 2005)
Family business in most cases face fierce competition from foreign companies " (Allio and Allio, 2005)
High electricity costs and frequent blackouts (Miller, Le Breton & Scholnick, 2008)
Low quality relationship between the successor and founder (Miller, Le Breton & Scholnick, 2008)
Conflicts among sibling successors. (Ibrahim & Ellis: 2004).
Despite the increase in number of family businesses in Africa, funding still remains a key setback facing family businesses generall(Ibrahim & Ellis: 2004).y. Several family businesses have gone into extinction as a result of lack of funds to ensure their continuity
Poor Financial management Financial management is very common in Africa despite this, family businesses in some instances fail to keep proper financial records (Molly, Laveren and Deloof, 2010
The economic environment remains the key external challenge (Molly, Laveren and Deloof, 2010
The transition between generations can build or break a family business (Allio and Allio, 2005)

Culture management and continuity (Miller, Le Breton & Scholnick, 2008)
Handling conflict (Miller, Le Breton & Scholnick, 2008)
Challenge posed by globalization (Ibrahim & Ellis: 2004).
Family firms feel undervalued and overlooked by governments (Miller, Le Breton & Scholnick, 2008)
The main challenge for the next generation is to involve non-family management in strategy." (Miller, Le Breton & Scholnick, 2008)
Digitalization of family businesses (Miller, Le Breton & Scholnick, 2008)

Source: Researched data (2024)

Findings

Study findings show that family business success correlates strongly with the ability of family members and non-family management to use its unique characteristics to be flexible and take quick decisions in order to tackle the challenges businesses face every day. Both empirical and studies conducted elsewhere show that in Africa, FBs tend to be less institutionalized than their counterparts in the developed economies. These businesses suffocate from undocumented operational systems, over-ownership, expertise and support from other stakeholders that includes government. Studies conducted in Europe concur with this finding (Miller, Le Breton & Scholnick, 2008) In the end the FBs do not last-when the owner dies they tend to follow- rarely pass to a second or third generation of owners. It is clear from the study that very few of FBs have devised a succession plan. Evidence from the empirical data shows that within a family business, succession can be an emotive issue. The majority of FBs (83%) owners believes and has trust in their own flesh and kins to inherit their businesses when they retire or die but still the kind of trust is a 'hanging' one. The empirical study indicated that successful management succession in family businesses is hindered by selfishness and ignorance of the founders. Participants indicated that written succession policies and plans are relatively uncommon in family businesses in Africa and hence this cause commotion especially at the death of the founder or the next successor. Only a small percentage (17%) of participants stated that their companies have a written succession plan, with the majority (83%) leaving it to chance. Studies conducted by world bank (2017) worldwide, indicates that only one in three family businesses make a successful transition from one generation to the next. Although family businesses generally take a long-term view, very few of them have devised a succession plan or a process for passing on managerial and ownership responsibilities to the next generation of leaders.

The study further reveals that succession concerns are also a result of internal issues. Mainly for the startup family businesses tend to be myopic when it comes to corporate governance. While family businesses are consistently optimistic about the future there are a number of significant issues to manage. A decline in profitability continues to be one of the primary challenges cited by 63 % of participants, making it one of the most pressing challenge faced by FBs in Africa. 71% of participants interviewed see governance as “highly relevant” to their future, survival followed by talent identification with 69% concurrence. Further encouragement comes from study’s finding that, in spite of challenges for growth in key sub-Saharan African economies at the time of this study, FBs are nonetheless relatively optimistic about their prospects and desire to embrace proper governance and talent identification measures in place. Robust governance is widely seen as a prerequisite for successful family businesses, for protecting the family’s wealth and for the transition of leadership to future generations. Governance does provide a framework within which roles; policies, processes and controls for guiding decisions can be established and implemented. For family businesses, there often comes a point where neither tradition nor experience is sufficient for effective leadership. Hence the deepest crisis affecting (80%) and more of the FBs studied is limitations in applying proper governance procedures.

The other findings reflected from secondary data and empirical data is that structural problems including corruption, a lack of infrastructure (including digital infrastructure such as broadband), skill deficiency and inadequate education systems continue to undermine growth of FBs. On a positive note, the study shows that FBs in Africa are generally resilient. They have seen far worse market conditions before and yet have persevered and survived. A further revelation was the issue of adoption of technology in supporting the FBs. Technology is evolving at breakneck speed and is already defining what’s next for industries and consumers. FBs understand this and concur that emerging technologies must be a key part of their business strategy but they seem hesitant to act. The other finding is the problem of board composition for FBs. Board composition. Fundamentally the primary role of a board is to act as a critical and controlling party, providing expert knowledge and advice representing a range of different perspectives and experiences. From the literature studies and empirical feedback coming from the studied FBs, appointments were influenced by trust rather than expertise in giving advice to the business. The future for family businesses appears to be even more strongly linked to domestic markets with a steadily increasing number of those choosing domestic market as their first investment priority

One interesting ,among others, revelation is a common view that permeated across all the interviewees and the literature studied that family businesses are inclined to be risk-averse and unwilling to innovate, even though they have the resources to do so, due to fear of a reduction in the family’s wealth. Almost 77 per cent are either risk-averse or risk-neutral, and about one-third are willing to take on some risk. However, contrary to this, a majority of young leaders [87%] who belong to the third generation said that they will be more willing to take risks to improve growth in the business and increase profit, whilst also protecting family interests than the second generation leadership. One of the challenges that African businesses face is limited access to finance. It is cited by more than half of the participants as a cracking concern. The survival of FBs just like any other business calls for adequate funding of its operations. A study conducted in Nigeria by Adedayo, Olanipekun,& Ojo (2016) that asserts that family finance is a big challenge that drags project implementation by FBs. Political uncertainty is also raised as a major challenge affecting businesses in Africa. Political instability and unsupportive policies presented to support FBs makes the operating environment very difficult. 80% of the participants expressed fear associated with 'politics' of Africa and how they relate to their visions to grow successful businesses. Results from both the literature studied and empirical data concede that the incapability and inability of family owned businesses to ensure competent family leadership across generations is still a major challenge today. The future success of family businesses is directly linked to human capital. Inability to identify their future needs with respect talents and passion; made it difficult for family businesses to discuss potential successors with members of their families. By highlighting the war for talent and concerns, family businesses (74%) indicated that they would welcome the recruitment of the skilled staff to drive their businesses both for the family and national good. Further results show that succession planning is one major obstacle to the growth of FBs –resulting from the lack of interest on the part of family members and complex emotional factors in the incumbent-successor relationship. Results from other studies confirm the same. According to several researchers and writers, one of the main reasons for the failure of FBs to survive intergenerational succession with respect to management (Hjorth, 2016; Venter, Van der Merwe & Farrington, 2012; Visser & Chiloane-Tsoka,2014). Compounded with these findings is the aspect of culture as a key determinant of failure or success of African businesses to graduate to the second generation. The cultural values play crucial role in determining the longevity of a business and its survival across generations. The closer the family members are, the higher the chances of successful graduation of these businesses into the next generation as reflected by a study (Murithi et al.,2016) on Indian and Arabian businesses which attributed their business longevity to the closeness of their family ties. Lack of clarity of the future direction by young family members prevailed from the empirical study. 68% of next generation participants were concerned about unclear career paths for them in the family businesses. This is exacerbated if integration moves between the older and younger family members is not communicated adequately. Despite various challenges they face, it is clear from the study that family business owners (77%) demonstrated a desire to prepare their business for the future either by giving young family members key management roles and also bring in external expertise.

Verbiage extracts from the study

Quotes directly extracted from the interviews conducted with family-business representatives:

"We do not have the resources to be innovative...we will strive to innovate"[Mahalapye-Botswana-3rd generation Interviewee]
"Cheap foreign products prevent the growth of family business,,,''[Francistown –Botswana -2nd generation interviewee]
"It is not easy to buy into the idea that those who are going to succeed us will do better than us…" [Bulawayo-Zimbabwe- 3rd generation Interviewee]
"Family members must work hard on their own than to wait for others to uplift them" [Namibia-Windhoek-1stt Interviewee]
"Conflict surrounding succession can lead to family killings…'' [Pretoria-South Africa -1st generation]
"Involving, the next generation is to involve non-family management in strategy is a complex task…" [Lusaka-Zambia-2nd generation interviewee]
"We are aware of innovation, but we are not willing to take the associated risks..." [Pretoria-South Africa 2nd Generation Interviewee]
'the notion of business sustainability is not in our mind when we create these businesses, and hence lack of measures to ensure continuity after we die or retire…we only are worried about us during our lives an that's it..'' [Harare-Zimbabwe-1st generation interviewee]

Recommendations

The study categorically emphasizes that in order to effectively deal with the current turbulent and complex business environment, FBs should not undermine their indigenous knowledge resoivre-and have to embrace their traditional, structural, cultural strengths and modern practices borrowing from other indigenous knowledge systems such as America, Europe and Asian family business models. The need to strike a balance between family interests and business interests cannot be overemphasized. This study can attest to the fact that with every decision the interests of the family must be held in one hand, and then interests of the business in the other. If there is bias over the other, the future will fall apart. It is paramount that African FBs develop and put in place an organizational structure that clearly shows the lines of command and hierarchy of the leadership. To this end, the study recommends that better governance of a family business can help improve performance and satisfy the expectations of all family members. There is need to establish a governance framework that includes a family constitution and code of conduct for family members. This will enable the family to think through important scenarios before critical decisions have to be made.

FBs owners need to embrace best practices for talent management, which inevitably require selectivity. What this implies and the key recommendation from this study is that decisions should be based not on experience, or even current competencies or abilities but on the leadership *potential* of key family members. Given the global business environment that is volatile, uncertain, complex, and ambiguous, potential, within the parameters of this study is considered the best predictor of future success for FBs. FBs must clearly develop succession plans based on potential and competence of family members and those employees who have naturally become family by virtue of time and commitment. The study recommends to family businesses in Africa that there is need to adopt and implementing formal governance [which is literally absent in some businesses and is mistaken for power and pomposity] and reporting structures so that the business functions as a legal, compliant enterprise. The succession issue is highly pertinent for FBs in African. FBs need to professionalize their business by ensuring talent identification and putting people skills first as a prerequisite for occupying key positions in the business. Fundamentally, effective succession planning requires an early start and an inclusive approach. Input from both the business side and the family is critical to gaining buy-in and building consensus on who will take over in future. A tradition of shyness or fear predominate FBs decision-making and those steering the ship do not disclose their intentions in time. As has been alluded to on corporate governance limitations by FBs, the study put emphasis on educating younger generations about the importance of corporate governance as they begin to move into leadership roles within the family hierarchy. Results show that robust governance is widely seen as a prerequisite for successful family businesses, for protecting the family's wealth and for the transition of leadership to future generations. In well-established systems, governance does provide a system and a framework within which policies; roles and processes for guiding decisions can be established and implemented amicably. The composition of the Boards for family businesses [that is for those who at least have formal boards] in Africa is a cause for concern. The study recommends that FBs should probably start to ask the right some hard questions about the current boards' compositions which are dominated by family members and relatives. The choice must be based on the ability and expertise of the members to advise diligently the business. FBs need to be reminded that the future can only be ascertained if they themselves commit themselves to maintaining a balance between business goals (such as growth, innovation and recruiting talented staff) and family goals, such as maintaining family values and protecting the family wealth. The study further recommends that preparing and training the next generation prior to assuming leadership positions is a critical practice that FBs have to adopt. The preparation should also include improving financial literacy, building a culture of innovation and critical thinking and overall training on business management best practices.it is prudent if this kind of preparation is done at an early stage for the next generation to appreciate the business vision and mission. In addition to this preparedness, there is need for FBs to have a long-term perspective and building sustainable FBs need to be considered within the strategic plan. The implication here is that FBs must draw comprehensive strategic plans although they may be altered in future to cater for changing global trends. Thus it cannot be denied that family concerns and preferences might influence the strategic planning process.

Conclusion

This study concludes that family businesses in Africa remain fundamental to economic development and the role of business founders and how they prepared their businesses for succession across generations is critical and cannot be taken for granted. Thus the future of the family members, maintaining the independent nature of the family business and the preservation of family unity depends on the growth of the family. It cannot be denied that family businesses have shaped business landscape for centuries and still remain important pillars as a source of employment, income generation, and wealth creation for most African countries just like their counterparts in Europe, Asia and Americas. Family business success correlates strongly with the ability of family members and non-family management to use their unique characteristics. it should be understood that the secret to success of family businesses lies in the initial complex culture created by the founder (founder capital) and in the ability of successive generations to sustain it. A good number of FBs displayed resilience that is admirable. FBs in Africa despite challenges they encounter, they remain significantly positive in their belief that they will be better able to achieve their vision. A fundamental consideration in ensuring continuity in family businesses is enshrined in the long belief of founders that their children are not at best to do what they initiated. Identifying and effectively developing the next generation of successors is quite a mammoth task and must be shared among many family business communities. One other critical issue, in summing up this paper is the balancing of family business and the role of relatives who are not directly involved in the day to day business. Thus the dynamics between relatives and their relationship with the business, with perpetuity is a critical consideration.

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