SUCCESSION PLANNING AND SUSTAINABILITY OF FAMILY OWNED ENTERPRISES IN KENYA: A CASE OF FAMILY OWNED ENTERPRISES IN NAIROBI COUNTY, KENYA

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ABSTRACT

The study aimed at finding out the role of succession planning on sustainability of the family owned business enterprises in Kenya. The study specifically sought to establish the role of talent management on sustainability of the family owned businesses, to find out the role of training and development on sustainability of FBEs, to find out the role of founder engagement and sustainability of FBEs, and to determine the relationship between founder partnership on sustainability of FBEs. The study adopted several theories so as to bring the research variables into a clear perspective. The theories included the two factor theory of Succession planning, stakeholder theory, Scharmer’s Theory U Model and social learning theory. The study adopted descriptive research. The study targeted family owned enterprises in Nairobi County which are approximately 16285. A stratified random sampling was applied to come up with a study sample of 502 respondents who were obtained from the Family Business Enterprises in Nairobi County and grouped in manufacturing, trading and service sectors. Questionnaires were used to collect data from the respondents. The data was analysed using descriptive statistics and regression analysis with aid of SPSS software and presented in form of tables, figures and graphs. The findings from the study could be significance to FBE owners, government and policy makers and other researchers and future scholars. The study established that talent management, employee training and development, founder engagement and human capital orientation were key succession planning aspects which are essential in determining the sustainability of a firm. As per the findings, most of the family owned enterprises in Kenya fail to sustain their operations as a result of poor follow-up and implementation of such succession planning activities. The study recommended that the family owned enterprises should embrace succession planning through training of the employees, engaging the successors, delegating duties as a way of managing talents as well as orienting employees on firm management tactics for sustainability of their firms.
1.0 INTRODUCTION

1.1 Background of the Study
The study analysed the role of succession planning in enhancing sustainability of family owned businesses after the retirement or demise of the owner. Succession planning is a deliberate and systematic effort by an organization to ensure leadership continuity in key positions; retain and develop intellectual and knowledge capital for the future, and encourage individual advancement (Rothwell, 2001). Beardwell (2007) states that succession planning process is most effective when it is done in a systematic effort that is deliberately planned and is driven by a written, organization-wide statement of purpose and a policy. Hills (2009) contend that succession planning is about more than filling the top spots. It is a smart talent management strategy that can drive retention of talent throughout the organization and make sure that the organization has the skills it needs in place, or on hand, to respond to the rapidly shifting sands that make up today’s business environment.

Regionally, scholars have provided various outlooks of succession planning. In Nigeria for instance, Egbo (2011) explained the need for succession planning among small manufacturing firms in Lagos and stated that most of the firms relied on few experts who were required to give instructions to the other workers on how and what to do. In such cases, when the experts left the firms under any reasons, the firms could drop in performance due to change/reduction in production quality, lack of production of certain products and inadequate expertise experience (Egbo, 2011). In Kenya, scant literature is available on succession planning. Kamau (2013) established that succession planning in Kenya is perceived as a measure of promoting managerial knowledge among the employees so as to make them more responsible and capable to run the business. Chepkwony (2012) contends that planning for the organizational future is not only based on the finances and investments but also on making the employees ready for the changes and capable of playing various roles in order to
meet the organizational need in the future. However, literature suggest that very little has been done on how succession planning is done in Kenya (Giambatista, 2014; and Klijn, 2015)

1.2 Statement of the Problem
Family owned enterprises in Kenya play a very important role in the economy through provision of employment and contribution to the GDP. However, despite their significance in the economy, sustainability of family owned enterprises has been a challenge over a long period of time with many of the firms not surviving under more than one generation (ROK, 2015; and Kirema, 2016). On average, the lifespan of family enterprises has been argued to be only 3 generations with only 12% of the enterprises making it to that far (Klijn, 2015). According to Neville (2011), over 40% of family owned enterprises collapse after the exit of the founders with most of them ending up in disputes and misunderstanding among the family members. Recently, companies have faced leadership wrangles among the siblings over the succession of the businesses (Association of Family Business Enterprises (AFBE), 2015). Such disputes have seen lack of sustainability in family businesses leading to their fail. Empirical studies from across the globe have found lack of succession planning to be among the causes of organizational underperformance (Lynn, 2011; Robert, Matthew & Sonfield, 2012; and Giambatista, 2014). Succession planning can be viewed as an important aspect in ensuring firm sustainability. However, it is not clear whether succession planning contributes to sustainability of family owned businesses since no study has focused on such. The current study therefore aims at answering the question; could succession planning be the missing factor in sustainability of family owned enterprises in Kenya?

1.3 Objectives of the Study
The study was guided by the following specific objectives;

i. To find out the role of talent management in sustainability of family owned enterprises in Kenya
ii. To establish the effect of training and development in promoting sustainability of family owned enterprises in Kenya

iii. To evaluate the relationship between founder engagement and sustainability of family owned enterprises in Kenya

iv. To determine the effect of human capital orientation on sustainability of family owned businesses in Kenya

1.4 Research Hypothesis
i. H₀₁: Talent management does not influence sustainability of family owned enterprises in Kenya

ii. H₀₂: There is no relationship between training and development and sustainability of family owned enterprises in Kenya

iii. H₀₃: Founder engagement does not influence sustainability of family owned enterprises in Kenya

iv. H₀₄: There is no relationship between human capital orientation and sustainability of family owned businesses in Kenya

2.0 LITERATURE REVIEW

2.1 Theoretical Review

2.2.1 Competency Models (CM) of Succession Planning
Competency-based approach in Succession planning management is completed during the past thirty years through the competency which surrounds knowledge, skills, abilities, traits and behaviours to allow a person to perform a task in a particular job (Vathanophas & Thaingam, 2007). According to Mc Lagan (1996) CMs can be used as criteria for following items: designing training programs; recruitment, selection, and assessment; coaching, counselling, and monitoring; development of career and succession plans (Birdir & Pearson, 2000). As specified, CMs were developed as a basis for succession planning (SP) programs.
Without these models, organizations rarely will be able to proceed beyond the simple approach of replacement. Therefore, each organization must utilize modeling techniques to identify its unique competencies. Modelling the competencies offers an accurate way to identify characteristics related to job performance instead of traditional analysis of job. This model can provide valuable information for key posts and talented staffs.

2.2.2 Scharmer’s Theory U Model

The theory was developed by Otto Scharmer (2007). Scharmer argues that the top management team should embrace and act in order to implement succession planning. In the first instance, this model views succession planning as beginning from the immediate future and supports a concept of a U process of five movements that can make change possible. These movements are; Co-initiating, Co-sensing, Pre-sensing, co-creating and co-evolving. The first movement is co-initiating.

2.2.3 Stakeholder Theory

Stakeholder theory is one of most relevant models in the field of management. The theory focuses on enhancing involvement of key organizational stakeholders in the matters of the organization for an integrated performance (Gill, 2011). The stakeholder theory enhances the management’s vision of its roles and responsibilities beyond the profit maximization function (Mansuri & Rao, 2004) and stakeholders identified in input-output models of the firm, to also include interests and claims of non-stockholding groups. These stakeholders participate depending on the relationship they foster with the top management and not junior workers acting on their behalf.

2.2.4 Two-Factor Theory

The Two-factor theory developed by Herzberg in 1959 originated from the need to promoting employee retention through minimizing the dissatisfiers and maximizing the satisfiers. It is
also known as motivation hygiene theory. The theory states that certain factors cause satisfaction, and a separate set of factors cause dissatisfaction in the work place. The two factors that contribute to this are motivation and hygiene factors. Motivators or satisfiers are those factors that cause feelings of satisfaction at the workplace. Herzberg’s two-factor theory will therefore be noteworthy in the study to enable a gamified connection of the literature and the findings for a candid conclusion and recommendation.

2.4 Empirical Review

Studies across the globe have focused on talent management and organizational sustainability and/or performance. For instance, Rich, Lepine and Crawford (2010) did a study on relationship between talent management and firm sustainability. The study focused on establishing the impacts of grooming young talents among SMEs in South Korea. The study adopted a case study research design and had a sample of 109 SMEs. Rich et al. (2010) found that talent management among SMEs promoted the sustainability of the firms by promoting the ability of managerial skills to be surpassed across the employees thus making the firms capable of retaining their performance levels. According to Rich et al. (2010) SMEs’ sustainability is dependent on the capabilities and skills possessed by the entrepreneurs. Through talent management, the entrepreneurs are able to develop new talents amongst their employees thus enhancing the sustainability.

Elsewhere, Newman, Thanacoody and Hui (2011) conducted a study on effects of talent management on performance of non-governmental organizations in Turkey. The study aimed at finding out the role of employee talent identification, modification and adoption on performance of NGOs in Turkey. The scholars adopted an experimental research design and had a sample of 230 respondents.
Hassan, Mehmet and Demet (2013) conducted a study on the effects of employee training and development on performance of commercial banks. The study was located in Qatar and targeted licenced commercial banks in the country. The study used a descriptive research design and had a sample of 52 respondents. The study According to Hassan et al., (2013), established that training is one of the most important factors in retaining employees in organizations while making them more effective to the organization. According to Hassan et al., (2013) training of employees makes them ready to develop and acquire more skills which they use in promoting their capabilities and productivity in the organization.

Manzoor (2012) conducted a study on the effects of firm founder engagement and sustainability of financial institutions in UK. The study adopted a descriptive research design and had a sample of 93 respondents. The study established that engaging founders and owners of institutions made the employees understand the needs and strategies that organizations can carry out to sustain its performance. According to Manzoor (2012), engaging founders is essential in establishing the major areas that the organization should focus on to improvise its strategic position in the market.

2.5 Summary of Literature and Research Gaps
A review of selected research reveals a tendency by some authors of succession planning to focus on SMEs and other large businesses but fail to focus on SMFEs. Mentoring entrepreneurs should form important aspects of collaboration to ensure effective SMFEs succession. Goldberg (1996) study of 63 family businesses operated by successors who have been the CEOs for a minimum of five years to uncover significant elements that differentiate effective from less effective successors. This study did not indicate how mentoring would influence survival of family businesses. Moreover, this study did not focus on the effect of mentoring on family SMEs’ succession planning, at the same time did not outline the role
played by succession planning for survival of FEs after retirement/death of first generation entrepreneur.

The study by Githinji (2008) did not evaluate on how the skills learned would be applied by school leavers in succeeding their parents or relatives in their family owned SMEs. This study also failed to determine the effects of skills on succession planning and on the survival of SMFEs after retirement/death of first generation entrepreneur.

2.3 Conceptual Framework

**Independent Variables**

- **Talent Management**
  - Talent shows
  - Informational interviews
  - Mentoring

- **Training and Development**
  - Job Rotation
  - Seminars and Conferences
  - Workshops

- **Founder engagement**
  - Duty delegation
  - Secondment
  - Replacement Charts

- **Human capital orientation**
  - Employee retention
  - Employee motivation
  - Employee Promotion

**Dependent Variable**

- **Sustainability of Family Enterprises**
  - Sales turnover
  - Number of employees
  - Years in Operation
  - Number of Branches

Figure 2.1: Conceptual Framework

Sources: Author (2017)
3.0 RESEARCH METHODOLOGY

3.1 Research Design
A descriptive research design was used in this study. Kothari (2004) observed that research design is a blueprint which facilitates the smooth sailing of the various research operations, thereby making research as efficient as possible hence yielding maximum information with minimal expenditure of effort, time and money.

3.2 Population
The target population of this study comprised of the family owned businesses in Nairobi County, Kenya. According to Mulei (2015), there are approximately 16,285 family owned enterprises in Nairobi County. The firms consist of manufacturing, services and trading sectors (AFBE, 2016). The study specifically targeted the owners or managers of these firms. The firms have an irresolute history of succession planning which has negatively affected their sustainability.

3.3 Sampling
The study used Kothari (2004) formulae to determine the sample size as shown below;

\[ n = \frac{z^2 \cdot p \cdot q \cdot N}{e^2(N - 1) + z^2 \cdot p \cdot q} \]

\[ n = \frac{(1.96 \times 1.96) \times (0.5 \times 0.5) \times 16285}{(0.05 \times 0.05) \times 16285 + (1.96 \times 1.96 \times 0.5 \times 0.5)} \]

\[ n = 502 \]

The sample size for the study was therefore comprised of 502 respondents. These respondents were randomly selected from the population. They involved the managers/owners of the family owned business enterprises.
3.4 Data collection procedure

The study used primary data collected using questionnaires. The questionnaires were administered individually by the researcher to all respondents. Care and control were exercised to ensure that most of the questionnaires issued to the respondents were received back for analysis. To achieve this, a register of questionnaires was maintained showing the ones which are issued and the ones received. The questionnaires were administered using a drop and pick later method to the sampled respondents.

3.5 Data Analysis

The quantitative data in this research was analyzed by descriptive inferential e statistics using statistical package for social sciences (SPSS) version 22. Descriptive statistics included means, frequency, standard deviation and percentages to profile sample characteristics and major patterns emerging from the data. In addition to measures of central tendencies, measures of dispersion and graphical

4.0 DATA ANALYSIS AND PRESENTATION

4.1 Talent Management

4.2.1 Extent of Considering Various Aspects of Talent Management

<table>
<thead>
<tr>
<th>Table 4.1: Aspects of Talent Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Recruitment of talented employees</td>
</tr>
<tr>
<td>Identification and separation of employees based on their abilities</td>
</tr>
<tr>
<td>Making and keeping positive relationships with the employees</td>
</tr>
</tbody>
</table>

Source: Research Data, 2017

Results portrayed in Table 4.1 shows that a majority of the respondents frequently made and kept positive relationships with the employees as shown by 80% and identified and separated employees based on their abilities as shown by 70% of the respondents. In addition, 32% of
the respondents frequently recruited talented employees. 10% of the respondents however never and identified and separated employees based on their abilities.

4.2.2 Frequency of holding talent showing seminars

**Figure 4.1: Frequency of holding talent showing seminars**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not at all</td>
<td>8</td>
</tr>
<tr>
<td>Twice per year</td>
<td>14</td>
</tr>
<tr>
<td>Weekly</td>
<td>28</td>
</tr>
</tbody>
</table>

**Source: Research Data, 2017**

Data presented in the figure reveals that majority of the businesses held talents seminars on an annual basis (42%). A further 28% of the businesses held talent showing seminars twice a year. 14% held talent seminars on a monthly basis whilst 8% held talent seminars on a weekly basis.

4.2.3 Criteria used to identify talents among employees

**Table 4.2: Identifying talents among employees**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roles played by the employees</td>
<td>210</td>
<td>66</td>
</tr>
<tr>
<td>Use of case scenarios</td>
<td>80</td>
<td>25</td>
</tr>
<tr>
<td>Putting up assessment centres</td>
<td>30</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>320</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source: Research Data, 2017**

Field data results portrayed in table 4.2 reveals that most respondents used roles played by employees as the main criteria for identifying talents amongst employees as shown by 66%. 25% of the respondents employed case scenarios as the criteria when identifying talents amongst employees. 9% of the respondents used setting up assessment centres as the criteria when identifying talents amongst employees.
4.2 Training and development

4.2.1 Frequency of job rotation in your organization

Figure 4.2: Job rotation

Source: Research Data, 2017

Figure 4.8 reveals that most of the businesses conducted employee job rotation frequently as was shown by 55%. 30% of the businesses performed employee job rotation sometimes. 5% of the businesses did not conduct employee job rotation.

4.2.2 Frequency of holding up training seminars and conferences

Figure 4.3: Holding up training seminars and conferences

Source: Research Data, 2017

Data presented in the table 4.3 reveals that majority of the businesses held training seminars and conferences twice in a year and on a monthly basis as shown by 35%. Further, 20% of the businesses held training seminars and conferences once in a year. All employees agreed that seminars and conferences play a role in enhancing the knowledge of the employees.
4.2.4 Training and development relationship with the effectiveness of Succession planning management practices

Figure 4.4: Training and development relationship with the effectiveness of Succession planning management practices

Source: Research Data, 2017
Data presented in the table 4.4 reveals that majority of the respondents highly related Training and development with the effectiveness of Succession planning management practices management as shown by 52% whilst 30% of the respondents moderately Training and development with the effectiveness of Succession planning management practices.

4.3 Successor Engagement

4.3.3 Frequency of delegating duties to employees

Table 4.3: Frequency of delegating duties to employees

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequently</td>
<td>180</td>
</tr>
<tr>
<td>Rarely</td>
<td>40</td>
</tr>
<tr>
<td>Sometimes</td>
<td>90</td>
</tr>
<tr>
<td>Not at all</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>320</td>
</tr>
</tbody>
</table>

Source: Research Data, 2017
The table above reveals that most of the respondents frequently delegated duties to employees as shown by 56%. 28% of the employees sometimes delegated duties to the employees as shown by 28%. 13% however, rarely delegated duties to employees.
4.3.4 Level of agreement on duty delegation

Table 4.4: Level of agreement on duty delegation

<table>
<thead>
<tr>
<th></th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Uncertain</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>I choose who to delegate my duties to</td>
<td>52%</td>
<td>30%</td>
<td>13%</td>
<td>5%</td>
<td>0%</td>
<td>1.3412</td>
</tr>
<tr>
<td>I delegate my duties only when am away from the firm</td>
<td>48%</td>
<td>34%</td>
<td>16%</td>
<td>7%</td>
<td>4%</td>
<td>1.4897</td>
</tr>
<tr>
<td>I give the employees opportunity to choose who to take my duties</td>
<td>55%</td>
<td>30%</td>
<td>10%</td>
<td>5%</td>
<td>0%</td>
<td>1.2512</td>
</tr>
<tr>
<td>I have a specific person/employee to who I delegate my duties to</td>
<td>42%</td>
<td>32%</td>
<td>13%</td>
<td>10%</td>
<td>4%</td>
<td>1.6911</td>
</tr>
</tbody>
</table>

Source; Research Data, 2017

The employees were asked to give their opinion using a likert scale of 1= Strongly agree, 2= agree, 3= Uncertain, 4= Disagree, 5= Strongly disagree. Results depicted above show that most of respondents strongly agreed to a high extent that they gave their employees opportunity to choose who took their duties, chose who to delegate their duties to and delegated their duties only when they away from the firm as was shown by low means of 1.2, 1.3 and 1.4 respectively.

4.4 Human capital orientation

4.4.1 Frequency of employing human capital orientation aspects

Table 4.4 Human capital orientation aspects

<table>
<thead>
<tr>
<th></th>
<th>Frequently</th>
<th>sometimes</th>
<th>Rarely</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee rewarding</td>
<td>80%</td>
<td>10%</td>
<td>10%</td>
<td>0%</td>
</tr>
<tr>
<td>Employee Promotion</td>
<td>70%</td>
<td>14%</td>
<td>6%</td>
<td>10%</td>
</tr>
<tr>
<td>Employee recognition</td>
<td>62%</td>
<td>20%</td>
<td>10%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: Research Data, 2017

The table above reveals that most of the businesses frequently rewarded, promoted and recognized employees as shown by 80%, 70% and 62%. 20% of the businesses sometimes recognized their employees whilst 10% never promoted their employees at all.
4.4.2 Level of agreement on Human capital orientation

Table 4.5: Human capital orientation

<table>
<thead>
<tr>
<th>Issue</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Uncertain</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Encourage employee participation in organizational matters</td>
<td>44%</td>
<td>30%</td>
<td>13%</td>
<td>10%</td>
<td>4%</td>
<td>1.6789</td>
</tr>
<tr>
<td>Creating time to meet employees and hold discussions</td>
<td>48%</td>
<td>34%</td>
<td>16%</td>
<td>7%</td>
<td>4%</td>
<td>1.4897</td>
</tr>
<tr>
<td>Offering educational support to the employees</td>
<td>52%</td>
<td>30%</td>
<td>13%</td>
<td>5%</td>
<td>0%</td>
<td>1.3412</td>
</tr>
<tr>
<td>Taking employees responsible for their actions</td>
<td>42%</td>
<td>32%</td>
<td>13%</td>
<td>10%</td>
<td>4%</td>
<td>1.6911</td>
</tr>
</tbody>
</table>

Source: Research Data, 2017

Data presented in the table show that most respondents strongly agreed that they offered educational support to the employees, encouraged employee participation in organizational matters and took employees responsible for their actions as shown by 52%, 48% and 44% respectively.

4.5 Sustainability of family owned small enterprises

4.5.2 Number of years the business has been in operation

Table 4.6: Number of years the business has been in operation

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 2 years</td>
<td>60</td>
</tr>
<tr>
<td>3- 5 years</td>
<td>82</td>
</tr>
<tr>
<td>5 – 7 years</td>
<td>54</td>
</tr>
<tr>
<td>7 – 10 years</td>
<td>110</td>
</tr>
<tr>
<td>Above 11 years</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>320</td>
</tr>
</tbody>
</table>

Findings from the study reveals that most of the businesses had been in operation for 7-10 years as shown by 34% 26% of the businesses had been in operation for 3 to 5 years while 17% had been in operation for 5 to 7 years. Only 4% of the businesses had been in operation for more than 11 years.

4.6 Sustainability of family owned small enterprises
4.6.1 Re-investment

Figure 4.17 Re-investment

Source: Research Data, 2017

Data presented in the figure show that most businesses frequently reinvested as was shown by 48%. 26% occasionally reinvested while 14% reinvested sometimes. 10% however rarely reinvested.

4.6.2 Number of years the business has been in operation

Table 4.11 Number of years the business has been in operation

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 2 years</td>
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<tr>
<td>3-5 years</td>
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</tr>
<tr>
<td>5-7 years</td>
<td>54</td>
</tr>
<tr>
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<tr>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>320</strong></td>
</tr>
</tbody>
</table>

Findings from the study reveals that most of the businesses had been in operation for 7-10 years as shown by 34%. 26% of the businesses had been in operation for 3 to 5 years while 17% had been in operation for 5 to 7 years. Only 4% of the businesses had been in operation for more than 11 years.
4.6 Multiple regression analysis
A multivariate regression model was applied to determine the relative importance of each of the four variables with respect to the status of competitive advantage in their respective companies.

The regression model was as follows:

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \]

Table 4.6: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Change Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>R Square Change</td>
</tr>
<tr>
<td>1</td>
<td>.097(a)</td>
<td>.009</td>
<td>.981</td>
</tr>
</tbody>
</table>

Source, Researcher (2017)

a Predictors: (Constant), Talent management, training and development, successor engagement and human capital orientation

Adjusted R² is called the coefficient of determination and tells us how sustainability of family owned enterprises varied with Talent management, training and development, successor engagement and human capital orientation. From Table 4.6 above, the value of adjusted R² is 0.981. This implies that, there was a variation of 98.1% of sustainability of family owned enterprises varied with the compliance with talent management, training and development, successor engagement and human capital orientation.

Table 4.7: Coefficients results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.833</td>
<td>.156</td>
<td>11.75</td>
<td>.000</td>
</tr>
<tr>
<td>Talent management</td>
<td>0.771</td>
<td>.061</td>
<td>.097</td>
<td>1.26</td>
</tr>
</tbody>
</table>

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Training and development | 0.516 | .18 | .094 | 2.87 | .023
Successor engagement | 0.658 | .311 | .090 | 2.13 | .017
Human capital orientation | 0.574 | .418 | .097 | 1.37 | .027

Predictors: (Constant), Talent management, training and development, successor engagement and human capital orientation.

From the data in the above table 4.12, there is a positive relationship between sustainability of family owned enterprises and the Predictor factors which are Talent management, training and development, successor engagement and human capital orientation.

In the established regression equation was

\[ Y = 1.833 + 0.771 X_1 + 0.516 X_2 + 0.658 X_3 + 0.574 X_4 \]

CONCLUSION
The study concludes that there is a considerable relationship between talent management and sustainability of family owned small enterprises in Kenya. Through talent management, organizations are able to attain a full reliable workforce which is more productive and functional thus promoting organizational performance. The study concludes that there is an immense relationship between training and development and sustainability of family owned small enterprises in Kenya. Training of employees makes them ready to develop and acquire more skills which they use in promoting their capabilities and productivity in the organization.

The study concludes that there is a colossal relationship between successor engagement and sustainability of family owned small enterprises in Kenya. Engaging successors of institutions made the employees understand the needs and strategies that organizations can carry out to sustain its performance. The study concludes that there is an important relationship between human capital orientation and sustainability of family owned small enterprises.
enterprises in Kenya. Human capital orientation is a key contributor to firm performance through engagement of employee capabilities and it enhances the updating of human skills which are key organizational resources.

RECOMMENDATIONS

The study recommended that organizations should embrace succession planning through successor engagement, employee training and development, human capital orientation and talent management to ensure sustainability and survival of their firms even after their exit from the business.

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