FAMILY OWNED BUSINESSES ARE THREATENED AT THE EXIT OF THE FOUNDER MEMBERS. A CASE STUDY OF KENYA

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ABSTRACT

Family Owned businesses are widely seen as the backbone of the economy around the world, they create wealth, they provide jobs, they are locally rooted and connected to their communities and they seem to be around for long periods of time. Their sustainability is critical to global economic growth. Sustainability of family owned businesses in Kenya is threatened especially after the exit of the founder in Kenya whether through retirement, ill health or death.

This paper is a literature review of family owned businesses and their role in the economy of a Country. It has examined related literature to family owned businesses sustainability and growth after the exit of the founder and also provides for the conceptual framework towards sustainability. The paper has looked at family owned businesses, the role of Strategic Succession Planning in family owned businesses and its importance especially after the exit of the founder, corporate governance that includes leadership and management structures that is in place in family-owned businesses in order to ensure sustainability and success, motivation factors that would influence the next generation for ownership to be attracted to taking up the family businesses, challenges that deter the sustainability and success in family owned businesses.

The literature review has informed a conceptual framework in which family business can be built to create sustainability. The key issues identified for sustainability succession planning, leadership, governance and management of business and motivation of family members to take up family businesses upon exit of the founder.

Keywords: Family Owned business, Founder, Sustainability, Strategic Succession Planning
INTRODUCTION

Family Owned Businesses (FOBs) are widely seen as the backbone of the economy around the world, they create wealth, they provide jobs, they are locally rooted and connected to their communities and they seem to be around for long periods of time. Their sustainability is critical to global economic growth. Many of the world’s greatest corporations were started and are still run by family dynasties. In fact, some of the largest publicly listed companies are family-owned, including one-third of Fortune 500 companies in 2014 were family owned businesses.

Family owned businesses whether small, medium or large plays an important role in the economy of any Country. They strive to not only be successful as measured by profit, market position, and other determinants used to gauge businesses success, but also for the continuity of transitioning management and ownership from one generation to the next.

Family Owned businesses are increasingly being recognized as a driver and contributor to economic growth (Maas, Venter & Maas, 2003, p. 1; Ibrahim, Soufani & Lam, 1996, p. 245), with family businesses consistently representing the majority of firms in countries. In Germany for example, family businesses contribute 66 percent to gross domestic product and employ 75 percent of the labour force; in Great Britain, family businesses account for 50 percent of employment while in India, statistics indicate that family business account for 70 percent of total sales and net profits (Chami, 2001, p. 3). In South Africa, Balshaw (2003, in Venter & Kruger, p. 1) estimates that at least 84 percent of all businesses in the formal sector are family-owned.

Problem Statement

The need to focus on sustainability of family owned businesses continuity in relation to business performance or growth in Kenya, whose criteria is focused on the middle size family owned businesses with a population of employees that are between 150 to 1000 (Wikipedia, 2013) that are mainly limited liability companies according to this research. This is due to the fact that many promising family owned businesses in various sectors; whether in the banking, insurance, agriculture, trade, real estate, construction, transportation, manufacturing or many others have collapsed over the years soon after the exit of their founders. Many businesses falter at the first transition, from the founder to the second generation, and only 13 percent survive to the third
generation. Participation of family members bring in a sense of loyalty and dedication to the firm, and business secrets are often kept within the family. But sometimes, interests of a family member may be at cross purposes with those of the firm. The dynamics of the family owned business thus requires very delicate balancing. It is this balancing act that can be one of the key abilities of the founder so that in the event of the sudden absence of the founder, then leads to collapse of the family business.

There was need for deep insights into the dynamics that can either drive family owned businesses to achieve outstanding business performance in terms of growth and over many generations; or drive them to fail and often with long-lasting pains for the involved families. But sadly as noted in earlier researches undertaken, only a minority of families in business translate their fear into a pro-active approach with the clear objective of ensuring that future generations wisely exercise their rights and responsibilities by having well-balanced exchanges between the family and the business that add value.

**Literature Review**

Globally it has been proven that family owned businesses are stronger, more vital, and more important than they have ever been and various estimates peg their share of global GDP at between 70 and 90 percent. While many family owned businesses are private; according to Global 500 Fortunes, about a third of these companies are founder or family controlled; as are 40 percent of the major listed companies in Europe. Family businesses are especially important in emerging markets, accounting for about 60 percent of private-sector companies with revenues of $1 billion or more. The influence of family businesses is likely to increase, given the growth of emerging regions, more and more family owned businesses are destined to become leading companies in the next 10 to 15 years. The study (McKinsey’s Global Family Business Practice, 2014) suggests that of the more than 7,000 large companies expected to form in emerging markets between 2010 and 2025, 80 percent will be family enterprises.

Some of the World’s largest businesses began as family owned businesses. For example, The Walmart of USA, Samsung Group of Korea, Tata Group of India, and Foxconn of Taiwan (Wikipedia, 2013). According to Emling (2000), Swedish family firms are estimated to account
for half of the national annual GDP growth in the private sector and family firms have been described as “the backbone of the Swedish economy”. In the USA in 2003, eighty per cent (80%) of all firms were either family controlled, or family owned (when following the definition of Anderson and Reeb, 2003). In Germany, Mittelstand companies1 are outperforming the rest of the economy and their Chinese rivals (Economist, 2011). The success of such firms arose from their abilities to manage internal resources and capabilities for successful transition – both generational and transformational. But research has also established that over 70% of family owned businesses collapse within the first five years of their existence/formation (ibid).

According to “the African Family-owned business; A partner for private equity” by Kurt Davies , (2014), in Africa the story is not different as family businesses control a significant portion of Africa’s economy, whereby it accounts to an estimated 75 to 85 percent of the business across Africa. Family-owned companies remain the essential backbone to most African economies. Some of the successfully African family owned businesses that have passed on business entities to successive generations as per Global 500 Fortunes with annual revenues of $50 million or more, where the share capital controlled by the family members is in at least its second generation and the family controls at least 30 percent of the company’s equity and voting rights’. These businesses cut across luxury goods to construction, agriculture, real estate, transportation, banking and retail etc, these are the most successful African family businesses that have sustained the vision for decades and are poised to prosper for generations to come. Some of the successful family owned business are; Dangote (family of Nigerian billionaire Aliko Dangote with interests in cement, industry, real estate, telecom, oil, gas, and banking), Sawiris (family of Egyptian billionaire Onsi Sawiris with interest in construction, industry and telecom) and Ackerman (family of South African Raymond Ackerman who pioneered the expansion of the large Pick N’ Pay supermarket chain in Africa), are more common, albeit on a smaller dollar scale, and more rampant than any African aficionado can detail.

In East Africa and specially Kenya’s most notable family owned businesses include: Madhvani Group of companies founded in 1930 by Muljibhai Madhvani in Uganda. It is the third-largest economy in the East African Community and run by .Mayur is the youngest son and lastborn of Muljibhai Madhvani under his leadership produces an estimated 165,000 metric tons of sugar
annually, also he is into electricity generation, insurance, construction and hospitality; Bidco Oil Refineries founded in 1970 by Bhimji Depar Shah in Kenya Bidco Oil Refineries manufactures edible oils, baking powders, canola and detergents. The company was founded in 1970 by Bhimji Depar Shah as a garment manufacturing outfit, before he and his sons shifted their focus to edible oils. Bidco has a 49% share of the edible oils market in Kenya. Bhimji’s eldest son Vimal Shah currently serves as the CEO of the $500 million (revenues) company; The Kenyatta Family Business founded in the late 1960s by Mzee Jomo Kenyatta in Kenya, Muhoho Kenyatta, the youngest son of Kenya’s first President Jomo Kenyatta, runs the ship of a business empire spanning extensive land holdings in Kenya, a string of hotels, Kenya’s largest dairy company, a media outfit and a stake in large commercial bank; Ramco Group founded in the early 1940s by Rambhai Patel in Kenya. Kenya’s Ramco Group was founded by Rambhai Patel, an Indian immigrant who settled in Nairobi in the early 1940s and founded a hardware store in the city’s downtown district. His 3 sons, Kirit, Mahendra and Chandrakant, joined the family business after completing their studies and helped expand the Ramco’s holdings into print, stainless steel, IT & office supplies. Ramco now has operations in Uganda, Tanzania and Rwanda; some other family owned businesses are; The Jacaranda Group (of the late Njenga Karume); Alliance Group (of Kenneth Matiba); The Gerrison Kirima Business Empire; The Tusky’s Chain of Supermarkets; The Nakumatt Group; The Chartered Securities Group (of the late Philip Ndegwa); Chandaria Group of companies; The Spectre Group (of the Odinga Family); House of Manji, and many others

Donnelley (1964, pp. 97-103) outlines some advantages associated with family enterprises including, the availability of resources from family members, good community standing because of valuable reputation, dedication and loyalty from employees, reduced agency costs, and continuity of the business within the family. However, the challenges facing family businesses are complex because of the overlap between the family system and business system. This complex overlap between the family, the business entity, and ownership is influenced by internal factors, such as unplanned succession planning, tradition, culture, religion, and external factors such as inheritance laws, estate laws, and market competition. (Chami, 2001, p. 4). Dyer (1986, p. 13) poses the question "Why do some family businesses succeed and others fail?" and postulates that the defining factor is the interaction of the types of culture - family culture and business culture.
Dyer (1986, p. 13) defines culture in the family business context as "the basic assumptions and values that underlie the behaviour of the family and the firm

While family businesses are quite common across the continent, only a handful of them enjoy longevity. According to the Family Business Institute, at the Harvard Business School; in family owned businesses only 30 percent last into a second generation, 12% remain viable into a third, and 3 percent operate into the fourth generation or beyond. The survival rate of most African family businesses beyond the Founder’s generation is extremely low. The following are examples of those Family owned businesses in Africa that have both completely failed and finally wound up; or they are really struggling to survive. Some of the examples are; the late Nigerian business mogul Moshood Kashimawo Abiola, who at one point was believed to be one of the wealthiest men in Africa, successfully built one of Nigeria’s biggest business empires consisting of an airline, a chain of newspapers, extensive real estate, fisheries and retail. After his death in 1998, his businesses crumbled. None of them exist today.

In Kenya we have the cases of The Jacaranda Group with three holding companies namely, Jacaranda Holdings Ltd (JHL), Karume Holdings Ltd (KHL) and Cianda Holdings Ltd, (CHL) whose founder has since died; Alliance Group whose founder is still alive whose businesses are struggling or being sold to pay for bank loans; The Gerrison Kirima Business Empire; The Tusky’s Chain of Supermarkets both already facing a lot of in fighting with courts cases on theft accusation and inheritance issues after the exit of the Founders and therefore rocking their survival.

The cases in point for example in Kenya are;

i) The Jacaranda Group with three holding companies namely, Jacaranda Holdings Ltd (JHL), Karume Holdings Ltd (KHL) and Cianda Holdings Ltd, (CHL) whose founder has since passed on since February 2012. According to the People Daily of March 26, 2015 commented that; Just three years after his death, his vast estate has run into deep financial problems that have seen the shut-down of key flagship ventures thus; In 2013 Village Inn, an establishment in Kiambu town closed shop two years ago (2013) in unexplained circumstances as did the prime Indian Ocean Beach Club at Diani in Mombasa that he built over six decades and strict financial cuts to his
beneficiaries. On 24th March 2015 Pizza Garden and neighboring sister Jacaranda Hotel at Westlands, Nairobi, shut their flamboyant doors.

At the time of his death the founder, 37 months ago, the estate was said to be worth over Sh40 billion and debt-free. Details availed by family members indicate that the Njenga Karume Trust (NKT), into whose hands he left the management of his vast estate on behalf of his family, has ran into debts estimated at Sh400 million

It is worth mentioning that before the industrial revolution, before Wall Street, there were family businesses and if there is anything certain about our uncertain business environment is that there will be family businesses in the future. Their existence and success is crucial for the economy. In Kenya's business circles there is need to investigate what undermines stability of businesses after the exit of the founders and what can be done to reverse the trends. Corporate organisations in Countries like Germany, England and South Africa have business units dedicated to family businesses venture. Such Corporations include; banks, investment firms and asset management firms that will focus solely on family business advice and research in order to ensure their sustainability.

It is no secret that family businesses can struggle with governance, leadership transitions, and even survival. Although we have also heard numerous family-enterprise success stories, cases of harmony, health, and longevity seem to be exceptions to the rule. Transitioning leadership for family owned firms can be a complex process. Factors such as Family roles (both in the business environment and the family structure), family dynamics, successor development and individual learning are some of the unique characteristics of family businesses which have considerable influence on the continuity planning or lack of planning

To ensure a family business has the best chances of survival, business owners need to evaluate the true state of their environment, the position of their business and their plan for the future.

According to the World Bank 2012 Kenya Economic Update findings, the study’s recommendation to indigenous Entrepreneurs in Kenya, is the crafting of a comprehensive, well thought-out, market-focused and people-centered entrepreneurial succession planning when started early enough in the life of the business which is inculcated early to the children in their
lives so that they embrace it early. The study will also want to view succession as a practice thus as a continuing flow of activities embedded in the everyday life of business families instead of a problem to overcome through succession planning. The study will also focus on other issues like type of leadership, corporate governance, corporate culture and management that need to be practiced by these businesses; what are the motivating factors that would influence the next generation for ownership to be attracted to taking up the family businesses.

To establish the extent strategic succession planning play in the sustainability of a family owned businesses after the exit of the founder

Succession planning, in essence, is the art of grooming tomorrow’s leaders today. Succession planning is a necessary part of an organization’s ability to reduce risk, create a proven leadership mode, smooth business continuity and improved staff morale. Succession, especially in a family business, is a process rather than an event. So, the sooner the family business starts the process, the better their chances of success. In many cases, business owners give thought to a succession plan, but they put off implementation. This can cause serious problems if the founder leaves the business earlier than planned due to death or illness. The successor will be making his or her first key business decisions during a difficult time and the health of the business could suffer (Molly, Laveren, & Deloof, 2010).

To establish the existence of good corporate governance that determines the leadership and management styles required in a family-owned businesses in order to ensure sustainability and success.

There is need for good governance in the family owned businesses in order to identify management practices that enable a family business to function effectively. Strategic leadership by the founder is a necessity in order to guide the rest of the family members and non family members working in the business.

Good governance is an obvious first hurdle for family businesses that want to hire and keep the best people and compete successfully over the long term. Committing to sound decision-making and management practices is thus essential, whether a company is publicly traded, partly owned by professional investors (such as private equity firms), or completely under family ownership. Family businesses cannot hope to manage internal talent (both family and nonfamily) or attract the
best outsiders without establishing good governance practices that separate the family and the business and ensure oversight from a professional board. Many people who are non-family wanting to join family owned business have reservation related to governance-related concerns about joining a family business: uncertainty about levels of autonomy, hidden agendas, lack of dynamism, and the potential for nepotism and irrational decisions.

While transition process unfolds, everything changes in the organization; leadership profiles, responsibilities, organizational structures, and processes for decision making. The backbone of any generational transition is the ability to capture a founder’s essential values while changing a company’s modus operandi. This means that you have to articulate a similar change program takes shape on the governance side; with all the required governance and management processes must be clearly defined. A lack of corporate governance and industry best practices periodically undercuts the long-term success. The absence of a succession plan can have detrimental effects particularly if the business has generally endured under paternalistic leadership.

There is need to establish if the family owned businesses lacks of focus on successful responsibilities of management structures that involve strategic planning, organizing; command; co-ordination and control. Thus whether there exists a Strategic plan which helps determine the direction and scope of an organization including business in transition over the long term, matching its resources to its changing environment and, in particular, its markets, customers and clients, so as to meet stakeholder expectations.

According to Jurgen C Schmidt, Katie Enock, Martyn Laycock (2009), planning is, today, an acknowledged essential discipline, a vital, systematic and ongoing process that enables - as far as possible that organizations and family owned businesses is to plan the use and application of their resources, skills, knowledge and competences in order to achieve their organizational missions, goals and objectives in environments of ongoing, sometimes turbulent change. It is especially in times of high levels of change that strategic planning places an organization in a more agile state, a stated of 'preparedness', more attuned to market and other management related issues.
Secondly it is important to establish if Organization Structures exist in family owned businesses. The term organization structure refers to the formal configuration between individuals and groups regarding the allocation of tasks, responsibilities, and authority within the organization (Galbraith, 2009; Greenberg, 2011). Organization structure will determine the function, the extent and scope of responsibilities in an organization. The structure and its elements will allow the culture to support entrepreneurial activities and creativity in the business (Sharper, Amir, Jasous and Shafee, 2012). According to Smith (2011), as the organization grows, change in leadership needs of the organization require different skills to navigate through various phases of growth. Family organization structure tend to be simple and less formal, which makes them more vulnerable than large organizations and with a rigid infrastructure it is difficult for them to transition into larger organization structures (Smith, 2011).

The competencies most frequently required for success at the top of any sizable business include strategic orientation, market insight, results orientation, customer impact, collaboration and influence, organizational development, team leadership, and change leadership. In family businesses one should also look for people who understand the company’s ownership dynamics, accept that responsibility for multiple generations comes with the job, and are able to manage social ventures and sustainable growth. Along with competencies, candidates must demonstrate potential—the capacity to change, learn, and grow into increasingly complex and challenging roles that we might not be envisioned today.

To establish the motivation factors that would influence the next generation for ownership to be attracted to taking up the family businesses.
Many children do feel such an obligation, on whether or not they should to go into the family owned business against their desire. Members of the family are persuaded to join the business; but the reasons for joining could be very different. Feelings of obligation originate in the bonding that develops among family members. If the successor decides not to join the business, there can be negative results within the family especially by the parent who may feel that the child did not fulfill his/her obligations to the family.
To determine the organization culture and the founder values of the family owned business

Nurturing, coaching and mentoring are essential for developing and maintaining the founder’s entrepreneurial values and drive (Ibrahim et al, 2004). The point is emphasized by Morris et al, (1996) who note that successful heirs are generally observed to be well-prepared in terms of educational background and experience, and to have spent a number of years working at all levels within the company concerned. Successful family transitions also enjoy positive family relationships with limited conflict, rivalry and hostility, and good levels of trust (Morris et al, 1996). Family businesses emphasize on having same values inculcated especially by the founder, the same vision and having the trust each other. There is strong believe in respect, integrity, quality, humility, passion, modesty, ambition and commitment of taking the family business forward thus sustainability. They believe majorly on whom cultural fit was more to be incorporated into the family owned business

While transition process unfolds, everything changes in the organization; leadership profiles, responsibilities, organizational structures, and processes for decision making. The backbone of any generational transition is the ability to capture a founder’s essential values while changing a company’s modus operandi. This means that you have to articulate a similar change program takes shape on the governance side; with all the required governance and management processes must be clearly defined. The need for Good Governance in the family owned businesses identify management practices that enable a family business to function effectively. There is need of strategic leadership by the founder in order to guide the rest of the family members and non family members working in the business.

To establish the family dynamics and challenges that deter the sustainability and success in family owned businesses

Generally there is more information or rather people are more familiar with the dynamics and successes of the larger family offices in Africa; the Kenyatta’s (family of Kenyan President Jomo Kenyatta with interests in the hotel, dairy, media and banking), Dos Santos (family of Angolan President Eduardo dos Santos with interests in telecom, banking and oil & gas), and Motsepes (family of South African billionaire Patrice Tlhopane Motsepe with vast interests in mining). Yet it is the relatively smaller family-owned businesses that pass under the radar that offer the greatest
insight into Africa’s changing business landscape. Sibling rivalry, family conflict and outright nepotism are rampant in some family-owned companies, such that a negotiated deal can sour through the malicious act of one sibling. It has been observed that family owned businesses run on familial sense of trust and collective ambition. This unspoken understanding is great in spurts but can be a downfall in the long-term.

Family owned businesses face major challenges; the main one being succession. Conflicts that are difficult to avoid involve succession. It is statistically proven that generational transition is the highest risk for continuity and that the vast majority of families in business fail to effectively deal with it. Many businesses falter at the first transition, from the founder to the second generation, and only 13 percent survive to the third generation. Improving these odds, which is our mission, is critical. In many areas that have industrialized and privatized over the past few decades, such as China, Eastern Europe, and India, the question of founder succession looms large. In Latin America, the Middle East, Southeast Asia, Africa and especially Kenya, many founder- and family-owned businesses which were founded in the 1960s and 1970s; face a second to third-generation transition. Much of the growth and health of the private sector of these countries depends on how well founder and family-owned businesses manage their successions.

To establish the major factors that determine the success of the Asian family owned businesses that seem to be more successful after the exit of the founder; as compared to the African family owned businesses in Kenya

There is need to establish why the Asian family owned businesses seem to succeed more as compared to the African owned family businesses in Kenya. This would be a useful finding that would assist in ensuring that the determinants of their success are emulated in the African business to ensure their sustainability into the many generations to come.

In the modern day, close Asian family ties again help businesses from collapsing. According to Professor Gusbert Oonk, Author of Tracking East Africa Asia Business Elite; “When one brother gets into difficulties with his business, his brothers, father, uncles and grandparents may step in to help prevent total collapse, and to maintain the business relationships intact. If the business fails,
it is not just the single entrepreneur that looks bad, but the family gets a bad name and the community as well.”

The history of the East-African- Asian business elite is a long and chequered one, and is undoubtedly a study in resilience, patience and the strength of community and family in sustainability of business. From their close family ties, the Asian families have built global business networks which span decades and continents; networks that have provided exposure, support and flexibility and allowed this small percentage of the East-African populace to attain such remarkable business success.

It has been observed that the Founders of the Asian family owned businesses begin to nurture their children early into the family businesses which is not a common thing in an African owned business. Thus the next generation of a family owned business is an African family is only introduced to the business in most cases due to a necessity or the child has no other job and therefore absorbed in the family.

To determine if there is need to prepare the next generation for ownership

Under-investing in the understanding of the importance and significance of the ownership concept towards the family business by the in-coming generation, is often the root cause of succession failure which eventually sadly plays out in sibling fights. This has been noted in some family owned business in Kenya for example in the case of Njenga Karume Empire. It is natural that siblings compete with one another, but in family firms they have to work as a team. Endless is the list of publicly well known cases of ugly sibling fights leading to splitting up or even destroying companies. “Next” generations often reach adulthood while their future role in the business is still undecided. This is a perfect time to systematically prepare them for responsible ownership. This means tackling technical issues, such as understanding governance,
Conceptual Framework

From the foregoing literature review it is evident that there are various factors which are represented as independent variables namely; succession planning, good corporate governance, organization culture, motivation and family dynamics that lead to the sustainability of the Family Owned businesses after the exit. These variables influenced by external and internal environment have informed the conceptual frame work for sustainability of family owned business.

Succession planning is one of the critical factors identified in the sustainability of family business. This is the art of grooming tomorrow’s leaders today and in FOBs this should be an ongoing process introduced by the founder in order to ensure continuity of the business. The other factor is good corporate governance; which entails strategic plan, appropriate leadership styles, defined roles and responsibilities of the employees, organization structures and processes for decision making as they are key to sustainability of the business. Organization culture is another of the factor identified to sustain family owned businesses. The organization culture are built on fundamental principles, core values, which can be seen as the guidelines in setting the vision, mission and goals of a family owned business or an enterprise. Because of the importance of family influence on the ethical climate and culture of a family enterprise system (influenced through the family core values), it could be possible to observe and value the level of family influence on the ethics of a family owned business as well. The other factor is motivation that would influence the next generation to take up ownership of the family business; The IMD Global Family Business Centers (J Schwass, 2013) most successful multi-generational family businesses follow different paths. The final factor is; family dynamics which involve issues such as sibling rivalry; family conflict and outright favoritism which are rampant in some family-owned companies, such that a negotiated deal can sour through the malicious act of one sibling. It has been observed that family owned businesses run on familial sense of trust and collective ambition. This unspoken understanding is great in spurts but can be a downfall in the long-term. While some the challenges that face FOBs are conflicts that involve succession and it is has been statistically proven that generational transition is the highest risk for continuity and that the vast majority of families in business fail to effectively deal with it.
The Proximate or modifying factors could be either External environmental which includes the Infrastructure, Economic, Competition, Technology, Political Influence or Inflation; while the internal factors include; Capital, Labor, Equipment, Strategic Planning strategy, some factors in both Results Based Management and in the Balance Score Card strategy. These factors all influence the Independent variables that eventually lead to the dependent variables or the intended outcome for this research which is the Sustainability and Business growth.
Conceptual Framework

**Independent Variables**
- Succession Planning
- Good Corporate Governance including leadership and management styles
- Organization culture and the Founders values
- Motivation of family members to join family owned businesses
- Family dynamics and challenges faced by family business

**Proximate or Modifying Factors**
- External Factors
  - Infrastructure
  - Economic
  - Competition
  - Technology
  - Political Influence
  - Inflation

- Internal Factors
  - Capital
  - Labor
  - Equipment
  - Strategic Planning strategy
  - Results Based Management Factors
  - Balance Score Card strategy

**Dependent Variables (Outcome)**
- Sustainability
- Business Growth

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Literature review has evidently shown the significant role the family owned businesses play in the economy of any country all over the world. At the same time it has noted that only 15 percentage of these family owned businesses survive to the third generation. In Kenya, there have been reports in the daily newspapers of squabbles and in fighting’s among family members upon the exit of the founder that have threatened family owned businesses survival in the future. There is very little literature or documentation or study has been done to investigate the causes of these problems and the unsustainability of these businesses upon the exit of the founder members.

In conclusion, family businesses are crucial to the economy of any country. They need to be promoted and given an environment to thrive. In order to advance this agenda, there is need to investigate what threatens these business and how to sustain them upon the exit of the founders especially in Kenya. This information will inform the development of strategies to sustain and promote family businesses. These strategies can also be replicated in other parts of Africa and even the other countries in the world.

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CORATAFRICA, Succession Management, a Beacon for Learning Organizations

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