

Succession Planning In Polygamous Family Businesses: A Case of a Family Business in Zimbabwe

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Abstract: Most businesses in Zimbabwe are started as family businesses and thrive under the guidance of the founding member. However in cases when these businesses are expanding, the owners marry other wives who are made responsible for some business units like shops in rural areas. After the death of the founding member, a successor has to be appointed but this appointment leads to family disputes and a gradual decline in the size and overall performance of the business. Generally, succession planning in family businesses is problematic in Zimbabwe. Succession challenges are more acute in polygamous families where business growth is linked to a large number of wives and children. This study showed that succession planning in polygamous families tended to be haphazard. The first step was to have each wife responsible for a business unit(s) but answerable to the husband with very limited decision making responsibility. On the death of the founder, an heir is appointed and disputes arise leading to some family members exiting business altogether and renting out the premises as sources of income for their upkeep. Succession planning in polygamous family businesses is necessary to ensure continuity after the death of the founder member. The creation of private companies rather than sole traders, where family members can be issued with share which can be disposed of without affecting business structure should be considered.

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I. Introduction

Family owned businesses contribute to sustainable economic growth and development (Abdullah, Hamid, & Hashim, 2011). In Zimbabwe family businesses constitute a significant number of business operations and according to Sikomwe, Mhonde, Mbetu, Mavhiki & Mapetere (2012, p.230), "Approximately 80% of the businesses in Zimbabwe are classified as family businesses..." Family businesses are increasingly becoming the dominant form of business enterprise in Zimbabwe where they play a pivotal role in economic and social spheres. One culture prevalent in Zimbabwe's business environment is the existence of polygamous marriages which exist in some cases with business ownership. These have different cultural groundings. Polygamy is a widespread phenomenon in African countries that ranges from 20%-50 % in comparison to 10 times of Asian societies (Al Hammadi, 2015). In Zimbabwe most businessmen have resorted to polygamy as their businesses expanded in similar vein to Maravanyika's view that people with more cattle could easily marry more wives. It must be remembered that in earlier times in Africa, polygamy was a way of life that could be practised only by wealthy men who could afford to take care of a number of wives and a great many children (Wunderin, 2009, p.17 in Baloyi, 2013).

However, family businesses struggle to exist beyond the founder's death especially in polygamous marriages. According to the International Finance Corporation (IFC) (2011) only 5 to 15% of family owned businesses continue into the third generation in the hands of the descendants of the founder(s). Many reasons have been given for this high attrition rate including management, insufficient cash-flows to fund growth, inadequate control of costs, industry and other macro conditions. However, family businesses also show some weaknesses that are especially relevant to their nature (Ward, 1991) and these could include lack of succession planning. It is believed that polygamy has played its fair share of stalling Africa's Small and Micro Enterprises (SMEs) growth and that polygamy has proved a serial business killer when it comes to family succession (Njagi, 2014). The above view is contrary to the widely held view that in Africa, ... polygamy is widespread and nobody seems to doubt that its occurrence is closely linked to economic conditions ... an additional wife is an additional economic asset which helps the family to expand its production, (Boserup, 2010).

In African countries a lot of family businesses fail as a result of poor or lack of effective succession planning (Maunganidze, 2010). This phenomenon has been studied in general and has not targeted succession planning in polygamous families. Forrest (1994) pointed out that firms have generally become mortal as their

founders since they also die with their founders. The crisis of succession in family firms is characterised by a dichotomy between western and African realities, their ideologies of management of business and the ensuing dilemma family business leaders or owners face in attempting to reconcile family-first and business first ethos (Maunganidze, 2010). The situation in polygamous relationship differs greatly from those that exist in other cultural settings and Njagi (2014) cited a delegate who argued that “Where the founder of the business passes on and has not passed on the skills to a successor, the business often collapses because the spouses will be fighting for ownership.” These socio-cultural influences play a key role in family owned businesses and create multi-dimensional problems which jeopardize “going concern” in such firms and/or lead to their collapse when the founder is no more or is incapacitated (Ogundele, Idris, & Ahmed-Ogundipe (n.d)).

The polygamous relationships present a unique situation which cannot be addressed by typically western models where in the nucleus family has been the focus of succession models. This calls for a separate study and the development of models that address this unique setting. This is in view of the finding by Machingambi (2014, p.276) who states “... in the case of death of the owner and if the owner had more than one wife and left no will there was bound to be infighting as to who would take control of the business.” Family business entrepreneurship represents a relatively stable system as long as the founding entrepreneur is in place but however when the founding entrepreneur is no longer around conditions would be risky (Abdullah et al, 2011).

II. Literature Review

Family businesses are omnipotent and are the most common form of enterprise around the world (Ibrahim & Samad, 2010). In the US, family businesses account for over 80% of all firms operating in the country and comprise one-third of Standard and Poor’s 500 listed companies. Aziz bin Hassan (2014) defined a family business as one that will be passed on for the family’s next generation to manage and control. Succession planning is the process where firms plan for the future transfer of ownership when the firm owner wishes to exit from the firm and nevertheless wants the business to continue (Abdullah et al, 2011). The motive behind is to transfer ownership of the firm to any of the family members rather than shutting down the business (Abdullah et al.). Succession can be viewed as a strategic decision that impacts the longevity of the firm (Sharma, Chrisman, and Chua, 1997).

According to Aziz bin Hassan (2014)

Despite the abundant studies that exist on succession in family businesses, many family businesses largely fail and cease operation, either after being led by the successors or being sold to a third party where there is no successor to take over. As stated earlier, only 30 percent of family businesses go beyond the first generation while only about 10 percent to 15 percent go beyond the third generation.

There are several concerns associated with succession planning and questions of whom, when and how the ownership of the firm will be transferred in succession planning. (Abdullah et al, 2011). Unfortunately, despite caution, succession planning appears to be left to chance by many family owned firms (Abdulla et al, 2011) and this seems to be the cases with polygamous families in the majority of cases. Moitoza (2012) pointed out that owners must scrupulously rely on sound business principles and criteria to make their decisions. Some families attempt to maintain equality among the children of the businessperson. However attempts to “keep everything equal amongst the children” usually spell disaster for the perpetuity of the business as well as family harmony (Thornton, 2011). Aziz bin Hassan (2014) suggested that family companies need to strategise to ensure that they survive into the next generation. Thornton proposed that the following questions need to be addressed in succession planning:

“Who is best able to control this business? How will active and non-active family owners be differentiated? When should this process begin? What criteria should be used to select who should control?”

It is very doubtful whether such issues ever get addressed in polygamous relationships given the competition inherent in such relationships at a social and business level. Does polygamous succession planning match the traditional literature on succession planning or is it left to chance?

The next generation of owners should take the lead in the ownership succession process and formulate the management and ownership succession strategies (Moitoza, 2012). Things are likely to be different when it comes to polygamous family businesses where siblings compete for everything. It will be informative to find out how polygamous families effectively employ this approach in providing all parties the level of comfort needed to implement the succession plans. Thornton (2011) felt that the current owners may feel that they are best suited to lead the ownership succession process but integrating the family into the process as active participants could generate better outcomes. However, the crafting of the plan by the owners and their trusted advisers without the active participation of the family is not recommended since it often leads to family conflict that otherwise could be avoided (Thornton).

The likelihood of a smooth and effective transition will be significantly enhanced if the active family members have been holding family business meetings and family council meetings to address the succession

issues (Thornton, 2011). This situation might not exist in a polygamous family business as there are many families who do not have common interest and expectations. Managing family member expectations, enabling them to make informed decisions about their future in the business and providing sufficient comfort to implement the succession plan is the role of these family meetings (Thornton). Further, founders do not force the children to join the family firm, unless the children themselves are willing to work with their families (Aziz bin Hassan, 2014).

Various dimensions and establishes practices should generate greater transparency and the trust of outsiders if succession is to be successful in family businesses, (Moitoza, 2012). The most extensive family governance institutions and business governance structures have to be created if succession is to be successful, with good communication between the two sets of structures necessary for business success and family peace. Such a situation is unlikely to prevail in polygamous family businesses hence it might be more challenging to formulate a succession plan. Family members' involvement and commitment is an essential element for the succession planning process (Sharma & Irving, 2005) to ensure family members become cooperative in the leadership transition and succession process.

Thornton (2011) argued that ownership issues are best dealt with in the family business meetings dedicated for this purpose and should be supported by a set of family business rules that address ownership issues and guide the family members in the succession process. Information sharing in polygamous relationship could be far fetched as children tend to entrench family allegiances ahead of business considerations. The structure of polygamous families might not allow for such interactions posing challenges for a smooth succession process. The culture of the family members together with that of the family firm greatly impacts on the family business continuity.

An outside facilitator/expert can bring knowledge of what other successful family businesses have done, provide an unbiased opinion, present options, open communication, and help steer the process (Moitoza, 2012). Sarelson (2015) noted that there is no single approach to succession and pointed out that what may work for one business may not be effective for another. Thus there is need for the transition process to include family assets as part of the process (Thornton, 2011) and suggested that the effective integration and management of the family component will have a determining effect on the success of the succession process. However, many family businesses seem to follow the management by crisis approach as many family-owned businesses have gaps in various crucial functions that include succession planning (Deloitte, 2014). Rivalries, feelings of entitlement, poor performance by underqualified relatives, and blurred boundaries between home and business interests have brought many of these companies to ruin (Deloitte, 2014). Such an approach can be entrenched in polygamous family businesses and succession becomes an issue when the founder retires or dies (Deloitte, 2014).

Sarelson (2015) argued that business owners ought not to assume that their children have the skills, experience or desire necessary to ensure the continued prosperity of the business. It is imperative that business owners make honest assessment of each potential successor's abilities and talents, and confirm willingness to lead the business (Sarelson) given the fact that many business owners struggle with turning over control with most failing or fearing to allow the successors to step in gradually and assume responsibility while the owner steps back. Garcia-Alvarez, Lopez-Sintas and Gonzalvo (2002) recommended that involvement of the successor in advance has the benefit of enabling the family to evaluate the successor's attitude towards the business and other workers but such a situation will be difficult to contemplate in a polygamous setup given the rivalry among family units.

III. Methodology

A qualitative case study research design was adopted for this research. Semi structured interviews and non-participative observations were used in gathering information from the family members and the manager. The researchers used a judgmental sampling method in selecting the sample members targeting members who met the following criteria:

- The respondent was to be a direct family member including the extended family except for the Manager and the employees who can be a non-family members
- The manager have served the firm for at least 3 years
- The members were conversant with simple business terms

The researchers used 14 interview guides that were used in the following criteria: 1 for the Manager, 1 for the CEO, 4 for the first generation family members, 4 for the second generation family members and 4 for the third generation family members. Three families of the family business' polygamous family consisting of first, second and third generation family members were selected for this study. The profiles of the participants were:

The Chief Executive Officer

He holds a certificate in education, motor mechanics and counselling. He is the founder member's son mothered by mother B. According to one of the respondents, he was chosen to be the CEO because the father saw that he possessed the characteristics of being a leader; he was reliable and not greedy. Besides being the CEO of the business, he is working elsewhere. The CEO is also assisted by a full time manager who holds a Bachelor of Business Studies and a Diploma in Marketing. The researchers chose to interview him since he served the firm for quite a long period of time. More so this manager is a non-family member who would provide the researchers with information with little or no bias towards any family member.

Wives of the founder member

Mother A is the founder member's first wife and a mother to son C, son D, daughter C, daughter D. She holds a Certificate in Business Studies and is currently operating a grocery shop at a rural business centre. The researchers believed that such a member would be in a position to provide information on what is taking place in the business. Mother B holds a Certificate in Secretarial Studies and another certificate in Marketing Management. She is the founder's second wife and mother to the C.E.O and son A, son B, daughter A, daughter B. She is currently running a grocery shop and a bakery store in a nearby town.

Sons of the founder member

Son A is a holder of a Bachelor of Arts Degree. He is a son to mother B and he just supervises his mother's businesses on a part basis because he is working as an architecture and a designer in another company which is not related to his father's businesses. Son B holds a diploma in motor mechanics. He is a son to mother B and is currently working as a workshop foreman and monitors that all the buses are defect free. Son C only passed Ordinary level and decided to quit school because he wanted to venture into the business early. Currently he is a conductor to the buses. Son D has a Diploma in Marketing. He has a driving school of his own but he works on a part time basis as a driver to the buses

Daughters of the founder member

Daughter A holds a Degree in Food Science and Technology and Certificate in Hotel and Catering. She is a daughter to mother B. She is currently running a bakery store and a restaurant of her own that is not related to the family business but she supervises her mother's bakery store and grocery store since she is well skilled in that area of business. Daughter B holds a Diploma in Accounting. She is a daughter to mother B. She currently works in a bank and she is also involved in the family businesses as an accountant on a part time basis, with much time being spent on her career as a banker outside the family business. The researchers decided to interview this member since the researcher gathered that she has always been involved in most of the succession planning cases especially on issues of assets allocation to the family members. Her strength, the researchers gathered was on asset valuation; hence she was taken as a crucial member when it came to estate ownership succession planning. Daughter C has a Diploma in Personal Management. She is a daughter to mother B. She owned a boutique and works in the family business as human resource personnel. Daughter D has Ordinary level as her qualification and is daughter to mother A. She works on a full time basis running the shops together with the mother.

Extended family members

Cousin A is a holder of a Bachelor of Law Degree and she was occasionally engaged as a legal advisor within the family business though she was permanently employed as a logistics officer. This attracted the attention of the researchers since the researcher felt that this member's potential was being underutilized. Cousin B was engaged as personal assistant to the CEO. He holds a Master of Commerce in Strategic Planning. The fact that this member has such a high level qualification attracted the attention of the researchers. Father A and B are brothers to the founder member and play the overall role of overseers as per African tradition where they are informed of all matters pertaining to the family and give general advice on a wide range of issues.

The interview was used as it provides information regarding the subjects' thinking or strategies used during the research study, which can help explain their behaviour. Orne (2000) used the interview to assess why subjects would persist at a boring, repetitive task for hours. The interview technique is essential for the debriefing process which takes place to smoothly conclude the research study through interviewing the respondents at the end of the research study. Content analysis was used to evaluate succession practices in polygamous family business.

The business empire started in 1970; as a mobile shop basic commodities and later included buses, bakeries, shops and restaurants. The business empire comprised 25 buses, 20 grocery shops and two bakeries and Table 1 below shows the current status of the business:

Table 1: Current status of the business.

Business activity	Before demise of founder	After the demise of founder
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	member	member
No. of buses in operation	25	10 (2 leased)
Grocery shops in operation	20	15 (5 leased out)
Bakeries in operation	2	1
Restaurants in operation	4	2

The founder member had 15 sons and 12 daughters that were born of four wives. Of these only three wives, eight sons and six daughters were actively involved in the family business while those left out were disgruntled long before the death of the founder. It seems there was a covert preference for some family members at the expense of others.

IV. Findings and Discussion

Family successors should gradually be prepared for leadership through lifelong learning experiences which span many years and cover several successive positions that is informal involvement over functional roles of a successor to early and mature succession (Duh &Letonja, 2013). The founder member believed that the business should remain a family owned entity and he planned that only the family members are potential successors. In his way, family members were being prepared for subsequent takeover when he decided to retire from this business. However unfortunately, as pointed out by Cousin A, practicing lawyer, the founder member never left any document that could be used as a plan after his death.

The manager and the majority of the family members (12) strongly agreed that the family business continuity seemed to be in jeopardy following the death of the founder member. A successor was appointed to ensure business stability. Howeverafter the successor took over the business the sustainability of the business was adversely affected by a lack of proper succession planning and disputes. The firm manager actually said “things ceased to be right” since the death of the founder member.

Most respondents were of the notion that the potential successors were only supposed to be family members whichThornton (2011) referred to as the “keep it in the family” aspect. Six of the children interviewed strongly felt it was imperative to maintain the legacy of the family and this they believed could be achieved through having only the family members being the potential successors. Only two children were of the idea that it could havebeen a wise alternative to give succession preference to non-family members to avoid “wrangles over issues of ownership and succession being experienced.” However, firm governance and regulatory frameworks would be required for such an approach to work well in protecting the“family legacy.”These differences in approaches could stem from positions and power in the polygamous matrix.Son B, Son C, Daughter B and Daughter D believed that polygamy was the root cause of succession problems. Son C went on to saying:

“Issues of polygamy ought to be handled in a way which avoids compromising the necessary business operations”.

Daughter Dadded that “it is not wise to be polygamous if one wishes to be successful in business since the grudges of the family members occasionally hamper business operations especially in family businesses.” Mother B concluded that the family business was failing because of simply taking a member from the main family without considering the experience of the members.

Those in favour of a family member taking over believed that educating the family members was crucial in succession planning with the CEO suggesting that there was need to “educate the potential successors such that they get a chance to develop professionally”. Formal education was necessary for “imparting knowledge and skills” in the minds of potential successors. Accordingly, Father A lamented that the process of educating the potential successors was long overdue and could have been responsible for the problems being faced by the business. The CEO actually was quoted saying that education is an essential tool for effective mentoring and “we are doing this here though the challenge are the elders who feel that it is a waste of resources”. Father A responded by saying “we are not managing to take advantage of education but it is essential for our succession planning process.” However, Mother A and B believed that education is a mere waste of the resources since they believed being a family member one ought to be able to run the business and this could be the reason behind emphasizing participation in the business rather than pursuing education. The latter group emphasized the need for mentoring as essential to successful succession planning in family businesses. The rest of the members were certain that the system in place was not taking advantage of the mentoring role of education. Given the education levels of some of the children there should be a smooth succession but the CEO only said “we are trying our level best to ensure that we utilize the available capacity”, meaning that not all members were active participants in the business. This was a potential source of conflict in business succession in polygamous families.

Due to absence of any form of rules to govern the succession planning process, conflict erupted. The CEO felt that all members born of Mother A were not pleased to learn that he had been selected as CEO. This conflict came because every family member was interested in the taking up of the business leadership given the

wealth that was associated with the position of being the CEO. Polygamy also contributed to the conflict since every member wished having the CEO being selected from among of his or her direct brothers or sisters. The sons were furious and one of them (Son C) went to the extent of saying “I wish they had chosen my brother.” This brought in an element of segregation based on polygamy issues and immediate family power and influence.

Most firms fail to continue into the third generation in the hands of the descendants of the founder(s) due to losing track (International Finance Corporation, 2011). Mother A pointed out that “the firm is gradually losing track,” but Mother B and Daughter A said “the successor shall work on it and address the poor performance.” Daughter A, a sister to the CEO, felt the performance was not bad. “Well my brother is trying his level best. He simply needs support”. This in a way reflected a lack of common vision in the business with family members taking either a supporting or opposing position, with those opposing suggesting that the performance would only be better on the demise of the current successor. Thus Thornton (2011) stated that members needed support for the succession process to take on well, a view shared by Father A and Father B who noted that the successor was still learning since he had not been involved in the business in time. Sharma and Irving (2005) concluded that there was need for family members to be actively involved during the succession planning process to enhance faith in the choice of a successor and overall support given to the successor.

Daughter B, the CEO and the firm manager argued that without a succession plan the business's fate is uncertain and suggested that the distribution of the family assets should be handled by the courts. This position seems to suggest that the best way forward was to make family members take over certain assets and in a way mitigate conflicts as court decisions are not likely to be challenged. The other 11 family members felt the courts had no role to play in the distribution of ‘family business assets’. There is a marked impact that polygamy plays. The idea of sharing assets has a strong endorsement from family members and this could be driven by the way the succession was managed both during the tenure and after the tenure of the founder. Twelve out of the 14 respondents felt that a proper succession plan could help in averting the adverse effects of polygamy on the distribution of family assets and ownership of the firm given the high number of disputes within the family over the management and ownership issues.

All the family members were of the view that selfishness of the founder member was the worst enemy to proper succession planning process. Son A said, “The worst enemy to succession are the founders who are selfish”, with Son B suggesting that the founder should avoid clinging to power too long. The founder should thus impart the necessary skills to the potential successors in time. Mother A said some of the founder members do not want to disclose business tricks to family members. This she felt was due to our African traditional culture that valued secrecy rather than openness in business management.

The founder member’s wives and his daughters were actively engaged in the grocery and bakery shops, but mostly being responsible for sales only. The founder worked actively together with his sons and the male cousins in the transport SBU as the administrator with the boys being engaged as conductors or bus inspectors depending on their ages. Every family member was placed where he or she was most suited as operatives rather than in management. This cannot be construed to be adequate preparation for family members to succeed the founder member in the event of death or incapacitation. The CEO, the manager and the sons and daughters felt there is a lack of preparedness on the part of the potential successors. Son A lamented the need to orient the potential successor early. “It does not work if we simply take a family member by surprise” were his words. Daughter D also said “this act of taking people by surprise is the major reason why we are failing to take off well on the demise of our leaders here”. Fiegner, Brown, Prince and File (1996) suggested that the success of the family business succession planning is achieved if the children are brought into the business at early stages of life of the business to learn and develop business interest in order to take over the business after the retirement or death of the owner.

To counter polygamy related challenges the CEO suggested “the consideration of effective use of the set codes of best practice on corporate governance as guiding principles to succession issues.” The General Manager also added that possibly in future the legal framework need to be improved and have some rules and regulations that are binding on succession planning issues especially when it comes to assets distribution. The views seem to suggest variances in opinion as one revolves around keeping the business intact while the other seems to suggest the sharing of assets which could result in more conflict based on equity and equality. Mother A seems to agree with the setting up rules and regulations framework but was not clear on their purpose, a view held by Abrams Sarelson (2015) who postulated that there was need to establish clear guidelines for the succession process. Son C and Daughter B were of the idea that another strategy would be selling the business to some competent family member. This, they believed would preserve their family legacy. Poza (2014) also shared the same view when he alluded that there might be need for the business to be sold to a family member. On the contrary Clifford (2008) pointed out that the challenge of this strategy was that it would attract maximization of taxation on the part of the seller based on valuation of the business. The manager went on to say in future there is need to keep a proper and transparent track record of each member. This was also lamented by Mother A who said there is need for mature and experienced successors.

The utilization of experts was cited by the Aberdeen Group (2006) who advocated for the use of consultants in the succession planning process. During the interviews son A and son B showed that they did not appreciate the use of outside experts. Son B said “why should we hire outside experts yet we have our general manager who is a qualified manager?” Father B however had an appreciation of the need of the outside experts. He said “so far we have not had much use of outsiders, but I appreciate their engagement.”

Son A said he felt asset allocation was not a challenge since he believed it was the role of the management and the CEO to decide upon the issue. Son D strongly felt that the issues of asset allocation were one “hell of a source of conflict amongst the family members.” Daughter C reiterated that usually the members with greater power in the family get the bigger share. Thus in the family some members were considered as being special by virtue of say having more financial resources. Both father A and father B stated that there was need to have “rules that would govern the distribution of the assets at succession,” a view shared by Mother B who suggested a need for improving the process of selling or gifting the assets given that the current practice was biased in favour of family members with more power and worked against children not in the power circle. This view is radically against the views of the founding member, who believed that the business should be maintained intact.

Duh andLetonja (2013) argued that the successor’s commitment to a business is of crucial importance and is rated very high among skills requirements of a successor. In the case of the family it is not clear whether the successor was committed to the business or not. Daughter A seemed to be worried about the state of affairs in the business and felt that the current CEO did not have the requisite skills to manage the business. She pointed out that the post could have been taken by one of the founder member’s daughters who were better qualified but were unfortunately not considered owing to gender bias on the part of the elders within the family business entity.

V. Conclusions

The family business entity was merely taking successors without taking into account the level of education and suitability of the successor which could be detrimental to the succession process. Succession was thus based on sentimental issues like preference. This could cause low sustainability post the founder given the escalation of disputes thereafter. Lack of education among the family members was seen as denying the members the requisite skills for managing the succession planning process and the business post the founder member’s death or incapacitation. Family businesses continuity seemed to be at stake after the death of the founder member especially in polygamous as conflicts adversely affected the sustainability of the business. Lack of rules of selection of successor and inefficiencies as family grows larger were however seen as significant by many of the respondents as substantiated by the percentage of respondents. The absence of a succession plan and governance rules disturbs the peace within a family or group of people in case the owner is no longer there to give his opinion in the matter and creates mistrust in succession issues in polygamous family business. Family businesses face a lot of challenges on their succession planning including founder member selfishness, polygamous family issues, and lack of preparedness of successor, poor family communication and lack career development of strategies on the part of the successor.

Inefficiencies increased as the family grows resulting in family conflict which compounds succession planning. The lack of rules of selection of successor creates family disputes and lack of trust in the selected successor. This view is supported by Machingambi (2014:276) as follows “There is bound to be infighting as to who will take control of the business.” Family businesses were failing to achieve sustainability with family members opting for the split or sale of the business empires to avoid succession challenges and unequal participation in the business. Machingambi (2014:276) also states “While there is no problems with polygamous marriages in the Shona culture, experience in running businesses had indicated a high failure rate in businesses where owners had many wives.”

VI. Recommendations

There is need for the Directors to set up a family council responsible for discussing family matters which would hamper family business sustainability in order to avoid unnecessary family member grudges. Tolerating accepting and inclusion of non-family members as successors through following proper board practice for share distribution practices will minimise wrangles over ownership succession while at the same time bring in outside expertise.

Consideration of the successor qualifications is critical to the long run realization of modernizing succession planning in family owned businesses. Educating and introducing family members early in the business could equip family members with the relevant knowledge in succession planning and business management which are critical to effective succession. Company formation should be considered ahead of sole trade business formation with each child and wife being allocated shares which will retain their participation in

the business post the death of the founder with provisions that such shares be sold to family members first before being offered to outside parties.

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