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HUMAN RESOURCE MANAGEMENT

HUMAN RESOURCE PRACTICES AND FAMILY BUSINESSES' CONTINUITY: THE ROLE OF SUCCESSION PLANNING

Thesis submitted to the University of Rwanda, College of Business and Economics in Partial Fulfillment of Requirements for the Award of Degree of Masters of Business Administration in Human Resource Management option.

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ABSTRACT

The creation of jobs, the transfer of knowledge, and the stabilization of the economy are just a few of the critical responsibilities that family companies play on a worldwide scale. Family businesses make up 19 percent of the global economy and provide a significant portion of the world's GDP. However, more than 70% of family-owned businesses fail to survive the shift from the founder to the second generation, and of those 30% that succeed, the business shrinks by another 15% when it moves to the third generation.

This study's main goal was to evaluate the impact of succession planning as a kind of human resource management on the survival of family businesses. Analysis of the founders' plans and strategies was one of the particular goals. The function of a successor in the succession planning of a family company; to evaluate how the successors affect the succession planning; and the part played in the succession process by non-family members and legal successors. To achieve the desired outcomes, this study used a case study research approach. The sample of six (06) was drawn using the purposive sampling strategy from the forty one (41) family businesses that made up the target population. Interviews served as the primary data gathering method for this investigation.

Results indicate that family firms in Nyagatare City continue to have relatively low levels of human resources practices, especially when it comes to succession planning. The results also show that those who try to plan their succession do not choose managers who are not family. The founders often include the legal successors in business operations after selecting them based on their performances and skills. Both academic and practical/policy consequences stem from this work. By presenting findings on succession planning as a human resource component among family businesses in developing nations, the study adds to the sparse body of literature on human resource practices among family businesses. In order to ensure the continuity of the family business, this research also makes advice to family companies on the best methods for succession planning. Purposive sampling was the method used for this investigation (Miles and Huberman 1994:27), thereby not being probabilistic (Guest, Bunce, and Johnson, 2006). Purposive sampling is a sampling strategy that focuses on specific occurrences and/or processes rather than providing a representative sample. They provide an overview of qualitative interviewing.

KEY WORDS:

Family Business Continuity, Human Resource Practices, Succession Planning, Owners and Successors.

DECLARATION

I, Benon RWOMUSHANA, a student at the University of Rwanda, hereby certify that this research report work is entirely original with the exception of any citations and has never been submitted for academic credit at any university or other higher education institution that I am aware of.

Signature …………………………………. Date ………………………..

APPROVAL

This study report was completed with my oversight and consent, and it is currently prepared for submission to the University of Rwanda's College of Business and Economics.

Signature: Date: 09-08-2022

Dr. Mutarindwa Samuel

(University Supervisor)

DEDICATION

I dedicate this work to my devoted wife, Mrs. Uwase Doreen, and my lovely children, AkalizaAriella and AgatesiAnealla, who helped me out in every way.

I dedicate it to my adored mother, Mrs. Kanyana Viviane, as well, in appreciation of her parental guidance and numerous contributions to my schooling. She is the one who initially instructed me on the principles of human resource management, despite the fact that she cannot wield a pen.

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LIST OF ACRONYMS AND ABBREVIATIONS

EDPRS : Economic Development and Poverty Reduction Strategy

HR: Human Resource

GDP: Gross Domestic Product

SEW Social Emotional Wealth

RDB: Rwanda Development Board

MINICOM: Ministry of Trade and Industry

NISR: National institution statistics of Rwanda

PSF*:* Private Sector Federation

MINICOFIN: Ministry of Finance and Economic Planning

BUZ: Business

USA: United states of America

RA: Resource Allocation

SMEs: Small and Medium Enterprises

US$: United States Dollars

CHAPTER ONE: GENERAL INTRODUCTION

Background of the study

One of the key human resource principles for any corporation seeking to expand and pass business operations from one generation to the next is succession planning. This idea is also used in family business management (Deloitte Development LLC., 2017). A significant amount of study has been done recently on the family business, which is important on a worldwide basis (Chalus-Sauvannet, 2018). In the U.S. alone, family firms account for more than half of GDP, making up a significant portion of the global GDP (Merwe, 2019). (Vera, 2020). Family firms represented 19 percent of the global economy in 2014, a considerable rise from 15 percent in 2005 (Heidrich, 2018). The generation of jobs is one of the crucial functions that family companies perform., knowledge transfer, and the stabilization of the economy ((Heidrich, 2019).

African family enterprises are seen differently from those in North America or Western Europe (Bewayo& al, 2019). In addition to cultural and economic differences, industrialized and developing nations have demographic differences that have a different impact on the survival of family enterprises. For instance, extended families and communities in sub-Saharan Africa emphasize the differential influence of family demographic changes such as birth and death, creating new ventures has an impact on how well a company performs, succeeds, and survives in general (Cliff, 2013; Khavul et al., 2019). Many family businesses that were founded as middlemen for the political elite failed because political regimes regularly changed. The remaining business families are impacted by the social environment, extended family, dependency on the community, as well as internal family problems. Rwanda, a country in East Africa, is a prominent illustration of a place where all three elements coexist. The bulk of the characteristics listed by Bewayo (2018) relate to it, hence its social and political evolution is important to take into account. The majority of businesses in Rwanda are founded by people who care about their families and the community as a whole of business families.

Given that it has suffered periods of unmatched turmoil and genocide during which family company owners had to demonstrate extraordinary endurance to survive, Rwanda is notably unique within Africa. However, as soon as peace restored, they quickly expanded, seizing commercial possibilities in response to the need to reconstruct the nation. Some of them have had negative effects, but generally speaking, they have evolved into company groupings and many lines of enterprises rather than just one single business (Sindambiwe, 2020).

It has been demonstrated that inheriting a family business due to a circumstance like a divorce or death is hazardous for the survival of the company since the successors take over the family firm with less dedication or without sufficient preparation (Sund, 2018). In such circumstances, Rwandans tend to accept inheritance with little effort and see the inherited enterprises as a source of funding rather than as a long-term investment needing personal dedication. Therefore, in order for these enterprises to endure over generations, parents require certain methods and approaches. A major method for continuity is to increase the commitment of potential successors. Adding female candidates expands the field of potential successors. In Rwanda, like in many underdeveloped countries, between 80 and 85 percent of businesses fail, which is a worrying statistic (Harorimana, 2018). The distinction, according to a number of World Bank research, is that Rwanda has more start-up businesses than other countries do, and that more businesses in Rwanda's first generation fail at a lower rate (Mwanza, 2020). Rwanda is not a particularly unique situation in sub-Saharan Africa with regard to the viability of family businesses.

In order to address the issue of the high number of failed family companies from founders to the present, this study will examine the effects of succession planning as a human resource technique on the continuity of Rwandan family enterprises to the second generation as elaborated in the above-mentioned researches by identifying the human resource challenges of leadership and ownership transfer from first generation to second generation.

Problem Statement

According to estimates, more than 70% of family-owned businesses fail when the founder passes the firm on to the second generation (Grassi&Giarmarco, 2008). As the business moves to the third generation, the 30 percent of businesses that do survive the second generation (Heidrich, Makó&Csizmadia, 2016; Luan, Chen, Huang & Wang, 2018) are reduced by another 15 percent (Tatoglu, Kula &Glaiste, 2008).

The expected literacy rate among young people aged 15 to 24 was 86.5 percent in 2017, while Rwanda's GDP expanded by an average of 7.5 percent annually between 2007 and 2017. In 2017, 11.9 million people were expected to live in Rwanda, with women making up 52% of the population. The population was also very young, with 43% of people under the age of 15 and 27% between the ages of 16 and 30. This indicated that just 30% of the population was above the age of 31, while 70% of people were between the ages of 0 and 30. Statistics show that the majority of the population is young, and Rwanda's degree of family business development shows that this sector is also currently developing and in transition from the first to the second generations. The following concerns, among others, constitute a specific threat to the survival of Rwandan family companies, according to Sindambiwe (2020):

a) Because education is so expensive, wealthy families are able to prepare their kids for successful employment. The pool of possible successors is reduced as a result.

b) Since Rwandese lives are long and there is a focus on succession after the owner dies, it may take decades before offspring inherit the family companies. Many people had already chosen alternate jobs and had turned down offers to rejoin or take over the family firm by that point. They may also have been geographically dispersed, which is regarded as a lack of HR policies.

c) The legal and cultural requirement to convey the inheritance to the offspring results from culture and inheritance laws. Recent and widespread reforms to inheritance rules allow for gender equality in inheritance and the owner's choice to share the business unequally, which goes against cultural norms.

A number of previous studies(Grassi&Giarmarco, 2008; Heidrich, Makó&Csizmadia, 2016; Luan, Chen, Huang & Wang, 2018;Tatoglu, Kula &Glaiste, 2008;Deloitte Development LLC., 2017; and Chalus-Sauvannet, 2018)havestudied family businesses particularly in the specific contexts of developed countries and concludate that huge percentage of global family businesses fail in the family business generation transfers especially when the founders passes away. Sindambiwe (2020) makes a contextual contribution to the above literature by focusing on family business continuity in Rwanda. His study finds that most family business founders do not prepare their offsprings to take on their businesses after their tenure and that only cultural and legal factors force the founders to pass on the businesses to the second generations (inheritance). The current study complements Sindambiwe’s (2020) work in several ways. First, this study analyzes succession in family businesses which is vital for business continuity. Second, this study analyzes these variables (succession and business continuity) in a peri-urban context in

Rwanda with very young family businesses mostly owned by founder members and to a small extent the second generation. This was not covered in the previous studies.

The majority of family businesses struggle to recruit loyal successors because they don't have good succession planning. The goal of this study is to carefully analyze how Rwandan family companies use succession planning as a human resource strategy to pass on their business operations to the next generation. Succession planning is the recognition that people will leave an organization at some point in the future. The research objective is to evaluate the impact of succession planning as a human resource technique on the survival of the Rwandan family company in Nyagatare city, being new city with business founders who had no business skills for because the bulk of studies on the topic have been conducted in successful firms and in industrialized nations.

Objectives of the study

This study will be guided by general and specific objectives

General Objective

To assess the role of succession planning as human resource practices on the continuity of family business

Specific objectives

a) To analyze the founding conditions and seccession planning of the family businesses.

b) To assess the generational transfers and succession planning of the family businesses.

c) To examine the role ofnon-family managers and succession planning of the family businesses.

d) To evaluate the role of succession planning in the continuity of the family businesses.

Research Question

a.How do the the founding conditions and seccession planning affected the family businesses

b.How does the generational transfers and succession planning take place in the family businesses

c. What is the role of non-family managers in the succession planning of the family businesses.?

d. what are the impacts of succession planning in the continuity of the family businesses.

Scope of the Study

This will be delimited in Content, Geographical and time scope

Content Scope

The academic scope will aim at investigating the role of founders, successors, and non-family managers of the family business in succession planning.

Geographical Scope

The study will be carried out in all qualified family businesses which operates in Nyagatarecity located in Nyagataredistrict of Eastern Province, in the Republic of Rwanda

Time Scope

In terms of time scope, the study will mainly consider the firm of more than ten years from 2012 chosen to make a comparative analysis, because a range of ten years is enough to assist the study of Succession planning in family business.

Significance of the study

To Family businesses: The study will give an insight to family business owners on the Succession Planning of the management and the ownership of the business from one generation to another.

To the researcher: The study will help the researcher to acquire Masters' degree in Business - Humana Resource Management at University of Rwanda since it is one of the conditions for the University program. In addition, the study will help the researcher to acquire practical skills that may inspire him to carry out more researches in future. This is because for the period of the study, he may come up with the new inspiring problem in the study area.

To the University of Rwanda: The research findings will offer an insight for further research purposes which will help those who are studying to build on it and come up with clearly research findings about the contribution of family business continuity in family business. In addition, the findings will benefit the academic world by enabling future researchers who will be involved in the same or related Primary to get relevant literature. Hence it will add on to the existing body of facts.

The government of Rwanda: The findings will be helpful to the regulatory agencies (MINICOFIN, PSF, MINICOM, RDB etc) in their promoting, monitoring and regulating activities of businesses in Rwanda.

CHAPTER TWO: LITERATURE REVIEW

This chapter reviews the literature related to the theories, concepts and the empirical of the succession planning of the family businesses. These data have been extracted from various text books, journals, magazines, published reports and relevant websites.

Theoretical Literature

This part emphasizes on different theories and perspectives about the family business succession and continuity from one generation to another generation, and this study based its foundations on three theories namely; family portfolio, socialization and commitment literatures.

Family portfolio literature

The literature on portfolio entrepreneurship claims that founders or habitual entrepreneurs launch businesses, grow them, and eventually hold ownership of at least two businesses (Rosa, 1998). Some people start many businesses concurrently rather than one at a time, forming a business group (Rosa, Rautiainen&Pihkala, 2019). In the literature on portfolio entrepreneurship, it is necessary to make a distinction between novice entrepreneurs, experienced entrepreneurs, portfolio founders, and serial entrepreneurs (Rosa, 1998; Rosa et al., 2019; Westhead& Wright,1998). Portfolio and habitual business owners are those who start, inherit, or purchase a second company; serial business owners are those who launch a company, shut it down or sell it, and then launch, inherit, or purchase a second company later; novice business owners are those who have just recently established, acquired, or acquired a firm, another corporation, etc. (Rosa, 1998, p.43).

Examples include the well-known religious figure Hans Nielsen Hauge (1771–1824) from Norway, who created around 75 commercial units and assisted the founding of an additional 75 units on the principles of good stewardship (Grytten&Minde, 2019). Another example is Dublin, Ireland's Ryan Smith, who was hailed in the Irish media in 2000 as "one of the finest businesses of his time" when he died away in 1999 (Clinton, 2011). Based on their assets and standing, the firm owner maintained the operations through several expansions, starting in 1932 with the provision of building supplies, traveling overseas in 1961, expanding through mergers in 1970, and giving up and starting new ventures in 1978. The thesis's context, East Africa, contains such cases as well, although few, if any, are generally recognized in Rwanda. A few well-known portfolio family entrepreneurs that have established and provided the area with many things are the Wavamuno group, the Sudhir family firms (Rosa, 2019) and the Madhvanis family. They started off modest but later grew into several companies that work in various Ugandan economic areas. Gloria Wavamuno, the daughter of the Wavamuno group, a well-known family business in Uganda with a range of portfolios, provides other examples of how portfolio entrepreneurs cultivate the subsequent generation of businesses (Gloria-wavamunno, 2019).

Portfolio entrepreneurship and intra family entrepreneurship are often depicted in literature with either a single chronic entrepreneur or a group that has started or acquired at least two firms (Discua Cruz et al., 2020). As a result, shifting from a single person portfolio founder to a family portfolio, a family business is a group considered as a federation of enterprises owned and managed by several family members rather than as a single corporation.

The development of a family business and its adaptation to various stages of development, as well as its organization and effective management as a conglomerate, depend on portfolio entrepreneurship (Pihkala, 2019).Because members of a family's entrepreneurial team secure the family's long-term future in the business not only by expanding and portfolio entrepreneurship guarantees a family business' continuity by broadening its portfolio of businesses as well as by dispersing the management know-how and entrepreneurial culture necessary for family members to take over the company (Discua Cruz &Discua Cruz, 2019). The family environment is a social institution that shapes the values of its members, and these shaped values have an influence on the attitudes and behavioral choices of family members (Rosa et al., 2018; Rosa et al., 2014). The founders have a great influence on and form the values of the next generation, which are essential for preserving the company's survival (Başer, 2017).

One way to carry on a family business is by starting many businesses. A further choice that promotes business continuityis to create satellite companies; in this case, a company's identity necessitates the choice to shut down a satellite company rather than sell it, and it supports the surviving portfolios during a crisis (Akhter et al., 2016).

In order to create or acquire new enterprises, junior members of family entrepreneurial teams learn managerial skills and adopt an entrepreneurial culture like that of the original family firm. Portfolio entrepreneurship is crucial in family businesses (Discua Cruz et al., 2012, 2013).

This is analogous to socializing, which is discussed in the section below. family-run or recurring business owners, in reality. Founders of family businesses or seasoned executives actually do more than just build commercial empires; they also provide family members the chance to study due to the fact that the success of the entire business rests on a single person, their obligations are thrust onto them (Plate, Schiede& von Schlippe, 2010). Another problem is that portfolio entrepreneurship is a strategy for growth rather than a way to survive (Rosa, 2019, p.139). In an effort to explain the durability of family firms, portfolio literature therefore falls short.

The portfolio literature supports our study in evaluating the human resource practices in succession planning of family businesses by showing how the founders created their businesses, and their strategies to grow them.

Literature on socialization

The literature on organization studies claims that continuity is like a dance where a partner can occasionally be changed without losing the rhythm or disrupting the flow (Bieschke, 2006). Notably, even though the founders and successors appear to be competing, there is a dance-like succession between two generations interacting throughout the intergenerational succession period in family businesses dancing to separate melodies (Handler, 1990; Lam, 2011). Future successors must be encouraged and supported in order to preserve the founder's legacy (Garca-lvarez, López-Sintas, &SaldaaGonzalvo, 2002). This socialization duty is essential for the founders and the continuous success of the firm since "failure to include the next-generation might put the family business continuity in peril" (Garcia, Sharma, De Massis, Wright & Scholes, 2019, p.238). If the next generation chooses better employment over farming, family farms are more likely to fail, which reduces the chance of family farms continuing in operation (Cavicchioli et al., 2018; Ramboarison-Lalao, Lwango& Lenoir, 2018). Younger generations' lack of collaboration might lead to yet another failure (Merchant, Kumar &Mallik, 2018). Through this co-management between the originator and successors, leadership, knowledge, power, and equity are transferred, and this is how the dance develops (Handler, 1990, p. 43).

The value transmission and training may occasionally be given to all of it could simply be granted to the founder's possible successors or the founder's descendants (Garca-lvarez et al., 2002, p. 189). Socialization generally increases employee identification, engagement, and loyalty, which in turn increases organizational commitment (Vallejo &Langa, 2010). Socialization is crucial for next-generation family members' early engagement in a family business since it affects their sense of connection and belonging in that firm (Pipatanantakurn&Ractham, 2016).

Family members working for the family firm during this phase of transition learn management strategies and entrepreneurial culture from the founders (Discua Cruz et al., 2013). (2012) (Discua Cruz et al.). However, the father's management style will impact how the successor is socialized, since it may favor men or both boys and girls (Cesaroni&Sentuti, 2018; Dumas, 1988, 1989; Haberman& Danes, 2007). The following generation integrates into the business because of a sense of obligation to uphold the family business, as we shall see in this chapter's section on normative responsibilities in family enterprises (Meyer &Herscovitch, 2001).Socializing is the major topic of this thesis. The next generation's involvement in the family is essentially a cognitive process of attitudes, competences, and beliefs about the family business that emerges as a result of the perception of parental support and direction gained via parent-child socialization (Garcia et al., 2019).

The upcoming generation is not a separate entity. To ensure a seamless transfer of the business, it collaborates with the older generation. Because the current generation is distinguished by an unusual devotion to the continuity of the company and acting as a steward for the next generation, various scholars have highlighted the joint or separate roles of both owners and other family members, such as next generation family members, in the continuity of the company (Miller, Breton-Miller &Scholnick, 2008).What ensures the survival of a family firm is its ability to effectively manage its fundamental objectives, key personnel, workforce, and external connections (Miller & Le Breton-Miller, 2006, p.215). Parents and owners instill this responsibility in a firm. During the tenure of the next generation, this stewardship—which parents and owners implant in their children's minds as an individual normative commitment—translates into an effective commitment toward the family business (Dawson, Sharma, Irving, Marcus & Chirico, 2015).

Socialization literature is linked to our study where the founders are reminded that this game of family business is a dance-like succession between two generations interacting throughout the intergenerational, where the incumbent is responsible for preparation of transferring the business to the next generation.

Commitment literature

According to the literature on organizational commitment, commitment is "a force that ties a person to an important course of action for one or more reasons" (Meyer &Herscovitch, 2001, p.301). The attitude that might reflect "desire," "felt obligation," or "perceived cost" is the core attribute of commitment, which is defined as "the essence of being committed to a course of action of importance to a specific objective" (Meyer &Herscovitch, 2001, p. 317). Three causes of commitment are identified in light of these three components of commitment: "affective commitment," which comes from desire, "normative commitment," which derives from responsibilities, and "continuance commitment," which derives from perceived cost avoidance (Meyer &Herscovitch, 2001).

"Commitment will result in concentrated activity related to a specified objective, which is the commitment's focus, and perhaps to discretionary behavior, which may be considered as action above and above the call of duty," states the commitment construct. (2013), p. 10 (Otten-Pappas).

Three variables are likely to assist business families in maintaining their companies, according to an examination of the literature on family firms' continuity. This is comparable to the "I want to continue it," "I have to continue it," and "What if I don't continue it" approaches. These three commitment-related elements' underlying motivations are shown by the various arguments put forward in the literature under review. In family studies literature, organizational commitment in family companies has been well-documented. The inaugural topic on commitment literature in family businesses was begun by Sharma and Irving (2005). They proposed four grounds for commitment—emotional commitment, normative commitment, calculative commitment, and imperative commitment—and built on Meyer and Herscovitch's (2001) general model of commitment to study the sources and implications of successors' commitment.

Later, the topic was elaborated upon by a larger number of researchers in this field, including Dawson et al. (2014, 2015), Basly and Saunier (2019), Garcia et al. (2019), and Razzak et al (2019). However, the last two commitment styles from Sharma and Irving (2005), calculative and imperative, were once more merged into one continuance commitment construct that had previously been developed and used by Allen and Meyer (1990), Meyer and Allen (1991), and Meyer and Allen (1992). Sharma and Irving (2005Sharma and Irving introduced the first topic, which was commitment literature in family companies (2005). In order to investigate the causes and effects of successors' commitment, they put forth four grounds for commitment: emotional commitment, normative commitment, calculative commitment, and imperative commitment. They based their proposal on Meyer and Herscovitch's (2001) general model of commitment.

In my thesis, I use emotional commitments, normative commitments, and continuity commitments as my three categories of commitment. In the lines that follow, I go furtherwith the explanations of the three categories of commitment and how family business literature uses them.

Emotional commitment in family businesses

Desire, which is produced through identity-relevance, shared values, and employee participation, characterizes affective commitment, often referred to as want-based commitment (Meyer &Herscovitch, 2001). For instance, an employee's emotional connections to, identification with, and engagement in a firm are referred to as the affective component of that employee's organizational commitment in a company (Allen & Meyer, 2004).According to a family business study by Dawson et al.(2015), emotional commitment occurs most commonly when a person's personality and professional goals are congruent with their family businesses. This is due to the fact that these people view their company as an extension of their own names and families.

These studies have implications for the current study in different ways. First, they help to understand how family business members identify themselves and how they tie their identity to the continuity of the family firm. Second, this study draws from these studies to explain generational transfers among family business members since they are emotionally committed to keep their family legacies.

Family companies' customary dedication

Obligations arising from benefits and reciprocity norms, internalization norms (socialization), and psychological contracts give the binding power for normative commitment, also known as obligation-based commitment (Meyer &Herscovitch, 2001). For instance, the normative component of an employee's organizational commitment to a company relates to his or her feeling of duty to uphold (Allen & Meyer, 1990). Similar to this, Dawson et al. (2015) found that workers' largest motivation to remain in the family firm was family expectations, despite parental pressure to take over the business and parental expectations of family support. This study demonstrates how family members' ownership grows as a result of their integration into the normative commitment of the next generation. This development occurs as a result of family members' entry into the business as well as their gradual professionalization, which instills in them a sense of obligation to take over and continue the founder's initiatives.

These studies support our study about the succession by describing how the new generation feels obligated to continue with their parents' initiatives and hence the family business grow and continues through generations.

Commitment to continuity in family-owned enterprises

Cost sensitivity brought on by investments or side bets, together with a lack of alternatives, determine whether a commitment is continuous or cost-avoidance oriented (Meyer &Herscovitch, 2001). For instance, the continuity component of an employee's organizational commitment to a company refers to the employee's commitment based on the associated costs of leaving that company (Allen & Meyer, 1990, p.1). Similar to this, there are two types of commitments when it comes to a successor's commitment: calculative commitment, or commitment based on opportunity costs, and imperative commitment, or commitment based on needs (Sharma & Irving, 2005). However, in later study, the calculative and urgent forms of commitment are combined into a single continuity commitment, as Allen and Meyer had previously done (1990). In light of this, According to Dawson et al. (2015), many continue working for the family business out of fear of losing their financial inheritance and a lack of available other career pathways.

The current study borrows from the above studies by elaborating how the successors are committed to continue with the family business because of lack of other alternatives of getting other financial capital and career, hence they are subjected to continue with their family businesses.

2. 2 Conceptual Literature

Despite having ancient and lengthy roots, the concept of a family business is nevertheless seen as a fresh frontier for entrepreneurship. For example, Hoy et al. (1994) noted that the idea of a family business is a recent one. They said that the concept has recently gained academic interest. What truly constitutes a family business is still a subject of some debate. Because of this, family business writers and scholars have yet to agree on a precise definition of the word or find a middle ground. However, a number of academics have laboriously tried to come up with a definite definition, particularly in the social science field (Lorna, 2010; Handler, 1990; Churchill &Hatten, 1987). For instance, "What is a family business?" Was proposed by Hoy et al. (1994). People appear to grasp what the word "family business" means, but when they attempt to define it precisely, they rapidly learn that it is a highly complex phenomenon.

The conditions that follow therefore support the concept of family company as follows: "A family owns a firm, but non-family managers operate it. A company is managed by a huge, international corporation even if it is run by a local family. A business is operated by two unrelated partners, and each partner's child works there. A family business is one that "will be managed and controlled by the family's future generation" according to Lorna (2011). They all provide a broad understanding of what family companies are. According to Handler, it is " a company that is owned and operated by family members (1990). A family business is defined as "a founder-operated firm where there is trust that the operation will be handed down to another generation" by Churchill &Hatten (1987). However, family firms are primarily those that are owned and run by family, either by the founder or any of his children, who are often the eldest or first son.

Other academics make significant arguments while focusing on. Sharma and Irving identify four basic types of commitment that a successor to a family company may have: urgent, normative, emotional, and normative (2005). It works best when the successor believes in their ability to succeed and shares the company's values. Calculated people weigh their options and believe that giving up the family business would lose them money (Zelllweger, 2017). Finally, urgent arises when the successor sees this as their only option since they lack the confidence and ability to succeed outside of the organization. When the successor is under pressure to carry on the family business as per tradition, normative behavior takes place (Chalus-Sauvannet, Deschamps, & Cisneros, 2016).The successor is willing to join the business in each of these cases, but the success rate will depend on the motive. The successor can take over the firm for the correct reasons if their fundamental motivations are in line with their needs, goals, and identities (Daspit, Holt, Chrisman, & Long, 2016, pp.34). Being willing means having the desire to take over now as well as the long-term commitment to the business (Luan, Chen, Huang & Wang, 2018). One thing to watch out for is if someone is overly devoted, since this can cause them to become closed-minded and reluctance to provide novel and creative ideas to the organization. Instead, individuals make selections based on a small number of possibilities (Mitchell, Hart, Valcea, & Townsend, 2009).

Knowledge and competences are the next two internal factors that family businesses should look at throughout the succession processes. On how someone could learn, there are two primary theories. One is acquired, whereas the other is known as the participation paradigm (Heidrich, Makó, &Csizmadia, 2016). The first notion holds that knowledge is objective and may be attained through a college education, graduate study, or employment in business administration or a closely related technical profession (Venter, Boshoff, & Maas, 2005). The second hypothesis proposes that learning happens gradually as a result of social interactions and real-world encounters (Heidrich, Makó, &Csizmadia, 2016).

The above studies guided our research to narrow focus on businesses that are owned and managed by the family members particularly founders or their children, and we emphasize on how founders manage to motivate the successors to accept to continue with the family business management.

:Empirical Review

Several publications that presented family business models (Lorna, 2011, Lam, 2007, Miller, Steier, and Breton-Miller, 2003, and Kurakto et al., 2004) were investigated in order to determine the empirical applicability of prior research to the framework suggested in this study.

The implications of family-owned company successions were investigated by Lorna (2011), who also made recommendations for more research. An integrated model of diverse stakeholder outcomes on succession was presented by the study. The concept claims that the succession process is influenced by elements including the individual, the organization, the family, and the environment. This study's main flaw is its assertion that any of these elements may independently predict or influence the succession process. Furthermore, several of the characteristics mentioned.This study made the case that each of these elements might predict or influence the succession process on its own. Additionally, some of the criteria mentioned in this study may not be very important and hence not have a significant impact on who will succeed the family company.Second, the research exclusively discusses the process of succession, excluding any discussion of how process succession may ensure the survival of the family firm. The Lost in Time: Intergenerational Succession, Change, and Failure in Family Business is examined by Miller et al. (2003). According to the study, three main succession patterns—conservative, wavering, and rebellious successions—are influenced by elements of strategy, organization, governance, and culture.

The study provided an intergenerational succession as a result. Although this study tended to focus on two key issues—first, succession, and second, failure in family businesses—it was unable to show us how intergenerational succession may ensure the survival and continuation of family businesses.Lam conducted a fascinating study that identified important elements influencing family businesses (2007). According to the study, there are several important aspects that influence family business succession, including both father and son, or the founder and the successor. The environment was left out of the research as one of the major determinants, though. Any procedure or strategy for family business succession that excluded or ignored environmental factors need to be viewed as lacking. Although both father and son are highly important in determining family company succession and continuity, this study cannot be considered to have covered all elements that determine family business succession.In his examination of family business succession planning and the factors that business owners should take into account in succession planning, Castillo (2009) created a model or framework that enables an effective succession plan for a family-owned company. The strategy comprised steps including relationship management, leadership recruitment, team building, and succession planning.

These purported traits could not be applicable to family firms and are not the main elements that have an impact on family businesses. The items offered don't address family company longevity and are more of a succession process than a succession strategy. In 2004, Kurakto et al. published one of the remarkable family business concepts. According to the concept, the only important factor controlling succession in family The research split the workplace's environment into family and nonfamily employees as well as internal and external factors. Businesses are also the workplace. Despite the fact that the study's environment—a crucial component—has been provided, the model appears to be too limited and lacking in essential details to adequately address the aspects that significantly affect family business succession planning and other processes. When these reasons are summarized, it becomes abundantly evident that none of the models presented by these writers gave the distinct and sufficient important elements that influence family company succession and, subsequently, how it results in family business continuity. Thus, the current study provides the three crucial conditions that result in a real succession and explains how a true succession might result in family, For a deeper knowledge of the family company, a number of other publications that addressed family business from various angles were examined. For instance, Hoy and Verser (1994) looked at family businesses in connection to new fields of business, entrepreneurship, and the family firm. After looking at the definition of family company, they gave a more comprehensive description and points of view on the subject. Ramona et al. (2008) looked at how the family system and entrepreneurial behavior relate to family businesses. According to the report, the vast majority of firms today are run by families.

They argued that the poor progress of this field of study was due to scholars' disinterest. However, they demanded greater research in this area of study. Family business and leadership were investigated by Matthew, Moore, and Fialko in 1999. Incorporating both the parent leader and the kid successor, the study created a shared leadership succession model approach. As the parent leader trains the child leader for succession, they claimed that the cognitive categorization used in their study had an impact on the succession process. However, the continuity problem was not addressed by this concept. In his research, Westhead (2003) looked at both internal and external environmental elements that influence decisions about family business succession. The research made arguments regarding the chief executive officer's (CEO) real retirement date and the CEO's preferred successor. The report also discusses the need for the CEO to have a succession strategy. The study discovered that the external environment plays a role in the family company succession plan's success. Like many studies, though, this one omitted to discuss how succession could guarantee the survival of the company. Ting (2009) investigated family business succession. The study made notice of the role that family businesses play in the growth of businesses.

The writers made the case that one of the main issues and difficulties facing family businesses in recent years has been debated in both academic and practical circles is succession. The question of how to handle succession in family company difficulties, which will be directly tied to the continued operations of companies, was successfully raised by this study, but the issue was not answered or addressed in the study. According to the study, a family company' succession plan should be established earlier than anticipated, and it should be supported by a team that will be in charge of grooming and preparing the successor. Handler (1994) only provided five examples from previous research on succession in family businesses, the role of the founder, the perspective of the next generation, several degrees of analysis, and traits of successful successions. This research did not address any succession or continuity-related issues.

The primary focus of the study was the relationship between pre-performance and succession. According to the study, selecting a possible successor would surely be influenced by the firm's performance, whilst poor performance would suggest the contrary. The agency and resource-based perspective theories, together with stepwise logistic regression and a bootstrap approach, were used to achieve this. Finally, the study found that while performance before to succession did not influence these nominations, directing experience did. In a different study, Reay and Whetten (2011) discussed the fundamental issues of what precisely constitutes a theoretical contribution in family business research. The study focussed on a few of the key family business research components that could offer better understanding. Many research in this field, according to the survey, lack sound and important theoretical contributions. They went on to say that academics working in the field of family businesses should always take seriously the contribution their paper study makes before connecting their research topic to the theoretical gap. The topic of succession and how it impacts family company continuity is relatively ignored despite the fact that this study covered crucial family business aspects. According to Lorna (2011), family businesses account for a sizable share of employment across a number of countries, making them key sectors in succession that cannot be overlooked. The main obstacle to maintaining family businesses is a lack of meaningful succession. This research focuses on how genuine succession could result in family business continuity on that point.

The important aspects that must be taken into account when the succession occurs have been the subject of much investigation (Ghee, Ibrahim & Abdul-Halim, 2015; Tatoglu, Kula &Glaiste, 2008; Blumentritt, 2016; De Massis, Chua, & Chrisman, 2008; Daspit, Holt, Chrisman, & Long, 2016). In the second case, the expertise can be acquired through experience obtained both within the family company and outside of it (Chalus-Sauvannet, Deschamps, & Cisneros, 2016). As stated by Marler, Botero, and De Massis (2017), exposure to the business may be attained from an early age by working there and learning as much as possible about it and how things operate (Poza & Daugherty, 2014; De Massis, Chua, & Chrisman, 2008; Stavrou, 1999). Before they ever join the company as an employee, the experience helps shape their opinions of the company and teaches them about their commitments (Daspit, Holt, Chrisman, & Long, 2016). They can use this knowledge to improve their success later in life, but the incumbent must assist start the experiences as a child (Daspit, Holt, Chrisman, & Long, 2016; Cadieux, 2007).

Competency was by far the most important selection criteria, according to Tatoglu, Kula, and Glaister's (2008) research, with "passion in the business and education" rounding out the top three. When the firstborn was not picked, a different research indicated that there was a positive statistically significant influence on performance, indicating that other variables like competency were taken into account in the selection process (Calabró, Minichilli, Amore, &Brogi, 2017). Examining a successor's training and employment history both inside and outside the organization is one method that individuals gauge competence (Vera, Dean, 2005). The success of the transfer may be determined by knowledge and skill, which is why they are crucial to the succession process. Calculating the specific skills the replacement lacks for the position is vital (De Massis, Chua, & Chrisman, 2008). There is no objective way to judge competence. According to Blumentritt (2016), competence is "an offspring's confidence in her own capacities to operate the family company," suggesting that competency is a measure of perceived ability. Using Blumentritt's theory, competence is determined by an individual's self-confidence. Successors risk giving in to their concerns if they lack self-assurance in their talents. Fears of failure, criticism, responsibility, and competitiveness, among others, might come in the way and hinder the successor's ability to smoothly transition (Wicek-Janka, Mierzwiak, &Kijewska, 2016). The opportunity to work outside of the company helps successors develop their confidence in a more objective setting (Vera, Dean, 2005).

Personality and self-empowerment are the final two internal important elements intended to assist successors in managing the firm successfully (Van der Merwe, 2011). Potential successors are stronger prospects for the job since they work hard and invest time in the company (Tatoglu, Kula &Glaiste, 2008). Owning and operating a business is a challenging endeavor with numerous obstacles to overcome. The incumbent must be certain that the successor has the courage to carry on with corporate expansion. The level of self-empowerment that the successors exhibit will show how capable they will be of overcoming difficulties in the future. Their capacity for decision-making, and whether or not they will be able to do so, will be one of the ways they will have to overcome the obstacles (Tatoglu, Kula, and Glaiste, 2008).And whether or not they will be able to decide correctly in crucial circumstances. Although the successor's leadership style may be different from the incumbent's, both operate effectively. Choosing and molding the successor to be the most like themselves may often cause the incumbent to lose focus. Due to the possibility of family businesses failing, this is not always the greatest choice (Nicholson, 2008). Even if the replacement lacks the incumbent's abilities, they can nevertheless successfully operate the business. Problems arise if the incumbent attempts to make the successor behave in the same way as they did. The successor's capacity to innovate for positive change and his natural managerial style are both compromised. According to one study, successful previous used to transition companies, do not work in subsequent transitions (Mitchell, Hart, Valcea, & Townsend, 2009). Allowing a natural leadership style to emerge can increase the chances of a successful transition.

The personality traits of the successors have an impact on how well they can run the company. According to Wicek-Janka, Mierzwiak, and Kijewska (2016), one of the primary qualities that affects a successor's chance of going outside of their comfort zone to take on greater responsibility and begin making changes to the organization is the amount of dread they experience. Their potential will be hampered by failure dread. According to a 2017 research by Marler, Botero, and Massis, communication between the incumbent and successor is improved when they share the same personality type and is hindered when they have different personality types. They distinguish between two basic personality types: proactive personality, defined as "an individual's tendency to bring about substantial change in his or her surroundings, and passive personality, where individuals do not actively seek to influence their environment.", a passive personality, which is characterized by a person's "resistance to change and preference to retain status quo" (Marler, Botero& De Massis, 2017, p. 58, 67). A forward-thinking successor will take action that will make the incumbent feel confident in stepping away (Marler, Botero& De Massis, 2017). Tolerance of ambiguity, locus of control, cognitive complexity, professional desire, power base, political acumen, and dedication, according to Mitchell, Hart, Valcea, and Townsend (2009), are the main personality traits that influence successors' success.

The first two external variables are corporate culture and family values. Values are passed down via a family business's employees and children as well as from one generation to the next. By adopting the same values as the generation before them, the next generation creates a system of coordinated principles that will facilitate the succession process (Devins& Jones, 2016). This is a prime example of the concept of familianess, which is referred to as "the unique collection of resources" a business possesses as a consequence of interactions and ties between the family and the firm (Zellweger, 2017; Daspit, Holt, Chrisman, & Long, 2016). In other words, it describes the unique ability of a family firm to create social capital that cannot be returned in kind of not familybusiness. The crucial connections that arise when family and business interact are absent from non-family enterprises. (2009) Mitchell, Hart, Valcea, & Townsend The company will have a competitive edge over comparable nonfamily enterprises if the familyness is maximized. The successor will be able to carry on the family's heritage or familiness and the related competitive advantage when they take over (Devins& Jones, 2016). According to research, family businesses perform better than nonfamily firms because they can inspire their workers in ways that other businesses cannot. Family enterprises might, for instance, avoid agency fees and concentrate more on the long term, providing stability to their employees (Nicholson, 2008). There are drawbacks to familiarity as well. Consequently, a family must make certain that a lack of available capital or lower growth (Zellweger, 2017).

Growing up, children may learn a lot from their parents and can see how the family values are embedded in their own ideals (Poza & Daugherty, 2014; Van der Merwe, 2011). Strong company values support continuity and foster cooperation among employees (Ghee, Ibrahim &

Abdul-Halim, 2015). Strong family values result in a more seamless succession process overall, allowing the successor to outperform the preceding generation, according to study by Ghee, Ibrahim, and Abdul-Halim (2015). Interpersonal ties and legitimacy are the final two important variables. The socio-emotional wealth (SEW), which includes ties to one's family, coworkers, and clients, includes some of the relationships formed in family enterprises. The SEW focuses on the advantages a company enjoys, other than capital (Heidrich, Makó&Csizmadia, 2016). One dimension of the SEW is that there is a large amount of trust in the family which reduces the cost of monitoring and helps ensure that people are not worried about things going on behind their back (Karmazin&Csákné, 2016). The trust building process takes a long time and if broken it is difficult to mend. Therefore, it is crucial for the following generation to create relationships with the stakeholders of the company to gain their trust and prove that the family traditions continue (Heidrich, Makó&Csizmadia, 2016; Daspit, Holt, Chrisman, & Long, 2016). A negative side of SEW can lead incumbents to choose primogeniture instead of choosing the best qualified candidate (Calabró, Minichilli, Amore, &Brogi, 2017).

Venter, Boshoff, and Maas (2005) state that the successors with the most success after the transition had closer relationships with the incumbent than those who were less closed. The successor and the incumbent need to increase communication to have a smooth transition process (Vera, Dean, 2005) and to boost trust (Daspit, Holt, Chrisman, & Long, 2016). As the process occurs, changes take place between the relationship between the incumbent and the successor (Marler, Botero& De Massis, 2017). Communication is one of the keys to perceived family harmony which can play a crucial role in succession (Sharma, Chrisman, Pablo, & Chua, 2001). Some of the keys to these relationships are openness, responsibility, personal development (Heidrich, Makó&Csizmadia, 2016) and understanding of other people’s skills, abilities and respect for each person (Venter, Boshoff& Maas, 2005). Some of the keys to these relationships are openness, responsibility, personal development (Heidrich, Makó&Csizmadia, 2016) and understanding of other people’s skills, abilities and respect for each person (Venter, Boshoff& Maas, 2005). The predecessor is responsible to offer advice, give recommendations, and support their decision to the successor as part of their communication during the process (Cadieux, 2007). It is necessary to consider the relationships within the family and how the changes that will occur will affect relationships and in turn, family harmony (Tatoglu, Kula &Glaiste, 2008).

When navigating family relationships, it is important to differentiate between inside and outside of the business and it may be important to discuss the issue on when each person will wear the different hats in the relationship (Vera, Dean, 2005). Defining the hats can help family members know when they are talking to a mother or father versus a boss or employee. If family members do not navigate these relationships carefully the businesses stability can be threatened (Ghee, Ibrahim & Abdul-Halim, 2015). One way a successor can get legitimacy is if the incumbent trusts the successor, and believes they have the abilities and skills to take over (Van der Merwe, 2011; Sharma, Chrisman, Pablo, & Chua, 2001; De Massis, Chua, & Chrisman, 2008). The other stakeholders in the company have seen the incumbent work hard through the years and trust them and their judgement. If the owner believes in the successor and openly gives their support, the other stakeholders will give the successor a chance to prove himself or herself. (Venter, Boshoff, & Maas, 2005; De Massis, Chua, & Chrisman, 2008). If the incumbent trusts the successor they will relinquish some of their informal power allowing the next generation to truly make decisions for the company (Mitchell, Hart, Valcea, & Townsend, 2009). It is important that the owner plans, coaches and develops the skills in the successor instead of trying to accomplish everything themselves (Sharma, Chrisman, Pablo, & Chua, 2001). Coaching through mistakes also helps the growth of the successor.

Another way a successor can create legitimacy is to achieve success outside of the family firm, in another company (Tatoglu, Kula &Glaiste, 2008). One study found that when children returned to take over the family business after years of working in other fields successfully, the legitimacy they earned gave them the ability to make large changes in the company while still keeping the respect of the stakeholders involved (Chalus-Sauvannet, Deschamps, & Cisneros, 2016). Working outside the company can give the successor a more objective legitimacy than just working within the company because outside of the company they have a more objective evaluation of their skills, where there is no influence of family (Tatoglu, Kula &Glaiste, 2008).

The succession is not complete until the successor has made the necessary impression on the stakeholders in order to gain their trust and legitimacy (Tatoglu, Kula &Glaiste, 2008). Successors can establish their abilities by performing well at work and by demonstrating their interpersonal skills (Poza & Daugherty, 2014). Once the successors have established their credibility and shown themselves, they begin to foster an environment where individuals feel strongly devoted to the family values and the business (Tatoglu, Kula &Glaiste, 2008). This is referred to as emotional capital, and organizations with stronger emotional capital have higher levels of continuity. Some of these stakeholders include customers, especially those that are long-term customers. The successor needs to establish their legitimacy, or gain the trust of these important stakeholders, so the stakeholders stay involved in the business as important customers, investors or key employees (De Massis, Chua, & Chrisman, 2008).

Most of the literature covers the factors for succession and situations that may happen like daughters taking over the family business in Vera and Dean's research (2005) or unexpected successions in Chalus-Sauvannet, Deschamps, and Cisneros's research (2016). Most of the research mentions planning for succession (Heidrich, Makó&Csizmadia, 2016; Tatoglu, Kula &Glaiste, 2008; Ghee, Ibrahim & Abdul-Halim, 2015; Luan, Chen, Huang & Wang, 2018; Venter, Boshoff, & Maas, 2005). Of those that do mention succession as a process, only a select number focus on the fact that it is a continuous event and not an event that occurs and then is over (Marler, Botero& De Massis, 2017; Lambrecht, 2005; Van der Merwe, 2011)

Research gap

There are many examples of family businesses failing despite the numerous studies that have been done on the subject. This is because the problem of succession and how it impacts family company continuity has not yet been resolved. As a result, research on how succession promotes family business continuity is quite sparse. In order to ensure the survival of family businesses, this research studies and evaluates succession planning as a human resource principle. An integrated conceptual model on how genuine succession may guarantee family company continuation is proposed in this study.

Conceptual framework

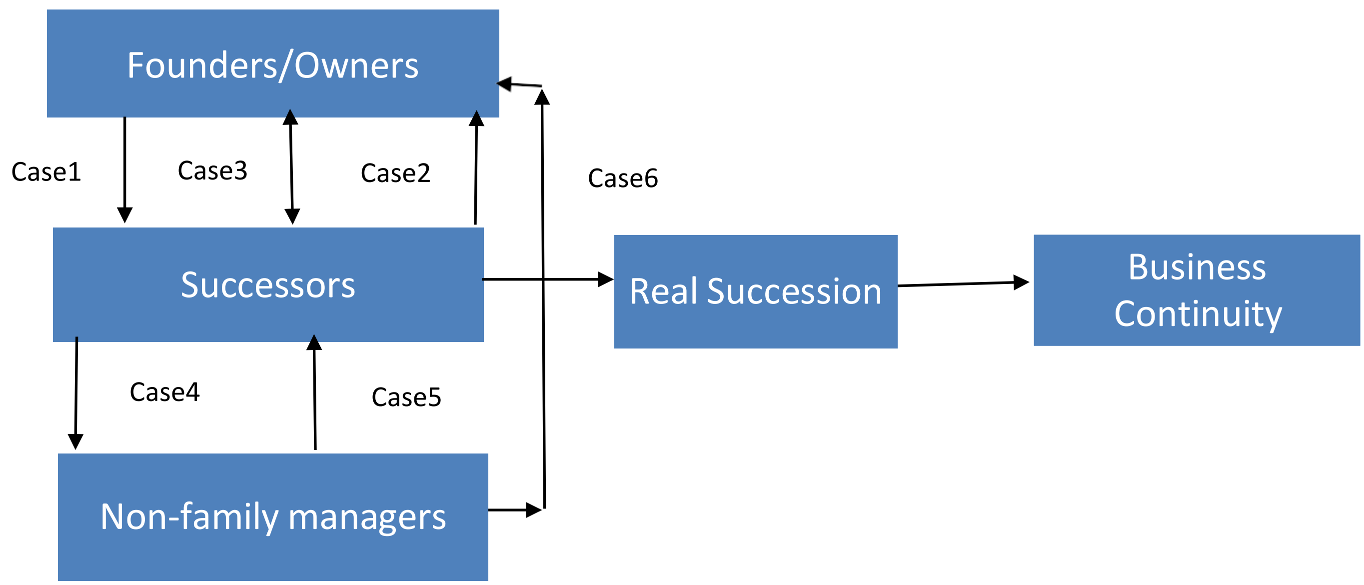
To better comprehend real succession and continuity in family companies, a detailed conceptual framework was created and expanded. The literature on how genuine succession may lead to family business continuity served as the foundation for this framework. It contains a variety of arguments and thoughts. We suggested in the conceptual framework that a meaningful succession in a family firm would contain the three essential elements—founders, legal successors, and non-family managers that this would go a long way toward insuring family business continuity. There are three instances between the originator and the successor.

The founder or the immediate surroundings are the main determining elements, as demonstrated by Cases 1 and 5. They begin the succession process and put pressure on the possible successor to take over the company even if they are not prepared or motivated. Because the founder wants the desired successor to take over, there is a chance or possibility that the successor will do so, making this form of succession conservative (Miller, Steier, & Breton-Miller 2003).

In situations 2 and 4, the successor initiates the succession process by exerting pressure on the founder and the non-family managers to cede authority and control so that he or she may take over management of the business. Because he or she wants to brag about and exploit their influence over the company's management, this possible successor may be characterized as "wavering or rebellious in temperament" (Miller et al., 2003). He or she may thus be characterized by hesitation.

Cases 3 and 6 depict an agreement and discussion between the founders, the potential successors, and non-family managers referred to in the model as "the preferred or preference successor," over how the founder would transfer ownership of the business. Since all the founders, the successors and non-family managers are aware that the time is ripe for transition to take place, they would all agree on the succession plan and method in this case. This justification is in line with the argument presented by Handler (1989), who proposed a mutual agreement between the leader and the successor, the only operator and the successor, and the previous generation. In such a situation, the founders might need to "give up authority and power and become a primary decision-maker," according to him. We claimed, on the basis of the aforementioned justification, that the three critical factors listed in the framework are equally important for ensuring succession and continuity in family businesses because they collectively influence real succession, which is required to ensure family business continuity. The three most crucial factors when it comes to family business continuity and succession, in this conceptual paradigm, are the founder, the successor, and the non-family managers. A real succession, which ensures the longevity of the family company, can only take place when these factors are taken into consideration. As a result, we concluded that the three major deciding variables discussed in this study that ensure family company continuation jointly define a real succession.

Figure 1: Conceptual Framework



According to the above conceptual framework, the following suggestions are formulated;

1. The real succession planning will need to fully engage the founders, the legalsuccessors and non-family managers.
2. Founders and non-family managers will need to apply the human resource practices of succession planning which includes; sourcing, selecting, training, developing and motivating the successors, so that the family business will continue.
3. The indicators of the successful succession processes will be the transfer of leadership, ownership, business operations and knowledge to the next generation.

CHAPTER THREE: RESEARCH METHODOLOGY

Introduction

The methods used to conduct the research for this study on family businesses are described in the methodology chapter. To refresh our memory, Handler (1990) and Churchill &Hatten defined the term "family business" as " a company that is owned by the founder's family, is controlled by at least one family member, and is expected to be passed down to the next generation (1987). This chapter's objective is to outline the study's design and research methods. The study demographic, sampling method, sample size, and research site are further details. Data sources, data collection techniques, tools, validity, and reliability

Research Design

A case study research design was chosen by the researcher. By questioning people about their views, attitudes, and values towards the systematic collecting of data in standardized form from an identified population or representative, the design was chosen because it aimed to get information that represents current phenomena (Kombo and Tromp, 2006). This study's chosen design clearly explains the roles played by founders, successors, and non-family managers in succession planning, as well as how those roles affect the survival of family firms.

Area of the Study

The study was carried out on family businesses that operate in Nyagatare city located in Nyagatare district of Eastern Province, Rwanda. The choice for Nyagatare was motivated by 1) Nyagatare Community culture of hiding the succession process, 2) Nyagatare being the new city in Rwanda, and 3) following the claim of people that whenever the founder of the business die, all his/her business could collapse immediately.

3.4. Population and sample size

All family-owned businesses from a variety of industries, including hotels, farming, public transportation, construction and supply services, real estate, and restaurants with a population of 41, were included in the study's population. Nyagatare City is located in the Nyagatare District of Eastern Province, Rwanda (see, table 3.1). Information on commercial firms was obtained from the Nyagatare district's Private Sector Federation (PSF) and Rwanda Development Board (RDB). The following family business population was developed from these commercial establishments:

Table 1.Type of Industry and size of Population

Sector/industry	**Population**
Hotel	8
Construction and supply services	6
Farming	12
Public transportation	3
Real state	5
Restaurant	7
Total	41

Source:

There are 41 family-run and owned businessesin Nyagatare city. A total of six (06) family businesses were purposively chosen from which 32 respondents were selected to participate in the interviews.

Sampling techniques

Purposive sampling was used in this study, making it non-probabilistic (Miles and Huberman 1994:27). Purposive sampling is a sampling strategy that focuses on specific occurrences and/or processes rather than providing a representative sample. They provide an overview of qualitative interviewing. Guidelines for purposefully choosing informants are offered by Rubin and Rubin (1995). Because the researcher was aware of the type of data and information required, he only chose participants who could offer that information through the use of purposeful sampling (Baumgartner et al, 2002). Undoubtedly, there are many distinct types of purposive sampling. According to Patton (2002), the primary aspect is that the respondents be picked in accordance with the predetermined standards pertinent to the study's aims. Both the study's location and its participants were carefully chosen (Creswell, 2009).

Selection criteria

Because it was thought that they would have enough, relevant, and usable information for this research, the sample concentrated on the founders, potential successors, and non-family managers of family businesses. The following criteria were used to choose the participating firms after the number of family-owned enterprises in Nyagatare city had been determined.

1. Being around for at least ten years
2. Owned and run by family member (s).
3. In a few family enterprises, non-family managers, legal successors and founders were questioned.

Six (06) family enterprises with 32 replies were chosen from 41 family businesses using the aforementioned sampling method and criteria with 209 respondents which operates in Nyagatare city.

Data sources and collection techniques

In order to cross-check the answers to the prepared questions, this study was totally based on one-on-one, in-person interviews with the family company founders, successors, and non-family managers who operate in Nyagatare city, which is located in the Nyagatare District of Eastern Province. Because of its adaptability and capacity to provide fresh perspectives on the issue, this method was picked (Kothari, 1990). Additional factors in favor of this decision included the availability of first-hand information, rich data gathering, cost effectiveness, rapidity, capacity to explain questions, remove concerns, and flexibility to add new questions as needed.

Data collection procedure

Primary data were obtained through face-to-face interviews. An interview guide was prepared ahead of the interviews and appointments were set. The instrument was developed to capture the respondents' views. Here, questions were determined beforehand while others arise during the course of the conversation. Twenty nine (29) out of thirty-two (32) interviewees were conducted at workplaces on individual basis to allow for in-depth interaction with the respondents sampled for the study and free expression of personal viewpoints and recorded. Given that the majority of the interviews were conducted in Kinyarwanda, they were translated into English. At every step, exactness was important, and inconsistencies were clarified.

Data Reliability and Validity

In qualitative research designes, a number of tests are used to measure validity of data namely; usingskilled moderators , triangulation, and using appropriate research guide. Skilled moderators were employed in this study to help over potential personal bias. Multiple perspectives were considered in the current study (triangulation) to which responded were selected from young, adult, educated, adult and non educatedrespondents, all fromfromfamily businesses. For consistency of data, I developed an interview guide (a set of questions to guide the interviewers) before the research begins.

The reliability of this study was established by use of two processes. Firstly, itadopted the theoretical triangulation, wherein other previous research works in the same area were analysed and presented as a literature review and also in corroboration of my study results. Secondly, I used both excel and word tables to record the data from the interview guide which helped in an overall assessment of the data collection process and also helped in a concise construction of the conclusion of the research parameters.

Data Processing and Analysis

Data analysis is the science of looking at unprocessed data in order to make inferences about that information. Data analysis, according to Fouché and Delport (2016), is the act of giving the vast amount of gathered data organization, order, and significance. Thematic, narrative, discourse, framework, and ground theory analyses are the five subcategories of qualitative data analysis. Thematic analysis was used to analyze the data that had been gathered (see chapter 4, "Data Presentations and Analysis"). In thematic analysis, the researcher was concerned in locating, presenting, and making meaning of common, comparable, or distinct themes. It is simpler for readers to compare the material since thematic analysis assigns themes to specific answers, notably those it becomes easier to compare the information for the readers, especially those not part of the study.

Ethical Considerations

All interviews were performed openly, with participants' informed agreement, and with the necessary precautions taken to avoid endangering them, prevent excessive intrusion, and safeguard their right to privacy. The researcher took into account competing interests and was considerate of social and cultural distinctions. In order for the research to be evaluated by peers and to boost public trust and dependability, the researcher made an effort to provide all findings thoroughly, objectively, and with full information on techniques. In general, this project did not present any additional ethical issues beyond those associated with accepted qualitative research practices. However, a few characteristics of the Rwandan example merit a more thorough explanation.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

Introduction

This chapter discusses the human resource practices and survival of family-owned businesses particularly focusing on succession planning as a vital human resource component for these types of businesses. Family businesses in Nyagatarecity are considered as the units of study for this thesis. The history of such businesses, including their ownership and administration, is covered in the first part. The section provides a summary of each case's historical context. The cases and responders' names are abbreviated for the sake of anonymity, and only the author is aware of who they really are. Section two of this chapter pertains to the thematic analysis of the results obtained from the family-owned businesses. Themes are related to the objectives of this study such as to analyze how the founders plans, selects, trains, and motivates the successors in succession planning; to assess how the motivated successors influence the succession planning, to examine the role of non-family managers in succession planning of the family business, to evaluate the role of succession planning of family businesses in Nyagatarecity. The last section corroborates the current study findings with previous studies and confirms the thesis propositions.

After identifying six (06) family businesses that participated in the research study which led the research to thirty-two (32) individuals to be interviewed who were useful to the study, and out of 32 the researcher managed to secure the appointments of 29 respondents. Each respondent was very free to provide the information during the interview which took 36 minutes averagely per each interviewee.

Background of the cases used

This section specifically describes the cases in terms of the industry they operate, the number of years and the family generation in control of the current business. Table 4.1 summarizes the descriptive results

Table 2 Background of the cases

CASE NUMBER	BUSINESS NAME	INDUSTRY	Nos OF YEARS IN BUSINESS	GENERATION IN CONTROL
1	A-BUZ	Hotel, Shops and Farming	25	1st& 2nd Generation (founding couple and 1 active son)
2	B-BUZ	Farming and Real Estate	30	1st& 2nd Generation (founding couple and 1 active son)
3	C-BUZ	Construction, Farming and Supply Services	11	1st Generation (founding couple)
4	D-BUZ	Farming & Public Transport	13	1st Generation (Active founder)
5	E-BUUZ	Farming & Hotel	27	2nd Generation (6 inactive children)
6	F-BUZ	Farming, Accommodation and Restaurant	25	1st Generation (Inactive wife)

The six (06) cases were chosen based on the following criterion: 1) To identify those that at least practice the succession planning; 2) To identify those with no signs of practicing the succession planning and, 3) To identify those with signs of failure of succession from one generation to the next generation, and from the assessment of the researcher the following terminologies were developed;

Succession promoters:Two cases showedthe signs of some human resource practices in their succession planning and continuity because the founders had recognized that they will not stay forever and they had the desire of their businesses' growth and continuity, thus when they started to apply some human resource practices of selecting and engaging the successors with the intention of retaining skilled young people who will manage and own the business after their retirement.

Succession ignorant:Two cases whose owners have not showed any interest of practicing any activity towards the succession of their family businesses, and revealed that they believe that they are still young and that they are planning to do such practices after getting old, for currently they are busy with their business operations.

Succession failure: Two cases that showed the sign of failure due to their lack of successors and the founders are no longer active which caused them to decline in both profitability and operations, and showed no tangible future strategy to growthe business.

Having many generations in power and coming from various industries According to research, situations of this kind will provide a variety of supplementary facts for developing true theories (Eisenhardt, 1989b; Glover &Reay, 2013; Pettigrew, 1990).

Description of the cases

Each family company that took part in the interviews is discussed in the first section, which contains information about their ownership and management. The section provides a summary of each case's historical context. The cases and responders' names are abbreviated for the sake of anonymity, and only the author is aware of who they really are.

Case one: A-BUZ

In the Eastern Province of Rwanda's Nyagatare city, A-BUZ was established in 1997. The company operates a hotel, a restaurant, a few other businesses, and farmland. It is expanding with a burning desire to construct additional hotel amenities. The founder, who supervises all operations and appoints the managers of each company unit, is part of the family that is involved in the enterprise. One of the five children, Johnson (A- BUZ), works part-time for the founder in their firm while simultaneously attending college. His wife, the co-founder, doesn't engage in any business activity. There are other family members who, for a variety of reasons, are not active in the firm.

MUG established A-BUZ. He successfully completed elementary school and the primary national exams, but he was unable to enroll in secondary school in Uganda since he was responsible for caring for their cows. He moved back to Rwanda from Uganda in 1995, joined the local government as a leader, began engaging in various agricultural operations, and finally established a formal company using his farming endeavors and establishing bank as his initial sources of funding.

A-creator, BUZ's Mr. MUG, a man of Rwandan ethnicity, was born in 1959. Because he could see the commercial potential in Nyagatare city, he turned his farming operations into an official business. Though, his business was challenged by the lack of specialists, few customers, and some cultural behaviors of Nyagatare people which were contrary from business attitudes.

A-BUZ is legally owned by the founder, the wife as co-founder and the legal successors who are the children of the founding couple. Their business is their only source of income which have helped the family all along, the school fees for kids and other family upkeeps. However, the management of the business is only in hands of founder who recently started to engage Johnson (A- BUZ) whom the founder considers him as his business successors.

Case two: B-BUZ

B-BUZ was established in Uganda in 1992. Farms and real properties are owned by the company. It is expanding with a zeal to build additional real estate. The founder, who is in charge of all operations, is part of the family that is involved in the firm. Only one of the seven children, Benson (B- BUZ), who is the co-son, founder's does his wife, the co-founder, engage in any of their enterprises. There are further family members that are not employed by the company.

B-BUZ was started by RUB. He completed secondary school and from then he started to involve in agricultural activities in Uganda. In 1996 when he returned to Rwanda from Uganda, hecontinued his agricultural business which cumulated his capital and from the support of developing banks he managed to grow his business into modern farming and real estate.

The family consists of two parents and seven kids, three of whom are married and two of whom are unmarried. Like with many business families in Africa, and notably in Rwanda, the business belongs to the original pair, and the heirs are awaiting formal succession upon the passing of both parents and any applicable testament. Because he has little faith in his heirs and wants to maintain his company, the creator of B-BUZ, who is 76 years old, thinks he has another 10 years before creating the testament or family constitution. Other siblings to the successor are employed in other organizations.

Mr RUB, the founder of B-BUZ was born in 1946, a male of Rwandan nationality. He developed his farming activities into the formal business because he could identify the business opportunities in Nyagatare trading center. However, his business was challenged by the seasons where sometimes he could grow some crop fail to reap due to sunny season without any other alternative and farming manpower.

B-BUZ is legally owned by the founder, the wife as co-founder and the legal successors who are the children of the founding couple. At initial stage their business was only source of income which helped the family in all of their needs. However, the management of the business is only in hands of founder who recently started to engage Benson (B- BUZ) whom the founder considers him as his business successors.

Case three: C-BUZ

C-BUZ was founded in the 2011 in Nyagatarecity. The business has construction and supply services business units. It is expanding with the desire to build the capacity and establish branches for supply and construction services in other districts. The founder, who is in charge of all operations, is part of the family that is involved in the firm. Both of their company divisions include his wife.C-BUZ was founded by MWE. He completed University and involved in his late mother's business who was conducting retailing business in Nyagatarecity. The founder based on his mother's capital and used development banks to get basic capital. The couple is still young with young children.

Mr MWE, the founder of C-BUZ was born in 1978, a male of Rwandan nationality. He exploited his mother's business to get the capital to form the business. However, his business was challenged by the lack of management skills after the death of his mother.

C-BUZ is legally owned by the founder, the wife as co-founder and the legal successors who are the children of the founding couple. Their business is their only source of income which is used in their day-to-day need. However, the management of the business is in hands of both the wife and the husband.

Case four: D-BUZ

D-BUZ was founded in the 2009 in Nyagatarecity. The business has farming business and public transportation business units. It grown from scratches and has a passion to expand and have modernized farm which process food stuffs. His wife doesn't participate in both of their businesses units.

D-BUZ was started by **ASI**. He never finished the primary level, he started the business because his parents died while he was still young, and thus how he engaged himself into business for survival. The founder based on his parents' legacy and the development bank's loan to get his basic capital.

Mr ASI, the founder of D-BUZ was born in 1981, a male of Rwandan nationality. He exploited his parents' farming activities to get the capital to form the business. However, his business was challenged by the lack of enough capital, but he struggled and survived the situation.

D-BUZ is legally owned by the founder, the wife as co-founder and the legal successors who are the children of the founding couple. Their business is their only source of income which is used in their day-to-day need. However, the management of the business is only in hands of founder.

Case five: E-BUZ

E-BUZ was founded in the 1995 in Nyagatarecity. The business was made up of farming and Hotel business units. It had grown from scratches and currently remaining with only physical assets forall the founders died, and their children grown and some lives in foreign countries.

E-BUZ was started by VAR who finished his primary level.In 1995 Nyagatarecity was very virgin place as far as the business is concerned, there was a free land for farming and no hotels to accommodate people, thus how he used that business opportunities and establish and grow his business units with support of development bank.

The creator of E-BUZ is the only owner of the company, and he will split ownership with his four wives' children. His spouses are all deceased. With the exception of one son, who is less likely to be accepted into the firm, the most of the possible heirs are married and reside overseas. His daughters currently reside in the UK, the US, and SOUTH AFRICA.

Mr. VAR, the creator of E-BUZ, was a man of Rwandan ethnicity and was born in 1923. To obtain the funding needed to start the firm, he took use of his parents' farming endeavors. Lack of funding did present challenges for his company, but he persevered and managed to get by.

The legal heirs, who are the founders' offspring, are the owners of E-BUZ. Their business serves as their sole source of income, which they utilize to cover daily expenses. The business's management, however, is currently having issues. The last-born daughter, who was married to a Belgian at the time of this research and will likely reside in Belgium, is currently in charge of managing the assets.

Case six: F-BUZ

F-BUZ was founded in the 1997 in Nyagatarecity. The business was made up of Farming, Accommodation and Restaurant business units. It had grown from scratches and currently remaining with only farming and Restaurant for all the founders is no longer active due to the age, their children grown, and some went to lives in other parts of Rwanda, the remaining kids are not much talented in business management.

F-BUZ was foundedin 1997 by LEMB whose education level was Secondaryschool, he found his parents in the farming activities, when he grown up used his parents' economic activities to mobilize the capital and later used bank's loan to increase the capital with the objectives of growing his business. Although the original pair is the owner, the company is family-owned as in many other situations. The owners continue to have complete control over management and decision-making.

Mr. LEMB, the creator of F-BUZ, was a man of Rwandan nationality and was born in 1931. To obtain the funding needed to start the firm, he took use of his parents' farming endeavors. The absence of managerial abilities, however, presented difficulties for his company.

F-BUZ is legally owned by the founder, the wife as co-founder and the legal successors who are the children of the founding couple. However, the management of the business is in hands of both the wife and the husband.

Thematic analysis

This part focuses on the analysis of fourresearch objectives, such as to analyze how the founder plans, selects, trains, and motivates the successors in succession planning; to assess how the motivated successor influences the succession planning, and to examine the role of non-family managers in succession planning of the family business, and the role of succession planning in continuity of family businesses inNyagatarecity ofNyagateredistrict.

Theme 1: Founding conditions and succession planning.

This theme focuses on how the founders started their family businesses in Nyagatarecity located in Nyagatare district of Eastern Province, Rwanda. Most of respondents argued that most of the founders started their family business due to the prevailing circumstances/conditionsand had no business background as most of them originated from the cattle keeping families. All of the cases started with farming activities and later developed into formal businesses, the founders had no business managing skills including the succession planning but as the businesses grew, they got exposed and got some business orientations.

The founders' careers were much influenced by the local business opportunities. People exploited their geographical locations and the period when Nyagatare had no other business settings to establish their businesses.Most of the family business started with the farming activities, and the founders were not involved in business before that why their business management skills are limited including the human resource practices in succession planning.

One of the managers of E-BUZ, MrMugaragusaid that *"late VAR exploited some business opportunities which were in Nyagatare trading center in 1995 which included free land for farming activities because the place was located in Akagera National Park but after many Rwandan repatriated from different countries mostly Uganda, the Government of Rwanda decide to avail a part of the Park for cattle keepers, and there were also no many business settings in Nyagatare, thus why some of the people by then started some small businesses for their first time"*

Most of the family business founders started their business without much hope for future growth, but founded them for income generating and use the income for family needs, and in most cases the founders used the business money to fund their legal successors in their education to pursue their profession careers, and that is why some of the family businesses were not interested in succession planning.

"I haven't thought about the succession planning and are intending to think about it in the future," the founder of C-BUZ remarked. Like many other family businesses in Rwanda, C-BUZ lacks a formal documented ownership structure. The originator thinks that in a dispute, legal succession must take precedence. But his wife's initial lack of engagement encouraged him to give family members a sense of ownership by including them in the family business' administration. His wife, who had previously resisted, now fully participated as a consequence of the technique. The creator created a place where everyone could work and understand the need to do so for their families and not just for a paycheck. Regarding the family's participation in the operation of the firm.

During the founding stage most of the founder had no idea of succession planning, they were much interested with business operations and income generating and they had some challenges. The founder of B-BUZ, Mr RUB, said that "I *could not believe that this business would grow to this level because there were a lot of challenges that would have stopped us but with the help of our God and Government we survived to date"*

Therefore it was established that the founders of the family businesses in Nyagatare city were motivated by the prevailing circumstances/conditions which served as the local business opportunities that included: 1) No other business settings; 2) Free land for farming activities; 3) they had some capital from their livestock farming. On another hand they were challenged by: 1) lack of business management skills; 2) Not enough expertise at operational level of their businesses; 3) The climate conditions; 4) Limited source of business capital, and 5) Most of experienced in a working class had die in the Genocide against Tutsi and its consequences.

Theme 2:Generation transfers and succession planning

In order to maintain the continuation of family enterprises in Nyagatare city, which is located in Nyagatere district, this subject emphasizes on the role of family in the transfer of ownership and management from the first generation (founders) to the second generation (successors). The family business founders didn't have any formal methods for succession planning in place, and they didn't use human resource practices to select, train, or inspire the successors beyond involving them in day-to-day operations with the goal of passing on knowledge so that when they develop management skills, they will support their parents in the family business. Some respondents said that there are some human resources practices that were practiced by the founder like motivating successors by giving them future promises and some business units to manage. And some of the respondents argued that the family business founders are much interested in engaging their legal successors in business operations because some of them believes that in order to avoid the family conflicts the issues of ownership and management will be talked about after the death of the founder.

Most of the cases are owned and managed by the first generation which is not informed about the business succession planning and some of the family business founders confuses the succession planning as the will statement that is implemented after the death of the owner. Two family businesses (A-BUZ and B-BUZ) tried to put in place some few human resource practices where they sourced, selected, trained, and motivated the successors with hope that they might manage their businesses in their absence. Two family businesses (C-BUZ and D-BUZ) owned by younger people they expect to set succession planning in their older age. Other two-family businesses (E-BUZ and F-BUZ) did not put in place the succession planning of their business have no hope of their continuity.

The founder of B-BUZ, Mr RUB said that "Due to his aptitude and talent, I recently quietly chose the successor, and I immediately began including him in corporate operations and training procedures. The successor is driven by his passion for business. When the business grew and he saw how his generation in the business died and the business too, he began to think about how he can choose and train the successor who can stand in his place. He was occasionally moved by the successor's creative ideas, which encouraged him that my business will continue. His earlier heart attack (stroke), which prevented him from working for three years, sped up the succession process, yet his successor took charge of the company. as well, and also, the successor of B-BUZ, Mr Benson revealed that *"I was dragged to the business with the intention to help my parent who was very busy".*

The motivated successors are legal successors who are involved in the management and ownership of their family businesses, to the extent are very active and sometimes he influences the decisions of the management team. Most of the respondents argued that due to the lack of human resources practices that were supposed to be exercised by founders there are very few successors who are skilled and knowledgeable about managing the business.

The founder of A-BUZ, Mr MUG said that *"In the past, he was concerned about how his business would continue if he passed away too soon because his wife did not work and all of his children were still in school. However, in the present, even though I am not completely satisfied, at least I believe that I am passing on the management skills to my children by engaging them, especially the successor who might continue with the business. Those closest to the founder-managers are participating without any official objective because the ownership is not yet established. Since they are unsure of who will* *inherit what and how much, their participation is voluntary and limited. They must fight in the interim.While they wait for the founder to decide whether or not to give them a formal role in the company, they must toil away at their own businesses. Family members are recognized for their efforts.*

Therefore it was assessed that most of the founders of family businesses in Nyagatare city had no idea of succession planning and had no formal methods for the succession planning as human resource practices, they were busy in income generation and managed to engage their legal successors in the business operations with the intention of knowledge transfer. Some believed that planning the succession at early age can cause family conflicts thus why they avoid the succession practices before they die. However, the potential successors were identified due to their aptitudes and talents in the business.

Theme 3: Non-family members andsuccession planning

This theme pertains to the involvement of non-family managers in succession planning of family-owned businesses. Most of respondents urged that the founders and the successors don't engage other non-family managers and other legal successors in the selection, training and motivating of the potential successors, thus why sometimes they feel as if they're not the part of the future of the business.

One of the managers from B-BUZ said that "*they don't engage us in the decision making of the future of this business and yet we have contributed a lot in its growth. However, in most cases, we see one of the legal successors who always engage and suspect that probably he might be the future leader of this business"*. However Mr. RUB the founder of B-BUZ said that"he *don't see why he must engage other people in the decisions concerning the future of his business because sometimes are temporary managers or employees who anytime might leave the company and added that the family business succession must be the secret to the extent where even the successor is not formally informed and engaged"*

Most of the respondents urged that they can only identify the potential successors depending on how the founders mostly engage one of his legal successors in the management of the family business especially in operational level. Mr RUKAMATA, one of the senior employeesof A-BUZ family business said that "even *though many legal successors are engaged in business* *operations but sometimes he can guess who will be the successor of the business by assessing how the founder mostly engage one of his sons than his siblings".*

Therefore it was observed that the failure to engage other legal successors and non-family managers leads to the failure of putting in place some human resource practices in succession planning which also leads to the failure to transfer the management, ownership, knowledge, and business operations from one generation to the next generation which of course affects its growth and continuity.

Theme 4: Family business succession planning and continuity

This theme pertains to the succession planning and the continuity of the family businessin Nyagatarecity district. Most of respondents from the family businesses without clear succession plan urged that there is no hope for continuity of their firms and those who managed to select some successors are somehow sure that their businesses will continue in their absence.

The owner of F-BUZ, Mr. LEMB said that "*due to the facts that our children no longer live in Nyagatare city went to live in other cities and we did not plan earlier to retain one of them and I and my wife are old thus why our business profitability and growth are declining, …. and by the way I don't have the hope of the future or continuity of this business"*

Therefore the continuity of family businesses need early planning that involves the succession planning and more emphasis would be put on the human resource practices which would leads to the identification, training and motivating the potential successors who would own and run them in future.

Discussion of results

Reflecting on some piece of information in this thesis and the above cases, several discussions can be elaborated as follows;

The family business founders in Nyagatarecity don't practice the human resource practices in the succession planning such as the selection, training and motivating the successors, they only engage the legal successors in business operations other than the ownership and management because some of them believes that in order to avoid the family conflicts the issues of ownership and management will be talked about after the death of the founder.

The founders of family businesses in Nyagatarecity believe that when you engage the legal successors from early age, they learn a lot from their parents as they grow up which will help them in future.The results concur with the findings of Poza & Daugherty, (2014); Van der Merwe(2011) which show that it is during this time that they can see how the family business is being managed become ingrained in their own values and strong values of a firm help its continuity and also help unify people in the business.

The motivated successors involved in the management of their family businesses and sometimes influencethe managing team. They influence the succession planningdue their performances and competencies,previous findings (Calabró, Minichilli, Amore, &Brogi, (2017) show similar revelations that the successors of family business are selected according to their performances and competencies. However, in Nyagatare family businesses due to the limited early objective trainings the successors lack the leadership skills, and there is financial distress due to the poor management of inherited business.

The founders and successors of the family businesses in Nyagatarecity don't engage otherlegal successors and non-family managers in the succession process, the results disagree with findings that established that the internal and external environmental elements are very key in family business succession decision-making byWesthead (2003).

The continuity of the family business needs the early preparations where the founders and other main stakeholders establishes the succession planning processes which emphasizes on the human resource practices as it was discussed by Lorna (2011) his study established that the only genuine succession could turn into family business continuity.

The Lack of formal techniques of human resource practices and failure to engage other legal successors and non-family managers in the succession planning had negatively affected the growth and the continuity of the family businesses in Nyagatarecity located in Nyagatare district of eastern province, Rwanda

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION ANDRECOMMENDATIONS

Introduction

The research summarizes the results based on the responses that were received in chapter 5. The findings summary was given in reference to the study's research goals. The study went on to describe its findings, provide suggestions, and identify potential topics for additional investigation.

Findings Summary

This section focuses on the analysis of four research goals, including how the founders plan, choose, train, and motivate the successors in succession planning; how motivated successors influence succession planning; the role of non-family managers affects succession planning of the family business, and the role of succession planning in the continuity of family business in Nyagatare city, which is located in Nyagatare district of eastern province, Rwanda.

Founding conditions and succession planning.

The analysis based on respondents' arguments, it was confirmed that The founders of the family businesses in Nyagatare city were motivated by the prevailing circumstances/conditions which served as the local business opportunities that included: 1) No other business settings; 2) Free land for farming activities; 3) they had some capital from their livestock farming. On another hand they were challenged by: 1) lack of business management skills; 2) Not enough expertise at operational level of their businesses; 3) The climate conditions; 4) Limited source of business capital, and 5) Most of experienced people in the working class had die in the Genocide against Tutsi and its consequences. They had no idea for succession planning were motivated by generating income for their survivals and their families,

Generation transfers and succession planning.

Analysis based on many respondents' arguments thatmost of the founders of family businesses in Nyagatare city had no idea of succession planning without any formal methods of human resource practices, they were busy in income generation and managed to engage some of their legal successors in the business operations with the intention of knowledge transfer. Some believed that planning the succession at early age can cause family conflicts thus why they avoid the succession practices before they die. The potential successors were identified due to their aptitudes and talents in the business. And some of respondents also shaded the light on lack of leadership skills in the successors, and there is financial distress in those few inherited family businesses.

Non-family members and Succession Planning.

It was assessed that the failure of founders and successors to engage other legal successors and non-family managers leads to the failure of putting in place some human resource practices in succession planning which also leads to the failure of transferring the management, ownership, knowledge, and business operations from one generation to the next generation which affects the growth and continuity of family business in Nyagatare city.

Family Business succession planning and Continuity

It was evaluated that the continuity of family businesses need early planning that involves the succession planning and more emphasis on the human resource practices which would leads to the identification, training and motivating the potential successors who would own and run Nyagatare family businesses in future.

5.3. Conclusions

The findings reveal that the founders of family businesses in Nyagatare city located in Nyagatare district of Eastern Province:

Theybegantheir businessesdue to the prevailed circumstances/conditions that served as the local business opportunities which included: 1) No other business settings in place; 2) Free land for farming activities; 3) they had some capital from their livestock farming. On another hand they were challenged by: 1) lack of business management skills; 2) Not enough expertise at operational level of their businesses; 3) The climate conditions; 4) Limited source of business capital, and 5) Most of experienced people in the working class had die in the Genocide against Tutsi and its consequences.

They had no idea of succession planning because there was no any formal human resource methods, they were interested in income generation and managed to engage some of their legal successors in the business operations with the intention of knowledge transfer. Some believed that planning the succession at early age can cause family conflicts thus why they avoided the succession practices before they die. The potential successors were identified due to their aptitudes and talents in the business.

They failed to engage other legal successors and non-family managers that affected the transfer of ownership and management, knowledge, and business operations from one generation to the next generation, and compromised the growth and continuity of family business.

Generally failure to engage the non-family managers and lack of formal human resource methods in succession planning of family business in Nyagatare city by founders had negatively affected their growth and continuity.

Recommendation

The study established that most of the founders of family businesses in Nyagatare city don't put in place some human resource practices as succession strategies and failed to engage legal successors and non-family managers in succession planning. Based on the above findings, the current study makes the following recommendations:

- First, the founders of the family businesses have to fulfill their duties of succession planning as human resource practices where they should apply the planning, selection, training, and motivation of the successors; so that the successors will have enough management and ownership skills which will affect the growth and continuity of the family businesses.
- Second, the successors need to involve themselves in the family businesses as they are still young so that they will improve their performances and the competencies because they are only factoring that founders' bases on to select the successors.
- Third, both the founders and successors of the family businesses should engage the non-family membersand the legal successors in succession planning, hence the human resource practices in family business succession planning should be involve all parties.
- Private Sector Federation in collaboration with their stakeholders should train their members about the firm management including the HRM & Succession processes.

Suggestions for futurestudies

I suggest the following areas as necessary for future research in order to exhaust the area of the human resource practices in the family business. I only focusedon the issues related to the subject matter. Future research can focus on the issue of skills acquired by successors and managers on succession planning for effective transfer of management and ownership to the third generationsof the family businesses

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Authors: Kristen Madison, Daniel T. Holt, Franz W. Kellermanns, and Annette L. Ranft) Research Applied précis prepared by NavneetBhatnagar, Thomas Schmidheiny Centre for Family Enterprise, Indian School of Business, Hyderabad, India

INTERVIEW GUIDE

GENERAL QUESTIONS

1. What is your name? Age? Place of birth? Academic background? professional background? And position in the business?

2. What is the name of you company? Industry? How long it has been in the industry?

3. How did you start your business? Under what circumstances did your family decide to go into business? Tell us the history of how this business started? Why did you get into business?

4. How do you define a family firm?

5. What are your primary resources?

The Founders' Human Resource Practices in succession planning

6. Do the founders select the successors in succession planning?

7. Do the founder train the successor?

8. Do the founders motivate the successor?

The successors' activities in succession planning

9. Do successors influence the founders in succession planning?

10. Do successors participate in succession planning?

11. Do successors influence the non-family managers?

The non-family managers in succession planning

12. Do non-family managers engaged in succession planning?

13. Do non-family managers influence the founders in succession planning?

14. Do non-family managers influence the successors for succession planning?

The effects of Succession Planning to Family Business Continuity

15. Does the owner have succession planning? When was the plan adopted? Why? Is there any challenge in designing and implementing succession planning?

16. Do other legal successors and non-family managers engaged during the planning? How? Elaborate any challenge if any

17. Does succession planning affect the business continuity? How? Mention if any challenges were observed?

18. Do successor have plan? Is he committed to the continuity? Why? Did he encounter any challenge in designing and implementing the plan?

19. Does the non-family manager ready for transition? Are they happy with the successor? Why?

DATA RECORDING TABLE FOR QUICK ANALYSIS

S/N	INDICATOR	RESPONSE	ANALYSIS
1	Founder’s Background		
2	The circumstances in which the business started		
3	Founder’s action towards succession		
4	Successor’s action towards succession		
5	Legal successors’ influence in succession		
6	Non-family manager’s action in succession		
7	Human Resource Practices in succession		
8	Succession planning with continuity		

BenonRwomushana

MBA Student, Nyagatare Campus

UR-CBE

Response letter to the external reviewer for my thesis

Dear External Reviewer, I thank you for the comments and suggestions made on my master thesis. Below are the responses to your comments:

1. In chapter one at page one, you advised me to use APA citation on the text as text "*general (Cliff, 2013). 2019 (Khavul et al*)"

Response:I made corrections to this text by using appropriate APA citations as follows: general **(**Cliff, 2013; Khavul et al., 2019**).**

2. In Chapter one at page three, you advised me to define research problem in the context of knowledge gaps

Response:I addressed this by showing the gap in the previous studies. See page 3 for details

3. In Chapter one page three, you advised me to focus on availing missing knowledge.

Response: See page three chapter 1 on how I addressed the comments and suggestion

4. In Chapter two at page fourteen, you advised me that I should connect the literature with the current study.

Response: See the corrections on page 14 of the review chapter.

5. In chapter two at page 24 on conceptual framework you advised me to analyze all the measurement items and report them in harmony.

Response: I did it as you advised. See conceptual framework (page 24)

6. In chapter three page 29, you advised me to test and report findings on the reliability and validity of the data

Response: I addressed this in the text on page 29

7. In chapter four at page 32, you advised me to reduce the size of the table of the background of the case. I

Response: This was addressed. See Table on page 32.

8. In chapter four, page 43, He advised me to report some evidences from the field and show the effect between independent variables and dependent variables.

Response: This was duly corrected.

9. In chapter five at page 46, on the recommendations, you asked me to explain the recommendations:

Response: I corrected this text. I indicated that the recommendations are drawn from the current study's findings

4th check

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