



**Faculty of Commerce**  
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Influence of Culture on Succession Planning in Small Family Owned Businesses in Bulawayo Central Business District.

BY

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## **ABSTRACT**

Family businesses are becoming the dominant entrepreneurial force in today's global economy but their poor survival rate is a continuing cause of fretfulness around the world. Family businesses provide jobs to a large unskilled population and contribute to the stability and growth of Zimbabwe's economy. However family firms experience disquieting failure rate in their second generation of operation and an exacerbated failure rate in their third generation.

Family businesses are founded and managed by families as such they are family specific. This characteristic determines the extent to which "family specific culture" influences the succession planning of these firms. The firm's culture has a relatively weak influence on an individual's core culture beliefs and values. This study therefore examined the influence of cultural values such as inheritance laws, primogeniture, gender egalitarianism and succession phobia on small family businesses located in the CBD of Bulawayo.

The study used informal interviews, structured interviews and a questionnaires to obtain data from a sample of 38 small FOBs in various sectors. The data gathered was analyzed using qualitative research approach to determine the relationship between the study variables. The findings of the study points out that cultural determinants in the study have a significant influence on the successful orchestrating of succession of family businesses. The inheritance laws has the highest magnitude effect on succession of family business

A conceptual model depicting the influence of culture on succession process was developed. A new paradigm shift is necessary to put in place sound policies in business operations and succession plans to forestall any problems that may perhaps arise through cultural philosophies. Thus through this approach longevity of these businesses can be achieved. Understanding cultural factors that influence succession in family firms is the keystone to reducing the high mortality rate of this important segment in the economy.