



---

**Electronic Theses and Dissertations**

---

2025

# The Influence of cultural factors on intergenerational transfer of leadership in family-owned manufacturing businesses in Nairobi, Kenya.

Mukasa, Assey Alfred  
*Strathmore Business School*  
*Strathmore University*

## **Recommended Citation**

Mukasa, A. A. (2025). *The Influence of cultural factors on intergenerational transfer of leadership in family-owned manufacturing businesses in Nairobi, Kenya* [Strathmore University].

<http://hdl.handle.net/11071/15763>

Follow this and additional works at: <http://hdl.handle.net/11071/15763>

**THE INFLUENCE OF CULTURAL FACTORS ON INTERGENERATIONAL  
TRANSFER OF LEADERSHIP IN FAMILY-OWNED MANUFACTURING  
BUSINESSES IN NAIROBI, KENYA**

**MUKASA ASSEY ALFRED**

**ADMIN. NO. 142278**


**A RESEARCH DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF  
THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS  
ADMINISTRATION OF STRATHMORE UNIVERSITY**

**VT OMNES  
VNVM SINT**

**MAY 2025**

## DECLARATION

I declare that this project is my original work and has not been previously submitted and approved by Strathmore University or any other Institution for the award of a degree. To the best of my knowledge and belief; this dissertation is original and borrowed materials has been done with due reference.

Sign... 

Date May 2025

Approval

This project has been reviewed and approved for examination purposes.

Sign..... *rkiraka* ..... Date...12<sup>th</sup> May 2025.....



## ABSTRACT

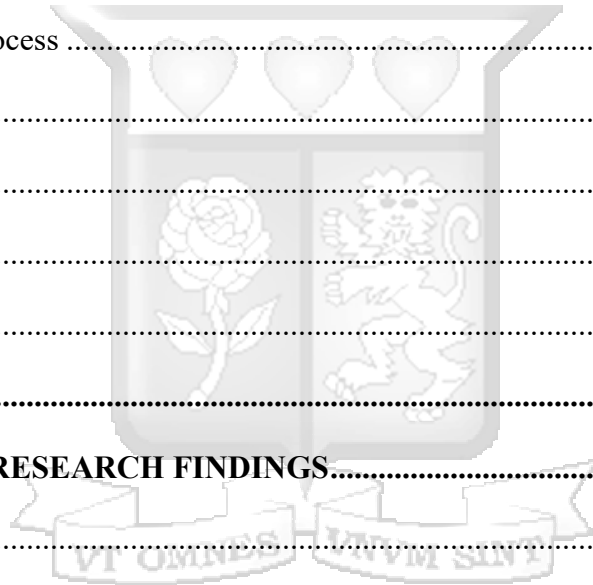
Cultural embeddedness in family-owned enterprises has so far been speculated to be a challenge in the transfer of leadership from one generation to another. A significant number of these businesses barely survive beyond first-generation owners primarily because of cultural factors and their perceived influence on succession. The proposed research sought to contribute to the phenomenon by examining the interaction between culture and intergenerational transfer of leadership. The main objective of this proposed research was to determine how cultural factors influence the transfer of leadership across generations in family-owned manufacturing businesses in Nairobi, Kenya. The study examined three of Hofstede's dimensions of culture, i.e., power distance, uncertainty avoidance, and individualism-collectivism as the independent variables. The research was anchored on Hofstede's cultural dimensions theory. A cross-sectional descriptive research design was used. The study targeted the owners of 120 local family-owned manufacturing companies in Kenya. The research was based on primary data and deploying a survey questionnaire for quantitative data collection from 120 respondents. Descriptive and inferential statistical analysis was done. The study established that cultural factors had a positive relationship with intergenerational transfer of leadership in family-owned manufacturing firms in Nairobi, Kenya. Specifically, the research concluded that power distance and uncertainty avoidance will positively and significantly improve the intergenerational transfer of leadership in family-owned manufacturing firms. Individual collectivism did not have a significant effect on intergenerational transfer of leadership. The study recommends that leaders in these organization cultivate a more paternalistic/directive role where rules, directions and decisions are made based on the well-being of the group rather than the individual. The study also calls on the leaders to involve subordinates in the succession process to ensure there is understanding and continuity in the plans for the long-term. By leveraging a culture of trust and collaboration, leaders in such high uncertainty avoidance cultures can guarantee smooth transition while addressing potential pitfalls such as resistance to change. Further, organizations with low individualism/collectivism should prioritize universal leadership principles that place emphasis on competence and merit and develop flexible succession planning structures.

**Key words:** *Intergenerational Leadership Transfer, Cultural Dimensions, Family-Owned Enterprises, Hofstede's Theory, Succession Planning.*

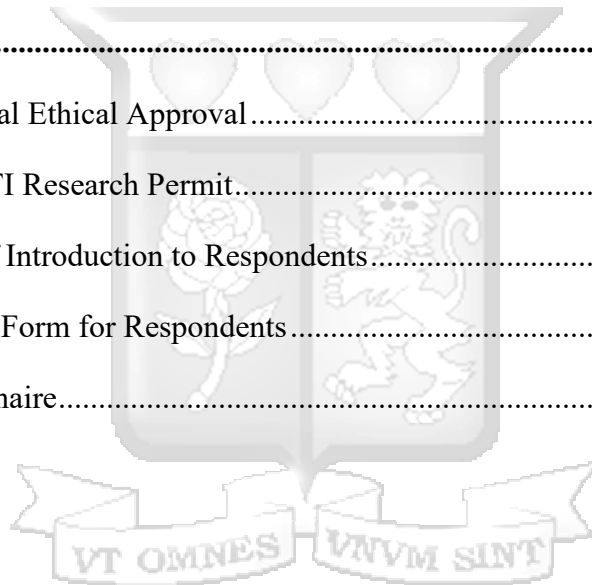
## TABLE OF CONTENTS

<b>DECLARATION</b> .....	<b>i</b>
<b>ABSTRACT</b> .....	<b>ii</b>
<b>TABLE OF CONTENTS</b> .....	<b>iii</b>
<b>LIST OF TABLES</b> .....	<b>vi</b>
<b>LIST OF FIGURES</b> .....	<b>vii</b>
<b>CHAPTER ONE</b> .....	<b>1</b>
<b>INTRODUCTION</b> .....	<b>1</b>
1.1 Background to the study.....	1
1.2 Problem Statement .....	9
1.3 Research Objectives .....	10
1.4 Research Questions .....	10
1.5 Scope of the Study.....	10
1.6 Significance of the Study .....	11
1.7 Chapter Summary.....	12
<b>CHAPTER TWO</b> .....	<b>13</b>
<b>LITERATURE REVIEW</b> .....	<b>13</b>
2.1 Introduction .....	13
2.2 Theoretical Literature Review.....	13
2.3 Empirical Literature Review .....	14
2.4 Research Gap.....	19
2.5 Conceptual Framework .....	21
2.5 Operationalization of Variables .....	21

2.6 Chapter Summary.....	23
<b>CHAPTER THREE .....</b>	<b>25</b>
<b>RESEARCH METHODOLOGY .....</b>	<b>25</b>
3.1 Introduction .....	25
3.2 Research Philosophy .....	25
3.3 Research Design.....	25
3.4 Target Population .....	26
3.5 Sampling Design and Sample Size.....	26
3.6 Data Collection Process .....	26
3.7 Research Quality .....	27
3.6 Data Analysis .....	28
3.7 Research Ethics .....	29
3.8 Chapter Summary.....	29
<b>CHAPTER FOUR.....</b>	<b>30</b>
<b>PRESENTATION OF RESEARCH FINDINGS.....</b>	<b>30</b>
4.1 Introduction .....	30
4.2 Response Rate .....	30
4.3 Background Information of Respondents .....	30
4.4 Descriptive Analysis .....	32
4.5 Correlation Analysis.....	38
4.6 Regression Analysis .....	40
<b>CHAPTER FIVE .....</b>	<b>42</b>
<b>DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS.....</b>	<b>42</b>

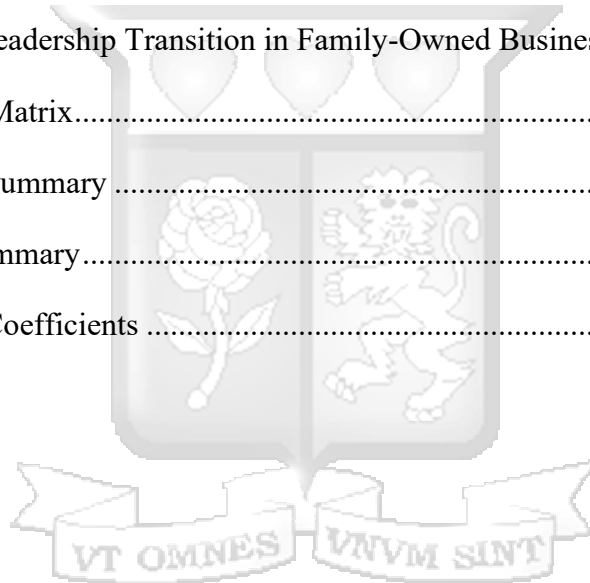


5.1 Introduction .....	42
5.2 Summary of the Study .....	42
5.3 Discussion of the Study .....	43
5.4 Conclusions .....	47
5.5 Recommendations .....	48
5.6 Limitations of the study .....	50
5.7 Suggestions for Further Study .....	50
<b>REFERENCES.....</b>	<b>52</b>
<b>APPENDICES .....</b>	<b>57</b>
Appendix I: Institutional Ethical Approval .....	57
Appendix II: NACOSTI Research Permit .....	58
Appendix III: Letter of Introduction to Respondents .....	59
Appendix IV: Consent Form for Respondents .....	60
Appendix V: Questionnaire .....	63



## LIST OF TABLES

Table 2.1 Summary of Research Gap.....	19
Table 2.2 Operationalization of Variables .....	23
Table 3.1 Reliability Test.....	28
Table 4.1 Background Information of Respondents .....	31
Table 4.2 Results on Power Distance.....	33
Table 4.3 Results on Uncertainty Avoidance.....	34
Table 4.4 Results on Individual-Collectivism.....	35
Table 4.5 Results on Leadership Transition in Family-Owned Business .....	37
Table 4.6 Correlation Matrix.....	39
Table 4.7 Regression Summary .....	40
Table 4.8 ANOVA Summary.....	40
Table 4.9 Regression Coefficients .....	41



**LIST OF FIGURES**

Figure 2.1 Conceptual Framework..... 21



## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background to the study

Succession, governance, and estate planning for family-owned business enterprises have always been a major concern. Yet, the issue, which appears to have a vast potential, lacks the attention it truly deserves. Rotaru et al. (2020) stress the importance of paying attention to family-owned businesses, citing that many of them hardly make it past the first generation. According to Gavrić and Braje (2024), this is attributed to a diverse range of issues, chief among them being cultural factors. "Culture in family business is a set of values, norms and standards that influences how members and professionals work to achieve their mission and goals" (Krishnan, 2020). For this reason, as Beckers et al. (2020) suggest, "the vision, style, and values of the company" are often influenced by the founder, and they are carried through the generations.

Definitions of a family business differ, but the key characteristics of a family business are shared ownership and management among family members, interdependence between owners and managers, and focus on the continuation of the firm from generation to generation (Ruiz et al., 2010). Family businesses are crucial to socioeconomic development. They are a social institution that promotes a people's intellectual, moral, and artistic development as well as his or her professional inclination (Turner & Pech, 2019). An article by Rotaru et al. (2020) says that family-owned enterprises are vital to the economy because they play a massive role in job creation, foster innovation and entrepreneurship, and economic stability and growth.

Succession is an unavoidable event in the functioning of any firm that is controlled by a family. The methods and approaches employed to aid the transfer of ownership and management have been discovered to exert a substantial impact on the longevity and success of family enterprises (Maalu et al., 2013). Establishing a proper link and equilibrium between the management, ownership, and family of a business is crucial for guaranteeing ongoing success and continuity among the inevitable changes that affect both the family and the business throughout time (Ramsden, 2016). Studies conducted by Poutziouris (2000) and Ibrahim and Dumas (2001) validate that around 33% of family-owned firms successfully transition from the first generation

to the second generation, and only one-third of those businesses manage to survive from the second to the third generation.

Moreover, recently, there has been a surge of studies (Wang & Zhou, 2021; Uchenna et al., 2023) focusing on the dynamics of the family business. There are several scholarly publications that attempt to explain the high mortality rate of family firms by studying the challenges inherent in family enterprises (Payne, 2018). A potential factor contributing to the failure of family firms in the second generation is the insufficient ability or willingness of the family members to engage in the succession process, which involves generating, sharing, and transferring knowledge from one generation to the next (Mariotti & Marzano, 2019).

Culture, according to Samara et al. (2021), is the societal conditioning of the mind. Culture, beliefs, and values are the glue that binds the family, the business, and its employees (Khan et al., 2021). The culture of a family business is often constructed based on family values, which define and bind these businesses' organizational culture and structures (Husien et al., 2019). As stated earlier, they frequently represent the founder's ideology and function as a guide to conducting business. Sometimes, they are institutionalized in declarations of core values that are regularly alluded to in business communications and that underlie day-to-day decision-making (Demissie & Egziabher, 2022). Cultural factors play a huge role in the transfer of leadership, as demonstrated by a wide range of researchers, academicians, and practitioners.

Strong, unique cultures are a hallmark of family companies; cultures that are highly affected by the vision, style, and beliefs of the founder are frequently carefully preserved from one generation to the next (Kawaguchi, 2020). These types of cultures help to create devoted and long-lasting teams by uniting workers around a shared goal. If properly nurtured, a company's culture may become a significant source of competitive advantage for a family firm in its quest to recruit and retain top personnel in pursuit of long-term success (Wang & Zhou, 2021). Every family-run company has to ask itself whether its culture is adequate for the challenges posed by the digital revolution and the proliferation of new business models. Cultural factors, according to Ruokonen (2022), impact on all stages of the handover process, from initial preparation through post-handover management of the firms. Religious culture and attitudes also affect several facets of the transfer of leadership across different generations.

According to Bąkiewicz (2020), cultural embeddedness influences succession planning among family-owned businesses in Poland and Indonesia. As the researcher further explains, dimensions of culture – individualism vs. collectivism, time orientation, uncertainty avoidance, achievement vs. ascription, universalism vs. particularism, and internal vs. external control – affect actions of succession such as the transfer of knowledge, training, education, workplace activity, succession discussions, among others. Comparing the cultural landscapes of Germany and Mexico's family-owned enterprises, Mierzal et al. (2017) noted that cultural values are important in the transfer of leadership between generations in both cases.

A study performed in India by Menezes et al. (2019) demonstrates that culture plays a crucial role in the selection of a successor for family-owned SMEs. The researchers explain that because of India's predominant cultural underpinnings, succession is confined to male family members, family expectations and filial piety take precedence over competence, outsiders are not inducted in family affairs and succession practices, and learning and development are confined to shadowing incumbents. The findings of this study were corroborated by those of Ahmad et al. (2020) and Ozdemir and Harris (2019), whose research was based in Malaysia and Turkey, respectively. However, Abdullah et al. (2013) offer a contrary opinion, citing that culture does not dictate succession planning in East Malaysia since educational qualifications, job status and experience, and personal attributes are the central focus in succession planning.

In Africa, the place of culture in handling succession of family enterprises has been explored by Uchenna et al. (2023), whose focus was on Nigeria. The research found that family values and traditions play a huge role in succession planning. In particular, inheritance culture, which is predominant among Nigerians, dictates practices such as the selection, development, and transfer of successors in family-owned enterprises (Uchenna et al., 2023). The case also applies to indigenous family businesses in Zimbabwe, as Shumbambiri (2023) observed. The study noted a lack of formal strategic succession planning policies. Instead, intergenerational leadership transition is dictated by family interests, values, traditions, and beliefs that often result in gender biases, difficulty giving up control, and conflicts.

In Kenya, Mruttu and Makokha (2022) produced empirical evidence indicating that organizational culture has a significant effect on succession management in SACCOs. The "set of shared values,

beliefs, and norms that influence the way employees think, feel, and behave in the workplace" constitute organizational culture. Therefore, according to Mruttu and Makokha (2022), "if the culture supports the succession planning process, employees will follow it as it forms a guideline to their everyday activities." Ndirangu et al. (2021) made a similar observation in state-owned corporations. Karanja (2012) determined how important succession planning is for the long-term viability of small and medium-sized family businesses. He zeroed in particularly on the issues that arise when first-generation business owners retire or pass away, as well as the factors that, in his opinion, affect succession planning.

### **1.1.1 Intergenerational Leadership Transfer**

The transfer of top leadership from one generation to the next is one of the serious challenges facing any business. The problem is more pronounced in family-owned enterprises where the founders often hang on to power as they watch others try to take over, while at the same time, their heirs feel overshadowed. Hanzes (2020) points out that paralleling leadership succession are stages of company growth, stagnation, or decline, which is why, according to Ibrahim and Dumas (2001), only 33% of family businesses transition from first to second-generation successfully, and a third of those make it to the fourth generation.

Family-owned enterprises face a myriad of challenges in terms of leadership succession. Cabrera-Suarez (2005) states that "family members involved in the ownership and/or management of a company usually behave in a way that differs from the general dynamics of organizational behaviour." Consequently, issues relating to nepotism, power struggles (within families and at the organization), lack of professionalism, and "less optimum top management behaviour" (Cabrera-Suarez (2005). Such outcomes can have adverse effects on leadership succession and the development of capable successors.

Still, leadership succession is paramount. Nwuke and Adeola (2023) explain that succession is usually accompanied by notable organizational changes. Therefore, changing the top-level leadership can significantly alter the values, philosophy, direction, and politics of a business enterprise. Nwuke and Adeola (2023) further stress the importance of choosing the right successor because the successes and failures of the successor can spill onto the organization. Leadership

succession in family-owned enterprises is considered a multi-stage process – socialization process, the biological reality of parents, and mutual role adjustments.

### **1.1.2 Cultural Factors Influencing Intergenerational Leadership Transfer in Family Business**

Beckers et al. (2020) assert that “family businesses are known for their strong, distinctive cultures — cultures that are often heavily influenced by the vision, style, and values of the founder and carefully maintained through the generations.” They further argue that cultures in family enterprises are essential in binding employees to a common cause and fostering a loyal and stable workforce. Since cultures are derived from founders' values and vision, cultural factors differ from one family business to another. In their publication, Mosquera et al. (2024) and Denison et al. (2004) identify paternalistic, laissez-faire, participatory, and professional cultures as the four types of cultural patterns in family-owned enterprises.

A paternalistic culture is rooted in the belief that fathers or male heads of a family unit are the authority figures responsible for the welfare of dependents or subordinates. According to Mosquera et al. (2024), a paternalistic culture is characterized by three distinctive features: linear and hierarchical power relationships where power is concentrated to a central figure with authority to make critical decisions, control is prioritized, and contribution of those not in power circles limited since relationships are based on mistrusts, and causal orientation towards the past. Mosquera et al. (2024) further explain that laissez-faire culture is the exact opposite of paternalistic culture – there is more trust, individuals who lack power are allowed in decision-making, and relationships are not hierarchical but linear.

On the other hand, Mosquera et al. (2024) point out that in a participatory culture, "power is not concentrated in the family' and as such, decision-making is not linear but collaborative. In other words, relationships and decision-making in a participative culture tend to be more egalitarian and group-oriented since power and status in the family are de-emphasized. Lastly, in a professional cultural setting, "the family maintains ownership of the business but turns to the management (sometimes nonfamily professionals) for critical business-related decisions" (Denison et al., 2004;

Mosquera et al., 2024). Here, the business becomes a full-fledge corporation with profits and company growth being the core strategic imperatives rather than the interests of family members.

Renowned business professors Robert Quinn and Kim Cameron identified four culture types of corporate cultures: clan, adhocracy, market, and hierarchical cultures (Botez & Coteț, 2020; Marín et al., 2016). A clan culture offers a friendly work environment where members of an organization refer to their colleagues as family. In this type of culture, as Botez and Coteț (2020) point out, "things like relationships, morale, participation, and consensus take centre stage." Adhocracy cultures reflect values related to business, leadership, risk-taking, innovation, and hierarchy and are oriented towards the principles of formality, control, structure, and internal efficiency. Marín et al. (2016) assert that adhocracy cultures are common in nonfamily firms but can be observed in professionally managed family enterprises.

Like adhocracy cultures, Marín et al. (2016) contend that market cultures and hierarchy cultures are prevalent in nonfamily businesses. A market culture prioritizes financial success and the achievement of company goals. Therefore, employees in a work environment where this culture predominates are highly motivated and goal-focused (Botez & Coteț, 2020). In the context of family business, market culture applies more to structured and process-oriented family units where decision-making is dictated by existing frameworks and procedures rather than freethinking (Fekete & Bocskei, 2011). Similarly, hierarchical cultures thrive on structures and systems. Like paternalistic cultures, as discussed earlier, family-owned organizations that stem from hierarchical cultures emphasize stability and control during decision-making.

Hofstede's six dimensions of culture – power distance, individualism vs collectivism, masculinity vs femininity, uncertainty avoidance, long-term orientation vs. short-term orientation, and indulgence vs. restraint – have been highlighted by multiple scholars as critical cultural factors in family enterprises (Brice & Richardson, 2009; Lerner & Malach-Pines, 2011; Gupta & Levenburg, 2012). The power distance dimension reflects the extent to which people in a society expect equality, whereby a low power-distance culture is associated with a society that aims for equal power distribution, and a high-power-distance culture has power concentrated among a few individuals (Hofstede, 2011). According to Tung and Verbeke (2010), the individualism vs.

collectivism dimension "contrasts individualistic culture (where personal needs take precedence) with collectivist cultures (where group harmony and interdependence matter more)."

The masculinity vs. femininity dimension describes the degree to which cultures compare the values of competition, assertiveness, and material success versus cooperation, nurturing, and quality of life (Wu, 2006). In this sense, cultures that exhibit the former set of values can be described as masculine, and those that display the latter are dubbed feminine. Uncertainty avoidance relates to the degree of comfort with risk, ambiguity, and change, whereby "high uncertainty avoidance cultures prefer clear rules and structure" due to the low degree of tolerance to risk and ambiguity (Hofstede, 2011). Families can also emanate from cultures predominantly oriented towards long-term goals, thrift, and perseverance, while others from cultures that focus on immediate gratification. Lastly, the indulgence vs. restraint dimension explores the extent to which cultures enjoy life and seek pleasure versus self-discipline and restraint.

While it is essential to recognize that no single cultural framework is universally superior, Hofstede's cultural dimensions offer distinct advantages over others: comprehensive dimensions, global applicability, practical insights, and quantitative approach (Wu, 2006; Hofstede, 2011). For these reasons, the proposed research was anchored on Hofstede's cultural dimensions framework. Although (Ketter & Arfsten, 2015) established the existence of cultural differences, seen from (Hofstede, 2011) cultural dimensions lens, between the 11 largest ethnic groups in Kenya, especially in the dimensions of masculinity, uncertainty avoidance, indulgence vs restraint, and long-term vs short-term orientation, (Hofstede, 2017) research insights provide comprehensive data on Kenya's cultural dimensions, highlighting the country's scores and interpretations with the country scoring high on power distance, low on individualism, and neutral on uncertainty avoidance. Therefore, more specifically, the dimensions of power distance, uncertainty avoidance, and individualism-collectivism was the focus of the study because of their relevance to Kenya's cultural landscape.

### **1.1.3 Family Businesses in Kenya's Manufacturing Sector**

Businesses in Kenya's manufacturing sector are thriving, with many emanating from diverse sub-sectors (Esaku, 2020). Kenya's manufacturing sector is vital to its economic development since it

generates income, creates jobs, provision of goods and services, ensures sufficient funds to meet essential demands, boosts commerce and exports, and evens out the country's trade deficit. Based on research conducted by PWC in 2021, family-held enterprises in Uganda contribute 43% to employment generation and 21% to the country's GDP (PWC, 2021). Similarly, the research revealed that in 2021, there was a 7.5% contribution to Kenya's GDP by family-owned businesses in the manufacturing sector and a 70% contribution to the adoption of innovative technologies and digitalization.

Despite the cruciality of manufacturing, the sector faces several challenges (Gachanja et al., 2020). First, businesses have failed because of malpractices and bad corporate governance. The contribution of Kenya's manufacturing industry to the country's gross domestic product has been relatively stable throughout the years at roughly 10%, and in 2017, it was approximately 8.4%. The contribution to GDP was 5% in 2020 when the pandemic was at its height, and it has been steadily climbing towards the original 10% since then. That said, the sector is still very critical to Kenya's economy and achievement of vision 2030, and the country's leadership has even bigger plans for the sector.

When one examines the knock-on effects that family businesses have on the economic and social fabric of a nation, the value of the family business becomes immediately evident (Basco, 2010). Several studies carried out in a variety of nations have arrived at the same conclusion: family companies are essential to the expansion of the economy and the production of new employment opportunities (Solesvik et al., 2019). It is thought that these companies possess 85% of all businesses in the globe, 65% of both Europe's GDP and employment, and 50% and 60% of the United States' GDP and jobs, respectively. Consequently, family companies contribute significantly to national income and prosperity in many nations (Dias & Davila, 2018). They are the backbone of the economy because they create jobs, reduce inequality, and boost the economy (Saan et al., 2018). Family-owned businesses have played a critical role in Kenya accounting for more than 75% of the country's GDP (PwC Kenya, 2023). Family businesses have been considered an important part of the economy with estimates that atleast 80%-90% of the manufacturing firms start as small family businesses and grow to large firms and serve not only the local market but

contribute to the global economy. The firms further employ between 50%-60% of the workforce within the country (Hassan & Bichanga, 2022).

## **1.2 Problem Statement**

Family-owned manufacturing enterprises are invaluable to Kenya's economy in terms of job creation, provision of goods and services, income generation, economic sustenance, commerce and exports, and more (Esaku, 2020). Therefore, their failure to successfully pass on leadership between generations can have significant consequences for individuals, firms, and the economy. On the other hand, implementing succession planning successfully is advantageous for businesses as it guarantees their continuity and enhances the likelihood of a successful transition (Sharma et al., 2013). Family businesses face challenges in surviving beyond the first generation, some of which (Mares & Petru, 2018), relate to cultural factors.

In today's knowledge-management economy, it is crucial to explore challenges to the lifespan of family businesses through several generations in order to proactively create solutions. Several studies have sought to uncover the correlation between culture and intergenerational leadership transfer in family business (Bąkiewicz, 2020; Mierzal et al., 2017; Ahmad et al., 2020; Abdullah et al., 2013; Menezes et al., 2019). However, so far, they have failed to provide a clear picture of the dynamics of the specific dimensions of culture and ideological components that make it difficult for a family business to succeed in the subsequent generations. In addition, while it is true that culture is embedded in family-owned enterprises, there is a lack of consensus among researchers on the interactions between cultural elements and succession planning.

Furthermore, most of the existing literature on the topic was conducted outside Kenya. Since Kenya's cultural dynamics differ from those of different parts of the world, findings from those studies may not be generalized to intergenerational leadership transfer in family enterprises in Kenya. Whereas researchers like Mruttu and Makokha (2022), Ndirangu et al. (2021), and Karanja (2012) offer valuable insights into the subject matter, these studies are not without conceptual and contextual limitations. Hofstede's cultural dimensions have not been sufficiently explored, with family-owned manufacturing firms in Kenya not being the context. Therefore, the proposed

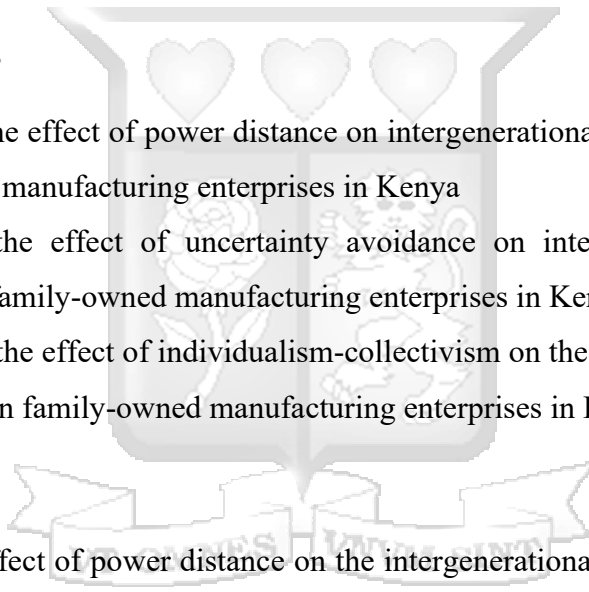
research sought to contribute to the succession planning literature by addressing the problems raised above.

The primary purpose of this study is to examine the influence of cultural factors on the intergenerational transfer of leadership in Kenya's family-owned manufacturing firms. The study focused on power distance, uncertainty avoidance, and individualism-collectivism as dimensions of culture.

### **1.3 Research Objectives**

The main objective of the study was to examine how cultural factors influence the intergenerational transfer of leadership in family-owned manufacturing firms in Kenya.

#### **1.3.1 Specific Objectives**

- 
- i) To establish the effect of power distance on intergenerational transfer of leadership in family-owned manufacturing enterprises in Kenya
  - ii) To examine the effect of uncertainty avoidance on intergenerational transfer of leadership in family-owned manufacturing enterprises in Kenya
  - iii) To determine the effect of individualism-collectivism on the intergenerational transfer of leadership in family-owned manufacturing enterprises in Kenya

#### **1.4 Research Questions**

- i) What is the effect of power distance on the intergenerational transfer of leadership in family-owned manufacturing enterprises in Kenya?
- ii) What is the effect of uncertainty avoidance on intergenerational transfer of leadership in family-owned manufacturing enterprises in Kenya?
- iii) How does individualism-collectivism affect the intergenerational transfer of leadership in family-owned manufacturing enterprises in Kenya?

#### **1.5 Scope of the Study**

The study aimed at evaluating the cultural elements that impact the passing on of leadership from one generation to another in family-owned manufacturing enterprises in Kenya. This study was

primarily based in the Nairobi industrial area and surrounding areas. The intended participants consisted of manufacturing enterprises that are owned by families and located in the industrial area and surrounding business hubs. The study focused on individuals who hold ownership positions, as well as those who are responsible for managing and supervising the family business, including both family members and non-family professionals. The study was conducted over a period of two months, commencing in October 2024 and concluding at the end of November 2024.

### **1.6 Significance of the Study**

The results of this study will provide valuable insights to family-owned firms, particularly the owners, regarding the cultural elements that impede or influence the transfer of ownership to younger generations. Self-reflection and assessment of one's own experience, expertise, and learning are crucial for facilitating smoother succession planning.

The results of this study will have major implications for numerous stakeholders, including financial institutions. These stakeholders can utilize the findings to gain insights into the specific challenges of succession planning in family-owned manufacturing businesses in Kenya. Familiarity with the variables surrounding succession planning will serve as a guide for formulating policies that foster the expansion and sustainability of family-owned manufacturing enterprises in Kenya.

The study will also be significant for other established and emerging family-owned firms to ascertain the characteristics that influence the longevity of such businesses throughout several generations. This will enable them to develop strategies that foster continuity over successive generations. The study findings will be of significance for future academics since it will stimulate more research on entrepreneurial difficulties within family circles. This research will contribute valuable knowledge on the elements that influence the transfer of leadership across generations in family enterprises. Ultimately, it will provide an opportunity to investigate alternative and reliable sources of knowledge regarding family matters in the field of entrepreneurship.

## 1.7 Chapter Summary

The chapter provided an overview of the study and elaborates its background, breaking down the topic under investigation. Also covered in the chapter included the problem the study sought to address, research objectives, research question, scope of the study, and its significance.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter provides a comprehensive examination of the pertinent theoretical and empirical literature pertaining to the influence of cultural factors on the transfer of leadership across generations in family-owned businesses.

#### **2.2 Theoretical Literature Review**

Many theories were considered to unpack the influence of culture on the planning and execution of succession. The same might be used to explore the paradigms, notions and constraints in the context of family-owned enterprises. These theories included Hofstede's cultural dimensions theory.

##### **2.2.1 Hofstede's Cultural Dimensions Theory**

Hofstede's Cultural Dimensions Theory (Minkov & Kaasa, 2021) provides a structured approach to comprehending cultural differences between countries and enables the comparison and analysis of different business practices between nations. Simply said, the framework is used to identify and categorize various national cultures, identify and evaluate cultural characteristics, and evaluate the influence of various cultures in a commercial context. Based on his research, Hofstede (2003) determined that there are five main cultural dimensions along which different countries vary. Distancing oneself from power, fearing the unknown, favoring collectivism or individualism, favoring masculinity or femininity, and focusing on the long or short term.

Hofstede's conceptualization of the collectivism/individualism axis has been further divided into two specific scales: institutional collectivism (collectivism I) and in-group collectivism (collectivism II). Institutional collectivism measures the degree to which a society emphasizes collectivism, with high scores indicating a strong emphasis on collectivism and low scores indicating a preference for individualism. In-group collectivism, on the other hand, assesses the extent to which individuals demonstrate pride, loyalty, and cohesiveness within their organizations or families (Gerlach & Eriksson, 2021).

According to Hofstede (2003), the masculine vs. femininity dimension analyzes the desire of society for success, attitude toward sexuality equality, and conduct and is also known as the rough vs. delicate dimension. Masculinity is associated with fixed gender roles that are dominant, aggressive, and focused on financial success and wealth development, whereas femininity is associated with pliable gender roles that are submissive, nurturing, and concerned with life satisfaction.

Hofstede (1991, 93) proposed the creation of cultural dimensions to characterize, quantify, and compare different societies' cultural norms and values. The term cultural dimensions refers to the central axes along which several important systems of values, beliefs, and behaviors tend to congregate (Mannerström et al., 2022). In addition, Hofstede argued that cultural aspects are artificial and should not be given any real-world significance. Hofstede adds that there are no dimensions that can be used to quantify culture. These are essentially analytical tools that may or may not shed light on the circumstance at hand. The relevance of this theory to the study lies in its emphasis on culture and its traits, which have been generally regarded as a significant explanatory source for the disparities in organizational structure and management practice between nations. The research is on how these cultural factors affect succession planning and execution in a Kenyan context.

## **2.3 Empirical Literature Review**

The empirical review of this study is grounded in the study's aims. The influence of cultural factors on the transfer of leadership across generations in family-owned manufacturing businesses in Kenya are explored.

### **2.3.1 Power Distance and Intergenerational Transfer of Leadership in Family-Owned Business**

The effect of power distance as an element of Hofstede's cultural dimensions on succession planning has been explored by the likes of Ahmad et al. (2020). The research was based on Malaysia's public universities. In general, Ahmad et al. (2020) observed that Malaysia's national culture influences succession, but the degree of influence varies with individual components of culture. For instance, power distance has a strong positive effect on the transfer of leadership in

Malaysian universities. The study suggests that the country has a notably higher power distance; therefore, there is greater acceptance of social and economic inequalities. These values shape the activities of succession planning.

The notion above has been supported by Menezes et al. (2019), whose research was based on the transfer of leadership in family-owned SMEs in India. It is to be noted that India's national culture differs from that of Malaysia. Still, using the case study approach, Menezes et al.'s (2019) views corroborate those of Ahmad et al. (2020). More specifically, the researchers observed that, among other cultural practices, authoritarian decision-making, an element of power distance, is a pre-eminent leadership prerequisite for family SMEs in India. In other words, the selection and appointment of leaders are influenced by the national and subnational cultures of the families that own or run the SMEs.

Similarly, the issue of power distance is well brought out in Ozdemir and Harris's (2019) research. The study examined the succession of daughters as leaders of family-owned businesses in Turkey, which is influenced by the national culture. Like India and Malaysia, Turkey has a relatively higher power distance, meaning social inequalities are the norm. Because of this, Ozdemir and Harris (2019) noted that, because of gendered norms, females are less likely to assume leadership roles than their male counterparts. The findings suggest that only 30% of daughters are selected as successors even when there are no other options. The trend is attributed to the idea that Turkey is an unfavorable country for working women.

Furthering the argument, Abdullah et al. (2013) found that power distance variables, among other Hofstede's cultural dimensions, have a significant influence on family business succession among Chinese-owned firms. However, the findings deviate from those highlighted above in that Abdullah et al. (2013) observed a significant negative effect. In other words, power distance has an inverse effect on the transition of leaders between generations. The explanation provided for this phenomenon is that apart from power distance and other elements of culture, educational qualifications, job status and experience, and personal attributes also factor into succession.

### **2.3.2 Uncertainty Avoidance and Intergenerational Transfer of Leadership in Family-Owned Business**

The influence of uncertainty avoidance, as a dimension of Hofstede's cultural framework, on intergenerational succession of leadership has been explored by a number of researchers. A classic study that offers valuable insights into the subject matter was conducted by Ahmad et al. (2020). The study produces evidence suggesting that uncertainty avoidance has a significant positive influence on the implementation of succession planning in Malaysian universities. The country has a low score on the uncertainty avoidance dimension; therefore, as the study demonstrates, universities are more open to change, adaptability, and innovation for planning for successors. Mobility and development are thus emphasized during succession planning.

The sentiments above are echoed by Bąkiewicz (2020), whose research offers meaningful empirical evidence on the role of uncertainty avoidance, among other cultural factors, on succession planning. Offering a comparative analysis between Poland and Indonesia, the researcher noted that the former had a high while the latter had a low uncertainty avoidance. Nonetheless, the effect was felt on succession planning between the two countries. In the case of Poland, family businesses stressed loyalty, control of uncertainties, stability, formalized management structures, and risk-aversion when planning for successors. On the other hand, succession practices among family businesses in Indonesia had more tolerance for ambiguity in procedures and structures, fewer restrictions on hierarchies, and were open to transformational leaders.

Similarly, by analyzing the dynamics of gender and culture in family-owned enterprises in ten countries and in the context of Hofstede's cultural framework, Lerner and Malach-Pines (2011) observed the substantial role uncertainty avoidance has between male and female business owners and managers. The countries examined were the United States, Spain, Sweden, Brazil, the United Kingdom, Hungary, Israel, Singapore, Australia, and New Zealand. Cross-cultural differences that translated into significant gender differences were noted. For instance, female business owners had greater fear of failure, whereas their male counterparts displayed greater confidence in their expertise and the future of their businesses. This can be attributed to a diverse range of factors, with the most common, as Lerner and Malach-Pines (2011) explain, being conflicting gender roles

and loyalties, relationships with parents, struggles with power and authority, and siblings and nonfamily members.

However, the research of Abdullah et al. (2013) differs from the notion that uncertainty avoidance influences succession planning. According to the study, which focused on family businesses in China, uncertainty avoidance is not a determining factor in succession planning. Surprisingly, "young Chinese professionals showed no interest in family business inheritance," according to Abdullah et al. (2013). Their reason for refusal was more rewarding jobs compared to the earnings they would make running family businesses.

### **2.3.3 Collectivism vs Individualism and Intergenerational Transfer of Leadership in Family-Owned Business**

National cultures can either have high individualism (low collectivism) or high collectivism (low individualism), and this can affect succession planning. This view is demonstrated by Bąkiewicz (2020), who compares the succession of leadership among family-owned companies in Poland and Indonesia. According to the study, Poland is an individualist society, whereas Indonesia is a collectivist society. Therefore, the interplay between culture and succession differs. For instance, as Bąkiewicz (2020) noted, by prioritizing group interests, families that own businesses in Indonesia factor in hierarchical influence, loyalty and tradition, and family ties in decision-making relating to succession. On the other hand, decisions are often merit-based when deciding the future of family-owned businesses in Poland.

Comprehensive research by Ahmad et al. (2019) is in support of the aforementioned view. Based on their research on succession practices in Malaysian public universities, scholars discovered that Malaysia is a highly collectivist society. Not only that, collectivist values had a strong influence on the decisions pertaining to the transfer of leadership positions in institutions. The rationale for this, as demonstrated by Ahmad et al. (2019), is that people in Malaysia tend to "organize themselves in large, unified in-groups from birth onwards and often continue to defend each other in return for unquestionable loyalty and condemn those outside the group." In other words, group cohesion is at the heart of decisions regarding succession.

In contrast to the above, in their study, Abdullah et al. (2013) are of the view that individualism/collectivism does not influence succession planning. Rather, according to the researchers, the issues revolving around masculinity and time orientation (as components of Hofstede's dimensions of culture) are central during succession planning in family enterprises owned by Chinese families. Abdullah et al. (2013) further explain that material success and gender roles take precedence over relationships within families, which is why collectivism, which is China's predominant culture, has negligible influence on the intergenerational transfer of management.



## 2.4 Research Gap

Table 2.1 offers a summary of the literature reviewed, their goals, gaps, and how the proposed research addressed these gaps.

**Table 2.1 Summary of Research Gap**

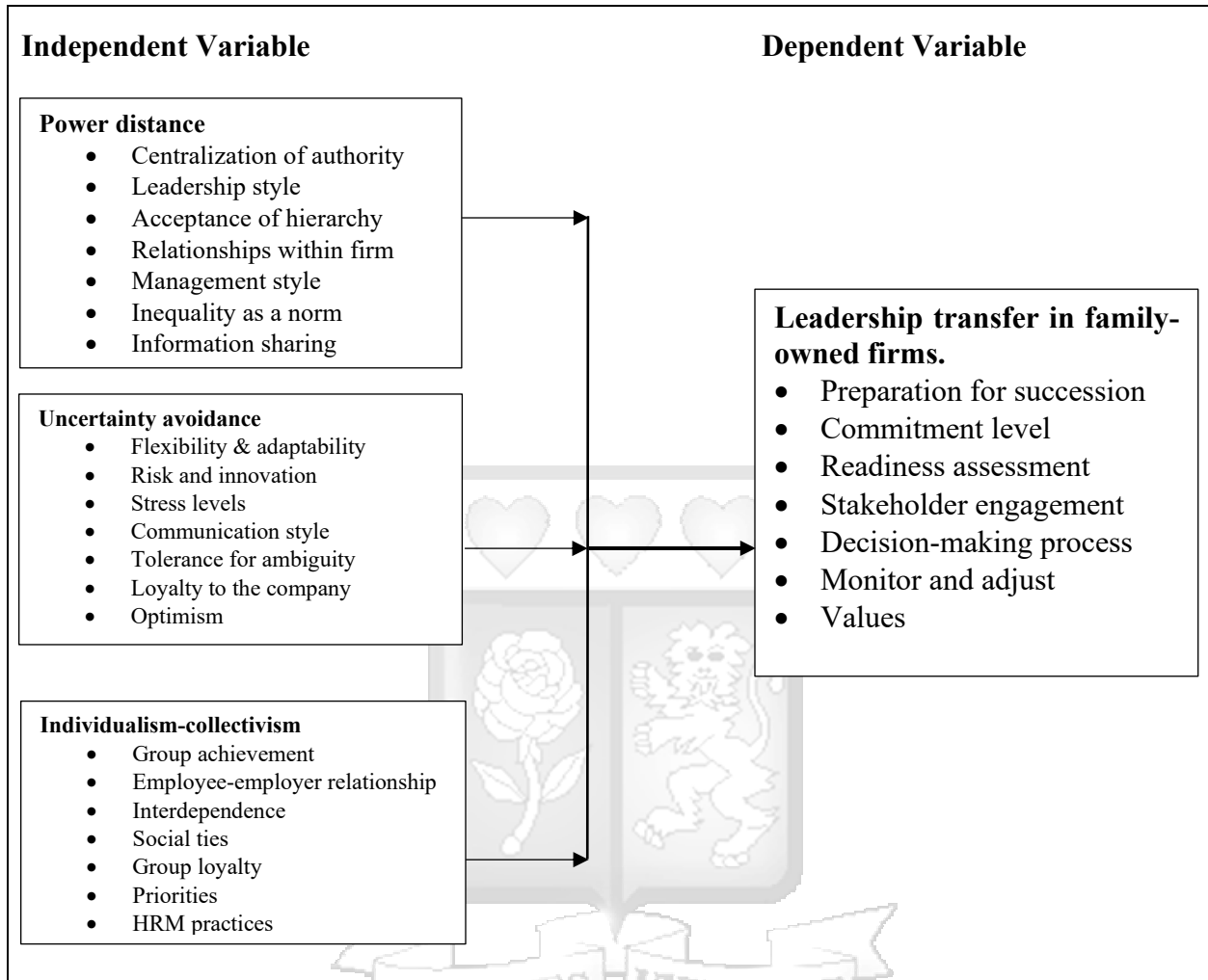
Study	Focus of Study	Findings	Research Gap	Focus of current study
Ahmad et al. (2020)	The Relationship between National Culture and Succession Planning in Malaysian Public Universities	Power distance, uncertainty avoidance, and individualism-collectivism influence succession planning.	Scope: the study was based in Malaysia Contextual: it focused on universities.	The present study focused on family-owned manufacturing firms in Nairobi, Kenya.
Menezes et al. (2019)	Effects of national culture on leadership succession planning in small-to-medium scale family enterprises.	Succession planning practice are influenced by cultural underpinnings.	Scope: the study was conducted in India.	The current study was based in Kenya.
Ozdemir and Harris (2019)	Succession of daughters as leaders of family-owned businesses in Turkey.	Because of gendered norms, females are less likely to assume leadership roles.	Scope: research performed in Turkey.  Conceptual: Hofstede's dimensions of culture were not studied.	The present study adopted Hofstede's cultural dimensions and was based in Kenya.

Abdullah et al. (2013)	Family business succession: Hofstede's value dimension among Chinese in the East Coast of Malaysia.	Hofstede's cultural dimensions influence succession planning among the Chinese in East Coast Malaysia.	Scope: the study was based in Malaysia	The proposed research was based in Kenya.
Bąkiewicz (2020)	Cultural embeddedness of family businesses succession planning: a comparative study of Poland and Indonesia.	Hofstede's cultural dimensions are embedded in succession planning practices in family businesses in Poland and Indonesia.	Scope: The study is based on Poland and Indonesia.	The present study was based in Kenya.
Lerner and Malach-Pines (2011)	Gender and culture in family business: A ten-nation study.	Female business owners had greater fear of failure, whereas their male counterparts displayed greater confidence in their expertise and the future of their businesses.	Scope: research focused on European, American, and Asian countries.  Conceptual: concepts covered are not related to leadership transition.	The proposed study utilized quantitative and was based in Kenya incorporated leadership transition concepts.

*Source: Researcher, 2024*



## 2.5 Conceptual Framework



Source: Researcher, 2025

Figure 2.1 Conceptual Framework

## 2.5 Operationalization of Variables

The study explored the influence of cultural factors on intergenerational leadership transfer in family-owned manufacturing firms in Nairobi City County. The study focused on power distance, uncertainty avoidance, and individualism-collectivism dimensions of culture, which constituted the independent variables. Hofstede (2011) proposed the power-distance-index (PDI) as a measure or quantification of the degree to which less powerful members of a society accept and expect unequal power distribution. The PDI was measured through indicators that established such

measures as how often managers refer to subordinates' opinions, and to what extent subordinates express disagreeable opinions to superiors or to what extent subordinates expect managers to provide precise answers or instructions. High PDI scores indicated acceptance of hierarchy and centralization; low scores indicated preference for egalitarianism and participatory decision-making. Similarly, Hofstede (2011) recommended the uncertainty-avoidance-index (UAI), a measure that determines the extent to which people feel threatened by ambiguity and uncertainty, leading to rule-oriented behaviour and used indicators that determined how often rules and procedures had to be followed and how subordinates felt in ambiguous situations or how much stress they felt at work et-ce-tra. Societies with high scores on UAI reflected strong norms and rule-based societies that have lower tolerance to ambiguity while those with low scores indicated comfort with uncertainty and need for flexibility. To measure individualism vs collectivism (IDV) Hofstede (2011) used indicators that determine the degree to which individuals integrate into groups. He did this through questionnaires such as determining the individual readiness to work in a group or not and the importance they place on personal time and freedom or how individuals are motivated – through personal or group achievement. The dependent variable was leadership transition. several key indicators can assess the status and effectiveness of leadership transitions across generations. In their research (Castoro & Krawchuk, 2022) determined that successful succession is not merely about transferring authority but involves building trust, co-designing transition plans, and fostering mutual respect between generations. To determine if a transition of leadership is on track the predecessors need to involve the successors in the transition planning, there has to be mutual respect between the generations and successors must be ready and actively engaged et-ce-tra. The operationalization of these variables is shown in Table 2.2.

**Table 2.2 Operationalization of Variables**

<b>Variable</b>	<b>Indicators</b>	<b>Measurement</b>	<b>Literature source</b>
Power distance	<ul style="list-style-type: none"> <li>• Centralization of authority</li> <li>• Leadership style</li> <li>• Acceptance of hierarchy</li> <li>• Relationships within firm</li> <li>• Management style</li> <li>• Inequality as a norm</li> <li>• Information sharing</li> </ul>	Five-point Likert scale	(Ahmad et al., 2020; Menezes et al., 2019; Abdullah et al., 2013; Hofstede, 2011)
Uncertainty avoidance	<ul style="list-style-type: none"> <li>• Flexibility &amp; adaptability</li> <li>• Risk and innovation</li> <li>• Stress levels</li> <li>• Communication style</li> <li>• Tolerance for ambiguity</li> <li>• Loyalty to the company</li> <li>• Optimism</li> </ul>	Five-point Likert scale	(Ahmad et al., 2020; Menezes et al., 2019; Abdullah et al., 2013; Hofstede, 2011)
Individualism-collectivism	<ul style="list-style-type: none"> <li>• Group achievement</li> <li>• Employee-employer relationship</li> <li>• Interdependence</li> <li>• Social ties</li> <li>• Group loyalty</li> <li>• Priorities</li> <li>• HRM practices</li> </ul>	Five-point Likert scale	(Ahmad et al., 2020; Menezes et al., 2019; Abdullah et al., 2013; Hofstede, 2011)
Leadership transfer	<ul style="list-style-type: none"> <li>• Preparation for succession</li> <li>• Commitment level</li> <li>• Readiness assessment</li> <li>• Stakeholder engagement</li> <li>• Decision-making process</li> <li>• Monitor and adjust</li> <li>• Values</li> </ul>	Five-point Likert scale	(Castoro & Krawchuk, 2022; Mosquera et al., 2024).

*Source: Researcher, 2025*

## 2.6 Chapter Summary

The chapter breaks down the theories that underpinned the research study. A review of the literature on the topic has also been provided as per the specific objectives of the study and, along

with it, a summary of gaps. The conceptual framework of the study was also defined, and how variables were operationalized introduced.



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the chosen methodological strategy for the investigation. This includes the study's conceptual framework, target population, sample methodology, data collection techniques, and data analysis. The chapter also addresses the aspects of research quality and ethical considerations.

#### **3.2 Research Philosophy**

The research employed the positivism research philosophy. Positivism is founded on the notion that research was carried out in an objective manner, with the researcher possessing a certain level of autonomy and the results being genuine, reliable, and capable of being replicated (Pather & Remenyi, 2005). Positivists argue that reality remains consistent, allowing for the objective observation and explanation of events and phenomena. Positivism assumes that the social world exists objectively. Positivism is a study philosophy that seeks facts of social phenomena independent of the subjective character of the persons (Maylor et al., 2016). The positivist philosophy places an emphasis on the fact that truthful, actual, and realistic social problems are able to be explored and investigated experimentally and scientifically and that they are also able to be expounded upon by way of logical investigation and analysis (Aliyu et al., 2014). The research was based on visible aspects of social reality by making use of data collected in the field.

#### **3.3 Research Design**

The researcher employed a descriptive cross-sectional research design. The objective of descriptive research is to go further into a subject and offer a full understanding of it through thorough investigation and elucidation. The objective of a descriptive research design is to offer a comprehensive depiction of the issue by providing a more detailed description (Kowalczyk, 2014). According to Cooper and Schindler (2003), descriptive research is an inquiry that sought to provide information about the "what," "where," and "how" in which a phenomenon occurs. Using a

descriptive research approach, this study looked for a connection between cultural factors and the transfer of leadership in family-owned manufacturing businesses in Kenya.

### **3.4 Target Population**

The central focus of the study was family-owned manufacturing companies in Kenya. The target population consisted of 47 family-owned companies in industrial manufacturing, 43 family-owned companies in the food & beverage sector, 8 in healthcare and pharmaceuticals manufacturing, and 23 companies that cross-sect the agriculture and food & beverage industry. A total of 120 local family manufacturing enterprises recognized by the Kenya Association of Manufacturers (KAM) constituted the target population (Appendix IV). The owners of the companies were targeted in the survey.

### **3.5 Sampling Design and Sample Size**

A sample is a randomly selected fraction of a larger population that is analysed before generalizing the findings to the entire population. Due to the low population, a census was carried out. Census is a method of sampling that involves collecting data from every member of a population. This means that every individual or unit in the population was included in this survey. Therefore, owners of the 120 targeted family-owned manufacturing companies were surveyed.

### **3.6 Data Collection Process**

This study was based on primary data. The research adopted a survey method to collect quantitative data from the targeted respondents. A questionnaire was employed since it facilitates the efficient gathering of a substantial volume of data across a wide geographical area in a limited timeframe, hence optimizing time utilization for the study (Orodho 2003). The questionnaire consisted of closed-ended questions to gather quantitative data aligned with the research questions and study objectives. Section (A) of the questionnaire gathered demographic information from the respondents, whereas sections (B, C, and D) collected data on the cultural factors (power distance, uncertainty avoidance, and individualism-collectivism), and section (E) on intergenerational leadership transfer. The questionnaires were distributed via the drop-and-pick-later approach, or

sent to respondents' email addresses, allowing respondents ample time to complete them at their convenience. The participants were allotted a duration of 14 days to complete the questionnaire.

### **3.7 Research Quality**

Research quality encompasses a collection of processes and principles that must be consistently implemented to maintain the integrity, quality, and dependability of the research throughout the entire study, as stated by ChangeWorks (2019). Errors in data entry may be considerably reduced if these precautions are taken before data collecting starts and processes are developed as the data is used in the study. This was guaranteed by the use of piloting and other methods of assessing validity and reliability. A pilot test was conducted using a sample of five respondents who were not included in the final research to assess the reliability of the questionnaire. By making sure the data faithfully reflects the variables of interest, the researcher may reduce the impact of random error and increase the study's dependability.

#### **3.7.1 Validity**

The validity of a study is measured by how accurately its findings reflect the phenomenon being researched. The validity of research depends on how well its variables are captured; only then can conclusions drawn from the findings be trusted. The instruments were evaluated based on how well they achieved the study's objectives. The researcher engaged in a discussion with the supervisors over the content of the research instruments to assess if the questions in the questionnaire produced the anticipated answers of the study and effectively measure the intended variables. The tools were developed considering their inputs, which encompassed recommendations, guidance, and explanations.

#### **3.7.2 Reliability**

According to Heale and Alison (2015), research reliability refers to the degree to which the methods of data collecting and analysis used in a research study produce consistent findings or results when replicated by another researcher or on a different occasion. The data collection instrument's internal consistency reliability was assessed using Cronbach's alpha. A reliable instrument has a reliability coefficient of at least 0.7. If the coefficient is predicted to be less than

0.7, the relevant instruments was upgraded by reviewing and revising the items in the questionnaire, either by removing or modifying items that are ambiguous, redundant, or not directly related to the construct being measured. In addition, this evaluation ensured that all items are clear, concise, and relevant to the research question or topic.

**Table 3.1 Reliability Test**

Variable	Reliability Statistics		Decision Rule
	Cronbach's Alpha	N of Items	
Power Distance	.781	7	Accepted in the study
Avoidance uncertainty	.719	7	Accepted in the study
Individualism Collectivism	.708	7	Accepted in the study
Leadership transition	.754	7	Accepted in the study

### 3.6 Data Analysis

After receiving the feedback from the respondents, the questionnaires were examined to ensure their accuracy and completeness. The data was examined for any inaccuracies or omissions (Kothari 2005). Frequency tables were utilized to analyse the general information about the respondents. Descriptive statistics was used to summarize the data collected from the Likert scale questions, incorporating measures such as the mean and standard deviation. Linearity was tested using scatter plots to visualize the correlations. Inferential statistics were adopted for data analysis. Specifically, correlation and regression analyses were used to show the relationship between the independent variables and the dependent variables. This was done for the purpose of generalization and drawing conclusions. The below regression model was adopted;

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Y = Leadership transfer in family-owned business

$\alpha$  = Constant;  $\beta_1 \dots \beta_3$  coefficients of the predictor variables and  $\beta_0$ =constant

X1= power distance

X2= uncertainty avoidance

X3= collectivism vs individualism

$\epsilon$ = Error Term

### **3.7 Research Ethics**

A study of cultural attitudes and characteristics influencing the leadership transfer across generations in Kenyan family-owned manufacturing firms demonstrates the need for robust research ethics. Objectivity, anonymity, informed consent, secrecy, plagiarism, and reciprocity are some of the ethical issues that were monitored and addressed during this investigation. To eliminate bias in data collection, processing, and interpretation, objectivity is required. After receiving an introduction letter (Appendix I), respondents completed an informed consent form (Appendix II). Nachmias (2019) recommends obtaining informed consent when there are significant risks or when individuals are asked to waive their rights. The protection of privacy was achieved by isolating data from identities. Employing random questionnaire numbers protects the identity of responders. The investigator requested ethical clearance from Strathmore University's Institutional Ethics Committee, as well as a research permit from the National Commission for Science, Technology, and Innovation (NACOSTI).

### **3.8 Chapter Summary**

The chapter offers the strategies and methods that was employed in completing the study. Here, research philosophy, research sign, population and sampling, and data collection have been defined. Standards for ensuring ethical and quality research have also been established.

## CHAPTER FOUR

### PRESENTATION OF RESEARCH FINDINGS

#### 4.1 Introduction

This chapter presented the research findings drawn from analysis of the data collected from the 120 local family manufacturing enterprises recognized by KAM. The chapter covers the demographic profile, the descriptive tests, correlation analysis and the findings of the regression testing.

#### 4.2 Response Rate

The survey sought to obtain research data from the managers/directors of the 120 local family manufacturing enterprises recognized. The research was conducted between October and November 2024 with physical data collection and electronic modes used. The survey obtained 77% (n = 92) responses which was above a threshold of 60% as indicated by Fincham (2008) who opined that responses rate above this percentage are considered adequate when conducting quantitative analysis.

#### 4.3 Background Information of Respondents

The research sought data on the demographic characteristics of the respondents and their firms. A summary of the responses is presented in Table 4.1 below.

**Table 4.1 Background Information of Respondents**

		<b>Frequency</b>	<b>Percent</b>
Gender	Male	43	46.7
	Female	49	53.3
	<b>Total</b>	<b>92</b>	<b>100.0</b>
Age	Below 30 years	4	4.3
	30-39 years	29	31.5
	40-49 years	34	37.0
	50-59 years	18	19.6
	60-69 years	6	6.5
	70 years and above	1	1.1
	<b>Total</b>	<b>92</b>	<b>100.0</b>
Experience in the company	Up to 5 years	11	12.0
	6-10 years	27	29.3
	11-15 years	26	28.3
	16-20 years	18	19.6
	More than 20 years	10	10.9
	<b>Total</b>	<b>92</b>	<b>100.0</b>
Academic qualification	Master's and PhD	32	34.8
	Degree	36	39.1
	Diploma	21	22.8
	Secondary	1	1.1
	No formal education	2	2.2
	<b>Total</b>	<b>92</b>	<b>100.0</b>
		41	44.6
		<b>92</b>	<b>100.0</b>

Results showed that most of the respondents (53%) were female owners/managers of the family-owned business with only 47% being male respondents. The results are an indication that women

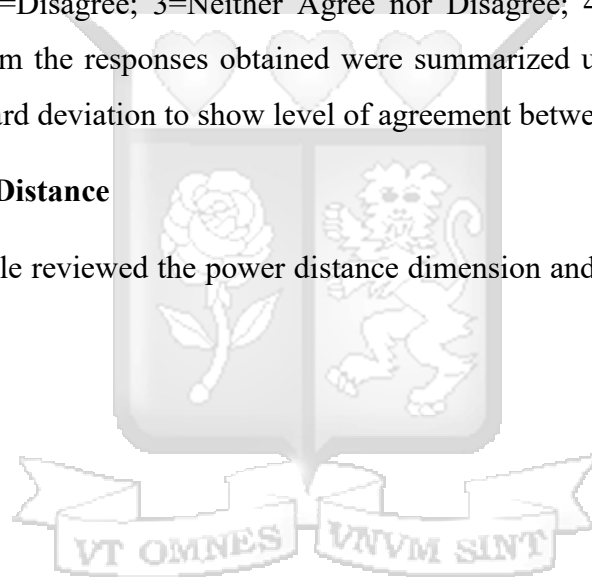
are playing a key role in running local family-owned manufacturing enterprises. Analysis indicated that most of the respondents 37% were ages 40-49 years, 32% between 30-39 years with 7% being between 60-69 years. The findings demonstrated there was gender diversity in the ownership/management of the local family manufacturing enterprises. The findings revealed that 39% of the respondents had a degree, 35% a Masters/PhD and 23% a Diploma education which was indicative that participants running the firms had professional qualification which is critical to managing the business.

#### **4.4 Descriptive Analysis**

The research collected data using a structured questionnaire using a 5-point Likert scale (1=Strongly Disagree; 2=Disagree; 3=Neither Agree nor Disagree; 4=Agree; and 5=Strongly Agree). The findings from the responses obtained were summarized using descriptive statistics such as means and standard deviation to show level of agreement between respondents.

##### **4.4.1 Results on Power Distance**

The first predictor variable reviewed the power distance dimension and summary of responses is shown in Table 4.2.



**Table 4.2 Results on Power Distance**

	<b>Mean</b>	<b>Std. Deviation</b>
I think that the firm's top leaders take on a paternalistic role where they make decisions for subordinates' well-being.	4.30	.624
The way I see it, personal relationships within the organization exhibit a formal and hierarchical nature.	4.15	.694
In believe that subordinates accept their place in the hierarchy and do not question authority.	4.11	.818
I think that power in this company is concentrated at the top with decisions made by a few individuals.	4.07	.692
I am of the view that the top leaders are autocrats; they make decisions without much input from subordinates.	4.05	.816
I think that inequality in power and wealth is accepted and expected in this firm	4.01	.718
In my opinion, information sharing in the company is constrained by hierarchy	4.01	.718

N = 92

The statement with the highest mean (mean = 4.30) was that the *firm's top leaders take on a paternalistic role where they make decisions for subordinates' well-being*, followed by *personal relationships within the organization exhibit a formal and hierarchical nature* with a mean of 4.15. The statements with the lowest mean were that *I think that inequality in power and wealth is accepted and expected in this firm*, and *In my opinion, information sharing in the company is constrained by hierarchy*, which both had a mean of 4.010. However, in all instances the mean

values were above 4.0 suggesting strong agreement that there was high power distance within the firms in the study.

The overall mean of 4.10 suggests a generally strong agreement with statements reflecting a high power distance culture. Respondents perceive the organization as hierarchical, paternalistic, and centralized in decision-making.

The overall Standard Deviation of 0.73 indicates moderate variability in responses. While most respondents agree with the statements, there's some diversity in how strongly they feel about these aspects of organizational power dynamics.

#### 4.4.2 Results on Uncertainty Avoidance

The second dimension examined was the uncertainty avoidance and summary of responses is presented in Table 4.3.

**Table 4.3 Results on Uncertainty Avoidance**

	<b>Mean</b>	<b>Std. Deviation</b>
I am of the opinion that members of the organization exhibit lower stress levels and are more relaxed about the future	4.22	.753
I believe that risk-taking and innovation in the firm are constrained by rules and policies.	4.14	.735
In my view, the firm is flexible and more adaptable to change.	4.08	.768
I think communication practices in the firm tend to be more formal and precise to avoid misunderstandings	4.01	.896
I can say that there is a low tolerance for tolerance in procedures and structures	3.99	.805

I believe members of the organization exhibit strong loyalty towards the organization.	3.96	.755
I think that top leaders are generally optimistic and less involved in controlling uncertainties	3.95	.761

N = 92

Results revealed a high mean score (mean = 4.22) showing that *members of the organization exhibit lower stress levels and are more relaxed about the future*. The second highest mean (mean = 4.14) indicated that *risk-taking and innovation in the firm are constrained by rules and policies*. The lowest mean (mean = 3.96) noted that *members of the organization exhibit strong loyalty towards the organization*, with a mean of (mean = 3.95) indicating *top leaders are generally optimistic and less involved in controlling uncertainties*. The average means varied between 3.95 – 4.22 revealing that overall, there was high uncertainty avoidance among the firms included in the research.

The overall Mean of 4.05 indicates a strong agreement with statements reflecting behaviours and structures associated with moderate to high Uncertainty Avoidance in Hofstede’s cultural dimensions and with an overall Standard Deviation: 0.78 suggests some variation in perceptions, though overall responses still cluster toward agreement.

#### 4.4.3 Results on Individual-Collectivism

The third-dimension of the study was the individual-collectivism and a summary of the collected data is shown in Table 4.4 below.

**Table 4.4 Results on Individual-Collectivism**

	Mean	Std. Deviation
I think that the employee-employer relationship is almost like a family link	4.25	.705

I believe that there is strong emphasis on group success and collective well-being in the company	4.22	.677
In my opinion, members of the organization see themselves as part of a larger group and take responsibility for each other	4.04	.710
I think that tasks and company prevail over personal relationships in business.	3.98	.695
I think that members of the organization prioritize company needs over their own interests	3.91	.794
In my view, employees are loyal and committed to the organization	3.83	.765
It is my view that hiring and promotion practices take in-group into consideration	3.77	.996

---

N = 92

Findings showed the statement with highest mean (mean = 4.25) was that *the employee-employer relationship is almost like a family link*. This was followed by *there is strong emphasis on group success and collective well-being in the company* (mean = 4.22). The two lowest mean values (mean = 3.83 & 3.77) showed that *employees are loyal and committed to the organization* and *hiring and promotion practices take in-group into consideration* respectively. Generally, the mean values were between 3.77 and 4.25 which are show agreement that within the firm individual-collectivism is considered.

The overall Mean of 4.00 suggests a generally strong agreement with collectivist-oriented statements. Respondents tend to identify with group cohesion, loyalty, and shared responsibility. The overall Standard Deviation of 0.76 shows a moderate variation in responses, but the central tendency still leans toward collectivist values.

#### 4.4.4 Results on Leadership Transition in Family-Owned Business

The outcome variable for the research sought to review the level of leadership transition in family-owned business and summary is shown in Table 4.5 below.

**Table 4.5 Results on Leadership Transition in Family-Owned Business**

	Mean	Std. Deviation
I believe that key family members, employees, and other stakeholders are engaged in the transition process	4.23	.681
I think that potential successors are evaluated to assess their readiness for succession	4.18	.740
I think that decisions about the future of the company are influenced by both the current and succeeding generations	4.14	.764
I believe the leadership transition process is regularly reviewed and adjustments made where necessary	4.13	.729
I believe deliberate efforts are made to prepare the succeeding generation for leadership roles within the company	4.09	.765
In my view, a family member of the succeeding generation who demonstrates the highest level of commitment to the company often emerges as the potential successor	3.99	.638
In my view, the founder or current generation consistently imparts its values to the succeeding generation	3.96	.645

N = 92

The statement with the highest mean (mean = 4.23) was that the *key family members, employees, and other stakeholders are engaged in the transition process*, followed by a mean of 4.18 indicating *that potential successors are evaluated to assess their readiness for succession*. The statements with the lowest mean (3.99) were *family member of the succeeding generation who demonstrates the highest level of commitment to the company often emerges as the potential successor* and a mean of 3.96 showing the *founder or current generation consistently imparts its values to the succeeding generation*. In most instances the mean scores were above 4.0 showing

agreement that leadership transition has been adopted well in the participating family-owned businesses.

An overall Mean of 4.10 indicates a strong agreement with statements supporting a well-structured and inclusive leadership transition. Most respondents perceive the process as deliberate, evaluated, and involving multiple generations and with the overall Standard Deviation of 0.71 suggesting moderate consistency in responses, suggesting general alignment in how the transition process is experienced across the organization.

#### **4.5 Correlation Analysis**

The research adopted correlation analysis to test the direction of the relation between the research variables using Spearman Rank correlation and the matrix is shown below;



**Table 4.6 Correlation Matrix**

			Leadership Transition	Power Distance	Uncertainty Avoidance	Individual Collectivism
Spearman's rho	Leadership Transition	Correlation Coefficient	1.000			
		Sig. (2-tailed)	.			
		N	92			
	Power Distance	Correlation Coefficient	.418**	1.000		
		Sig. (2-tailed)	.000	.		
		N	92	92		
	Uncertainty Avoidance	Correlation Coefficient	.520**	.387**	1.000	
		Sig. (2-tailed)	.000	.000	.	
		N	92	92	92	
Individual Collectivism	Correlation Coefficient	.332**	.380**	.461**	1.000	
	Sig. (2-tailed)	.001	.000	.000	.	
	N	92	92	92	92	

\*\*Correlation is significant at the 0.01 level (2-tailed).

The correlation tests showed there was a moderate positive and significant relation between power distance and intergenerational transfer of leadership in family-owned manufacturing businesses in Nairobi, Kenya ( $r = .418^{**}$ ,  $Sig = .000 < .05$ ) and between uncertainty avoidance and intergenerational transfer of leadership in family-owned manufacturing businesses in Nairobi, Kenya ( $r = .520^{**}$ ,  $Sig = .000 < .05$ ). Additionally, there was a weak positive and significant relation between individualism and intergenerational transfer of leadership in family-owned manufacturing businesses in Nairobi, Kenya ( $r = .332^{**}$ ,  $Sig = .001 < .05$ ).

#### 4.6 Regression Analysis

The study applied a multiple linear regression to determine the magnitude of the relationship between cultural factors and the intergenerational transfer of leadership in family-owned manufacturing firms in Kenya. The findings are shown in this section.

**Table 4.7 Regression Summary**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.547 <sup>a</sup>	.299	.275	.31566

a. Predictors: (Constant), Individual Collectivism, Power Distance, Uncertainty Avoidance

The findings above yielded a coefficient of determination ( $R^2 = .299$ ) which revealed with all other factors held constant the three cultural factors studied had a positive relationship with intergenerational transfer of leadership in family-owned manufacturing firms in Kenya. The findings showed cumulatively the three cultural factors can determine 29.9% of intergenerational transfer of leadership in family-owned manufacturing firms.

**Table 4.8 ANOVA Summary**

<b>Model</b>		<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
1	Regression	3.735	3	1.245	12.494	.000 <sup>b</sup>
	Residual	8.768	88	.100		
	Total	12.503	91			

a. Dependent Variable: Leadership Transition

b. Predictors: (Constant), Individual Collectivism, Power Distance, Uncertainty Avoidance

The ANOVA summary showed a  $F$ -calculated = 12.494 and corresponding  $Sig = .000 < .05$  which demonstrated there was a positive and significant relationship between cultural factors and the intergenerational transfer of leadership in family-owned manufacturing firms in Kenya.

**Table 4.9 Regression Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.723	.410		4.208	.000
Power Distance	.198	.084	.228	2.345	.021
Uncertainty Avoidance	.390	.103	.418	3.777	.000
Individual Collectivism	-.003	.085	-.003	-.031	.975

a. Dependent Variable: Leadership Transition

Overall, the results on the first-dimension power distance revealed a  $\beta_1 = .198$ ,  $Sig = .021 < .05$  which was indicative of a positive and significant effect. This implied that improving the power distance by a unit will lead to improvement on intergenerational transfer of leadership in family-owned manufacturing firms in Kenya by a factor .198 (19.8%).

The analysis of the second-dimension uncertainty avoidance indicated a  $\beta_2 = .390$ ,  $Sig = .000 < .05$  which was indicative of a positive and significant effect. This implied that improving the uncertainty avoidance by a unit will lead to improvement on intergenerational transfer of leadership in family-owned manufacturing firms in Kenya by a factor .390 (39%).

Finally, the coefficients revealed that for individual collectivism ( $\beta_3 = -.003$ ,  $Sig = .975 > .05$ ) which showed the dimension had an insignificant effect on intergenerational transfer of leadership in family-owned manufacturing firms in Kenya.

## CHAPTER FIVE

### DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

The last chapter provided the results of the quantitative analysis. This chapter presents the summary of the study, the discussion of the results, the conclusions made from the findings, the recommendations and concludes by presenting the suggestions for further study.

#### 5.2 Summary of Findings

The purpose of this study was to analyse the effect of cultural factors on successful intergenerational transfer of leadership in family-owned manufacturing firms in Kenya. The study was anchored on Hofstede's Cultural Dimensions theory which identifies power distance, uncertainty avoidance and individualism-collectivism as the main cultural dimensions that can influence a society's values and behaviour. These dimensions formed the specific objectives that were investigated in this study which was guided by a positivism research philosophy, deployed a descriptive cross-sectional research design and collected both primary data. Analysis of the relationship between the independent variables and the dependent variables involved correlation and regression analyses.

From the descriptive analysis, the study obtained a 77% response rate, collecting 92 out of the 120 managers/directors of the local family-owned manufacturing enterprises. Most of the respondents were female, revealing that women are taking up ownership positions in Kenyan family-owned manufacturing firms. In addition to being women, the analysis also revealed that most of the respondents were aged between 40-49 years, and 30-39 years, implying that many young people hold ownership positions. Regarding the educational qualification, most of the respondents had university degrees and Masters/PhDs, implying that many of the respondents are professionally qualified to own and lead these firms.

Based on the correlation analysis, the study found moderate positive and significant relation between power distance and intergenerational transfer of leadership, a moderate positive and significant relation between uncertainty avoidance and intergenerational transfer of leadership, and

a weak positive and significant relation between power distance and intergenerational transfer of leadership in family-owned manufacturing enterprises. The regression analysis revealed that power distance has a positive and significant effect on intergenerational transfer of leadership, that the second dimension, uncertainty avoidance has a positive and significant effect on intergenerational transfer of leadership and that individual collectivism has an insignificant effect on intergenerational transfer of leadership in family-owned manufacturing firms in Kenya.

### **5.3 Discussion of the Study**

The discussions of the findings are presented in this chapter and they are presented in line with the specific objectives of the study.

#### **5.3.1 Power Distance on Intergenerational Transfer of Leadership**

The first objective sought to determine the influence of the power distance dimension on the intergenerational transfer of leadership in Kenyan family-owned manufacturing firms and the results were that power distance had a moderate, positive and significant effect. This finding implies that there is a moderate power distance culture in the manufacturing sector and the actors are willing to accept the transfer of management and leadership duties within the family structure. This finding is congruent with Hofstede's Cultural Dimensions theory which asserts that hierarchical structures are deeply ingrained in high Power Distance societies and predicts that people in high power societies are willing to accept family-based transfer of leadership with minimal resistance (Mannerström et al., 2022).

The finding that power distance has a positive and significant effect on the intergenerational transfer of leadership was also observed in the studies by Ahmad et al. (2020) which found a strong positive effect of masculine-dictated power distance on the transfer of leadership in Malaysian universities, Menezes et al. (2019) which observed that authoritarian decision-making which is characteristic of high-power distance, dictates the succession decisions in family-owned SMEs in India, and Ozdemir and Harris's (2019) analysis which confirmed that higher power distance in Turkey's society had restricted leadership roles to male heirs rather than their female counterparts who may be more qualified.

From the analysis, the respondents agreed that the leaders in Kenyan family-owned manufacturing firms take a paternalistic role when making decisions, implying that they made decisions on behalf of their employees based on their perception that the decision is in their best interest. Menezes et al. (2019) results also revealed that authoritarian leaders who make decisions based on their perceptions of the best interest of their subordinates has significant effects on the acceptance of new heirs in Malaysian private universities. The expectations that leaders should behave in a paternalistic manner was also highlighted in Turkey where Ozdemir and Harris (2019) confirmed a significant effect of gendered norms on the succession of daughters and implied that traditional gender stereotypes embedded within the Turkish culture were impacting women's perceptions of their ability to lead.

There was also strong agreement from the respondents that subordinates willingly accept their place in the hierarchy and do not question authority, a behaviour that Hofstede attributes to high power distance societies. Menezes et al. (2019) also observed that in Malaysia, cultural underpinnings have resulted in a highly timid population where there is ready acceptance of the confinement of leadership to male family members. Moreover, Menezes et al. (2019) confirmed that high-power cultures have highly formalized and hierarchical structures where opportunities for leadership development are restricted to contact networks and shadowing incumbents as opposed to business competencies and acumen.

These observations differ from those made by Abdullah et al. (2013) in China where analysis results revealed an inverse relationship between power distance and the transition of leaders in family-owned firms in China. The study confirmed that rather than designating successors, elements of the heirs' educational, status professional qualifications, as well as their personal attributes also influence acceptance of successors.

### **5.3.2 Uncertainty Avoidance on Intergenerational Transfer of Leadership**

The second objective was on the influence of the uncertainty avoidance cultural dimension on successful intergenerational transfer of leadership in Kenyan family-owned manufacturing firms and analysis findings were that it has a moderate, positive and significant effect. The uncertainty avoidance dimension defines societies that are uncomfortable with ambiguity and risk, and

Hofstede's Cultural Dimensions theory predicts that societies with high uncertainty avoidance have low tolerance for uncertainty and unpredictability, and will try to avoid uncertainty by establishing strict codes of behaviour, structures, systems and rules to determine how organizations will behave in certain situations (Bąkiewicz, 2020). Hofstede (2011) Cultural Dimensions theory establishes that uncertainty avoidance culture should influence factors such as subordinates' compliance with rules, structured circumstances, and long-term alignment with the organizations' goal.

The finding that uncertainty avoidance has significant positive effects on intergenerational transfer of leadership corroborates with those made by Ahmad et al. (2020) whose analysis established that uncertainty avoidance culture is a key determinant of succession planning acceptance among university employees, and Bąkiewicz (2020) who also found that the high uncertainty avoidance nature of the Polish was impacting firm structures resulting in demand for loyalty, formalized management structures, and risk-averse plans. Similarly, Lerner and Malach-Pines (2011) findings were that uncertainty avoidance differs between male and female leaders, with female business owners and managers having greater fear of failure than male business owners and managers who were more confident in their decisions and leadership capabilities

From the analysis there was agreement that many of the employees have lower stress levels and are more relaxed about the future, implying that they are not worried as they are confident in the formal processes and structures instituted to ensure smooth transition of power from one generation to the next. Ahmad et al. (2020) confirmed that Malaysians place high emphasis on the well-being of the collective and are more willing to prioritize familiarity and predictability rather than accept non-traditional leaders. This loyalty to traditional leadership aspect was also identified in the current study where respondents agreed that members of the organization exhibit strong loyalty towards the organization. These observations were also made in Poland where Bąkiewicz (2020) revealed that family-businesses stress the value of loyalty, control of uncertainties, stability, and formalized management structures when planning for successors.

However, these findings are also disputed in study by Bąkiewicz (2020) which confirmed that uncertainty avoidance has insignificant impacts on succession planning in Indonesia which has more tolerance for ambiguity and in China where Abdullah et al. (2013) established that

uncertainty avoidance is not a determining factor in succession planning as young Chinese professionals displayed limited interest in inheriting family businesses. Moreover, Bąkiewicz (2020), confirmed that in low uncertainty avoidance cultures demand non-conventional leaders, are more accepting of innovative approaches to decision making. In such cultures, staff and management are more optimistic and generally accept experimentation in leadership positions.

### **5.3.3 Individualism-collectivism on the Intergenerational Transfer of Leadership**

The third objective sought after the effect of individualism-collectivism culture on the intergenerational transfer of leadership in Kenyan family-owned manufacturing firms and analysis findings were that Individualism-collectivism does not impact the intergenerational transfer of leadership. These findings do not concur with Hofstede's Cultural Dimensions theory which predicts that the value that a society places on individual needs and achievements against the needs and goals of the group should have significant effects on acceptance of new heirs. The theory predicts that individualistic cultures should prioritize personal independence and autonomy where leadership transition is merit-based but may lack continuity, while transitions in collectivist cultures emphasize loyalty and harmony within the group, implying high chances that not-traditional leaders will not be tolerated.

The finding that individualism/collectivism cultures does not influence succession planning corroborates the observations made by Abdullah et al. (2013) whose analysis revealed that succession planning in Chinese firms is mainly centred around masculinity and time orientation. The research findings also revealed that material success and gender roles take precedence over relationships within families. The finding that individualism/collectivism cultures does not influence succession planning. However, contradicts observations made by Bąkiewicz (2020) and Ahmad et al. (2019) who revealed that Indonesia's and Malaysia's collectivist cultures have strong influences on transfer of leadership decisions.

Analysis of the responses reveals strong agreement that Kenyan manufacturers emphasize group success and collective well-being of the company implying that succession of leaders will be based on the needs of the firm rather than on individual merit. This observation also corroborates those made by Bąkiewicz (2020) who revealed that Indonesia's collectivist society prioritizes group

interests in their hierarchies. Moreover, the agreement that members of the organization see themselves as part of a larger group and take responsibility for each other was also reported by Ahmad et al. (2019) whose analysis revealed that in Malaysia, people generally organize themselves in large, unified in-groups from birth and will defend each other in return for unquestionable loyalty through adulthood. In this connection, there was also agreement that members of the organization see themselves as part of a larger group and take responsibility for each other.

These observations suggest that Kenya may embody a collectivist culture where people value and prioritize overall wellbeing of the organization, will ask minimal questions and will be ready to accept a stable and predictable leadership transition process. In such societies, individual material success, achievements and accolades have insignificant effects on the likelihood of occupying leadership positions which may be awarded based on trust, loyalty, and one's ability to maintain harmony, uphold traditions, and serve the collective good.

#### **5.4 Conclusions**

There is increasing awareness among family-owned businesses that succession planning is one of the most important strategic functions in the organization and that the owners of such businesses taking action towards ensuring they are prepared to transfer leadership from one generation to the next. The study findings indicate that cultural factors have significant effects on the transfer of power from one generation to the next, and that specifically, power distance and uncertainty avoidance have positive and significant effects on intergenerational transfer of leadership, while individual collectivism dimension has an insignificant effect on intergenerational transfer of leadership in family-owned manufacturing firms in Kenya. From these findings, the study concludes that evaluating the cultural dimensions is critical to when making succession plans and making decisions surrounding leadership selection in Kenya.

Based on the first objective, the study concludes that power distance has a positive and significant effect on the intergenerational transfer of leadership in Kenyan family-owned manufacturing firms. The study concludes that the firms' leadership take on a paternalistic role when making decisions that can affect the well-being of the organization, that subordinates willingly accept their

place in the hierarchy with minimal questions to authority, and that personal relationships within the organization exhibit are based on formal and hierarchical structures that limit sharing of information that may be critical to the future of the organization.

Based on the findings from the second objective, the study concludes that uncertainty avoidance has a positive and significant effect on the intergenerational transfer of leadership in Kenyan family-owned manufacturing firms. The study concludes that staff are more relaxed and resigned to their future as they exhibit lower stress levels and anxiety, implying confidence in the existing structures. The study also concludes that staff are loyal to the organizations and believe that these structures, rules and policies constrain risk-taking and provide a calm environment from which to work. Finally, the study concludes that the leaders' high optimism provides a source of confidence and resilience, and positive energy that enables them to persevere through uncertainties and maintain a positive outlook.

Analysis of the third objective led to the conclusion that individual collectivism dimension does not affect the intergenerational transfer of leadership in family-owned manufacturing firms in Kenya. These findings confirm that cultural differences do not influence the management of leadership transitions and the study concludes that the culture of the family-owned business and external factors may override broader socio-cultural norms and have greater influence in shaping leadership succession.

## **5.5 Recommendations**

Based on the findings, the study makes the following recommendations;

To ease the process of intergenerational transfer of leadership in family-owned manufacturing businesses in Nairobi, Kenya, the study recommends that at a national level, succession laws such as inheritance laws, trust and estate laws are clear, equitable and business-friendly and they should simplify the procedure for transfer of ownership and formal registration of new leadership.

Further, the study recommends that the family-owned manufacturing firms develop and communicate a clear succession strategy with key directions and well-defined roles and

responsibilities. The study calls on the firms to ensure these strategies are built on transparency and are cognizant of the organizational culture to ensure there is alignment.

Based on the finding that power distance has a positive and significant effect on the intergenerational transfer of leadership, the study recommends that leaders in these organizations cultivate a more paternalistic/directive role where rules, directions and decisions are made based on the well-being of the group rather than the individual. The company leaders should introduce strategies that align with the cultural dynamics of high-power distance societies and formalize succession planning processes, leverage mentorship and grooming, communicate transition plans clearly and strive to address resistance to change. The study also calls on these managers to ensure they align leadership transition plans with the organization's culture and values.

Based on the finding that uncertainty avoidance has a positive and significant effect on the intergenerational transfer of leadership, the study recommends that leaders in these organizations develop and adhere to detailed succession plans, ensure they select successors based on potential leaders' experience, track record, and ability to maintain stability, and ensure there are extensive training and mentorship programs to ensure proper grooming and evaluation of potential successors. The study also calls on the leaders to involve subordinates in the succession process to ensure there is understanding and continuity in the plans for the long-term. By leveraging a culture of trust and collaboration, leaders in such high uncertainty avoidance cultures can guarantee smooth transition while addressing potential pitfalls such as resistance to change.

Based on the finding that individualism/collectivism does not influence the intergenerational transfer of leadership, the study recommends that organizations with low individualism/collectivism prioritize universal leadership principles that place significant emphasis on competence and merit, develop flexible succession planning structures, and encourage cross-cultural collaboration which can improve the organizations' learning and adaptability. Moreover, the study calls on such organizations to ensure leadership transitions can adapt to changing circumstances.

## **5.6 Limitations of the study**

The study has been informative on how Hofstede's Cultural Dimensions on the intergenerational transfer of leadership among family-owned manufacturers in Nairobi County. However, the study's findings are limited to the manufacturing sector and extending its findings to other sectors may not be conducive. Moreover, the study limited its scope to cultural dimensions ignoring other factors that can influence intergenerational transfer of leadership such as individual beliefs, values and self- construals. This theoretical limitation limits the depth of analysis and understanding of the determinant factors for intergenerational leadership transfer. The study also limited itself to an analysis of family-owned manufacturing businesses, future studies could explore factors influencing the intergenerational transfer of leadership in other sectors such as the retail sector, expanding the sample size in the process, as well as the generalizability of the results.

During the data collection period, the study encountered challenges contacting the firm owners but this limitation was circumvented by allowing more response time to allow the right respondents to reply to the questionnaire. The study also used interview schedules which requires interpretation which may be exposed to researcher bias. This study recommends that future research focuses on a variety of sectors and include a variety of factors that can influence the relationship between the cultural dimensions and intergenerational transfer of leadership.

## **5.7 Suggestions for Further Study**

This study examined the effect of Hofstede's Cultural Dimensions on the intergenerational transfer of leadership among family-owned manufacturers in Nairobi County. Given the multicultural nature of the country's capital city, this study calls for further analysis into how these cultural dimensions influence intergenerational transfer of leadership among manufacturers in highly cultural areas and smaller towns which are less diverse to get a better understanding of the exact impact of different cultures. Moreover, further studies should compare intergenerational transfer of leadership among manufacturers operating in cultures with highly opposing cultural dynamics. The study also calls for further analysis into the cultural determinants of intergenerational transfer of leadership in other sectors or group of companies to understand this relationship in different contexts. Additionally, this study did not include other cultural dimensions identified in literature

such as masculinity-femininity cultures and this study calls for analysis of how this cultural dimension can influence succession of leaders in these male-dominated sector.



## REFERENCES

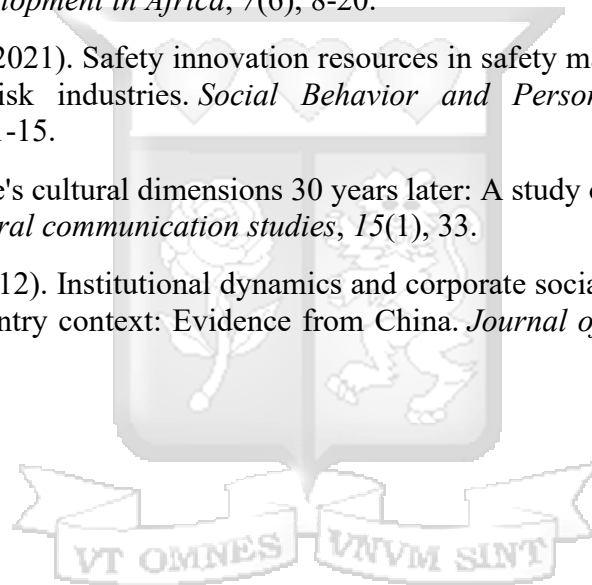
- Abdullah, I. H. T., Yusoff, N. A., & Adam, A. F. (2013). Family business succession: Hofstede's value dimension among Chinese in the East Coast of Malaysia. *Journal of Basic and Applied Scientific Research*, 3(11), 358-364.
- Agbim, K. C. (2019). Determining the contributory factors to successful succession and post-succession performance of family-owned SMEs in South Eastern Nigeria. *International Entrepreneurship Review*, 5(2), 53.
- Ahmad, A. R., Keerio, N., Jameel, A. S., & Karem, M. A. (2020). The Relationship between National Culture and Succession Planning in Malaysian Public Universities. *Journal of Education and E-Learning Research*, 7(3), 242-249.
- Bąkiewicz, A. (2020). Cultural embeddedness of family businesses succession planning: a comparative study of Poland and Indonesia. *Problems and Perspectives in Management*, 18(3), 328–337.
- Beckers, R., Boni, M., Fenton, S., Gil-Casares, J., & Vad, M. (2020). Culture in Family Business: Embracing change while retaining what matters. pincer Stuart.
- Botez, C., & Coteș, G. B. (2020). The corporate management model from the perspective of organizational culture. *Proceedings in Manufacturing Systems*, 15(2), 71-80.
- Brice, W. D., & Richardson, J. (2009). Culture in family business: a two-country empirical investigation. *European Business Review*, 21(3), 246-262.
- Cabrera-Suarez, K. (2005). Leadership transfer and the successor's development in the family firm. *The Leadership Quarterly*, 16(1), 71-96.
- Castor, A. & Krawchuk, F. (2022). *Plan a smooth succession for your family business*. Havard Business School. Available at <https://hbr.org/2022/09/plan-a-smooth-succession-for-your-family-business>
- Chrisman, J. J. (2019). Stewardship theory: Realism, relevance, and family firm governance. *Entrepreneurship Theory and Practice*, 43(6), 1051-1066.
- Christopher, K. K & Micheal C. Arfsten (2015). Cultural Value Dimensions and Ethnicity within Kenya. *College of Business, Argosy University-Twin Cities, Eagan, MN, USA*, 69-71.
- Davis, J. H., Schoorman, F. D., & Donaldson, L. (2018). Toward a stewardship theory of management. In *Business ethics and strategy* (pp. 473-500). Routledge.
- Demissie, D., & Egziabher, F. G. (2022). An Investigation of Organizational Culture of Higher Education: The Case of Hawassa University. *Education Research International*.
- Denison, D., Lief, C., & Ward, J. L. (2004). Culture in family-owned enterprises: Recognizing and leveraging unique strengths. *Family Business Review*, 17(1), 61-70.

- Dias, M., & Davila Jr, E. (2018). Overcoming succession conflicts in a limestone family business in Brazil. *International Journal of Business and Management Review*, 6(7), 58-73.
- Esaku, S. (2020). Job creation, job destruction and reallocation in Sub-Saharan Africa: Firm-level evidence from Kenyan manufacturing sector. *Cogent Economics & Finance*, 8(1), 1782113.
- Fekete, H., & Bocskei, E. (2011). Cultural waves in company performance. *Research Journal of Economics, Business and ICT*, 3.
- Gachanja, I. M., Nga'nga, S. I., & Kiganane, L. M. (2020). Influence of organization learning on innovation output in manufacturing firms in Kenya. *International Journal of Innovation Studies*, 4(1), 16-26.
- Gavrić, T., & Braje, I. N. Managing Cultural Diversity and Conflict in Family Businesses: An Organizational Perspective. *Administrative Sciences*, 14(1), 13. <https://doi.org/10.3390/admsci14010013>
- Gerlach, P., & Eriksson, K. (2021). Measuring cultural dimensions: external validity and internal consistency of Hofstede's VSM 2013 Scales. *Frontiers in Psychology*, 12, 662604.
- Gupta, V., & Levenburg, N. (2012). Cultures, ideologies and family businesses. *Journal of Family Business Management*, 2(1), 57-75.
- Hanzes, T. (2020). Succession of Power and Transferring Knowledge in a Small Family Business (Doctoral dissertation, Walden University).
- Heale, Roberta & Twycross, Alison. (2015). Validity and reliability in quantitative research. *Evidence-Based Nursing*. 18. 66-67.
- Hibbler-Britt, L. M., & Wheatley, A. C. (2018). Succession planning in family-owned businesses. Succession planning: Promoting organizational sustainability, 75-87.
- Hofstede, G. (2011). Dimensionalizing cultures: The Hofstede model in context. *Online readings in psychology and culture*, 2(1), 8.
- Hofstede Insights. (2017, August 22). Kenya. <https://www.hofstede-insights.com/country/kenya/Taras>, V. (2017). Cultural Dimensions, Hofstede. *The International Encyclopedia of Intercultural Communication*, 1-5. doi: 10.1002/9781118783665.ieicc0100.
- Husien, S., Kirana, K. C., & Hermuningsih, S. (2019). Falling down the kingdom: Culture and tradition on family business succession. *Review of Behavioral Aspect in Organizations and Society*, 1(1), 95-108.
- Kawaguchi, M. (2020). A sociological approach to management philosophy of Chinese family businesses in a transition period: The case of Ningbo Fotile Group. In *Cultural Translation of Management Philosophy in Asian Companies* (pp. 105-120). Springer, Singapore.

- Khan, S., Mishra, S., & Ansari, S. A. (2021). Role of organizational culture in promoting employee development: a review of literature. *Linguistics and Culture Review*, 5(S3), 585-595.
- Krishnan, N. (2020). Developing Culture in Family Business. *NHRD Network Journal*. <https://doi.org/10.1177/2631454119900020>
- Lerner, M., & Malach-Pines, A. (2011). Gender and culture in family business: A ten-nation study. *International Journal of Cross-Cultural Management*. <https://doi.org/10.1177/1470595811399190>
- Lerner, M., & Malach-Pines, A. (2011). Gender and culture in family business: A ten-nation study. *International journal of cross cultural management*, 11(2), 113-131.
- Li, Y., Coy, E., & Yang, S. (2017). Family Businesses in Tanzania: A Solution to Poverty Reduction. *Advances in Social Science, Education and Humanities Research*, 99.
- Mahomed, Y., & Mtembu, V. (2021). Business Succession in Indian Family Businesses in South Africa. *Journal of Economics and Behavioral Studies*, 13(3 (J)), 73-80.
- Mannerström, R., Hietajärvi, L., Kuusisto, A., Salmela-Aro, K., & Kallioniemi, A. (2022). Value Profiles Among Finnish Adolescents and Their Associations With Subjective and Social Well-Being. *Child Indicators Research*, 1-23.
- Mares, D., & Petra, N. (2018). Stabilization Factors of Family Enterprises in the Context of Macroeconomic Performance. *European Research Studies Journal*, 21(1), 206-220.
- Marín, G. S., Hernández, A. J. C., del Valle, I. D., & Castillo, M. Á. S. (2016). Organizational culture and family business: A configurational approach. *European Journal of Family Business*, 6(2), 99-107.
- Mariotti, S., & Marzano, R. (2019). Varieties of capitalism and the internationalization of state-owned enterprises. *Journal of International Business Studies*, 50(5), 669-691.
- Menezes, K. A., Bhaskaran, S., & Deswal, A. (2019). Effects of national culture on leadership succession planning in small-to-medium scale family enterprises. *International Journal of Entrepreneurship and Small Business*, 38(1-2), 210-231.
- Mierzal, L., Ritz, J., Torres, G. L. F., & Bergfeld, M. M. (2017). Succession Planning in Different Cultures: A Comparative Analysis of Family Firms in Mexico and Germany (Munich Business School WP, 2017-04).
- Minkov, M., & Kaasa, A. (2021). A test of Hofstede's model of culture following his own approach. *Cross Cultural & Strategic Management*, 28(2), 384-406.
- Mosquera, W. K., Vergara, M. P. L., & Cortés, D. L. (2024). The Role of Family Culture on the Transgenerational Transfer in Colombian Family Business. *Journal of Evolutionary Studies in Business*, 9(1), 127-151.

- Mruttu, C., & Makokha, E. N. (2022). Selected Factors Influencing Effective Succession Planning in Deposit Taking Savings and Credit Cooperatives in TransNzoia County, Kenya. *International Journal of Recent Research in Social Sciences and Humaniti*, 9(3), 165-178.
- Ndirangu, A. S., Nzulwa, J., & Omwenga, E. (2021). Factors influencing succession planning in regulatory state corporations, Kenya. *The Strategic Journal of Business & Change Management*, 8 (3), 968 – 983.
- Nwuke, O., & Adeola, O. (2023). Leadership transition and survival strategies for family-owned SMEs in an emerging economy. *Journal of Family Business Management*, 13(4), 1343-1365.
- Ozdemir, O., & Harris, P. (2019). Primogeniture in Turkish family-owned businesses: An examination of daughter succession, the impact of national culture on gendered norms and leadership challenge. *International Journal of Family Business and Management*, 3(2), 1-18.
- Payne, G. T. (2018). Reflections on family business research: Considering domains and theory. *Family Business Review*, 31(2), 167-175.
- Powers, A., & Zhao, J. (2019). Staying alive: entrepreneurship in family-owned media across generations. *Baltic Journal of Management*, 14(4), 641-657.
- PWC. (2021). *From Trust to Impact: Why Family Businesses Need to Act Now to Ensure Their Legacy Tomorrow*. PWC. Retrieved from <https://www.pwc.com/gx/en/family-business-services/family-business-survey-2021/pwc-family-business-survey-2021.pdf>
- Rotaru, V., Mihai, L., & Ogarcă, R. (2020). SUCCESSION MANAGEMENT IN ROMANIAN SMEs. *Management & Marketing Journal*, 18(2).
- Ruiz, M.; Sessarego, A.; Guzman-Sanza, R. (2010). A research about of family firm definition
- Saan, R., Enu-Kwesi, F., & Nyewie, R. (2018). Factors influencing succession planning for continuity of family-owned businesses in the wa municipality, Ghana. *Universal Journal of management*, 6(5), 165-177.
- Samara, G., Jamali, D., & Parada, M. J. (2021). Antecedents and outcomes of bifurcated compensation in family firms: A multilevel view. *Human Resource Management Review*, 31(1), 100728.
- Schillemans, T., & Bjurström, K. H. (2020). Trust and verification: Balancing agency and stewardship theory in the governance of agencies. *International Public Management Journal*, 23(5), 650-676.
- Shumbambiri, G. (2023). Inter-Generational Succession Planning in Zimbabwe's Indigenous Family Businesses. A Case Study of The Challenges and Critical Issues For Consideration. *International Journal of Research and Innovation in Social Science*, 7(2), 1400-1416.

- Solesvik, M., Iakovleva, T., & Trifilova, A. (2019). Motivation of female entrepreneurs: a cross-national study. *Journal of Small Business and Enterprise Development*, 26(5), 684-705.
- Tajer, A., araban, O., Essabbar, H., & Rigar, S. M. (2022). The governance of the family business from the perspective of agency and stewardship theory. *Revue du contrôle, de la comptabilité et de l'audit*, 6(2).
- Tung, R. L., & Verbeke, A. (2010). Beyond Hofstede and GLOBE: Improving the quality of cross-cultural research. *Journal of international business studies*, 41, 1259-1274.
- Turner, M., & Pech, R. (2019). No is No, Maybe is No, Yes is Maybe: Issues of authenticity and accuracy from interviews with Vietnamese and Mongolian entrepreneurs. *Journal of Asia Entrepreneurship and Sustainability*, 123-171. DOI: 10.22622/jaes.2019.15-1.04
- Uchenna, A. C., Ihuoma, A. N., Chinelo, N. S., & Nkiruka, E. F. (2023). The Place of Culture in Succession Management of Family-Owned Businesses. *Journal of Good Governance and Sustainable Development in Africa*, 7(6), 8-20.
- Wang, G., & Zhou, X. (2021). Safety innovation resources in safety management: An empirical study in high-risk industries. *Social Behavior and Personality: an international journal*, 49(11), 1-15.
- Wu, M. (2006). Hofstede's cultural dimensions 30 years later: A study of Taiwan and the United States. *Intercultural communication studies*, 15(1), 33.
- Yin, J., & Zhang, Y. (2012). Institutional dynamics and corporate social responsibility (CSR) in an emerging country context: Evidence from China. *Journal of business ethics*, 111(2), 301-316.



## APPENDICES

### Appendix I: Institutional Ethical Approval



23<sup>rd</sup> August 2024

Mr Mukasa Alfred,  
Alfred.Mukasa@strathmore.edu

Dear Mr Mukasa,

**RE: Cultural Factors Influencing Transfer of Leadership across Generations in Family-Owned Manufacturing Businesses in Kenya**

This is to inform you that SU-ISERC has reviewed and **approved** your above **SU-masters** proposal. Your application reference number is **SU-ISERC2366/24**. The approval period is from **23<sup>rd</sup> August 2024 to 22<sup>nd</sup> August 2025**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used.
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 72 hours of notification.
- iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 72 hours.
- v. Clearance for the export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.





Before commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.

Yours sincerely,

**Mr Ambrose Rachier,**  
Chairperson; SU-ISERC

Ole Sangale Rd, Madaraka Estate. PO Box 59857-00200, Nairobi, Kenya. Tel +254 (0)703 034000  
Email [admissions@strathmore.edu](mailto:admissions@strathmore.edu) [www.strathmore.edu](http://www.strathmore.edu)

## Appendix II: NACOSTI Research Permit

 <b>REPUBLIC OF KENYA</b>	 <b>NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY &amp; INNOVATION</b>
Ref No: <b>119698</b>	Date of Issue: <b>08/November/2024</b>
<b>RESEARCH LICENSE</b>	
	
<b>This is to Certify that Mr.. Alfred Mukasa of Strathmore University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: CULTURAL FACTORS INFLUENCING TRANSFER OF LEADERSHIP ACROSS GENERATIONS IN FAMILY-OWNED MANUFACTURING BUSINESSES IN KENYA for the period ending : 08/November/2025.</b>	
License No: <b>NACOSTI/P/24/41917</b>	
<b>119698</b> Applicant Identification Number	 Director General <b>NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY &amp; INNOVATION</b>
	Verification QR Code 
<b>NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.</b>	
<b>See overleaf for conditions</b>	

### **Appendix III: Letter of Introduction to Respondents**

Mukasa Assey Alfred

MBA Student

Strathmore Business School

Dear respondent,

#### **RE: REQUEST FOR PARTICIPATION IN AN ACADEMIC RESEARCH**

I am a student pursuing a Master of Business Administration (MBA) at the Strathmore Business School and am currently undertaking a research project on the 'Influence of *cultural factors on transfer of leadership across generations in family-owned manufacturing businesses in Nairobi, Kenya*'. This questionnaire is for academic purposes only. I'm requesting you to assist me by providing responses that shall provide data for analysis. Any response you give shall be held confidential.

After completing the attached questionnaire, I would appreciate the opportunity to conduct a brief follow-up interview with you. The interview requires only 20 minutes of your time. Please let me know your availability for the follow-up interview. Your assistance in making this exercise a success was highly appreciated.

Thank you in advance



Regards,

Mukasa Assey

## Appendix IV: Consent Form for Respondents

### TITLE OF THE PROPOSED STUDY

The influence of cultural factors on intergenerational transfer of leadership in family-owned manufacturing business in Nairobi, Kenya.

### SECTION 1: INFORMATION SHEET

**Principal Investigator:** Mukasa Assey Alfred

**Institutional Affiliation:** Strathmore Business School (SBS)

**Mobile:** [+254 740 939 418](tel:+254740939418)

**Email:** [asseym@gmail.com](mailto:asseym@gmail.com)

**Supervisor:** Ruth Kiraka

**Email:** [rkiraka@strathmore.edu](mailto:rkiraka@strathmore.edu)

**Institutional Affiliation:** Strathmore Business School (SBS)

### SECTION 2: INFORMATION SHEET – THE STUDY

#### 2.1. Why is this study being carried out?

This study is being carried out in fulfillment of the requirement for the award of a Master in Business Administration at Strathmore Business School.

It aims to examine the influence of cultural factors on the transfer of leadership across generations in family-owned manufacturing business in Nairobi, Kenya.

#### 2.2. Do I have to take part?

No. Taking part in this study is entirely optional, and the decision rests only with you. If you decide to take part, you were asked to complete a questionnaire to get information on cultural factors influencing leadership transfer across generations in family-owned manufacturing firms in Kenya.

The questionnaire was well-structured and simple to understand and complete. Further explanation was provided where necessary. Please note you are free to decline to take part in the study from this study at any time without giving any reasons.

#### 2.3. Who is eligible to take part in this study?

Owners and top management of family-owned manufacturing firms in Nairobi County.

#### 2.4. Who is not eligible to take part in this study?

- Incapacitated persons.

- Any person under 18 years of age (Minors).
- Persons incapable of signing the consent form. They was ruled out as unable to give consent.

### **2.5. What will taking part in this study involve for me?**

You was approached and requested to take part in the study. If you are satisfied that you fully understand the goals behind this study, you was asked to sign the informed consent form (this form) and then furnished with a questionnaire to complete.

### **2.6. Are there any risks or dangers in taking part in this study?**

There are no risks in taking part in this study. All the information you provide was treated as confidential and will not be used in any way without your express permission.

### **2.7. Are there any benefits of taking part in this study?**

The information was used to improve the knowledge of the influence exerted by cultural factors on intergenerational transfer of leadership in family-owned enterprises in Nairobi City County. The completion of the study was instrumental in promoting smooth leadership transition and ensuring business continuity of family enterprises.

### **2.8. What will happen to me if I refuse to take part in this study?**

Participation in this study is entirely voluntary. Even if you decide to take part at first but later change your mind, you are free to withdraw at any time without explanation.

### **2.9. Who will have access to my information during this research?**

Access to all the information obtained during this research was restricted. All research records was stored in securely locked cabinets. That information may be transcribed into our database, but this was sufficiently encrypted and password protected. Only the people who are closely concerned with this study will have access to your information. All your information was treated as private and confidential.

### **2.10. Who can I contact in case I have further questions?**

You can contact me, the Principal Investigator, Mukasa Assey Alfred, at Strathmore Business School by email at [asseym@gmail.com](mailto:asseym@gmail.com) or by calling [+254 740 939 418](tel:+254740939418), and a summary report of the findings was shared via email.

You can also contact my supervisor, **Ruth Kiraka**, at the Strathmore Business School, Nairobi, or by e-mail at [rkiraka@strathmore.edu](mailto:rkiraka@strathmore.edu).

**If you want to ask someone independent anything about this research, please contact:**

The Secretary

Strathmore University Institutional Ethics Review Board,

P. O. BOX 59857, 00200,

Nairobi.

Email: [ethicsreview@strathmore.edu](mailto:ethicsreview@strathmore.edu)

Telephone: [+254\(0\)730 734 418](tel:+254(0)730734418)

I, \_\_\_\_\_, confirm that all the issues confirm that all the issues about this study have been clarified. I further affirm that I have asked all the questions that I needed to ask, and all of them have been answered to my satisfaction. I have read and understood the questions. I have been provided with the contacts of the person and institution that I need to contact in case issues arise and I need further clarification.

Please tick the boxes that apply to you;

**Participation in the research study**

- I AGREE to take part in this research
- I DON'T AGREE to take part in this research

**Storage of information on the completed questionnaire**

- I AGREE to have my completed questionnaire stored for future data analysis
- I DON'T AGREE to have my completed questionnaire stored for future data analysis

Participant's signature: \_\_\_\_\_ Date: \_\_\_\_/\_\_\_\_/\_\_\_\_ (DD/MM/YY)

Participant's name: \_\_\_\_\_ Time: \_\_\_\_:\_\_\_\_ (HH/Mins)

*(please print name)*

I, MUKASA ASSEY ALFRED, certify that I have followed the SOP for this study, have explained the study information to the study participant named above, and that s/he has understood the nature and the purpose of the study and consented to the participation in the study. S/he has been given the opportunity to ask questions which have been answered satisfactorily.

Investigator's signature:  Date: \_\_01\_\_ / \_\_08\_\_ / \_\_2024\_\_

Investigator's name: Mukasa Assey Alfred Time: \_\_\_\_:\_\_\_\_ (HH/Mins)

## Appendix V: Questionnaire

This questionnaire is designed to gather information on the cultural factors influencing the transfer of leadership across generations in family-owned manufacturing businesses in Kenya.

### SECTION A: GENERAL INFORMATION

Respond by putting a thick (√) in the box next to your correct answer.

1. Gender

Male

Female

2. Age (in years)

Below 30

30-39

40-49

50-59

60-69

70 and above

3. How long have you been in this company?

Up to 5 years

6-10 years

11-15 years

16-20 years

More than 20 years

4. What is your highest professional qualification?

Master's and PHD

Degree

Diploma

Secondary

Primary

No formal education

5. Are you part of the family that owns this business?

Yes

No

### SECTION B: POWER DISTANCE

This section relates to your response regarding Hofstede's power distance dimension in your organization. Please indicate the extent to which you agree or disagree with each statement by ticking (√) once on the column that best matches your response.

	1	2	3	4	5
I think that power in this company is concentrated at the top with decisions made by a few individuals.					
I am of the view that the top leaders are autocrats; they make decisions without much input from subordinates.					
In believe that subordinates accept their place in the hierarchy and do not question authority.					
The way I see it, personal relationships within the organization exhibit a formal and hierarchical nature.					
I think that the firm's top leaders take on a paternalistic role where they make decisions for subordinates' well-being.					
I think that inequality in power and wealth is accepted and expected in this firm.					
In my opinion, information sharing in the company is constrained by hierarchy.					

Note: 1=Strongly Disagree; 2=Disagree; 3=Neither Agree nor Disagree; 4=Agree; and 5=Strongly Agree.

### SECTION C: UNCERTAINTY AVOIDANCE

This section relates to your response regarding Hofstede's uncertainty avoidance dimension in your organization. Please indicate the extent to which you agree or disagree with each statement by ticking (√) once on the column that best matches your response.

	1	2	3	4	5

In my view, the firm is flexible and more adaptable to change.					
In believe that risk-taking and innovation in the firm are constrained by rules and policies.					
I am of the opinion that members of the organization exhibit lower stress levels and are more relaxed about the future.					
I think communication practices in the firm tend to be more formal and precise to avoid misunderstandings.					
I can say that there is a low tolerance for tolerance in procedures and structures.					
I believe members of the organization exhibit strong loyalty towards the organization.					
I think that top leaders are generally optimistic and less involved in controlling uncertainties.					

*Note:* 1=Strongly Disagree; 2=Disagree; 3=Neither Agree nor Disagree; 4=Agree; and 5=Strongly Agree.

#### **SECTION D: INDIVIDUALISM-COLLECTIVISM**

This section relates to your response regarding Hofstede's individualism-collectivism dimension in your organization. Please indicate the extent to which you agree or disagree with each statement by ticking (✓) once on the column that best matches your response.

	1	2	3	4	5
I believe that there is strong emphasis on group success and collective well-being in the company.					
I think that the employee-employer relationship is almost like a family link					
In my opinion, members of the organization see themselves as part of a larger group and take responsibility for each other.					

I think that tasks and company prevail over personal relationships in business.					
I think that members of the organization prioritize company needs over their own interests.					
In my view, employees are loyal and committed to the organization.					
It is my view that hiring and promotion practices take in-group into consideration.					

*Note:* 1=Strongly Disagree; 2=Disagree; 3=Neither Agree nor Disagree; 4=Agree; and 5=Strongly Agree.

### **SECTION E: INTERGENERATIONAL LEADERSHIP TRANSITION**

This section relates to your response regarding intergenerational leadership transition in your organization. Please indicate the extent to which you agree or disagree with each statement by ticking (√) once on the column that best matches your response.

	1	2	3	4	5
I believe deliberate efforts are made to prepare the succeeding generation for leadership roles within the company.					
In my view, a family member of the succeeding generation who demonstrates the highest level of commitment to the company often emerges as the potential successor.					
I think that potential successors are evaluated to assess their readiness for succession.					
I believe that key family members, employees, and other stakeholders are engaged in the transition process.					
I think that decisions about the future of the company are influenced by both the current and succeeding generations.					

I believe the leadership transition process is regularly reviewed and adjustments made where necessary.					
In my view, the founder or current generation consistently imparts its values to the succeeding generation.					

*Note:* 1=Strongly Disagree; 2=Disagree; 3=Neither Agree nor Disagree; 4=Agree; and 5=Strongly Agree.

**- Thank You for Your Participation -**

