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**INFLUENCE OF SUCCESSION PLANNING ON THE SURVIVAL OF FAMILY-
OWNED SMALL AND MEDIUM ENTERPRISES IN NAIROBI CITY COUNTY
KENYA**

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MBA/72934/2018

**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION (MBA) OF STRATHMORE UNIVERSITY**

OCTOBER 2021

DECLARATION

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the thesis/dissertation (use as appropriate) contains no material previously published or written by another person except where due reference is made in the thesis/dissertation itself.

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ABSTRACT

The small and medium enterprises sector is one of the key drivers of economic growth and employment creation in Kenya. However, most firms within the sector are faced by a myriad of challenges in their growth. One of the main challenges has been succession planning which plagues the family-owned small and medium enterprises resulting in low chances of survival upon the demise or incapacitation of the founding owner. This study sought to examine the influence of succession planning on the survival of family-owned small and medium enterprises in Nairobi City County, Kenya. The study specifically sought to establish the effect of leadership development, communication, stakeholder involvement and staff career development on the succession and survival of family-owned small and medium enterprises. The study was guided by the human capital theory, the leadership model of succession and the game theory of succession planning. The study employed a positivist philosophy. The population for the study was 490 family-owned businesses operating within the borders of Nairobi City County that have undergone 2nd, 3rd and 4th generation succession. A sample of 220 enterprises was selected. This study utilized primary data that was sourced using a structured questionnaire. The collected data was analysed using descriptive, correlation and regression analysis. Findings showed that 104 of the sampled firms had a succession plan in place. The results also indicated that 125 of the firms were either in the 2nd or 3rd generation. The correlation results established that together, leadership development, communication, stakeholder involvement and staff career development, had a moderate positive relationship with the survival of family-owned businesses. The regression results revealed that almost half of the variations in survival of family-owned businesses were determined by these four variables of succession planning. The research concluded that on its own leadership development had an insignificant effect on the survival of family-owned businesses. The study further concluded that communication, stakeholder involvement and staff career development had a positive relationship with survival of family-owned businesses. The research recommends that on staff career development, family-owned businesses should improve the capacity building among their staff and enhance the recognition schemes for their employees. Further, the businesses should formulate better networking strategies and stakeholder involvement in the succession planning of the firm. Regarding communication, the study recommends that business owners initiate and communicate succession plans as a matter of formality rather than a last-ditch effort. Lastly, although leadership development appeared to have an insignificant relationship to succession planning, it is still important for leadership teams to evaluate their coaching and mentorship programs, since this can have a significant impact of a company's future. The study recommends for further study on the viability and suitability of leadership development practices adopted within family-owned businesses.

Keywords: Succession Planning, Leadership Development, Communication, Stakeholder Involvement, Staff Career Development, Family-Owned Business

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LIST OF ABBREVIATIONS

ANOVA	Analysis of Variance
B2B	Business-to-Business
B2C	Business-to-Consumer
CEO	Chief Executive Officers
FBN	Family Business Network
GDP	Gross Domestic Product
MORS	Managers-Once-Removed
ROT	Requisite Organization Theory
SEM	Structural Equation Modelling
SMEs	Small and Medium Enterprises
SPSS	Statistical Package for the Social Sciences
UK	United Kingdom

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

There are various ways of promoting performance within businesses; but effective succession planning is one of the drivers of success and continuity of family-owned enterprises. Rodrigo (2013) defines succession planning as the identification and preparation of employees who are equipped with the required skill set and honing these skills through training, mentoring and development so that they can replace valuable members of the organization. Family business succession planning involves selecting an heir to the business or initiating plans to sell the business to another party (Ballaró & Polk, 2017). Succession planning is a strategy for workforce planning. Succession planning is a dynamic process which identifies, assesses, and develops talent allowing for continuity of an organization in an ever-changing business environment (Harrell, 2016). It is a process designed to ensure the organization recruits and develops new hires and in-house staff to fill each key role within the organization. Its goal is like workforce planning – having “the right people in the right positions at the right time.” Succession planning focusses on leadership positions and positions that are essential to ensuring the realization of organizational goals (Bjursell, 2011; Ali, Mehmood, Ejaz, & Ashraf, 2014).

Amato (2013) considers succession planning to be one of the main determinants of success in organizations that have survived into the 3rd generations. It is necessary to formulate an effective succession plan for business continuity (Hall & Hagen, 2014). The founders of family business are often more optimistic that their businesses will survive through generations and therefore, fail to make appropriate succession plans (Hoch, 2013). The inability of the founder of a family-owned business to successfully transfer the business to new owners may lead to a rise in business closure rates, and to limited pools of entrepreneurial knowledge (Seniwoliba, 2015). According to Seniwoliba (2015), the old view of succession planning whereby specific individuals have specific tasks is ineffective in the modern business environment which is

characterized by an unpredictable environment, high competition, high rate of interconnectivity and rapid regulation changes and customer demands. The researcher notes that it is time for owners to look into emerging models of succession planning that will fit in today's highly competitive and revolutionary environment.

For organizations to survive and excel in today's highly dynamic and competitive business environment, they must have a dynamic and high potential group of employees at all organizational levels (Groves, 2013). Similarly, family-owned businesses need to employ high qualities of human capital to survive in the competitive business environment. Most family businesses employ family members, and this can undermine their market position since some of these members of the family may lack adequate skills to guide the firm towards coping with significant market changes. This can generally hinder an organization's potential of success (Andebe, 2016). Succession planning helps in recruitment of the best fit people to take over future key openings, enhances skill development, improves knowledge retention and abilities of the successors while preparing them for a promotion (Bernthal & Wellins, 2013). An active involvement in succession planning ensures continuous development of employees to fill vacancies in the organization (Bozer, Kuna, & Santora, 2015).

Around the world, family businesses are integral to the development of the society, and form a key source of national income for residents in any country. In Europe, almost 75% of businesses are family-owned, and provide almost half of all available jobs in the region (Mandl, 2012). In the United States, family-owned businesses account for around half of the national GDP, accounting for 60% of total employment, 78% of all new jobs and 65% wages received by citizens (Astrachan, 2012). Family businesses in the UK account for two out of every three private businesses, employing more than 9.2 million people and generate more than £1.1 trillion annually (Miller, 2012).

In Brazil, the DS Consultoria Empresarial e Educacional reports that 80% of businesses are family-owned, with rapid growth seeing the country's economy become bigger than the UK's.

Kenya, being the regional business hub of East Africa has the largest share of family-owned businesses that operate across multiple borders. These businesses contribute around USD 32.417 billion to the national GDP (Rodrigo, 2013), and generate around 60% of the country's employment and 78% of all new job opportunities. According to Robert (2010), approximately 85% of all businesses fail within their first five years, and only 30% of those are transferred to the second generation of the founding family owners. In Canada, about 30% of family-owned businesses survive the second generation with 15% surviving the third generation and 5% getting through the fourth generation (Canadian Association of Family Enterprise, 2012). In the United States of America, approximately 90% of the incorporated businesses are family businesses. This can be translated to over 17 million family-controlled businesses which contribute to over 64% of the country's GDP. Although there are many family-owned businesses in these countries, about 70% of these businesses have done no succession planning (Grant, 2013).

1.1.1 Why Succession Planning Matters

According to Ahmed (2020), succession planning can be defined as the deliberate and systematic effort by an organization to ensure leadership continuity in key positions. Firms accomplish this through identification, development, and retainment of individuals with high intellectual and knowledge capital that is essential for business survival and development. Succession planning strategies are those strategies that firms develop to help guide in identifying and developing potential future leaders and senior managers, as well as individuals, to fill business-critical roles. Generally, it involves firms making provisions for the development, replacement, and strategic application of key people over time (Ramseur, Fuchs, Edwards, & Humphreys, 2018).

According to Couch (2013), having no succession plan is a recipe for disaster since the business would lack sufficient capacity to adapt to changes and cope with future challenges which negatively impacts its sustainability. Dorothy (2013) affirms that succession planning is essential for success in all firms, whether public or private, arguing that they all must acquire, train, and strategically use high-quality workforce that have an accurate understanding of the

able to identify two types of succession planning goals: short-term goals intended to cater for unexpected outcomes and long-term succession plan goals which are aimed to ensure that the firm will remain operational for the unforeseeable future and reflects aspects of the organization's philosophy, culture, and identity (Patrick & David 2017). However, the goal is ensuring that there is smooth transition within an organization's core functional parts, especially the leadership.

Boozer, Kuna and Santora (2015) indicate that succession planning can be fostered through implementing mentorship programs, retaining the competent workforce and adopting better recruitment processes. Gandhi and Kumar (2014) identify communication process, leadership development programs and staff career planning as key approaches in succession planning. Ali, Mehmood, Ejaz and Ashraf (2014) note that succession planning can be approached through knowledge management, empowering employees, career development paths, and maintaining stakeholder engagement. Jantti and Greenhalgh (2012) identify the constructs of succession planning as human resource development, stakeholder engagement, performance management, knowledge management, communication, and recruitment practices. Gumbo et al., (2012) investigated successor planning by assessing firms' mentoring practices, entrepreneurial orientation of the owner, the level of training/education advanced by the institutions to their possible successors and the capability of the successor, noting that all the factors had a significant effect on survival of SMEs after the death/retirement of the owner.

Based on the above conceptualizations, it is clear that successor planning efforts encompass aspects of staff career development, leadership, communication to formalize the successor selection, and involvement of stakeholders to increase legitimacy and acceptance of the selected successor. As a result, this study adopted measures used by Jantti and Greenhalgh (2012), and Ali, Mehmood, Ejaz and Ashraf (2014) and which can be combined to produce four main variables of succession planning namely leadership development, staff career development, stakeholder engagement and communication.

1.1.2 Survival of Family Businesses

Survival is considered the most significant manifestation of success for a firm, especially a family firm (Colli, 2012). The survival of a family-owned firm confirms the persistence of control by the same family over time (Tucker, 2011). Business survival means improving the firm's sustainability and increasing its value in the long run (Maruffi, Petri, & Malindretos, 2013). Survival was measured in terms of the length/duration of time the enterprise has continuously been in business without interruptions, and for most businesses, the initial goal. For an enterprise to survive longer, its liquidity, profitability, market expansion and diversification strategy have to remain strong as brought about by entrepreneurial competency (Sanchez, 2012).

Despite the achievements of family-owned businesses, many owners unknowingly risk their businesses by not adopting an appropriate transition structure. In most cases, the business that is family-owned often fails after the founder passes on (Andebe, 2016). Grant (2017) indicates that 78% of family-owned businesses in Canada encounter a transition of ownership within 15 years of operation and yet less than 70% of these businesses have done any succession planning. Donnelley (2008) described the concept of family business survival as one closely identified with at least two generations of a family and when this link has had a mutual influence on a company policy and on the interests and objectives of the family. The family in this case does not only influence the company policies but also does this over time and over generations. All these definitions point at three main dimensions of a family business survival; ownership, control and succession. For a business to survive, the ownership, control and succession should be very efficient. This study focused on the succession dimension and how it affects the survival of the family businesses.

A family-owned business entity is a system of operation whereby the subsystems include the founder as the entity, family members as an entity and the firm itself an entity, with actions of each having an impact on the other (Dyer & Handler, 1994). Duh and Letonja (2013) argues that successful planning of successors can become a unique source of competitive advantage for family-owned businesses over businesses that are not owned by families. This source of

competitive advantage takes advantage of the idiosyncratic knowledge that family-owned enterprises can accumulate over a period. LeCounte, Prieto and Phipps (2017), note that the inside knowledge possessed by family members, coupled with their loyalty, trust and commitment makes certain family members to have specific competencies and know-how required to effectively run the business even after the demise of the founder.

The associations developed over time also act as a source of much needed knowhow on the best way of managing the resources and capabilities required to generate sustainable competitive advantage (Maciel, de la Garza Ramos, Aguilar, & Reyna, 2015). According to Rivolta (2018), large firms have professional boards of directors who are usually in charge of identifying and empowering successors so that when it is time to make the decision, majority of the members are in cohesion. Some even contract professional recruitment consultancy services which assess the candidates' competencies and propose the best candidate.

1.1.3 Survival of Family Businesses in Kenya

A family-owned business is a firm whereby power and ownership rests in the hands of two or more members of the same family. They come in the form of sole proprietorships, partnerships, limited companies and holding companies (Abdille, 2013). Away from the ownership structure, what differentiates the family business from management-controlled businesses are often the intention, values, culture, and strategy-influencing interactions of the owners who are members of the same family or partnering families (Rodrigo, 2013; Scholes & Wilson, 2014). This can be a competitive advantage or significant vulnerability in the face of generational or competitive change (Robert, 2010). Succession planning today seeks to enable organizations to develop general competencies and leadership potential at all levels of the organization for their survival and growth (William, 2015).

According to AsokoInsight (2019), lack of robust succession structures are impacting performance capabilities of Kenyan family owned businesses, with the report noting that only 30% of family businesses make it through the second generation, with 13% passing three

generations. Globally, almost 70% of family businesses do not survive through the second generation, meaning that out of ten, only three family-owned businesses have a chance of surviving into the third generation (Cook, 2015). The average Kenyan family business has a life expectancy up to the 2nd generation (Ramsden, 2016). Businesses without well set out succession plans are more likely to fail. The specific business problem is that founders fail to prepare future generations for managerial roles (Andebe, 2016), resulting in a phenomenon that many refer to as the founder's curse. The high level of uncertainty associated with family businesses makes it necessary to formulate strategies which aim to make use of resources to attain certain well-defined objectives with due diligence (Bozer, Kuna, & Santora, 2015).

In Kenya, family businesses have shown a potential to grow and become multinationals. Chandaria Family's Mabati Rolling Mills is one of the first to operate in more than one country after its establishment in 1961 in the Industrial Area in Nairobi (Juma, 2014). The company has, over the years, served as a model of how family businesses should be managed since over the years, the company has adopted various growth strategies such as mergers, exporting, new product development, modernization, product differentiation and innovation and market research. These strategies have been complemented by a shrewd succession plan that the company has also adopted (Ahmed, 2020).

Abdille (2013) acknowledges that among other firms, the second generation of the Vimal Shah family has seen been influential in ensuring the success and sustainability of Bidco Oil, while Philip Ndegwa's banking and insurance empire attribute their successes to proper succession planning (Murangiri, 2013). Another successful family business venture is the Sarit Center which has survived through the third generation and is now among the largest diversified shopping malls in East Africa. The founders of the business are Jadavji Ratanji Rughani, and Vidhu Ramji Shah (Whitehead, 2012).

In Kenya, family businesses generate 60% of the country's employment and 78% of all new job creation. However, only 40% of family-owned businesses survive to the second generation, 12% to the third, and 3% to the fourth. This shows that irrespective of the various factors including business environment, few family businesses survive beyond the first generation

(Astrakhan & Shankar, 2003). Robert (2010) notes that only 30% of family-owned businesses successfully survive to a new generation in Kenya. The average life span of a family-owned business in Kenya is 24 years (Waweru, Mutuma, & Chege, 2011). This is only one or two generations and therefore provides a negative perspective on survival of family businesses in the country. This can be evidenced by an example of Woolworth supermarket which was opened in 1985 and later closed its operations in the year 1997. The company gave it another try in 1998 until in the year 2010 when all its four branches were fully taken over by another company Nakumatt Holdings. This move saw the Woolworth supermarket, one of the biggest family business going down when it was still in its second generation. Aron (2013) attributes the failure of Nyaga Stock Brokers and Discount Securities to failed succession plans.

Succession planning in Kenya has presented itself as an issue that many companies are struggling to cope with. The growth of Kenya's private sector necessitates effective succession planning to enhance growth and sustainability. Without effective succession plans. Karanja (2012) notes that family wrangles are among the biggest contributors to poor business performance after unexpected exit of firm leadership in Kenya. Some family-owned businesses have gone against the odds and have completed multiple successions such as the Sarit Centre which is a modern diversified shopping mall and one of the largest in East Africa. The Sarit Centre is a family business owned and managed by third generation Kenyans who trace their roots and business success to their forefathers who came to Kenya in the early 1900s; Jadavji Ratanji Rughani in 1914, and Vidhu Ramji Shah in 1909 (Whitehead, 2012). This demonstrates the importance of effective succession planning strategies to firm continuity.

1.2 Statement of the Problem

Globally, there are many family businesses, with at least 40% of the world's economy occupied by family businesses, many of which are going through the survival process (Ward, 2013). This indicates that nearly half of the world's economy is made up of family businesses thus making it clear that the perpetuation of the world economy is rooted in the long-term sustainability of the family entity (Andebe, 2016). Flemings (2013) found out that only 30% of family businesses survive to the second generation, and only 10% survive to the third generation. This

therefore brings about concerns that very few or zero family-owned businesses survive until the fourth and fifth generation.

Several studies have been reviewed on the area of knowledge of succession planning but there is a limited examination of the succession planning effect on survival of family-owned businesses. Kowalewski, Talavera and Stetsyuk (2009) conducted a study on the effect of succession planning on firm performance and established that succession planning is positively related to firm performance outcomes but only up to a certain level. Hania (2012) examined the factors influencing family business succession. Wakhungu (2010) examined the relationship that executive succession has on the performance of small and medium enterprises in Kenya and found that executive succession is the main challenge to the long-term survival of SMEs. Abdille (2013) determined the effects of strategic succession planning on family-owned businesses in Kenya. Maalu, McCormick and K'Obonyo (2013) establish how strategies of business succession affect the performance of small and medium family businesses in Nairobi.

Ramsden (2016) indicated that succession planning is integral to sustained business performance. The researcher noted that despite its importance, most family-owned businesses have failed to put it into consideration resulting in devastating business consequences during transition periods. Churchill and Hatten (2017) assert that family wrangles involving court cases affect the management of SMEs and since the management is in turmoil, the confusion surrounding leadership may lead to dissolution or failure of once highly performing businesses, with some going under receivership. This lack of clear-cut adoption of succession planning within small and medium enterprises results in a present challenge to the survival of a family-owned business. Hence, there was a need to examine the influence of the various succession constructs on business performance. These previous studies have largely focused on the effect of succession planning on business performance. They have not examined how succession planning affects the survival of family-owned businesses which is the focus of the current study.

As argued by Bjursell (2011) and Ali, Mehmood, Ejaz and Ashraf (2014), leadership development is important to succession planning and survival of businesses as it ensures that the business attains its mission and vision. Boozer, Kuna and Santora (2015) argue for staff development initiatives that include mentorship programs, employee retention and adoption of better recruitment processes. Gandhi and Kumar (2014) identify communication process, leadership development programs and staff career planning as key approaches in succession planning, while Ali, Mehmood, Ejaz and Ashraf (2014) make a case for knowledge management, employee empowerment, career development paths, and maintaining stakeholder engagement. Jantti and Greenhalgh (2012) identify the constructs of succession planning and business survival as human resource development, stakeholder engagement, performance management, knowledge management, communication, and recruitment practices.

Based on these conceptualizations, the current study identified four main variables of succession planning that may be key to business survival, namely leadership development, staff career development, stakeholder engagement and communication. The above factors formed the basis of the current study. The study focused on Nairobi which is the business hub of Kenya, has the largest population of SMEs in the country and harbours majority of the family businesses in Kenya. This made Nairobi County the best choice for the study since it sought to cover as many businesses as possible. This study sought to examine the effect of succession planning on the survival of family-owned SMEs in Nairobi City County.

1.3 Objective of the Study

The main objective of this research was to examine the influence of succession planning on the survival of family-owned small and medium enterprises in Nairobi City County, Kenya.

1.3.1 Specific Objectives

The specific objectives of the study were to:

- i. Examine the effect of leadership development on the survival of family-owned small and medium enterprises in Nairobi City County, Kenya
- ii. Assess the effect of communication on the survival of family-owned small and medium enterprises in Nairobi City County, Kenya
- iii. Examine the effect of stakeholder involvement on the survival of family-owned small and medium enterprises in Nairobi City County, Kenya
- iv. Determine the effect of staff development on the survival of family-owned small and medium enterprises in Nairobi City County, Kenya

1.4 Research Questions

- i. What is the effect of leadership development on the survival of family-owned small and medium enterprises in Nairobi City County, Kenya?
- ii. What is the effect of communication on the survival of family-owned small and medium enterprises in Nairobi City County, Kenya?
- iii. What is the effect of stakeholder involvement on the survival of family-owned small and medium enterprises in Nairobi City County, Kenya?
- iv. What is the effect of staff career development on the survival of family-owned small and medium enterprises in Nairobi City County, Kenya?

1.5 Scope of The Study

The geographical scope of this research is family-owned small and medium enterprises operating within Nairobi City County. These firms were selected because they form a bulk of the SMEs operating in the country. Further, the study specified in those firms that are situated in Nairobi City which is the country's capital. This is because being the capital city, most of the family-owned businesses that have been in operation form more than two generations and

gone through succession changes are located there. As such, the findings in the capital city can show an accurate description of what other firms around the country are experiencing. The variables of the study were succession planning components: leadership development, stakeholder engagement, communication, and staff career development and how they influence the survival of family-owned SMEs. Theoretically, the study employed the human capital theory, the leadership succession theory, and the game theory of succession planning. The study methodology was guided by a quantitative approach grounded on a positivist research philosophy. The inclusion criteria focused on businesses that have been able to transition to the second generation or first-generation businesses in which there is a plan for succession. This study was conducted between March and April 2021.

1.6 Significance of The Study

This study is expected to offer practical solutions that can be applied in managerial practice and in developing policies that can be inculcated in the small and medium enterprises sector. Family-owned businesses will greatly benefit from the information on how succession planning affects the future of family-owned businesses by identifying strategies that can be adopted to sustain these businesses into the next generation. To the management and owners of the family-owned enterprises, the results of this study was critical in decision-making geared towards sustainability and survival of the business upon transition to other family members.

To the SME sector, the results of this study can be integral in sharpening the development of universal succession planning that both formal and informal SME firms can adopt in planning for business succession. Investors or financiers of family businesses will also benefit from the information on the challenges facing businesses without concrete succession plans.

To the body of knowledge, the findings was significant in underpinning future research on succession planning within the SME sector which has not been extensively researched. Researchers in the future will also find the study useful since the study findings will provide key findings on the conditions that promote realization of successor plans

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents an examination of the various literature linked to the research variables. This chapter focused on a review of the theories guiding the study, a review of previous empirical studies, a summary of the research gaps, the conceptual framework as well as the operationalization of the study variables based on the reviewed literature.

2.2 Theoretical Review

Three theories on strategic succession planning are relevant to this study: the human capital theory, the game theory of succession planning, and the leadership model succession theory. The theories are selected because they explain the importance of having competent leadership in place to guide a firm towards attaining its vision through the formulation of systematic succession processes.

2.2.1 Human Capital Theory

The Human Capital Theory was advanced by Schultz (1960) and suggested that the human capital of an individual, for instance, his or her skills and experience can be a substantial resource that can enhance business outcomes. The theory further purports that a successor with more social capital and human resources shields the firm from external forces which have significant impacts on an organization's survival prospects (Dawson, 2012). Individuals hold human capital aspects including abilities, skills, knowledge, and experience, which are of economic and functional value to any organization. These aspects denote an individual's level of productivity (Nafukho, Hairston, & Brooks, 2004).

Critics of this theory, such as Marginson (1993) argue that the theory perceives individuals as resources whose functionality mirrors exchangeable commodities and products. The theory is also criticized on the grounds of its focus on capital used quantitatively and failing to

acknowledge the social force or attributes of capital via which the company establishes social value in form of continuous commodity circulation and accumulation of capital resources for the firm. The theory also fails to consider un-measurable variables such as personal connections with insiders or their characters (Sorenson & Bierman, 2009).

This theory contributes to this study by informing the researcher of the importance of development of human capital within an organization. Since the theory establishes a relationship between human capital competency and the realization of organizational goals, it provides a basis for determining the qualities that business owners need to develop to improve success of succession plans. It also identifies which individual skills and experiences can be developed to generate substantial resource that a family enterprise can use to improve survival chances. This theory was integral in this study in examining and justifying why business owners seek to improve the competencies of key individuals within the organization as a means of managing transition periods to support the survival of the family-owned businesses. It will inform the researcher of essential leadership and staff development practices that are associated with successful takeover of organizations from one generation to another.

2.2.2 Leadership Model Succession Theory

The leadership model succession theory was developed by Ibrahim Soufani and Ian (2001). It argues for redundancy in an organization's management structure since it will ensure leadership succession planning is applied as a strategy for enhancing stability. Organizations should mentor potential contenders with the overlook of the incumbent leaders since this would ensure a swift transformation in leadership without hitches and questions to avoid conflicts.

The leadership succession model theory argues that mentoring of employees is a key internal development strategy that promotes firm outcome. Unplanned succession events, such as resignations or sudden death, can result in the loss of a critical dimension that is a source of competitive advantage (Burdett, 1993). Business structure is key to succession plans with corporations, nonprofits or cooperatives having different ownership and management. Since

there are diverse leadership styles and models, it entails that succession models be based on the current management of the organization, and its vision.

Through leadership succession programs, employees have a clear growth plan and are assured of their position within the firm in the future. This is key to enhancing morale within the organization, thus improving their productivity levels. The theory suggests that the best candidates should be picked internally based on the various mentorship processes they have gone through. This enables a high staff retention rate which in turn leads to a company's sustainability. This theory helped this study in the examination of how the various leadership development programs such as mentoring seminars and leadership training and empowering initiatives within a small business can be key to fostering the survival of the firm after succession events.

2.2.3 Game Theory of Succession Planning

Game Theory was developed by von Neumann and Morgenstern (1944) and posits that it is a branch of the decision theory and concerns itself with interdependent decisions. It studies the mathematical models of conflict and cooperation between intelligent, rational decision-makers. Since each participant has different interest, differences in vision may occur, yet the resources need to be effectively managed to maximize production levels. The participants are referred to as players and issues games since the theory stems from analyzing competitive scenarios. Scenarios such as these are a part of everyday interactions and dictate for the need to think strategically to come up with the best path to position the firm towards to attain organizational goals (Watts & Tucker, 2004).

According to this theory, the interdependent decisions are the factors that dictate a player's choices. The generational transition of ownership has been a challenge for most family businesses, and game theory provides a platform for examining succession as a set of rational but interdependent choices made by the management concerning a firm's leadership. Its main contribution was demonstrating that actions and decisions are critical to the outcomes of events involving succession (Dunemann & Barrett, 2004).

This theory is used to help analysing succession planning as a result of interdependent decisions. From the theory, since there exists a conflict of interest in succession, it is important to involve all the stakeholders in the planning process. It also shows the value of establishing proper communication channels between all involved parties in succession plans. It also shows the value of making sure that all associated stakeholders are contented with the decisions made: making sure that they will support the succession plan. The theory helped to examine how various stakeholder involvement aspects and communication can be utilized by SMEs to support their survival in the succession process. This theory is an attractive option for understanding family business management succession since it effectively analyzes decisions, and the forces behind these decisions especially when the choices are made by more than one decision maker, and when these decisions influence or are influenced by decisions of another. It will also inform the researcher on the influence of proper communication between different parties and involvement of different stakeholders in the succession plans.

2.3 Empirical Review

This section reviews the existing literature on the effects of strategic succession planning on the survival of family-owned businesses. Specifically, the section covered the effects of leadership development, succession communication, stakeholder's involvement, and staff development on the survival of family-owned businesses.

2.3.1 Leadership Development and Survival of Family-Owned Businesses

According to Ramseur, Fuchs, Edwards and Humphreys (2018), leadership development is key to succession planning since these programs are usually designed with the aim of producing leaders with high quality to ensure that the senior positions are occupied by competent leaders once the positions become vacant. They state that leadership development programs help firms to be able to identify and distinguish outstanding performers and develop individuals with desired qualities to prepare them for future leadership positions. Through activities such as role allocation, leadership development programs not only help in creating skilled and empowered leaders; it can also result in the change of leadership structure.

replacing redundant leaders with more capable leaders who can position the company to better respond to emerging challenges of the digital environment and enable greater innovation (Hall-Ellis, 2015).

Without the presence of good leadership, an organization may fail to appropriately set and achieve its targets (Achua, 2013). Family-owned businesses normally employ family members in leadership positions and therefore may not possess the best managers in the specific fields. Given these conditions, there is need for development of the leadership qualities in the family members employed in management positions in the firm. Leadership development may involve mentorship, empowering employees, knowledge, and performance management (Gandhi & Kumar, 2014). Samei and Feyzbakhsh, (2016) studied the extent to which mentorship programs affect family businesses and revealed that poor nurturing contributed significantly to the failure of family businesses making it necessary to come up with effective mentoring programs to help to nurture future leaders. The study reported that mentoring is a key aspect of successor development. However, the study failed to investigate the effect of different functions of mentoring on leadership development.

Chopin, Danish, Seers, and Hook, (2012) researched on the extent of the relationship between mentoring and development of leadership and political skills, focusing on how mentoring affects protégés' belief in their abilities as leaders, thus the development of interpersonal relationships. The study sampled two-hundred and sixty business graduates who were involved in the study, through surveys measuring the self-efficacy for leadership scale, the political skill inventory, and the mentoring functions. By comparing those who were mentored and those who lacked mentorship, findings indicated that mentorship developed political skill but failed to increase leadership self-efficacy. The study did not assess how mentorship programs can impact leadership development in family-owned enterprises.

Distelberg and Schwarz, (2013) researched on mentoring across family-owned businesses. Over three decades of research on mentoring shows the importance of developing a mentorship program, but there is little evidence into the application of mentorship programs among family-

run businesses. Since most literature on mentorship focusses on general workplace mentoring, information is not available on how interdependent systems within family businesses may be expressed in literature and disbursed to the entrepreneurs. This study examined inter-organizational family business mentoring relationships, as one of the leadership development initiatives, that influences succession planning.

Kee and Ramayah (2016) carried out a study on the role of transformational leadership, entrepreneurial competence, and technical competence on enterprise success of owner-managed SMEs in Malaysia. The findings revealed that transformational leadership style, entrepreneurial competence, and technical competence of owner-managers have a positive, significant, and substantial impact on the success of SMEs. They concluded that SMEs should stretch and leverage their scarce resources and capabilities, especially in transformational leadership, entrepreneurial competence, and technical competence, through ongoing training and collaboration to survive and grow into larger successful organizations. The study did not assess family-owned SMEs.

Dhaenens, Marler, Vardaman and Chrisman (2018), in their research, investigated mentoring in family businesses. The study adopted the theory of human resource management to assess how mentoring is related to organizational commitment since family businesses are complex and many decisions are interconnected. In their research, they found that different outcomes related to commitment are dependent on family status and status of the mentor. Mentorship programs have been noted to increase commitment but unique mentoring relationships among family members are important for continuity and longevity of business operations. The study's focus was on the influence of mentoring yet the current research assessed the impact of succession communication and stakeholder involvement on succession planning.

Oludare, Rasheed and Muideen (2017) from Nigeria, researched on succession mentoring and continuity of Nigerian-based Family-Owned Businesses in Lagos and Ogun States and adopted a descriptive research design to assess one thousand eight hundred and six, registered businesses. Findings showed that succession mentoring had a significant effect on the survival

of the family-owned business and stressed on the need for entrepreneurs to be informed of the importance of successful mentoring to Nigeria's economic growth. The study specifically assessed succession mentoring while the current study investigates other factors' influence on family-owned business' survival.

Maalu, McCormick and K'Obonyo (2013) indicate there is no statistically significant relationship between the strategy of succession and the company performance of small-medium family commercial ventures in Nairobi. The study notes that most SME have failed to develop elaborate business succession plans. Wakhungu (2010) examined the effect that executive succession has on the performance of small and medium enterprises in Kenya and found that executive succession is the main challenge to the long-term survival of SMEs. Odengo (2016) indicates that succession planning is critical to organization performance within state corporations.

These studies have focused on the relationship between leadership development and its effect on survival of general SMEs across the world. The current study, however, focused on family businesses specifically. The study therefore sought to address the knowledge gap that appears in the influence of leadership development on survival of family-owned businesses in Kenya.

2.3.2 Communication and Survival of Family-Owned Businesses

Successor communication is the action of informing stakeholders of the person selected in the succession role (Michael-Tsabari & Weiss, 2015). It entails talking to specific employees, finding out their plans, their readiness for the successor role, and confirming whether they are on-board with the organization's long-term vision and plans (Tabor & Vardaman, 2020). Zehe (2016) opines that the owner must initiate communication with other family members and employees in key positions to consider their opinions of the successor and to ensure that they have accepted the selected successor. Successor communication can be carried out through role allocation whereby the identified successor assumes a position of leadership and is given powers to make certain decisions within the organizations. Venter et al., (2005) notes that for

successful takeover, succession planning must prepare and communicate the possible successor for leadership positions since success is dependent on the successor's willingness to take over, the potential rewards from the business, the ability and personal goals of the successor, and family acceptance of the successor.

Leiß and Zehrer (2018) examined intergenerational communication in family firm succession. The study adopted a qualitative approach through adopting in-depth narrative interview schedules with predecessors and successors of the businesses. The findings indicate that communication was integral to the continuity and implementation of change within the business. The study further notes that communication enhanced interdependent development of the family heritage within the business. Mokhber, Gi, Rashid, Vakilbashi, Zamil and Seng (2017) focused on succession planning and family business performance. The study focused on 50 family-run SME in Malaysia and relied on survey questionnaires in the data collection. The results indicate that the level of heir preparation and their relationship with other family members was critical to the long-term performance of the family businesses. The research however focuses only on two aspects in the succession planning (leadership development and communication aspects). This study further sought to examine how other factors such as staff career development and stakeholder involvement affects survival of SME in Kenya.

Tsabari and Weiss (2015) researched on communication traps using the Game Theory to increase knowledge on how the founder interacts with the successor and to determine the effects of poor communication on family harmony during the succession process. Conclusions were that lack of effective communication is a significant contributor to disagreements between the founder and the successor and if this continues then family harmony will significantly impact the succession process although the two may have the same mission and vision for the company/business.

Saan, Enu-Kwesi and Nyewie (2018) study focused on the factors influencing succession planning for continuity of family-owned businesses in Ghana. The study sampled 205 SMEs and findings indicate that improved education of the founder and communication of the

succession decisions such as transfer date, post-succession roles and stakeholder roles was key to the continuity of the business. This study does not explicitly consider family-owned business that have undergone transition which is the focus of this research. Further the study does not examine the survival of the businesses which this study sought to establish.

Magasi (2016) examined factors that influence succession planning among Tanzanian SMEs assessing the effect of firm-specific factors and communication strategies involving succession. The study focused on twenty-five SMEs. Findings indicated that the size of the business positively influences succession strategies, with bigger firms making this their main priority. The number of family members involved in planning had no significant impact on the success of succession strategies. Communication also had a significant effect on the success of business succession strategies. Recommendations were that entrepreneurs make the appropriate succession strategies to increase the rate of survival. The study did not look at leadership development and stakeholder involvement and their influence in promoting firm.

Muyodi, Nyangau and Kwamboka (2019) examined the effect of succession planning approaches on operational performance of air transport industry. The study adopted a descriptive research design and sampled 168 employees working at the Kenya Civil Aviation Authority. Findings indicate that the firm had put in place clear communication plans, mutual expectation, open door policy and had periodical meetings schedule. Findings indicate that communication processes in the succession planning contributed to 68.3 percent of variations in the operational performance.

These studies show communication as an important component in succession planning to ensure survival of family-owned businesses. These studies, Leiß and Zehrer (2018); Mokhber, et.al. (2017) and Tsabari and Weiss (2015) however, do not cover the Kenyan family-owned business environment which is characterized by poor succession planning. Additionally, some of the studies such as Muyodi, Nyangau and Kwamboka (2019) and Magasi (2016) looked at the importance of communication on business performance, not necessarily on succession

planning efforts – again, cite them. Therefore, the study sought to investigate the impact of communication on the survival of family-owned businesses in Kenya.

2.3.3 Stakeholder Involvement and Survival of Family-Owned Businesses

Stakeholders comprise all the internal or external groups that have an impact or are impacted by an organization's goals and processes, either directly or indirectly. These persons have an interest in the organization or can influence its outcome, either positively or negatively (Waligo, Clarke, & Hawkins, 2014). Stakeholders within family businesses include family members, employees, business partners and management consultants; and their opinions are key to the succession planning (Kiwia, Bengesi, & Ndyetabula, 2019). Froelich *et al.* (2013) note that supplier relations, customer engagement and community involvement is central to the stakeholder involvement in succession planning since, to a degree, they have a direct engagement with the business. Through involvement of stakeholders, family businesses can communicate with, and get to know their stakeholders, understand their demands, and needs, when they want their needs met and how these demands affect organizational decisions and processes (Alwadani & Ndubisi, 2019). Venter, Van der Merwe and Farrington (2012) asserts that having a shared understanding is essential to building a cohesive vision for the future.

Venter, Merwe and Farrington (2012) studied how selected stakeholders influence harmony among family members running businesses with the main goal being to find out how non-family members, inactive family members, the senior generation affect the success of long-running family businesses. There were two measures of success, family harmony and perceived future continuity. Issuing questionnaires to 468 respondents, and using structural equation modelling in the assessment of the relationships, results indicated that stakeholders play a key role in business survival. Family members who are inactive or from the incumbent generation also significantly affect family harmony. The study did not assess how other factors such as leadership development affect succession plans. Schell, Wolff and Moog (2020) demonstrated that there exist two contractual relationships within family businesses, explicit

and psychological (implicit) family contracts. The study noted that both these contracts contribute to harmony within family businesses, hence successful transition.

In Malaysia, Ghee, Ibrahim and Abdul-Halim (2015) sought after the key determinants of success in family businesses. Descriptive, correlation and regression analyses were all utilized in analysis of data collected from second and third generation businesses with findings showing that the style of the management, relationships between family members, head of the business values and beliefs and successor training efforts were noted to influence the success of succession plans. Adil, Nasution, Samrin and Rossanty (2017) investigated the measures business owners take to prevent conflict in the succession of family businesses using strategic collaboration models. The study reported that the quality of the relationship between the leader and the potential successor and the quality of the relationship between family members is key to success of family businesses. Business owners have to mediate the relationships between family members, especially potential successors and ensuring that the vision of the potential successor align with that of the business to promote strategic goal realization.

Bulgacov, Ometto and May (2015) studied the different practices that determine sustainability and involvement of stakeholders and used a qualitative investigation and case study methodology. Findings indicate that alternative framework of analysis for strategic organizational activities oriented toward the understanding of practices of sustainability, especially in processes aimed at catering to and/or involving stakeholders. Furthermore, sustainability practices significantly impact stakeholder interests. Amolo and Migiro (2017) examined the factors impacting on family business succession at Newcastle in KwaZulu-Natal. The results indicate that eighty-eight percent of the respondents indicate that succession has never been discussed in family-meetings indicating low succession preparedness. The study notes that lack of clear communication of stakeholder roles negatively impacted the continuity of family businesses.

Ogunnaike and Kehinde (2013) revealed that network-based systems could bring the success every entrepreneur craves in business. Owners of business should be involved in social networking which will enhance their businesses and the right social media should be used to

get current information relevant for the business which will increase business success. Turyakira and Mbidde (2015) investigated networking for SMEs in Uganda and found out that for SMEs to benefit from networking arrangements, they need to establish sincere interest to their partners by encouraging conversation. The goal of networking is to establish long-term mutually beneficial relationships with partners in order to boost profitability and firm sustainability. Kenyoru (2015) found a positive link between stakeholder involvement and organizational strategic performance. The study noted that employee participation in decision making, customer relationship management and employee investment are important factors in organizational performance.

The studies involved in this section mainly focus on the various stakeholders involved in a business and their roles in daily running of organizations. They, however, do not discuss how these stakeholders impact business survival from one generation to the other. This study sought to bridge the gap and examine how involving family members, employees, business partners, suppliers, financiers among others in succession planning efforts impacts survival among family-owned businesses.

2.3.4 Staff Career Development and Survival of Family-Owned Businesses

Staff development refers to all the policies, practices, and procedures used to develop the knowledge, skills, and competencies of staff with the aim of not only improving their individual abilities, but also to advance realization of organizational goals (Jantti & Greenhalgh, 2012). In the context of succession planning, staff development provides a continuous stream of would-be-leaders since it mostly involves advancing the competencies of specific individuals in the organization (Kuna & Santora, 2015). Staff development is undertaken with the knowledge that organizations are more likely to become successful if they have the right people, with the right qualities in the right positions since each employee has a unique set of attributes that distinguish them from others (Shannon, 2017).

Yun and Wenga (2017) investigated acknowledgement of leaders on knowledge and willingness of successors on sustainable innovation among Taiwanese firms and findings

indicated that recognition from the management affected the performance of successors and positively impacted sustainable innovation. This shows that owner recognition and approval is key to the continuity of these businesses since most leaders are often disincentivized to delegate power to prospective successors. Chanchotiyan and Asavanant (2020) reported that successor readiness has a significant impact on business growth. Training, work experience in the family or another company, industry specific knowledge, possibilities of rewards and compensation, relationship with family members, harmony in the family, and founders' trust in successor's abilities were all reported to have a significant impact on successor's readiness and commitment to the company.

Karim (2014) looked into succession management and how it impacts family businesses. The study reported that recruiting talent from outside organizations for key positions has low chances of success due to cultural mismatches, poor relationship networks, resentment from potential internal candidates and increased pressure for the candidate to learn aspects of the new organization. The study showed that successful businesses source qualified members, introduce competitive compensation based on performance and responsibility, provide formal training and mentoring programs to employees and award leadership positions based on competencies developed. The study affirmed that staff development is an essential element of succession management that all firms should incorporate. Vincent, Abubakar, Ibrahim and Obere (2020) reported that increasing the level of successor understanding of the business and increasing the successors' comprehensive perception of the business cycle all have positive effects on long-term business performance.

Samei and Feyzbakhsh (2015) studied long-term growth of family firms and notes that competencies factors such as managerial skills, technical abilities, leadership skills, financial management skills, entrepreneurial skills and cognitive skills are key to sustained firm growth. Cook (2015) indicates there is a link between talent management strategy and the success of the company's succession planning programme. Pandey and Sharma (2014) note that developing sound employee retention strategies aimed at retaining highly skilled personnel and at the same time building upon under-performers competencies is key to improving the

succession within the firm. Bernthal and Wellins (2013) assert that adequately equipping their core workforce with the necessary skills and competence required to assume managerial roles is key to successful succession planning.

Ibrahim *et al.* (2014) concluded that effective successors are influenced by three components after investigating 42 CEOs who oversee 2nd or 3rd generation families in Canada with literature indicating the effect of human resources on leadership in both family and non-family businesses. Leadership skills such as the ability to delegate, lead, motivate, influence decision making and effectively resolve conflicts are valuable competencies selected by the management before selecting a suitable successor. It was also noted that management skills and competencies which promote strategic planning, market positioning, industry-specific experience, financial and general management were key. The study further indicates that successors must be effective, committed, motivated, innovative, and able to resolve conflicts arising within the firm between family and non-family members.

Kuria (2018) investigated the relationship between succession planning and performance of SMEs in Kiambu County, Kenya and used a descriptive research design. This study determined that human resource management through training and career development are essential for succession. Proper and timely induction of successors was noted to improve acceptance from other family members which had a significant effect on SME performance. Chesley (2017) studied succession planning and noted that the owners' strategies in developing the business, strengthening team building within different departments, examining family dynamics, improving retention efforts, examining and communicating long-term organizational goals, planning for the future with contingency strategies, training and support, and their leadership competency all have a strong effect on small businesses. The researcher recommended that leaders acquire quality employees, and institute development and training programs to improve their capacities to handle emerging issues talent within the organization.

Most of the studies in this section focus on managers Kuria (2018); Chesley (2017) & Samei and Feyzbakhsh (2015) and do not put a lot of focus on other factors that influence the

effectiveness of succession plans. There are limited studies that focus on the whole staff and how its development can increase the survival chances of a business (Chanchotiyan & Asavanant, 2020; Cook, 2015).

2.4 Research Gaps

Studies by Samei and Feyzbakhsh (2016), and Chopin, Danish, Seers, and Hook, (2012), indicate that leadership and mentorship programs have positively improved the performance of small businesses. The studies have focused on how mentoring and other leadership development programs influence the performance of family-run businesses but have not focused on how leadership development influences business survival to successive generations, which the current study sought to examine. Magasi (2016) found out that succession planning was critical to the success of the small business. However, the role of communication in succession planning and subsequent survival of the family-owned SME was not investigated. Bulgacov, Ometto and May (2015) indicate that stakeholder involvement is critical to the sustainability of the small businesses. However, they do not investigate the significance of stakeholder involvement in succession planning and business survival for family-owned SMEs. This study, in recognizing the value of family businesses to economic development and wealth creation as noted by Asoko Insight (2019) sought to determine what influences their intergenerational succession and survival. The study sought to fill these literature gaps and focus on leadership development, communication, stakeholder involvement and staff development to determine how they affect succession and survival of family-owned SMEs.

Chebet (2015) examined succession management practices and noted that having a structured succession management program, succession aligned to organizational strategies and training and development enhance firm performance. Hania (2012) indicated that lack of planning, poor communication and career development affects family business succession. Andebe (2016) found out that most of the family-owned businesses had never updated the company's succession management plan, while few of them had updated it within the past three years. The

study concluded that the practice of succession management positively influences family-owned businesses in Kenya. The above studies fail to point out the key aspects of successful management that are critical to the survival of family-owned businesses. This study sought to fill this knowledge gap by establishing whether and how leadership development, communication, stakeholder involvement and staff development individually and jointly influence the survival of family-owned SMEs in to the next generation. Table 2.1 presents a diagrammatical summary of the research gaps.

2.5 Conceptual Framework

The conceptual framework shows the relationship between succession planning and survival of small and medium enterprises. The succession planning was measured in terms of leadership development, communication, stakeholder involvement, staff career development and their effect on SME survival. The family business was considered to have 'survived' if it was handed over to the next generation and continued to be a going concern.

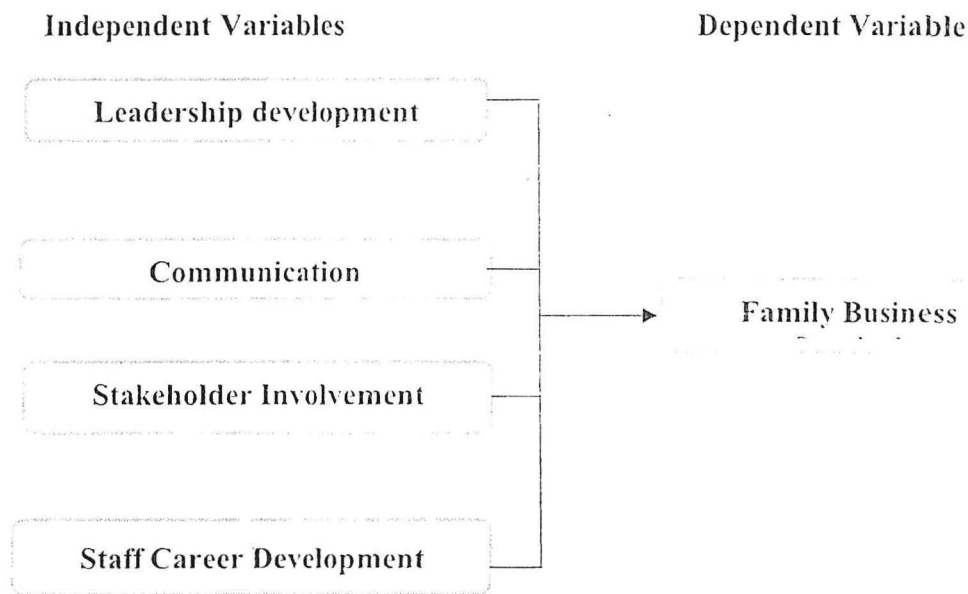


Figure 2.1 Conceptual Framework

The above conceptual framework presents the interaction between succession planning components and the survival of family owned small and medium enterprises. The interaction between the study variables is operationalized in Table 2.2 below.

Table 2.1 Operationalization of Research Variables

Variable	Variable Measures	Research Instrument	Data Analysis	Supporting Literature
Leadership development	Knowledge management and learning Mentorship Employee empowerment	Interval Scale (Likert Scale)	Descriptive statistics Correlation tests Regression tests	Samei and Feyzbakhsh. (2016)
Communication	Communication processes	Interval Scale (Likert Scale)	Descriptive statistics	Magasi (2016)

	Feedback systems		Correlation tests	
	Mission and vision		Regression tests	
Stakeholder Involvement	Supplier and customer relations	Interval Scale (Likert Scale)	Descriptive statistics	Bulgacov, Ometto and May (2015)
	Family interactions		Correlation tests	
	Consultancy relations		Regression tests	
Staff career development	Technical abilities	Interval Scale (Likert Scale)	Descriptive statistics	Bernthal and Wellins (2013)
	Managerial skills		Correlation tests	
	Recruitment and selection		Regression tests	
Family Business Survival	Sustainable growth	Interval Scale (Likert Scale)	Descriptive statistics	Bozer, Kuna and Santora, 2015)
	Generational transition		Correlation tests	
	Market expansion		Regression tests	

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presented the research methodology and choice justifications. It comprises of research philosophy and design, population, and sample size, sampling technique and questionnaire design, interview guide and tools of data analysis. Issues of research quality and ethical considerations are also addressed.

3.2 Research Philosophy

Research philosophy is the way in which data about a phenomenon should be collected, analyzed, and applied (Sekaran & Bougie, 2013). It is a viewpoint that is based on the set of shared assumptions, values, concepts, and practices (Johnson & Christensen, 2019). The research employed a positivism philosophy. The positivist paradigm asserts that real events can be observed empirically and explained with logical analysis (Kaboub, 2008). This philosophy was key in guiding this research study that was based on a quantitative approach in determining the association between succession planning and survival of family businesses.

3.2.1 Research Design

Lavrakas (2008) contends that adopting an appropriate study design revolves around; the essence of the variables, questions guiding the research or propositions, the sample of participants, the study's settings, the methods, or approaches employed in the collection of data and the data analysis techniques. An explanatory, descriptive research design was adopted due to its ability to determine correlations of interdependent relationships in explaining how behavioral patterns affect relationships between variables (Zikmund, Babin, Carr, & Griffin, 2012). The design is also associated with greater levels of internal validity due to the systematic selection of subjects.

3.3 Target Population and Sampling Design

3.3.1 Target Population

For this study, the target population comprised of family owned small and medium enterprises with 10-99 employees Nairobi County. According to Asoko Insight (2019), there are 490 family-owned businesses that earn in excess of \$10 million. The report noted that of the large family-owned businesses, only 30% had made it through second generation and 13% had made it past third generation. The population of this study consisted of these companies (Asoko Insight, 2019). The study relied on Asoko Insight directory of family-owned business, as it was comprehensive, most current, extensive and covered all family-owned business in the country, consisting of 490 registered businesses. Other databases such as the Association of Family Business Enterprises (AFBE) has only 98 firms listed.

3.3.2 Sampling Design and Sample Size

Lavrakas (2008) describes a sampling frame as a list of the target population from which the sample is selected and usually consists of a finite population for descriptive survey. Gill and Johnson (2002) define it as a list of members of the research population from which a random sample may be drawn. The sampling frame consisted of 490 family-owned small and medium enterprise firms. The sample size for the study was calculated using the Yamane formula as shown below.

n =sample size.

N = population size

e =level of precision (5%)

$$n = \frac{N}{1 + N(e)^2}$$

$$220 = \frac{490}{1 + 490(0.05)^2}$$

The sample size was 220 enterprises. The study sought audience from business owners or the highest-ranking alternative who could provide data for the study. The study purposively selected SMEs that had undergone at least the 2nd, generation transition or had a strategy for transition.

3.4 Data Collection

This study utilized primary data that was collected from the family-owned businesses within Nairobi City County. The study considered firms that have survived and transitioned to 2nd generation and beyond or have a strategy to transition to the 2nd generation. The participants of the study were selected to meet the above criteria. Questionnaires were used to collect primary data. They contained Likert scale types of questions where the respondents were required to indicate their level of agreement with statements (Gill & Johnson, 2002).

According to Cooper and Schindler (2011), Likert scales are the most reliable and provide a greater volume of data compared to other scales and give a better approximation of the normal response curve hence the justification for their use in this study. The study questionnaire may be found in Appendix II. Part A of the questionnaire contains general information on the participants of the study. Part B captures the statements on the independent variables of the study including leadership development, communication, stakeholder involvement and staff development. Part C of the questionnaire contains statements on the dependent variable – the survival of family-owned SMEs. Statements in Parts B and C are measured using a 5-point Likert scale.

The study adopted a drop and pick technique in the data collection process. The questionnaire was delivered to the respondents' enterprises that were considered in the study. The researcher gave the participants an average of three days to respond to the questionnaire. The researcher ensured that the respondents were briefed on the aims of the research as well as notified of

their right not to participate in the research. The research further ensured that only firms that had undergone a generational change were included in the study sample. Any firm that had not at least attained a second-generation status was not considered in the study.

3.6 Research Quality

The study conducted a pilot test with 10% of the sample respondents who were not involved in the main study. According to Kothari (2012). A pilot test is a trial test designed to check logistics (reliability and validity of results) and collect information prior to conducting a large study aimed at improving the latter's quality and efficiency. Piloting was done to indicate whether the type of data collected would be meaningfully analyzed in relation to the stated objectives and questions. The pilot test enabled the testing of the reliability tests and the validity tests of the questionnaire.

3.6.1 Reliability of Research Instrument

Reliability is the degree of consistency of the research instruments even after several attempts. Silverman (1993) posited that reliability is achieved through pre-testing interview protocols and questions; use of fixed-choice responses; and systematic collection of data, transcription, and reporting of field notes for review. If the results of a study can be reproduced under a similar methodology, then the research instrument is reliable (Walliman, 2011). The study utilized the Cronbach to assess the internal consistency of the study instrument. The study adopted the constructs if it achieves an Alpha score of above 0.7 as widely adopted as the standard alpha score. If it does not achieve the preferred alpha score, the instrument was amended accordingly.

According to Walliman (2011) any variable that attains a score of above 0.7 is adequate in ensuring there is internal consistency within the research instrument. The reliability tests yielded a Cronbach alpha score as follows; leadership development ($\alpha = .840$), communication ($\alpha = .750$), stakeholder involvement ($\alpha = .910$), staff career development ($\alpha = .790$) and survival

of family-owned business ($\alpha = .720$). This was an indication of internal consistency in the research variables.

3.6.2 Validity of Research Instrument

Validity refers to the extent to which an instrument truly measures that which it is intended to measure or otherwise defined, how truthful the research instruments are (Cooper & Schindler, 2011). The study employed content validity through an examination of the research instrument based on literature to ensure the conceptual constructs of the research are captured in the questionnaire. Piloting the questionnaire, as well as review through the supervision process also helped to enhance the content validity of the tool.

3.7 Data Analysis and Presentation

Responses from the questionnaires were tabulated, coded, and processed by use of Statistical Package for Social Science (SPSS) to analyze the data using descriptive and inferential statistics. This generated quantitative reports through percentages, and measures of central tendency, i.e., mean, and standard deviations. Frequency tables and graphs were used to present the findings for ease of comparison. In addition, the study conducted multiple regressions to measure the strength of the relationship between the dependent and independent variables. The ANOVA model was tested for statistical significance at a 5% confidence level. The regression equation was;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where:

Y = survival of small and medium enterprises

{ β_i : $i=1, 2, 3, 4$ } = The coefficients for the various independent variables

X_1 = leadership development

X_2 = communication

X_3 = stakeholder involvement

X_4 = staff career development

e = error term

The study further undertook tests of linear regression assumptions in examining the statistical fit of the regression model. The study adopted collinearity tests, heteroscedasticity tests and normality tests.

3.8 Ethical Considerations

The researcher sought ethical approval from Strathmore university to proceed to the field to collect data. A copy of the ethical approval letter may be found in Appendix I. The researcher further applied for a research license from NACOSTI before embarking on the main data collection process. A copy of the research license may be found in Appendix II. The researcher was keen to safeguard the rights of the respondents and those of the organizations. Respondents were assured that confidentiality levels will be upheld through non-disclosure of the collected information. The researcher employed Free, Prior and Informed Consent (FPIC) so to ensure a full disclosure of the study. The respondents were informed as much as possible on the nature and purpose of the research, the procedures to be used, and the expected benefits of the research. They were also informed that they had the option to withdraw their participation if they felt like they could not respond to some questions. Further, the researcher attached an introduction letter to the questionnaires highlighting the need for the current study.

CHAPTER FOUR

PRESENTATION OF RESEARCH FINDINGS

4.1 Introduction

This chapter presents the findings drawn from the analysis of the collected study data, with the chapter divided into: background information, descriptive analysis, correlation analysis, diagnostic tests, and regression analysis.

4.2 Background Information

4.2.1 Response Rate

Cooper and Schindler (2011) opined that a response rate of above 50% is deemed adequate for utilization in making reliable inferences for the population in quantitative studies. The study targeted 220 generational firms within Nairobi City County. The research achieved 71% (n=157) response rate. This response was considered adequate for the research.

4.2.2 Demographic Information

The respondents' demographic profile focused on the generation of the firms, their education, position in the firm, number of years working in the firm, number of staff, and the presence of succession plans within the firms. The analysis of the responses is summarized in Table 4.1 below.

Table 4.1 Demographic Results

Generation of SMES	Frequency	Percentage
2 nd	59	37.6
3 rd	73	46.5
4 th	25	15.9
Total	157	100
Level of Education of respondent		

Diploma	55	35.1
Graduate	83	52.8
Postgraduate	19	12.1
Total	157	100
Position in the SME		
Business owner	50	31.8
Business manager	107	68.2
Total	157	100
Number of years working in SME		
Less than 10 years	80	51.0
10-15 years	52	33.1
16-20 years	16	10.2
Over 21 years	9	5.7
Total	157	100
Number of staff		
10-49 staff	108	68.8
50-99 staff	49	31.2
Total	157	100
Succession plan in the business		
There is a plan	104	66.2
There is no plan	21	13.4
I am not aware	32	20.4
Total	157	100

The results showed that most of the firm's 46% (n=73) were 3rd generation firms, and 16% (n=25) were in their 4th generation, which indicated improving survival of generation SMEs

Kenya. Findings revealed that the majority of the participants, 52% had a graduate degree while only 12% had a postgraduate degree. The results also showed that most of the respondents, 68% (n=107), were business managers, and 32% (n=50) were business owners, which showed that the participants had articulated knowledge on the subject matter, thus offering reliable responses. The results also showed that the majority of the SMEs, 69% (n=108), had at least 10-49 staff members while 31% (n=49) had 50-99 staff members. This noted that the firms involved in the study met the criteria for inclusion as SMEs. The results noted that 66% (n=104) of the SMEs had a succession plan in place, 13% (n=21) did not have any succession plan. This shows that not all generational firms within the scope of the survey have a succession plan in place.

4.3 Descriptive Analysis

The research relied on a structured questionnaire to collect data from the participants on the study variables. The research tool employed a Likert scale of 1 to 5 where 1 = strongly disagree, 2 = disagree, 3 = moderately agree, 4 = agree and 5 = strongly agree. The summary analysis was conducted using descriptive measures such as means and standard deviation. The findings are presented in line with the variables of the research.

4.3.1 Leadership Development

The first variable of the study focussed on the leadership development undertaken within the generational SMEs in Nairobi County. The analysis is presented in table 4.2 below.

Table 4.2 Descriptive Analysis of Leadership Development

	N	Mean	Std. Deviation
Knowledge Management			
I have the key knowledge and understanding of succession planning	157	3.82	1.07

The firm has implemented a tacit learning environment within its operations	157	3.6	.91
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Employee Empowerment

The firm regularly trains the employees within the firm on the main business aspects	157	3.76	.95
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The firm's employees are regularly trained on the main aspects of self-efficacy for a managerial career	157	3.67	1.00
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The firm offers the employee's promotion opportunities for a managerial career	157	3.48	.97
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Mentorship

The business owners routinely conduct managerial counselling within the firm among top staff	157	3.40	1.04
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I have taken time to coach and mentor my successor	157	3.38	1.22
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Results showed that the respondents had key knowledge and understanding about the firm's succession plans (mean=3.82) with a high deviation of 1.07. The respondents agreed that the firm's employees are regularly trained on the main aspects of self-efficacy for a managerial career (mean = 3.67) and a high deviation of the responses of 1.00. The results also showed agreement among participants that the firm regularly trains the employees within the firm on the main business aspects (mean = 3.76) with moderate deviation of .95 among the responses received. Findings showed moderate agreement among respondents that the firm offers the employee's promotion opportunities for a managerial career (mean = 3.48) with moderate deviation of .97 among the responses received. The study also showed that the respondents were in moderate agreement that the owners routinely conduct managerial counselling among top staff (mean=3.40, dev = 1.04).

4.3.2 Communication

The second variable of the study focussed on the communication practices adopted within the generational SMEs in Nairobi County. The analysis is presented in table 4.3 below.

Table 4.3 Descriptive Analysis of Communication

	N	Mean	Std. Deviation
Communication Processes			
The organization regularly communicates changes on the mission of the organization to senior employees to support succession planning	157	3.83	.97
The organization has adopted an effective communication system within the firm to guide succession planning	157	3.69	1.01
Feedback Systems			
Business-owning parents should share all information, including business secrets, with their children on the succession planning	157	4.17	.83
There is the improved delegation of duties within the staff in preparation for a managerial succession planning	157	3.82	.93
The firm has employed an elaborate feedback system to conduct regular reviews within the succession planning of the organization	157	3.66	1.00
Mission and Vision			
Staff and family members embrace the firms' vision during succession process	157	3.82	.90
The owner's vision has put in place clear guidelines for succession practices within the firm	157	3.67	1.13

The analysis revealed strong agreement among participants that the business-owning parents should share all information, including business secrets, with their children (mean = 4.17) with

moderate deviation of .83 among the responses from the participants. The findings noted agreement among respondents there is improved delegation of duties within the staff in preparation for a managerial career (mean = 3.82, dev = .90). The results demonstrated agreement that the organization regularly communicates changes on the organization's mission to senior employees (mean = 3.83, dev =.97). Findings also noted that the firm had employed an elaborate feedback system to conduct regular reviews within the organization (mean = 3.66, dev = 1.00).

4.3.3 Stakeholder Involvement

The third variable of the research analyzed the stakeholder involvement practices adopted within the generational SMEs in Nairobi County. The analysis is presented in table 4.4 below.

Table 4.4 Descriptive Analysis of Stakeholder Involvement

	N	Mean	Std. Deviation
Supplier and customer relations			
The firm regularly conducts a review of supplier relations to foster business engagement during succession process	157	3.78	.86
The management regularly conducts customer engagement to foster their involvement in business growth during the succession planning process	157	3.86	.90
Family Interactions			
The business owners regularly conduct family meetings to review succession plans	157	3.47	1.20
The movement from generation to the other is dependent on family cohesion	157	3.99	.94
Consultancy Relations			

The strategies applied in succession should be given by experts	157	3.56	.94
The business owners decide who to succeed the current leader	157	3.93	1.06

The results noted strong agreement that the movement from generation to the other depends on family cohesion (mean = 3.99) with moderate dispersion from the mean of .94. The analysis revealed agreement that the firm regularly conducts a review of supplier relations to foster business engagement (mean = 3.78) and moderate deviation of .86. Findings demonstrated disagreement among respondents that business owners regularly conduct family meetings to review succession plans (mean = 3.47) with high variation in the responses of 1.20.

4.3.4 Staff Career Development

The fourth variable of the research analyzed the staff career development employed within the generational SMEs in Nairobi County. The analysis is presented in table 4.5 below.

Table 4.5 Descriptive Analysis of Staff Career Development

	N	Mean	Std. Deviation
Technical Abilities			
The firm fosters the technical abilities of the staff through regular training	157	3.79	.93
Education and personal traits are considered when determining the successor within the firm	157	3.61	1.16
Managerial Skills			
The firm regularly undertakes performance assessment to gauge the competency of the staff for the managerial role	157	3.76	.83

The business owners possess the necessary leadership skills to guide the firm succession	157	3.72	.96
The firm managers have adequate entrepreneurial skills to foster succession practices within the firm	157	3.66	1.03
The firm managers have the requisite managerial skills necessary to guide succession planning	157	3.60	1.0
Recruitment and Selection			
The enlisted successor has the qualifications or requirements to take over in the organization	157	3.70	.98
The firm has an elaborate recruitment and selection process that ensures there is adequate managerial talent within the firm	157	3.63	1.0

The analysis showed that participants agreed that the firm regularly undertakes performance assessment to gauge the competency of the staff for the managerial role (mean =3.76) with moderate deviation of the responses from the mean as shown by a value of .83. Further, business owners were noted to possess the necessary leadership skills to guide the firm succession (mean = 3.72) with moderate variation in the responses .96. The analysis also established an agreement that education and personal traits are considered when determining the successor within the firm (mean = 3.61, dev = 1.16). The findings also noted agreement there is an elaborate recruitment and selection process that ensures there is adequate managerial talent within the firm (mean = 3.63, dev = 1.00). The study also established that the managers have the requisite managerial skills necessary to guide succession planning (mean=3.60) and a high deviation of 1.00

4.3.5 Survival of Family Business

The dependent variable for the research examined the survival of generational family business in Nairobi City County, and the findings are shown in Table 4.6

Table 4.6 Descriptive Analysis for Survival of Family Business

	N	Mean	Std. Deviation
Generational Transition			
The organization has maintained the generational transition of ownership after the succession of the business	157	3.95	.93
The firm has maintained operational sustainability after the succession of the business	157	3.76	.90
Market Expansion			
The firm has maintained its market expansion practices after the succession of the business	157	3.79	.97
The firm has undertaken diversification processes after the succession of the business	157	3.79	.94
Sustainable Growth			
The firm has attained sustainable growth after the initial succession of the business	157	3.76	1.06

The study noted agreement that the organization will be able to maintain the generational transition of ownership after the succession of the business (mean = 3.95, dev = .95). The results indicated agreement that the firm will be able to maintain its market expansion practices after the succession of the business (mean = 3.79) with moderate dispersion in the responses obtained of .94. The analysis also noted agreement that the firm will attain sustainable growth after the initial succession of the business (mean = 3.76) with a high deviation of 1.06

4.4 Diagnostic Tests

The analysis included tests to ensure that the research data met the minimum criteria for conducting inferential analysis (regression). The study adopted the collinearity, normality, and heteroscedasticity test.

4.4.1 Normality Test

The research utilized the Normality P-P plot to determine if the study's observations were from a normal distribution. The findings showed the study's observations fitted along the normality line, which was an indication of the data meeting the normality assumption.

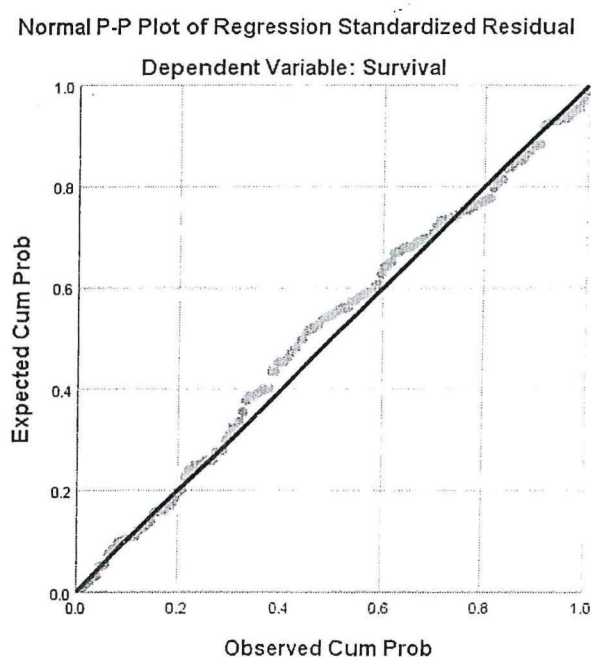


Figure 4.1 Normality Plot

4.4.2 Collinearity Test

Collinearity tests were conducted to check for the strength of the association between the variables.

Table 4.7 Collinearity Results

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Leadership Development	.517	1.935
Communication	.432	2.316
Stakeholder Involvement	.561	1.782
Career Development	.553	1.808

a. Dependent Variable: Survival

As a standard, the tolerance level of all independent variables should be above 0.1, with the variance inflation factor (VIF) being less than 10. The analysis showed that all the study variables had VIF ranging between 1.782-2.316 and tolerance values above 0.1, indicating no collinearity between the variables.

4.4.3 Heteroscedasticity Test

The study tested for heteroscedasticity using the residuals of the regression analysis. The findings indicated that the residuals had constant variation (minimal disturbances) from the centre line, which indicated constancy of variance and, hence, no heteroscedasticity.

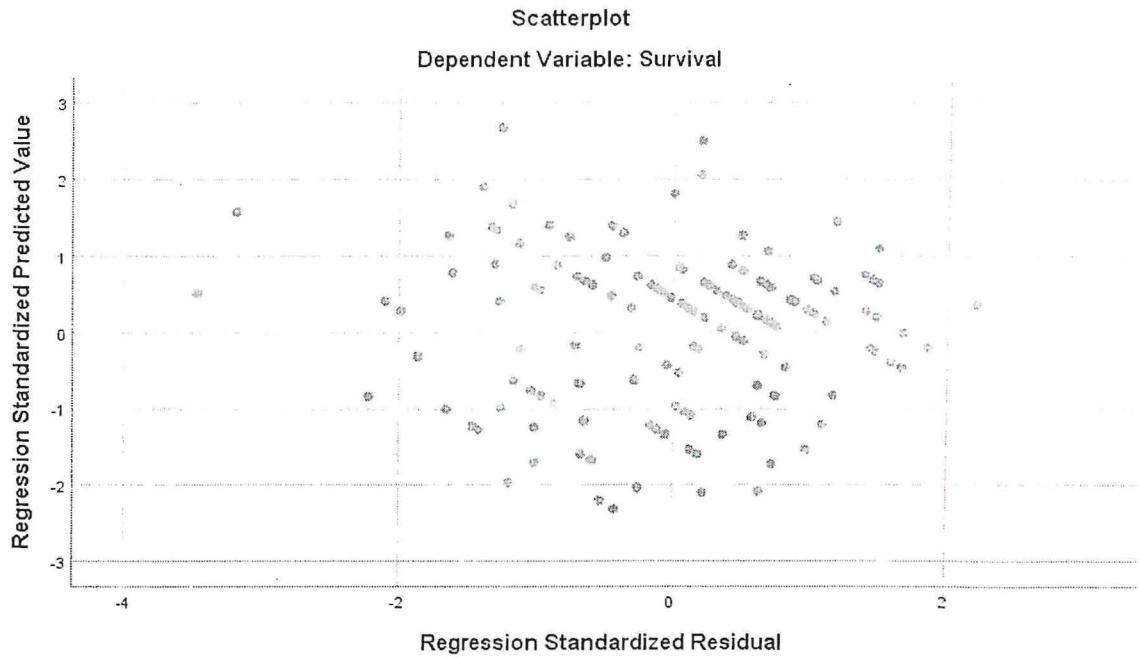


Figure 4.2 Scatter Plot

4.5 Correlation Analysis

The research employed correlation analysis to determine the association between the independent and dependent variables. The study adopted Pearson correlation with the 95% confidence interval tests.

Table 4.8 Correlation Results

		Leadership Development	Communication	Stakeholder Involvement	Career Development	Survival
Leadership Development	Pearson Correlation	1				
	Sig. (1-tailed)					
	N	157				
Communication	Pearson Correlation	.647*	1			
	Sig. (1-tailed)	.000				
	N	157	157			

Stakeholder Involvement	Pearson Correlation	.449**	.623**	1		
	Sig. (1-tailed)	.000	.000			
	N	157	157	157		
Career Development	Pearson Correlation	.577**	.571**	.541**	1	
	Sig. (1-tailed)	.000	.000	.000		
	N	157	157	157	157	
Survival	Pearson Correlation	.521**	.580**	.553**	.587**	1
	Sig. (1-tailed)	.000	.000	.000	.000	
	N	157	157	157	157	157

** . Correlation is significant at the 0.01 level (1-tailed).

The results in Table 4.8 showed moderate positive relationships between leadership development and the survival of family business ($r = .521$, Sig = $.000 < .05$), communication and family business survival, ($r = .580$, Sig = $.000 < .05$), stakeholder involvement and family business survival ($r = .553$, Sig = $.000 < .05$), and career development and family business survival ($r = .587$, Sig = $.000 < .05$).

4.6 Regression Analysis

Multiple linear regression was adopted to investigate the strength of the influence of succession planning dimensions on the survival of family businesses in Nairobi County. The regression summary is presented in this section.

Table 4.9 Regression Summary

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.685 ^a	.469	.455	2.35103

a. Predictors: (Constant), Career Development, Stakeholder Involvement, Leadership Development, Communication

b. Dependent Variable: Survival

The regression model presented above showed an R-square that denotes the model's coefficient ($R^2 = .469$). This showed that holding other factors constant, 46.9% of the changes in family business survival are predicted by the succession planning dimensions; *Career Development, Stakeholder Involvement, Leadership Development, Communication*.

Table 4.10 ANOVA Summary

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	742.534	4	185.633	33.585	.000 ^b
	Residual	840.154	152	5.527		
	Total	1582.688	156			

a. Dependent Variable: Survival

b. Predictors: (Constant), Career Development, Stakeholder Involvement, Leadership Development, Communication

Further, ANOVA analysis was conducted to determine the statistical significance of the regression model adopted. The results showed an F-value = 33.585, Sig = .000 < .05 which is a statistically significant result. Thus, the study established a positive and significant influence of succession planning on the survival of family-owned small and medium enterprises in Nairobi City County.

Table 4.11 Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	T	
1 (Constant)	2.084	1.481		1.407	.161

Leadership Development	.103	.064	.133	1.623	.107
Communication	.149	.067	.199	2.213	.028
Stakeholder Involvement	.191	.069	.218	2.765	.006
Career Development	.206	.059	.279	3.507	.001

a. Dependent Variable: Survival

Based on the findings above the study regression model is as shown below;

$$Y = 2.084 + .103X_1 + .149X_2 + .191X_3 + .206X_4 + 1.481$$

The results showed that leadership development had a coefficient = .103, Sig = .107 > .05, which indicated an insignificant effect of leadership development on the survival of family-owned small and medium enterprises in Nairobi City County. The analysis on communication showed a coefficient = .149, Sig = .028 < .05, which revealed a significant effect of communication on the survival of family-owned small and medium enterprises in Nairobi City County. Findings also revealed that stakeholder involvement coefficient = .191, Sig = .006 < .05, which established that stakeholder involvement had a significant effect on the survival of family-owned small and medium enterprises Nairobi City County. The findings indicated that career development had a coefficient = .206, Sig = .001 < .05, which was an indication that career development had a significant effect on the survival of family-owned small and medium enterprises in Nairobi City County.

CHAPTER FIVE

DISCUSSIONS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

The fifth chapter focused on discussing the study findings, the conclusions of the study, recommendations, limitations, and areas for further research.

5.2 Discussion

5.2.1 Leadership Development and Survival of Family-Owned Business

The study findings showed that the enterprises regularly trained the employees on the main business aspects and had implemented a tacit learning environment within their operations. This included mentorship as well as training on self-efficacy for a managerial career. Respondents also agreed that they had essential knowledge and understanding of succession planning. These findings are consistent with Distelberg and Schwarz (2013) who believe that regular training and mentorship have been vital to improving the survival of an enterprise after succession. Kee and Ramayah (2016) found that quality leadership resonated with increased training that prepared employees for succession. Odengo (2016) also showed the role of leadership in improving succession planning outcomes.

The participants moderately agreed that business owners routinely conduct managerial counselling within the firm among top staff. Regarding employee empowerment, respondents were in least agreement that the firms offer promotional opportunities to managerial positions. Further, managers moderately agreed to having taken time to coach and mentor their successors. These findings resonate with Wakhungu (2010), who revealed that most SMEs had faced challenges in undertaking executive succession, which negatively impacted their success. Similar sentiments were advanced by Samei and Feyzbakhsh (2016), who noted that having inadequate measures in place to promote leadership talent nurturing and mentoring impacts continuity of family-owned businesses.

The regression findings established an insignificant effect of leadership development on the survival of family-owned business. The results are in line with Wakhungu (2010), who found out that most SMEs could not successfully implement their succession plans due to failure to adequately integrate prospective employees into leadership positions. These findings are inconsistent with Kee and Ramayah (2016), who opined that leadership and competence of the managers were associated with the improved success of small and medium enterprises. Oludare, Rasheed, and Muideen (2017), in their study, were also able to identify a significant effect of succession mentoring on the survival of family businesses.

The leadership model of succession theory by Ibrahim Soufani and Ian (2001) opines that continuous mentoring of employees within the firm is key to a seamless transition of leadership vacancies within the firm. This can be critical to ensuring the business's survival in the absence of the leadership team due to the redundancies put in place through coaching and mentoring. However, this was not sustained in the current study, with results indicating no significant influence of leadership development on the survival of family-owned small and medium enterprises in Nairobi City County. This calls for more examination of the leadership development practices employed within the firms.

5.2.2 Communication and Survival of Family-Owned Business

The analysis pointed to an agreement among respondents that the organization has adopted an effective succession communication system. The respondents agreed that the organization regularly communicates changes on the organization's mission to senior employees. The results are echoed by Leiß and Zehrer (2018), who noted that improved communication between generational family members has been critical to driving the continuity of the business and ensuring succession plans are implemented. Magasi (2016) pointed out that clear communication of the succession plans and prioritizing feedback between family members was vital to improved succession within SMEs.

The study revealed agreement that the firm has employed an elaborate feedback system to conduct regular reviews within the organization. Similar sentiments were advanced by

Muyodi, Nyangau, and Kwamboka (2019), who indicated that clear communication plans, feedback policy, and an open-door policy were critical to the organization's performance. The results demonstrated an improved delegation of duties within the staff in preparation for a managerial career. It was further shown that respondents agreed the owner's vision has clear guidelines for succession practices within the firm. Findings pointed to an agreement that the staff and family members embrace the firm's vision. The analysis also showed that business-owning parents should share all information, including business secrets, with their children. Saan, Enu-Kwesi, and Nyewie (2018), in their study, revealed that improved education of the founder on the succession plans, communication of the details, and post-successions roles were central to achieving continuity within the business. Tsabari and Weiss (2015) found that developing an effective communication process would help eliminate struggles between family members and ensure the succession process is carried out effectively.

The findings indicated that communication had a significant effect on the survival of family-owned small and medium enterprises in Nairobi City County. Mokhber et al. (2017) also found a positive effect of communication on family-owned business performance. Saan, Enu-Kwesi, and Nyewie (2018) also revealed that better communication of the success decisions has been central to improved continuity of family-owned business. Magasi's (2016) study also established that communication had a significant effect on the success of business succession strategies. Game Theory developed by von Neumann and Morgenstern (1944) note that decisions applied by the organizations towards succession planning are vital to the survival of a family-owned business. The theory was key in informing the researcher about the importance of properly preparing individuals for future key roles in an organization. Adequately communicating succession plans early in advance is a strategy that is meant to inform all employees of the future made by the businessowner and is key in defining people's future role in the organization. Poor succession communication would result in confusion among various leaders if the business owner is suddenly incapable of making key decisions and this would negatively impact firm performance.

5.2.3 Stakeholder Involvement and Survival of Family-Owned Business

The research pointed to an agreement that the firm regularly conducts a review of supplier relations to foster business engagement. The results noted that the management regularly conducts customer engagement to foster their involvement in business growth. Venter, Merwe, and Farrington (2012) viewed relations with stakeholders as vital to ensuring the business's long-term survival after the departure of the incumbent generation. Findings revealed agreement that movement from one generation to the other is dependent on family cohesion, and strategies applied in succession should be given by experts. Amolo and Migiro (2017), in their study, suggested that having regular family meetings and improving the communication between the family and stakeholders will improve succession preparedness.

The results showed agreement that the business owners decide who to succeed. Ogunnaike and Kehinde (2013) revealed that the involvement of the business owners in networking activities is relevant to improving the success of the business. Respondents, however, only moderately agreed that business owners regularly conduct family meetings to review succession plans. This result is consistent with Amolo and Migiro (2017), who noted that most family-owned businesses could not undertake succession planning due to a lack of adequate continuous meetings meant to address leadership positions, responsibilities, and roles. The findings indicated that stakeholder involvement significantly affected the survival of family-owned small and medium enterprises in Nairobi City County. The results are in tandem with Venter, Merwe, and Farrington (2012), who showed that stakeholders played a central role in business survival. Bulgacov, Ometto, and May (2015) also noted that the involvement of stakeholders in the organization's activities is key to enhancing sustainability practices. The human capital theory speaks to the importance of developing employee capabilities as a means of ensuring consistency in leadership qualities and promoting continuity. Business leaders play a key role in establishing relationships with involved stakeholders and it is their responsibility to ensure that prospects have a functioning relationship with key stakeholders within the firm. This would improve their capacity to attain organizational goals.

5.2.4 Staff Career Development and Survival of Family-Owned Business

The respondents agreed that the firm fosters the staff's technical abilities through regular training, and managers have the requisite managerial skills necessary to guide succession planning. These results agree with Samei and Feyzbakhsh (2015), who opined that improving the managerial, financial, technical, and leadership skills was vital to sustaining firm growth. The findings showed that business owners possess the necessary leadership skills to guide the firm succession. Similarly, Cook (2015) revealed that better talent management within the company would be critical to the execution of succession planning. Further, it was revealed that firm managers have adequate entrepreneurial skills to foster succession practices within the firm.

The participants also agreed that the firm has an elaborate recruitment and selection process that ensures adequate managerial talent within the firm. In their study, Pandey and Sharma (2014) also established that apparent retention of highly skilled personnel and improving their competencies was associated with better succession within the firm. The results indicated agreement that the enlisted successor has the qualifications or requirements to take over in the organization. The findings revealed agreement that the firm regularly undertakes performance assessment to gauge the competency of the staff for the managerial role. In their study, Bernthal and Wellins (2013) revealed that equipping the workforce with the right skills and improving their competencies will help ensure there is successful succession planning.

The findings indicated that staff career development significantly affected the survival of family-owned small and medium enterprises in Nairobi City County. The findings are consistent with Ibrahim *et al.* (2014), who indicated that improved delegation of duty, management competencies and skills, and enhanced human resource capacity are key to enhancing the succession within the firm. Bernthal and Wellins (2013) revealed that the skills and competence of the workforce are vital to successful succession planning. Cook (2015) found out that better talent management was positively associated with succession planning success within firms.

The Human Capital theory by Schultz (1960) informed the study that building up a competent staff, improving the availability of adequate human resources, and improving their skills is vital to business survival. This is due to the limited dependability of the external environment to support the business in day-to-day operations. This was affirmed in the study. The results indicated that staff career development and communication within the workplace are vital determinants of improved survival of family-owned small and medium enterprises in Nairobi City County.

5.3 Conclusions

The study results supported the conclusion that succession planning has a positive and significant influence on the survival of family-owned small and medium enterprises in Nairobi City County. The results implied that jointly leadership development, communication, stakeholder involvement, and staff career development positively affect the survival of family-owned small and medium enterprises in Nairobi City County. Based on the findings of the first objective, the study concluded that leadership development on its own did not significantly affect the survival of family-owned small and medium enterprises in Nairobi City County. The findings revealed that the current knowledge management, mentorship, implicit learning, and employee empowerment were not statistically significant to the survival of family-owned small and medium enterprises in Nairobi City County. However, this may not necessarily mean they are not important, and further research may be needed to establish their importance.

The results of the second objective led to the conclusion that communication had a positive and significant effect on the survival of family-owned small and medium enterprises in Nairobi City County. The results established that the adopted communication processes, feedback systems, delegation of duties, and the mission and vision were significant determinants of the survival of family-owned small and medium enterprises in Nairobi City County.

The findings of the third objective led to the conclusion that stakeholder involvement had a positive and significant effect on the survival of family-owned small and medium enterprises in Nairobi City County. The study revealed that supplier relations, customer engagement,

community engagement, family interactions, and consultancy relations were significant predictors of the survival of family-owned small and medium enterprises in Nairobi City County.

The results for the fourth objective supported the conclusion that staff career development had a positive and significant influence on the survival of family-owned small and medium enterprises in Nairobi City County. This implied that technical abilities, managerial skills, employee retention, performance management, recruitment, and selection positively led to the survival of family-owned small and medium enterprises in Nairobi City County.

5.4 Recommendations

The study results showed an insignificant effect of leadership development on the survival of the family-owned business. Based on these findings, the study recommends that the business create a clear learning environment that will help improve the knowledge of the team, which can improve their awareness of the business aspects. Further, the leaders should conduct regular training of their employees, which can be vital to enhancing their preparation for generational changes in the business. The study also recommends that leaders constantly review their coaching and mentoring programs to ensure they are consistent with the business's emerging needs, improving succession planning.

The findings showed a positive and significant effect of communication on the survival of the family-owned business. In line with the results, the study recommends that family-owned businesses develop clear communication processes that will help drive the flow of information that can foster understanding of succession planning. Further, the family business should implement a feedback system that will ensure employees can share information to improve their preparation for succession practice within the firm. More so, the business owner should set up a collaborative environment where staff is involved in setting the firm's mission and vision, which will ensure they embrace and are committed to attaining the firm goals. Further, business owners should share all relevant information on the business to ensure continuity of the business is achieved.

The research revealed a significant effect of stakeholder involvement on the survival of the family-owned business. Based on the results, the study recommends that family-owned businesses should develop strategic alliances that will help in improving the relations between the business and its stakeholders. More so, the management should regularly involve their suppliers and customers in designing plans for business conduct that will ensure future management teams retain them. The study also recommends that business owners involve the immediate family members in developing succession plans, ensuring minimal disruption in the business continuity. Further, by selecting the successor in advance, the business owner will ensure that movement from one generation to another is seamless and has the support of the family.

The study revealed a significant effect of staff career development on the survival of the family-owned business. The research recommends that setting up routine training programs for employees will improve their technical abilities and competencies, guiding their succession planning. Further, through routine mentorship of employees, the owners will develop leadership skills vital to fostering firm succession. The study recommends that family-owned employees enhance their recruitment practices to ensure that selected employees have the competencies and traits needed within the firm. Further, the businesses should develop clear recognition systems and remuneration programs that can drive retention rates. Further, regularly undertaking performance assessments will help the organization gauge the capacity of their team, which can be vital in planning for future leadership roles.

5.5 Limitations

The study was limited to exploring succession plans within family-owned businesses that are operating in Nairobi City County. This limited the study's findings since the findings cannot be replicated to reflect the condition in family businesses in smaller towns in Kenya. The study also faced a challenge in data collection due to the ongoing Covid-19 pandemic. The pandemic has led to the closure of some of the businesses which would have otherwise been targeted, and contacted some key respondents almost impossible. The researcher adopted online data

collection methods to ensure that remote data collection would be possible. To this extent, google forms were used to collect data from respondents who could not be accessed physically.

5.6 Areas for Further Studies

Given the insignificant relationship between leadership development and survival, the research recommends that further research work reviews the suitability of leadership development practices adopted within family-owned small and medium enterprises in Nairobi City County. The study also suggests that further research should be conducted focusing on the effect of succession planning on the performance of family-owned small and medium enterprises in Nairobi City County. This will be key to improving the knowledge of succession planning in the SME industry.

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APPENDICES

Appendix I: Ethical Review Letter



15th April 2021

Ms Karanja, Anne
ann.njambi@strathmore.edu

Dear Ms Karanja,

RE: Influence of Succession Planning on The Survival of Family Owned Small and Medium Enterprises in Nairobi City County, Kenya

This is to inform you that SU-IERC has reviewed and **approved** your above SU-master's research proposal. Your application reference number is SU-IERC/0994/21. The approval period is **15th April 2021 to 14th April 2022**.

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-IERC.
- 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-IERC within 48 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-IERC within 48 hours
- v. Clearance for 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 expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days upon completion of the study to SU-IERC.

Prior to 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 also obtain other clearances needed

Yours sincerely,

A handwritten signature in black ink, appearing to read "Virginia Gichuru".






for: Dr Virginia Gichuru,
Secretary: SU-IERC

15 Apr 2021

Cc: Prof Fred Were
Chairperson: SU-IERC

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

Appendix II: NACOSTI Research License

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: 321831	Date of Issue: 15 May 2021
RESEARCH LICENSE	
	
<p>This is to Certify that Ms. Anne Njambi Karanja of Strathmore University, has been licensed to conduct research in Nairobi on the topic: INFLUENCE OF SUCCESSION PLANNING ON THE SURVIVAL OF FAMILY-OWNED SMALL AND MEDIUM ENTERPRISES IN NAIROBI CITY COUNTY, KENYA for the period ending : 15/May/2022.</p>	
License No. NACOSTI/P/21/10568	
321831 Applicant Identification Number	 Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Verification QR Code	
	
<p>NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.</p>	

Appendix III: Introduction Letter

Dear respondent

RE: RESEARCH DATA COLLECTION

Greetings, I am Ann Njambi currently undertaking a research proposal in partial fulfilment for the award of Masters of Business Administration of Strathmore University. As part of partial requirements for the award of my degree, I'm obliged to conduct a study that will enhance professional practice within the SME sector in the country. I am currently undertaking a study on the '*influence of strategic succession planning on the survival of family-owned small and medium enterprises in Nairobi City County, Kenya*'. I kindly request you to allow me to access staff within your firm to aid in the process of data collection that will allow solving of the above research problem.

The findings of the research will help to enhance the body of knowledge and be of practical assistance to service and utility firms in the country. The collected research data was treated with the utmost confidentiality and only for academic purposes.

With Regards,

Researcher

Appendix IV: Research Questionnaire

PART A: GENERAL INFORMATION

1) What is the current generation that is running the small and medium enterprise?

2nd generation [] 3rd generation []

4th generation []

If no to the above, kindly do not fill the questionnaire further.

2) What is your highest Education Level?.....

O- Level []

Diploma []

Graduate []

Post graduate []

Others (Specify).....

3) Your position in the organization

Business owner []

Business manager []

4) Number of years working/owning a small and medium enterprises.

Less than 10 [] 10-15 year []

16-20 years [] Over 21 years []

5) What is the category of your small and medium enterprise?

10-49 staff [] 50-99 staff []

6) Was there any succession plan during the business transition to new generation?

There is a plan []

There is no plan []

I'm not aware []

PART B: SUCCESSION PLANNING IN FAMILY-OWNED SMALL AND MEDIUM ENTERPRISES IN NAIROBI CITY COUNTY, KENYA

Please tick the level of agreement of the following statements.

Please indicate in the table with a tick (√) or across (×) with a scale of

5= strongly agree 4= Agree 3= Moderate Agree 2= Disagree 1= Strongly Disagree

No	Leadership development	1	2	3	4	5
Knowledge Management						
7)	I have the key knowledge and understanding of succession planning					
8)	The firm has implemented a tacit learning environment within its operations					
Employee Empowerment						
9)	The firm regularly trains the employees within the firm on the main business aspects					
10)	The firm's employees are regularly trained on the main aspects of self-efficacy for a managerial career					
11)	The firm offers the employee's promotion opportunities for a managerial career					
Mentorship						
12)	The business owners routinely conduct managerial counselling within the firm among top staff					
13)	I have taken time to coach and mentor my successor					

Please indicate in the table with a tick (√) or across (×) with a scale of

5= strongly agree 4= Agree 3= Moderate Agree 2= Disagree 1= Strongly Disagree

No	Communication	1	2	3	4	5
Communication Processes						
14)	The organization regularly communicates changes on the mission of the organization to senior employees to support succession planning					
15)	The organization has adopted an effective communication system within the firm to guide succession planning					
Feedback Systems						
16)	Business-owning parents should share all information, including business secrets, with their children on the succession planning					
17)	There is the improved delegation of duties within the staff in preparation for a managerial succession planning					
18)	The firm has employed an elaborate feedback system to conduct regular reviews within the succession planning of the organization					
Mission and Vision						
19)	Staff and family members embrace the firms' vision during succession process					
20)	The owner's vision has put in place clear guidelines for succession practices within the firm					

Please indicate in the table with a tick (√) or across (×) with a scale of

5= strongly agree 4= Agree 3= Moderate Agree 2= Disagree 1= Strongly Disagree

No	Stakeholder involvement	1	2	3	4	5
Supplier and customer relations						

21)	The firm regularly conducts a review of supplier relations to foster business engagement during succession process					
22)	The management regularly conducts customer engagement to foster their involvement in business growth during the succession planning process					
Family Interactions						
23)	The business owners regularly conduct family meetings to review succession plans					
24)	The movement from generation to the other is dependent on family cohesion					
Consultancy Relations						
25)	The strategies applied in succession should be given by experts					
26)	The business owners decide who to succeed the current leader					

Please indicate in the table with a tick (√) or across (×) with a scale of

5= strongly agree 4= Agree 3= Moderate Agree 2= Disagree 1= Strongly Disagree

No	Staff Career Development	1	2	3	4	5
Technical Abilities						
27)	The firm fosters the technical abilities of the staff through regular training					
28)	Education and personal traits are to determine succession within the firm					
Managerial Skills						
29)	The firm regularly undertakes performance assessment to gauge the competency of the staff for the managerial role					

30)	The business owners possess the necessary leadership skills to guide the firm succession					
31)	The firm managers have adequate entrepreneurial skills to foster succession practices within the firm					
32)	The firm managers have the requisite managerial skills necessary to guide succession planning					
Recruitment and Selection						
33)	The enlisted successor has the qualifications or requirements to take over in the organization					
34)	The firm has an elaborate recruitment and selection process that ensures there is adequate managerial talent within the firm					

PART C: SURVIVAL OF FAMILY-OWNED SMALL-MEDIUM ENTERPRISES

Please indicate in the table with a tick (√) or across (×) with a scale of

5= strongly agree 4= Agree 3= Moderate Agree 2= Disagree 1= Strongly Disagree

No	Survival of small-medium enterprises	1	2	3	4	5
Generational Transition						
35)	The organization has maintained the generational transition of ownership after the succession of the business					
36)	The firm has maintained operational sustainability after the succession of the business					
Market Expansion						
37)	The firm has maintained its market expansion practices after the succession of the business					
38)	The firm has undertaken diversification processes after the succession of the business					

Sustainable Growth					
39)	The firm has attained sustainable growth after the initial succession of the business				

Thank you for Your Time

Appendix V: List of Family-Owned Business

<p>A-Z Petroleum Products (Kenya) Limited Oil and Gas</p> <p>AAA Growers Limited Agriculture https://www.aaagrowers.co.ke/</p> <p>Abyssinia Iron And Steel Limited Construction</p> <p>Acceler Global Logistics Limited Transport http://www.acceler.co.ke</p> <p>Acme Containers Limited Industrial Manufacturing http://acmecontainers.com/</p> <p>African Banking Corporation Limited Financial Services http://www.abcthebank.com/</p> <p>African Gas and Oil Company Limited Oil and Gas</p> <p>Agrifresh Kenya Limited Food and Beverages</p> <p>Ainu Shamsi Energy Limited Oil and Gas http://www.ainushamsi.com/</p> <p>Akamba Steel and General Wholesalers Limited Construction</p> <p>Alibhai Ramji Mombasa Limited Food and Beverages</p> <p>All Pack Industries Limited Industrial Manufacturing https://www.allpack.co.ke/</p> <p>Alpha Grain Millers Limited Food and Beverages https://alphagrainmillers.com/</p> <p>Alpharama Limited Consumer Goods</p> <p>Amritlal Sojpar Shah Wholesalers Limited Retail</p> <p>APA Insurance Limited Financial Services http://www.apainsurance.org</p> <p>Apex Africa Resources Limited Financial Services http://www.apexafrica.com/</p> <p>Aquamist Limited Food and Beverages http://www.aquamistwater.com</p> <p>Aristocrat Concrete Limited Construction http://sameer-group.com/construction/aristocrats-concrete-itd/</p> <p>Associated Battery Manufacturers East Africa Limited Industrial Manufacturing http://www.abmeastafrica.com/</p> <p>Associated Construction Company Kenya Limited Construction http://associated.co.ke</p> <p>Astrol Petroleum Company Limited Oil and Gas</p>	<p>Awadh Omar Bayusuf & Sons Limited Transport</p> <p>Ayoti Distributors Limited Food and Beverages</p> <p>Azure Hotel Limited Leisure and Tourism https://www.azurehotelnairobi.com/</p> <p>Bakex Millers Limited Food and Beverages http://www.bakex.co.ke/</p> <p>Balaji EPZ Limited Industrial Manufacturing https://www.eatradehub.org/balaji_group</p> <p>Basco Products (Kenya) Limited Industrial Manufacturing http://bascopaints.com</p> <p>Bash Hauliers Limited Transport http://www.bashhauliers.co.ke/</p> <p>Benjuma Distributors Limited Food and Beverages</p> <p>Bidco Africa Limited Food and Beverages http://www.bidcoafrika.com/</p> <p>Blowplast Limited Industrial Manufacturing http://blowplastkenya.com/</p> <p>Blue Bird Aviation Limited Transport http://www.bluebirdaviation.com</p> <p>Blue Nile Rolling Mills Limited Industrial Manufacturing http://bluenile-group.com/</p> <p>BN Kotecha and Sons Limited Retail</p> <p>Bobmil Industries Limited Industrial Manufacturing https://www.bobmilgroup.com/</p> <p>Bowip Agencies Limited Consumer Goods http://www.bowipagencies.com/</p> <p>Brand Limited Construction http://www.brandltd.co.ke/</p> <p>Broadway Bakery Limited Food and Beverages http://www.broadway.co.ke/</p> <p>Bunson Travel Service Limited Leisure and Tourism https://www.bunsontravel.com/</p> <p>Butali Sugar Mills Limited Agriculture</p> <p>Buzeki Dairy Limited Food and Beverages http://www.buzeki.co.ke</p> <p>C & P Shoe Industries Limited Consumer Goods http://cpshoes.com/</p> <p>Capwell Industries Limited</p>
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<p>http://astrolpetroleum.com/ Atta Kenya Limited Food and Beverages http://www.attakenya.co.ke AutoXpress Limited Retail https://www.auto-xpress.co.ke/ Dayliff Holdings Limited Industrial Manufacturing https://www.dayliff.com/ Desbro Kenya Limited Industrial Manufacturing http://desbroeastafrica.com/ Devji Meghji and Brothers Limited Agriculture Devki Group of Companies Industrial Manufacturing http://devkigroupke.com/ Devki Steel Mills Limited Industrial Manufacturing http://devkigroupke.com/steel/ Diamond Industries Limited Food and Beverages http://www.pangasoap.co.ke Diamond Wholesalers Limited Consumer Goods https://diamondwholesalersltd.com/ Dodhia Packaging Limited Industrial Manufacturing http://www.dplkenya.com/ Dola Petroleum (K) Limited Oil and Gas Dominion Engineering Works Limited Construction http://dominion.co.ke/ Dominion Petroleum Kenya Limited Oil and Gas http://dominionpetroleumltd.com/ Doshi and Company Hardware Limited Industrial Manufacturing http://www.doshi.co.ke/ Doshi Enterprises Limited Industrial Manufacturing http://www.doshienterprises.com/ Doshi Group of Companies Industrial Manufacturing http://www.doshigroup.com/index.php DPL Festive Limited Food and Beverages http://festivebrands.com/ Dudutech Kenya Limited Industrial Manufacturing https://www.dudutech.com/ Dyer and Blair Investment Bank Limited Financial Services https://www.dyerandblair.com/ GA Insurance Limited Financial Services https://www.gakenya.com Galsheet Kenya Limited Industrial Manufacturing Ganatra Plant and Equipment Limited Retail</p>	<p>Food and Beverages http://www.capwell.co.ke/ Career Connections Limited Services Carton Manufacturers Limited Industrial Manufacturing https://carton.co.ke/ Chandarana Supermarket Limited Retail http://foodplus-amcard.com/index.php Chandaria Industries Limited Consumer Goods http://www.chandaria.com/ Chloride Exide Kenya Limited Industrial Manufacturing https://www.chlorideexide.com/ Cleanshelf Supermarkets Limited Retail https://www.cleanshelf.co.ke/ Coast Cables Limited Industrial Manufacturing http://www.coastcables.com/ Coastal Bottlers Limited Industrial Manufacturing Comply Industries Limited Industrial Manufacturing http://complykenya.com/ Corrugated Sheets Limited Industrial Manufacturing https://steelitems.com/ Creative Innovations Limited Construction Crown Petroleum Kenya Limited Transport http://crowngroup.co.ke/ Davis and Shirtliff Limited Industrial Manufacturing https://www.davisandshirtliff.com/ Dawa Group Limited Healthcare http://www.dawalimited.com/about-us/group-profile/ Daykio Plantations Limited Real Estate https://daykio.com/ Dynamic Petroleum Investments Limited Oil and Gas East African Elevator Company Limited Construction http://eaecl.net East African Growers Limited Agriculture http://www.eaga.co.ke/ East African Sea Food Limited Agriculture http://www.alphaafrica.com Edible Oil Products Limited Food and Beverages EldoHosp Pharmaceuticals Limited Healthcare http://www.epl.co.ke Eldoret Packers Limited Industrial Manufacturing</p>
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<p>http://www.gpe.co.ke/ Gap Fabricators Limited Construction</p> <p>Gemmology Kenya Limited Consumer Goods https://gem-a.com/component/k2/atcs/gemmology-kenya-ltd-nairobi</p> <p>General Plastics Limited Industrial Manufacturing https://www.genplastkenya.com</p> <p>General Printers Limited Services http://www.gplflexibles.com/</p> <p>Global Petroleum Products Kenya Limited Oil and Gas</p> <p>Gulf Stream Investments Limited Financial Services</p> <p>HACO Industries Kenya Limited Industrial Manufacturing http://www.haco.co.ke/</p> <p>Harleys Limited Healthcare https://harleysltd.com/</p> <p>Hasbah Kenya Limited Consumer Goods http://www.hasbahkenya.co.ke/</p> <p>Hashi Energy Limited Oil and Gas https://www.hashienergy.com/</p> <p>Hayer Bishan Singh and Sons Limited Construction</p> <p>Hebatullah Brothers Limited Construction http://www.hebatullah.org/</p> <p>Heller Petroleum Limited Oil and Gas http://www.hellerpetroleum.com</p> <p>Hi-Plast Limited Industrial Manufacturing http://www.hiplast.com/</p> <p>Hot Point Appliances Limited Consumer Goods https://hotpoint.co.ke/</p> <p>I and M Holdings Limited (I&M) Financial Services https://www.imbank.com/</p> <p>ICEA Lion Group Financial Services https://www.icealion.com/</p> <p>Ideal Ceramics Limited Construction http://www.idealceramics.com/</p> <p>Interbeauty Products Limited Consumer Goods http://www.nicenlovely.com/</p> <p>Jamii Telecommunications Limited Telecommunications https://www.faiiba4g.co.ke/</p> <p>Jumbo Foam Mattresses Industries Limited Consumer Goods</p> <p>Kalptaru Gems Limited Mining and Metals</p>	<p>Elgon Kenya Limited Agriculture https://elgonkenya.com</p> <p>Enke Investments Limited Financial Services</p> <p>Epcobuilders Limited Construction http://www.epcobuildersltd.com/</p> <p>Equator Bottlers Limited Food and Beverages</p> <p>Erdemann Property Limited Construction http://www.erdemann.co.ke/</p> <p>Excel Chemicals Limited Food and Beverages</p> <p>Export Trading Company Inputs Kenya Limited Industrial Manufacturing http://www.etgworld.com</p> <p>Family Bank Kenya Limited Financial Services https://familybank.co.ke/</p> <p>First Community Bank of Kenya Limited Financial Services https://www.firstcommunitybank.co.ke</p> <p>Five Star Agencies Limited Construction http://nula.co.ke/about.html</p> <p>Foam Mattress Limited Consumer Goods</p> <p>Fones Direct Limited Retail</p> <p>Forest Gate EPZ Limited Agriculture http://www.aagrowers.co.ke/</p> <p>Fresh An Juici Limited Food and Beverages</p> <p>Furniture Palace International Kenya Limited Consumer Goods https://www.furniturepalacekenya.com/</p> <p>Futures Energy Company Limited Oil and Gas http://futuresenergy.co.ke</p> <p>G Issaia and Company Kenya Limited Construction</p> <p>Kenya Sweets Limited Food and Beverages http://kenyasweets.com/</p> <p>Keroche Breweries Limited Food and Beverages http://www.kerochebreweries.com/</p> <p>Khetia Drapers Limited Retail http://www.khetia.com/#KDLAdvert</p> <p>Kibos Pulp and Paper Mills Limited Consumer Goods http://kibossugar.co.ke/index.php?id=10</p> <p>Kibos Sugar and Allied Industries Limited Agriculture https://www.kibossugar.co.ke/</p> <p>Kinangop Dairy Limited Food and Beverages http://kinangopdairy.co.ke/</p>
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<p>Kanini Haraka Enterprises Limited Food and Beverages Kapa Oil Refineries Limited Food and Beverages http://www.kapa-oil.com/ Karebe Gold Mining Limited Mining and Metals http://marisafrika.com/karebe-gold-mining-limited/ Karirana Estates Limited Food and Beverages http://www.karirana.co.ke/ Karuturi Limited Agriculture https://www.karuturi.com/ Kassmatt Supermarkets Limited Retail Ken Bookmakers (2002) Limited Leisure and Tourism Ken Tobacco EPZ Limited Consumer Goods Kenafric Bakery Limited Food and Beverages https://www.kenafricind.com Kenafric Industries Limited Industrial Manufacturing https://www.kenafricind.com/ Kenblest Group Food and Beverages http://www.kenblestgroup.com Kenpoly Manufacturers Limited Industrial Manufacturing https://kenpoly.com/ Kenya Coach Industries Limited Transport http://kci.co.ke/ Kenya General Industries Limited Industrial Manufacturing https://www.gilkenya.com/ Kenya Orient Insurance Company Limited Financial Services Mombasa Maize Millers Limited Agriculture Motrex Limited Transport Mount Elgon Orchards Limited Agriculture http://mtelgon.com/en/ Mt. Kenya Tobacco Stores Limited Retail http://mtkenyagroup.co.ke Mufindi Paper Limited Industrial Manufacturing Mulji Devraj and Brothers Limited Construction Multiple Hauliers (EA) Limited Transport http://www.multiplehauliers.com/ Mzuri Sweets Limited Food and Beverages http://www.mzurisweets.co.ke/contact.html Nails and Steel Products Limited Industrial Manufacturing</p>	<p>King's Wear Limited Retail http://kingscollection.co.ke/ Kingsway Tyres Limited Retail http://www.kingswaytyres.com Kitui Flour Mills Limited Food and Beverages http://kituiflourmills.co.ke/ Kofinaf Company Limited Agriculture Kongoni River Farm Limited Agriculture Kotecha Wholesalers Limited Food and Beverages http://www.kotechawholesalers.com Krishna Chemists Limited Retail http://www.krishnachemists.com Kyoga Hauliers Limited Transport http://kyoga.co.ke/ Laboratory and Allied Pharmaceuticals Limited Healthcare http://laballied.com/ Lalji Ramji Filling Station Limited Oil and Gas Landmark Holdings Limited Construction http://www.lhl.co.ke Laneeb Plastics Industries Limited Industrial Manufacturing http://www.laneeb.co.ke/ Laxmanbhai Construction Limited Construction http://laxconke.com/ London Distillers Kenya Limited Food and Beverages http://londondistillers.com/ Lucky Africa Company Limited Oil and Gas Maathai Supermarket Limited Retail Magnate Ventures Limited Services http://www.magnate-ventures.com/ Manji Food Industries Limited Food and Beverages http://manji.co.ke/ Maruti Steel Limited Construction http://marutisteel.com/ Mayfair Holdings Limited Food and Beverages McNeel Millers Limited Food and Beverages http://www.kenblestgroup.com/ Mega Wholesalers Limited Consumer Goods https://megawholesalers.co.ke Melvin Marsh International Limited Agriculture</p>
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<p>Nairobi Flour Mills Limited Food and Beverages http://jimbi.co.ke/</p> <p>Nairobi Plastics Limited Industrial Manufacturing https://www.nairobiplastics.com/</p> <p>Nairobi West Hospital Limited Healthcare https://www.nairobiwesthospital.com/</p> <p>Naivas Limited Retail https://www.naivas.co.ke/</p> <p>Nakuru Equipment Supplies Limited Retail</p> <p>Nampak Kenya Limited Industrial Manufacturing http://www.nampak.com</p> <p>National Cement Company Limited Industrial Manufacturing http://devkigroupke.com/cement/</p> <p>NCBA Financial Services https://ke.ncbagroup.com/</p> <p>New Kenya Co-operative Creameries Limited Food and Beverages http://www.newkcc.co.ke/</p> <p>Pwani Oil Products Limited Food and Beverages https://pwani.net</p> <p>Quick Mart Limited Retail http://www.quickmart.co.ke</p> <p>Rai Group Limited Industrial Manufacturing</p> <p>Rai Plywoods Kenya Limited Construction</p> <p>Ramco Group Media http://www.ramco-group.com/</p> <p>Regal Pharmaceuticals Limited Healthcare http://www.regalpharmaceuticals.com/</p> <p>Regnol Oil Kenya Limited Oil and Gas http://www.regnol.com</p> <p>Rising Star Commodities Limited Food and Beverages http://www.risingstar.co.ke/</p> <p>Riva Petroleum Dealers Limited Oil and Gas http://riva.co.ke</p> <p>Rolmil Kenya Limited Industrial Manufacturing</p> <p>Royal Energy Kenya Limited Oil and Gas</p> <p>Sadolin Paints East Africa Limited Industrial Manufacturing</p> <p>Safepak Limited Industrial Manufacturing http://www.safepack.com/</p> <p>Sai Pharmaceuticals Limited Healthcare</p>	<p>https://melvinstea.com/</p> <p>Menengai Oil Refineries Limited Food and Beverages http://menengai.com/</p> <p>Metal Crowns Limited Industrial Manufacturing</p> <p>Metro Plastics Kenya Limited Industrial Manufacturing http://www.metroplasticskenyaltd.insideke.com/</p> <p>Metsec Cables Limited Industrial Manufacturing http://www.metsec.co.ke</p> <p>Midcom Limited Consumer Goods http://midcomafrika.com/</p> <p>Milly Grain Millers Limited Food and Beverages</p> <p>Mini Bakeries Mombasa Limited Food and Beverages</p> <p>Mitsumi Computer Garage Limited Information Technology http://www.mitsumidistribution.com/</p> <p>Mjengo Limited Food and Beverages http://www.mjengo.com/</p> <p>Mohan Meakin Kenya Limited Food and Beverages</p> <p>Mombasa Cement Limited</p> <p>Next Technologies Limited Information Technology http://next.co.ke</p> <p>Nila Pharmaceuticals Limited Healthcare https://www.nilapharm.com/</p> <p>Nixomb Limited Oil and Gas</p> <p>Njimia Pharmaceuticals Limited Healthcare https://njimiakenya.co.ke/</p> <p>NK Brothers Limited Construction http://www.nkbrothers.co.ke/contact.html</p> <p>Oilcom (K) Limited Oil and Gas http://www.oilcomtz.com</p> <p>Opalnet Limited Retail http://opalnet.co.ke/</p> <p>Optica Limited Consumer Goods http://optica.co.ke</p> <p>Oserian Development Company Limited Agriculture http://oserial.com/</p> <p>Osho Chemical Industries Limited Industrial Manufacturing http://www.oshochem.com/</p> <p>Ouru Super Stores Limited Retail https://www.ourusuperstores.com</p> <p>Packaging Industries Limited Industrial Manufacturing http://pil.co.ke/</p>
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<p>http://saipharm.com/ Saj Ceramics Limited Industrial Manufacturing https://www.sajceramics.com/ Securex Agencies Kenya Limited Services https://www.securex africa.com Shah Timber Limited Industrial Manufacturing http://www.shahtimber.co.ke/ Shakab Imports Exports Company Limited Food and Beverages https://shakab.co.ke/ Signon Freight Limited Transport http://www.signon.com Sigma Supplies Limited Agriculture http://isinyafeeds.co.ke/ Silpack Industries Limited Industrial Manufacturing http://www.silpack.com/ Simba Africa Rift Energy Limited Oil and Gas http://simbaenergy.ca Simba Corporation Limited Financial Services https://www.simbacorp.com/simba-corporation Simba Telecom Limited Consumer Goods Simkan Agencies Limited Consumer Goods Southern Engineering Company Limited Construction http://www.secoafrica.com/ Spinners and Spinners Limited Industrial Manufacturing http://www.spinners.co.ke/ SS Mehta and Sons Limited Construction http://ssm.co.ke/ Steel Makers Limited Industrial Manufacturing http://www.steelmakers.com Suera Flowers Limited Agriculture Sukari Industries Limited Agriculture Summer Africa Limited Healthcare Sundries Bargains Nairobi Limited Food and Beverages Sunflag Textile and Knitwear Mills Limited Industrial Manufacturing http://www.sunflag.com/textiles/index.php Supaflo Flour Mills Limited Food and Beverages Superfoam Limited Consumer Goods https://www.superfoam.co.ke/ Supra Textiles Limited Consumer Goods</p>	<p>Paddy (Kenya) Limited Construction Patrick Ndichu Gitau and Sons Limited Consumer Goods Pekay Brothers Limited Food and Beverages PJ Dave Flowers Limited Agriculture http://pjdave.com/ Platinum Packaging Limited Industrial Manufacturing http://ppl.co.ke/ Polypipes Limited Industrial Manufacturing http://polypipes.co.ke/ Polythene Industries Limited Industrial Manufacturing http://www.polythene.co.ke/ Pramukh Cash And Carry Limited Retail Premier Bag and Cordage Limited Industrial Manufacturing http://www.premierbag.co.ke Prime Bank Limited (Kenya) Financial Services Prime Capital Holdings Limited Real Estate Tej Steel Limited Industrial Manufacturing Texplast Industries Limited Industrial Manufacturing http://www.texplast.co.ke/ Text Book Centre Limited Consumer Goods https://textbookcentre.com/ Thames Electricals Limited Retail http://www.thameselectricals.com/ The Copy Cat Limited Retail https://www.copycatgroup.com/about-kenya The Karen Hospital Limited Healthcare http://www.karenhospital.org/ Thika Coffee Mills Limited Agriculture http://www.thikacoffeemills.com Tile and Carpet Centre Limited Retail http://www.tileandcarpet.co.ke/ Timaflo Limited Agriculture https://www.timaflo.com/en/ Tononoka Rolling Mills Limited Industrial Manufacturing http://tononokasteels.com/ Transafrica Motors Limited Retail http://transafricamotors.com/ Transchem Pharmaceuticals Limited Healthcare http://transchempharma.com/</p>
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<p>Surgipharm Limited Healthcare Sybyl Kenya Limited Information Technology http://sybyl.com Tai Enterprises Limited Construction http://taienterprises.co.ke/ Techpak Industries Limited Industrial Manufacturing https://www.techpakindustries.com/ Teita Estate Limited Agriculture</p>	<p>Transfreight Logistics Limited Transport Transport and Lifting Services Limited Transport http://tnl.co.ke/ Tri-Clover Industries Kenya Limited Consumer Goods Tuffsteel Limited Construction http://www.tuffsteel.co.ke/ Tulsi Construction Limited Construction Tumaini Self Service Limited Consumer Goods Tuskys Kenya Limited Retail http://www.tuskys.com/ Twiga Stationers and Printers Limited</p>
	<p>Industrial Manufacturing http://www.twigastationers.com/ Umoja Rubber Products Limited Industrial Manufacturing http://www.umojarubber.co.ke/ United Aryan Epz Limited Consumer Goods http://www.unitedaryan.net/home.html# United Millers Limited Food and Beverages http://united.co.ke/ Universal Corporation Limited Healthcare http://ucl.co.ke/ Uzuri Foods Limited Food and Beverages Van den Berg Kenya Limited Agriculture https://www.bergroses.com/nl/ Vegpro Kenya Limited Agriculture https://www.vegpro-group.com/home.html Victory Constructions Company Limited Construction https://www.victoryafrica.com/contact Wananchi Group (Holdings) Limited Media https://www.zuku.co.ke/ Wells Oil Limited Oil and Gas http://wellsoil.com/ West Kenya Sugar Company Limited Agriculture Whitesands Hotel (Kenya) Limited Leisure and Tourism https://www.sarovahotels.com/whitesands-mombasa/ Wood Products Limited Construction https://www.woodproductskenya.co.ke/ Yh Wholesalers Limited Food and Beverages</p>