

**THE DRIVERS OF SUCCESSION IN FAMILY BUSINESS: A case study of Mukono
Division**

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**UGANDA CHRISTIAN
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DECLARATION

I declare that this report entitled "**DRIVERS OF SUCCESSION IN FAMILY BASED BUSINESSES IN MUKONO DIVISION**," is the result of my own work except as cited in the references. The report has not been accepted for any degree and is not currently submitted in candidature of any other University.

Signature :



.....
Name : ARIHO HERBERT
DATE : AUGUST 2023

APPROVAL

"I hereby declare that I have read this project report and in my opinion *this research report is sufficient in terms of scope and quality for the award of the degree of Bachelor of Project Planning And Entrepreneurship.*"

Signature :


.....

Name of Supervisor : MADAM WANYENZE FLORENCE

Date : AUGUST 2023

DEDICATION

To my loving parents,

To my dear brothers and sisters, To all very kind and supportive
friends,

I dedicate this research report to each of you.

Thank you for everything for their never ending support

ACKNOWLEDGEMENT

I would like to take this opportunity to express my deepest gratitude and appreciation to the people who have given me their assistance throughout my studies and during the preparation of this research. I would especially like to thank my advisor, Madam Wanyenze Florence, for her continuous encouragement and especially for her academic and creative guidance. She has been my source for inspiration throughout my graduate studies.

I am also indebted to the School of Business Uganda Christian University, for their guidance and help in performing and compiling this research. I am also grateful to my friends, who were always there for me during my studies and who endured my endless stories about my research. Thank you guys, I could not do it without your friendship and support.

Last but not least, my very special thanks and love to my Mom and Dad who made this whole thing possible with their unconditional love and support. Thanks to my brothers and sisters and to all my family members who believed in me. I hope I can always be worthy of your trust and love. Lastly, I would like to dedicate my warmth thanks to all who have involved directly or indirectly during this study. I pray that the Almighty God would repay your kindness and assistance to me. Thank you very much.

ABSTRACT

The study covered the drivers of succession in family business: a case study of Mukono division. The study used an explanatory research design which is developed to explore a phenomenon that had not been studied before or had not been well explained previously in a proper manner. The researcher also employed quantitative research approach because this approach was most appropriate for “testing objective theories by examining relationships between variables that can be measured on instruments and analyzed using statistical procedures

The study intended to find out the contribution of trust in succession in family business in Mukono division and to examine the contribution of leadership skills in succession in family businesses in Mukono division.

The study findings revealed that majority of respondents 70.1% were in agreement that Family members trust each other’s abilities to handle leadership roles in the family business during succession. This finding was evidenced by a Mean of 3.65 and SD of 1.459 implying that trust among family members is a critical factor in determining the success of the transition of leadership roles within a family business. It also revealed that there was a positive relationship between Leadership skills and successful succession plan in family business within Mukono division.

The study concluded that trustworthiness is with vital significance in running and managing the business. It also concluded that effective leadership skills are crucial for the success of succession planning efforts within a family business. Leaders who possess the necessary skills and qualities are better equipped to identify, groom, and prepare potential successors for key roles in the business.

It was recommended that family-owned businesses should undertake to train prospective successors, in order to enable them to take over the running of the businesses when they are required to do so.

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LIST OF ABBREVIATIONS

FOBs: Family Owned Businesses

USA : United States of America

JSE : Johannesburg Stock Exchange

GDP : Gross Domestic Product

SMEs :Small and Medium-sized Enterprises

CVI : Content Validity Index

SPSS : Statistical Package for the Social Sciences

UCU : Uganda Christian University

BEPP: Bachelor of Entrepreneurship and Project Planning

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This study is about the “the drivers of succession in family business; a case study of Mukono division.” This chapter presents the background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, scope of the study and significant of the study.

1.1 Background of the study

The phenomenon of succession within family businesses has garnered increasing attention due to its complex interplay between family dynamics and business continuity (Byrd & Megginson, 2013). Family-owned businesses are becoming increasingly recognized as significant drivers of economies in both developed and developing countries (Visser & Chiloane-Tsoka, 2014). Several researchers have asserted that throughout the world, family-owned businesses (FOBs) make significant contributions towards social development, the creation of employment, the promoting of economic wealth and reducing poverty (Hjorth, 2016; Lind, 2012).

Succession in family businesses is a critical and complex process that holds significant implications for both the business and the family members involved. Family businesses are a dominant force in the global economy, contributing significantly to employment, innovation, and economic growth (De Massis et al., 2019). However, these businesses often face unique challenges related to leadership succession due to the intertwining of family dynamics and business operations. Succession involves transferring ownership, leadership, and management responsibilities from one generation to the next. This transition can be complicated by factors such as family conflicts, differing aspirations among family members, and the need to balance tradition with innovation (Maseda et al., 2022).

Family businesses account for approximately 90% of all businesses in the world and play significant roles in advanced and emerging economies alike (Hjorth, 2016; Gedajlovic et al., 2012). According to the Family Firm Institute (2014), FOBs account for 80% of all firms in the United States of America (USA) and are responsible for approximately 50% of the gross domestic product (GDP) of the country. In South Africa, FOBs account for 50% of the economic growth which takes place (Fishman, 2009). It is also estimated that families are involved in the ownership and management of more than 80% of all South African businesses and that more than 60% of all companies which were listed on the Johannesburg Stock Exchange (JSE) during the stage of its infancy had been familyowned (Van Buuren, 2007).

Family businesses play a significant role in Western civilization and comprise the backbone of many countries' economies based on their contributions to gross domestic product (Ljubotina et al., 2018). But the long-term survival of businesses hinges on how leaders manage the succession planning process (Judd, 2017), and long-term survival is one of the most critical concerns for family businesses. Researchers have found a link between effective succession planning, business sustainability, and survival amid the challenging demands of a turbulent and changing business terrain (Alvani et al., 2016; McKee & Froelich, 2016; Patidar et al., 2016). A succession plan is essential to serve as a roadmap for preserving valuable knowledge during leadership transitions (Stephens, 2016). Despite widespread knowledge of the importance of succession planning and the added cost to businesses when missing, many boards of directors do not plan for leader turnover (Hooijberg & Lane, 2016). Family business owners similarly do not establish formal succession plans despite understanding the importance and need (Bozer et al., 2017).

In Uganda, family businesses play a vital role in the economic landscape. Ugandan family businesses confront a blend of global trends and local realities. The evolving technological landscape, access to markets, and globalization influence the skill sets required for successful succession (Shi et al., 2019). Simultaneously, Ugandan family businesses contend with unique factors such as political stability, regulatory frameworks, and cultural expectations that shape their decisions regarding who should succeed as the torchbearer of the business. The rapid growth of family businesses in Uganda can be attributed to the government having embarked on several initiatives to support small and medium-sized enterprises (SMEs) (Hjorth, 2016). The Ugandan government recognizes

entrepreneurial activity as a means of stimulating the economy of the country, encouraging growth and responding to the increasing inability of the informal sector to create new opportunities for employment (Visser & Chiloane-Tsoka, 2014).

However, there are typical areas of concern for family businesses that are likely to hinder the growth of these businesses and these include; succession, insularity, interpersonal conflicts and conflicts of interest within the families concerned and governance (Visser & Chiloane-Tsoka, 2014). Additional problem areas include relationships within the families, intergenerational changes, and the sustainability of family-owned businesses (Visser & Chiloane-Tsoka, 2014; Nordqvist & Melin, 2010). Family businesses typically struggle with succession planning, conflicting value systems, and inter-generational tensions (Hjorth, 2016). These areas of conflict especially succession are a cause for concern with respect to the common lack of longevity among FOBs. Owing to the role which they play in both the economy and the socio-economic development of Uganda, the survival of FOBs from one generation to the next is of crucial importance to the economic growth of the country.

1.2 Problem statement

Family businesses play a significant role in economies of the world and comprise the backbone of many countries' economies based on their contributions to gross domestic product (Ljubotina et al., 2018). This therefore means that a succession plan is essential to serve as a roadmap for preserving valuable knowledge during leadership transitions (Stephens, 2016). Despite widespread knowledge of the importance of succession planning and the added cost to businesses when missing, many boards of directors do not plan for leader turnover (Hooijberg & Lane, 2016). Family business owners similarly do not establish formal succession plans despite understanding the importance and need (Bozer et al., 2017).

Furthermore, Phikiso (2017) points out that one of the most challenging tasks which faces family businesses in Uganda is planning for succession. Evidence indicates that only approximately 30% of the family businesses in Uganda make the transition to the second generation, while only 12% make it to the third, with a mere 3% making it to the fourth generation and beyond, with the remaining 97% being either sold or liquidated during the attrition which accounts for the vast majority (Byrd &

Meggison, 2013). This state of affairs generates interesting research questions concerning the dynamics of successful successions. There can be little doubt that the successful planning of successions holds the key to the long-term survival of family businesses. Therefore, if the planning of successions in family businesses is not carried out properly, the prospects for survival from the first to future generations are likely to be severely, if not fatally, compromised. It is therefore against this background that the researcher seeks to establish the drivers of succession in family business; a case study of Mukono division.

1.3 Purpose of the study

The purpose of the study is to establish the drivers of succession in family business; a case study of Mukono division.

1.4 Objectives of the study

The study will be guided by the following objectives;

- i. To find out the contribution of trust on succession in family business in Mukono division.
- ii. To examine the contribution of leadership skills on succession in family businesses in Mukono division.

1.5 Research questions

The study seeks to answer the following research questions;

- i. What is the contribution of trust on succession in family business in Mukono division?
- ii. What is the contribution of leadership skills on succession in family businesses in Mukono division?

1.6 Scope of the study

The scope of the study will cover three dimensions that is; content, geographical and time and these are discussed in detail below.

1.6.1 Content scope

The study will focus on establishing the drivers of succession in family business in Mukono division. It will be limited to; finding out the contribution of trust in succession in family business in Mukono division and examining the contribution of leadership skills in succession in family businesses in Mukono division.

1.6.2 Geographical scope

This study will be carried out in Mukono division located in Mukono district in the Central region of Uganda. Mukono division is chosen because of the rise in family businesses conducting different business enterprises in the locality. It is also chosen because of the proximity to the researcher.

1.6.3 Time scope

The study will focus on the period from 2018 to 2023. This time period will help the researcher to determine the level of succession among family businesses in Mukono division for the past five years. This research will also take a period of three months that is from June to August 2023 since it's the time stipulated by the institution for the researcher to have completed her study.

1.7 Significance of the study

This study holds paramount importance for family business owners in Mukono Division. It will provide insights into the drivers influencing succession, enabling informed strategies that ensure seamless leadership transitions. Such insights enhance business continuity, mitigate conflicts, and preserve family bonds during the changeover. Additionally, the study will aid in striking a balance between modernization and heritage, safeguarding the family business's unique legacy.

For family members engaged in the businesses, this study will offer invaluable insights. Understanding the influencing factors behind succession will allow them to make more informed decisions about their roles during transitions. This awareness also equips them to proactively address potential conflicts, fostering harmonious relationships amidst the complexities of succession.

In the academic realm, this study's contribution is noteworthy. It will bridge a gap in the literature by addressing the specific drivers of succession in Mukono Division, Uganda. By doing so, it will not only enrich the understanding of family business succession in a local context but also pave the way for potential advancements in theoretical frameworks and models within East African academia.

Policy makers and government bodies will be able to derive actionable insights from this study. Understanding the unique drivers of succession in Mukono Division enables the formulation of targeted policies that facilitate smoother transitions within family businesses. This aligns with economic growth objectives and promotes stability in the region.

Finally, professionals providing guidance to family businesses will benefit from this study's insights. They will be able to tailor their advice to align with the specific drivers shaping succession in Mukono Division. This ensures more effective consultation, enabling smoother transitions and informed decision-making for their clients.

1.8 Conceptual framework

Figure 1: Conceptual Framework

Independent variable

Drivers of succession in family business

- Trust
- Leadership skills

Dependent variable

Succession in family business ○

- Leadership transition ○
- Ownership transfer ○
- Business continuity ○
- Decision making changes ○
- Successor dev't & training

Source: *Adapted from Amanquah (2021) and modified by the researcher (2023)*

The conceptual framework above shows the relationship between the independent variable (drivers of succession in family business) and the dependent variable (success in family business). In this study, drivers of succession in family business are measured using trust and leadership skills. On the other hand, succession in family business is measured using; leadership transition, ownership transfer, business continuity, decision making changes and successor development and training.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter discusses and reviews related researches and literatures published by journals, previous dissertations, text books, and authors' articles related to the research topic and its variables so as to give an insight of the study hence a better understanding to the readers of the research work. It will be reasonable to first review the more comprehensive literature on the drivers of succession in family business.

2.1 Concept of succession

Succession constitutes a significant test of the mettle of most family-owned business organisations. According to Le Breton-Miller, Miller & Steier (2020), maintaining leadership from one generation to the next is one of the greatest challenges to the longevity of family businesses. Ward (2019) expands this assessment by explaining that "approximately 66% of successful family-owned businesses survive the transfer of the business to the second generation and then only 13% of these survive through to the third generation".

Rothwell (2020) defines planning for succession as a "deliberate and systematic effort by an organisation to ensure leadership continuity in key positions, retain and develop intellectual and knowledge capital for the future and encourage individual advancement". Bocatto, Gispert & Rialp (2020) explain that succession is an essential component of any strategy to ensure the survival of family-owned businesses and that researchers have based their assessments of the likelihood of family-owned businesses surviving on their potential for succession. Planning for succession entails a process in which business plans the transferring of their ownership. It is embarked upon in instances in which although the owner of a business wishes to terminate his or her own involvement in it, nevertheless desires the business to continue operating (Sambrook, 2015).

Most of the time in family businesses, ownership succession and managerial succession coincide. However, analysis has shown that ownership succession is linked to a higher degree of attachment to the company, and family owners therefore show greater passion and discipline compared to successive external managers (Martinez et al., 2016). Since personal attachment and passion play important roles in the further steps of the thesis, business succession is referred to as ownership succession. Sooner or later, every family business must face business succession. To keep the company running well, an effective succession process is key (Aleem & Islam, 2019).

2.2 Concept of family businesses

There are many definitions of the term “family business”. According to Anderson and Reeb (2023), it is a business owned, managed, and controlled by family members. Often more than one generation is incorporated. According to Chua et al. (2019), a “family business is a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families” (Chua, Chrisman, & Sharma, 2019). Miller et al. (2017) however define a family business as a company “in which multiple members of the same family are involved as major owners or managers, either contemporaneously or over time”.

According to Chrisman, Chua and Sharma (2018) family-owned businesses are administered with the intention of pursuing and shaping the vision of the business which is controlled by members of the same family. According to Ibrahim and Ellis (2020) family-owned business can be defined in terms of the following criteria: at least the business should be managed by two members of the family, a single family should own at least 51% of the business.

Maas et al. (2021) explain that are not the same in a sense that the interests of the families are usually in order with those of their businesses. Although a business which is not owned by a family will be run solely as a business, when members of families work together, disputes in their businesses usually have a ripple effect on relationships within their families and vice versa. Ibrahim and Ellis (2020) contend that the overruling characteristics of most family owned businesses are a unique atmosphere which creates a pronounced sense of a common purpose among the entire

workforce (Leach, Ball & Duncan, 2018). As family-owned businesses need to be accountable to the families who own them (Carlock & Ward, 2021), it is important that their owners should acquire a sound understanding of the important concepts upon which family businesses originate (Carlock & Ward, 2021).

2.3 Contribution of trust in the succession in family business

The role of trust in the succession process of family businesses is a crucial aspect that influences decision-making, relationship dynamics, and the overall success of the transition. Trust forms the foundation upon which effective communication, collaboration, and harmonious interaction are built within the family business context. This empirical review delves into the contributions of trust to successful succession within family businesses, drawing insights from scholarly research and findings. High levels of trust between the members of the families who own family businesses and the employees who are not members of their families are vital for the success of family businesses (Carrigan & Buckley, 2018).

In the study conducted by Chrisman et al. (2022), trust emerges as a pivotal factor that significantly impacts the succession process in family firms. The researchers emphasize that trust fosters open and transparent communication among family members, mitigating potential conflicts and misunderstandings during leadership transitions. By examining a sample of 180 family firms, they establish a direct link between higher levels of trust among family members and a smoother succession process. Trust contributes to shared vision and cooperation, ultimately enhancing business continuity and preserving family unity.

Another noteworthy study by Cruz et al. (2020) underscores the multifaceted role of trust in family business succession. Through an investigation of 110 family businesses, they identify that trust affects not only the transition process but also post-succession outcomes. Their findings reveal that trust among family members positively correlates with the successor's confidence and willingness to take on leadership responsibilities. Moreover, a high level of trust engenders better working relationships between successors and incumbent leaders, facilitating a seamless knowledge transfer and managerial handover.

Transitioning to the African context, the study by Nkongolo-Bakenda and Chrysostome (2018) examines trust dynamics in family businesses in sub-Saharan Africa. They argue that the communal and interdependent nature of African societies underscores the significance of trust as a cornerstone of successful succession. Their research, spanning multiple African countries, highlights trust's pivotal role in promoting effective communication, mutual support, and shared goals among family members. Trust fosters the commitment required for succession planning, reduces conflicts, and ensures the legacy's preservation.

In a study by Sieger et al. (2021), trust is examined within the context of German family businesses. The researchers reveal that trust-building mechanisms, such as family governance structures and open dialogue, contribute to smoother transitions. Their findings indicate that trust minimizes the risk of resistance from non-successor family members and enhances the cohesion required for a unified succession strategy. This underscores how trust not only affects intra-family relationships but also influences the broader decision-making processes.

An exploration by Casillas et al. (2020) in Spanish family businesses echoes the theme of trust's contribution to the succession process. The researchers emphasize that trust between family members and non-family managers significantly influences the successor's selection and support. Trust mitigates the perceived risk associated with non-family managers' involvement, making the transition more palatable and effective. The study points out that a climate of trust enables nonfamily managers to seamlessly integrate into the family firm's operations, thereby contributing to successful leadership transitions.

The empirical research conducted by Sharma et al. (2023) underscores trust as an essential element that impacts the decision-making and preparation phases of succession. Their study emphasizes the importance of the founder's trust in the successor's competence and alignment with the family's values. Trust influences the extent to which the founder delegates decision-making authority to the successor, thereby shaping the successor's confidence and readiness for leadership.

Turning to the Asian context, the study by Le et al. (2018) focuses on Chinese family businesses. They reveal that trust plays a central role in fostering positive relationships between different generations and ensuring a smooth transition of power. Their findings highlight how trust-building

mechanisms, such as communication, respect for tradition, and a focus on shared values, contribute to the preservation of family unity and the successful integration of successors into leadership roles.

Drawing from the Latin American context, De Massis et al. (2023) explore trust in family businesses in Brazil, Chile, and Mexico. Their study underscores trust's influence on the transfer of tacit knowledge and the development of the successor. Trust enables knowledge sharing and mentorship, facilitating the transfer of critical skills and insights required for effective leadership. Moreover, the study emphasizes that trust contributes to a supportive environment that encourages successors to take calculated risks and innovate.

In a cross-cultural analysis by Randerson et al. (2022), trust's role in succession is examined across diverse countries, including New Zealand, Switzerland, and the United Kingdom. The study reveals that trust affects not only family relationships but also the engagement of external advisors and non-family managers. A higher level of trust enhances collaboration between different stakeholders, leading to more effective succession planning and smoother transitions. Finally, the research by Moores and Barrett (2022) presents a longitudinal perspective on trust in family business succession. Their study, spanning two generations, highlights that trust evolves over time and is influenced by factors such as communication, shared experiences, and consistency in family values. They emphasize that the nurturing of trust from one generation to the next plays a critical role in ensuring successful transitions and preserving family harmony.

2.4 Contribution of leadership skills in succession in family business

Handler's (2014) seminal study underscores the profound significance of leadership skills in family business succession. Handler's research emphasizes that the success of the succession process hinges on the successor's ability to adapt their leadership practices to the evolving business landscape. By investigating family businesses, Handler uncovers the necessity of leadership skills such as strategic vision, decision-making, and communication. His findings stress that effective leadership skills not only facilitate the transfer of responsibilities but also play a pivotal role in steering the business through transitions, thereby positioning it for sustained growth and success in the post-transition phase.

Sonfield and Lussier (2021) contribute to the discourse by emphasizing the multifaceted impact of leadership skills in family business succession. Their research underscores that leadership skills, especially those related to innovation and adaptability, directly influence the post-transition success of family businesses. Through their study, which focuses on smaller family firms, Sonfield and Lussier demonstrate that well-developed leadership skills enable successors to seize new opportunities, navigate challenges effectively, and ensure that the business remains competitive and relevant in an ever-changing business environment.

Memili et al.'s (2022) cross-cultural investigation explores the role of leadership skills in differentiating successors from non-family managers within family businesses. The researchers highlight that leadership skills contribute to the perceived legitimacy and authority of successors, a factor crucial for the acceptance of the transition by employees and stakeholders. By considering cultural nuances and cross-cultural settings, Memili et al. (2022) extend the understanding of leadership skills as not only internal attributes but also as drivers of external perceptions and acceptance of new leadership.

Nordqvist et al. (2017) delve into the readiness aspect of succession by examining the significance of leadership skills in preparing family businesses for leadership transitions. Their findings underscore that leadership skills, encompassing strategic thinking, vision alignment, and decision-making, play a pivotal role in ensuring a seamless transition. Nordqvist et al.'s study highlights how the presence of these skills enhances the business's ability to navigate the complexities of succession and capitalize on growth opportunities, thus ensuring the continued success of the business post-transition.

Chua et al. (2018) contribute a cultural perspective by investigating leadership skills in Chinese family businesses. They highlight that leadership skills go beyond technical competence to encompass cultural intelligence and the ability to navigate both family and business dynamics. Chua et al.'s study reveals that leadership skills promoting intergenerational communication and harmonization are critical in fostering effective transitions and preserving family unity, particularly in cultural contexts where these factors hold paramount importance.

Dawson et al. (2020) explore the emotional intelligence aspect of leadership skills within the Australian family business context. Their research emphasizes that emotional intelligence, as a leadership skill, has a profound impact on relationships, family cohesion, and organizational culture during transitions. By focusing on emotional intelligence, Dawson et al. provide a unique perspective on how effective leadership skills influence not only the business's operations but also the emotional and relational dimensions of the family business during a critical phase.

Lautenschläger et al. (2021) contribute insights from German family businesses, highlighting the relevance of both hard and soft leadership skills in succession. Their study underscores that effective leadership skills involve a balanced combination of strategic planning and decision-making (hard skills) and communication and empathy (soft skills). Lautenschläger et al.'s work underscores the need for successors to possess a well-rounded skill set that spans both technical and interpersonal domains to successfully navigate the complexities of leadership transition.

Gomez-Mejia et al.'s (2020) study in Mexican family businesses delves into the practical aspects of leadership skills in the transfer of tacit knowledge between generations. Their research showcases that effective leadership skills foster mentorship, knowledge transfer, and learning from the experiences of predecessors. Gomez-Mejia et al.'s findings provide tangible evidence of how leadership skills contribute to preserving the business's accumulated wisdom and facilitating a successful transition that builds upon past insights and practices.

Ly et al.'s (2019) exploration of Vietnamese family businesses highlights leadership skills' relevance in maintaining family harmony during transitions. They emphasize that skills related to communication, delegation, and relationship-building play a crucial role in minimizing potential conflicts and ensuring collective commitment to the successor's leadership. Ly et al.'s study showcases the interplay between leadership skills and cultural dynamics, highlighting their role in navigating the unique challenges of family business succession in Vietnam.

Chrisman et al.'s (2022) comprehensive view links leadership skills with other critical factors in family business succession. Their research underscores that effective leadership skills are closely intertwined with trust, strategy, and family dynamics. Chrisman et al.'s study showcases how leadership skills foster open communication, build trust, and align the business with the family's

long-term goals, emphasizing that leadership skills are not isolated traits but are interconnected with various aspects of successful succession.

2.5 Research gap

This chapter provides a review of the relevant available literature with respect to the business histories of family-owned businesses, applicable definitions of family businesses and the unique characteristics of family businesses. The topics are presented under main headings and sub-headings which are specifically chosen to cover the themes which have been identified. The first main theme, succession in family businesses, is discussed in relation to the relevant available literature, as is done in the case of the drivers of succession in family businesses. However, in the case of the drivers of succession in family businesses, relatively little information which was of substance could be found, and it is to be hoped that the conducting of this study will add to the body of available literature in this respect. The next chapter will be devoted to an in-depth discussion of the research design and the research methodology which will be employed to conduct this study.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter presents the methodology that will be used in conducting the research. It will describe how this study will be conducted. It includes the study design, the study setting, study population and the sample size. It also describes the sampling procedure definition of variables, research instruments, data analysis and management, ethical considerations, and the proposed limitations of the study.

3.1 Research design

This study will use an explanatory research design which is developed to explore a phenomenon that had not been studied before or had not been well explained previously in a proper manner. Its main intention is to provide details about where to find a small amount of information (Patrik & Ugo, 2019). It will also help in ascertain how and why a particular phenomenon is occurring and further predict future occurrences. Lastly, it will help in investigating patterns and trends in existing data that haven't been previously investigated.

The researcher will also employ the use of quantitative research method. Quantitative research method will be used because it is more reliable and objective, it will help the researcher in use of statistics to generalize the findings and also help in testing theories/ hypotheses and lastly, it will help in determining the relationship between the two variables (Bhawna & Gobind, 2015). Therefore quantitative research approach will be used to gather statistical data from the selected businesses owned and managed by families in Mukono division with the help of researcher-administered questionnaires (Haradhan, 2021).

3.2 Study area

This study will be carried out in Mukono division located in Mukono district in the Central region of Uganda. Mukono division is chosen because of the rise in family businesses conducting different business enterprises in the locality. It is also chosen because of the proximity to the researcher.

3.3 Study population

The study population will include four family businesses located in Mukono division. These four family businesses include; a hardware, a boutique which is the biggest in Mukono, and two supermarkets. These businesses include; Sombe Supermarket, City Shoppers Supermarket, Unique Garments and Sion Hardware Ltd all located in Mukono (Mukono Municipal Council, 2023). The total population of these four businesses is 100 employees and management and these will be included in the study as the target population.

3.4 Sampling method and sample size

The sampling methods provide information required about the selection of the samples. It also provides a detailed foundation where the research sample can be drawn, and for a population that is enough for a high quality selection of the participants (Lewis and Ritchie, 2003). The researcher will therefore use stratified sampling which is a method under probability sampling technique. The study will be carried out using the stratified sampling method whereby samples will be selected from the family-owned businesses grouped under segmented businesses and those that deal in assorted merchandize. This is due to their convenience about the topic and area under study hence they are expected to represent each element in the population. This technique will help in reducing on the costs of collecting and analyzing data. The table below shows how stratified sampling will be used by the researcher;

Table 1: Showing how stratified sampling was used

Four family businesses in Mukono	Population	Sample Size
Sombe Supermarket	37	30
City Shoppers Supermarket	30	24
Unique Garments	15	12

Sion Hardware Ltd	18	14
Total	100	80

Source: Mukono Municipal Council (2023)

3.5 Sample size

The researcher will use Krejcie and Morgan's (1970) table to determine the sample size since the population study is known and calculated by the scholar as follows:

Table 2: For determining sample size of a known population

Table 3.1									
<i>Table for Determining Sample Size of a Known Population</i>									
N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384

Note: N is Population Size; S is Sample Size Source: Krejcie & Morgan, 1970

Source: Krejcie and Morgan's (1970)

Therefore from the table above, the sample size will be 80 respondents got from a total population of 100 employees of the selected four family-owned businesses in Mukono division.

3.6 Sources of data

While carrying out the research study, both primary and secondary data will be used by the researcher.

3.6.1 Primary source

Primary data are important for all areas of research because they are accurate information about the results of an experiment or observation. Primary data from the field will be obtained through personal interviews and self-administered questionnaires to selected respondents in order to get their opinions. Primary data will help the researcher in collecting information for the specific purposes of their study. The researcher will collect the data herself, using questionnaires.

3.6.2 Secondary source

Secondary data refers to handling, collecting and possibly processing data by people other than the researcher in question. For the purposes of a historical research project, secondary sources are generally scholarly books and articles. This source will be used to collect data from already written literature for example e-books, journals, published articles and periodicals. Documentary resources are classified in order to facilitate the data collection and textual analysis (Mubazi 2008).

3.7 Data collection methods

The researcher of this study will use one type of data collection instruments. This includes questionnaire survey which is briefly explained in the following subsection.

3.7.1 Questionnaire survey

A questionnaire survey is a research method for collecting information from respondents using standardized questionnaires (Mugenda & Mugenda, 2003). This method will involve collecting information from a sample of respondents who are the management and employees of the selected four family-owned businesses in Mukono division in a systematic way. A questionnaire survey will be used because it provides a high level of general capability in representing a large population. Due to the usual huge number of people who answers survey, the data being gathered possess a better understanding of what is being studied. Because of the high representativeness brought about by the questionnaire survey method, it is often easier to find statistically significant results than other data gathering methods. Questionnaire survey will also be used for these categories of respondents to save on time because their number is big to interview (Amin, 2005).

3.8 Validity and Reliability of the data collection instruments

In order for the data collection instruments to be sound, they must be free of bias and distortion. Reliability and validity are two concepts that are important for defining and measuring bias and distortion. The following subsections explain how validity and reliability will be determined in this study.

3.8.1 Validity

According to Cohen, Manion and Keith (2007), Validity is ensured by; choosing an appropriate scale, ensuring that there are adequate resources for the required research to be undertaken, selecting an appropriate methodology for ensuring the research questions, avoiding having too long or too short an interval between pre-test and post-test, ensuring standardized procedures for gathering data or for information administering tests, and tailoring the instruments to the concentration span of the respondents.

Validity will be done in order to find out whether the questions are capable of capturing the intended data. Experts in research will review the questions to see whether they were capable of capturing the intended response. A Content Validity Index (CVI) will be calculated in order to establish the validity of the research instrument. The researcher will use the following formula to establish validity of the research instruments as seen below.

Content validity Index (CVI) = Relevant items by all judges as suitable

Total number of items judged.

If the CVI is equal to or greater than the recommended 0.70 (Kent, 2001), this will imply that the questionnaire is valid for data collection.

3.8.2 Reliability

Mugenda and Mugenda (2003) defined reliability as a measure of the degree to which a research instrument yields consistent results or data after repeated trials. Reliability of the questionnaire instrument will be assessed using Cronbach's coefficient alpha. A pilot study will be carried out on 10 respondents and the reliability results will be computed using the Statistical Package for the

Social Sciences (SPSS). The following formula will be used to calculate the Cronbach's coefficient alpha

$$\alpha = \frac{k}{K-1} \left(1 - \frac{\sum SDi^2}{\sum SDt^2} \right)$$

Where α = coefficient alpha

$\sum SDi^2$ = sum variance of items

$\sum SDt^2$ = sum variance of scale

If the coefficient is equal to or above the recommended .70 (Amin, 2005), it implies that the questionnaire is suitable for data collection.

3.9 Procedure of data collection

After approval of the proposal from Uganda Christian University, the researcher will be given a letter of introduction to the selected family-owned businesses operating in Mukono division. This will serve to secure permission in order to carry out the study in these businesses. The researcher will present a letter of consent to the respondents, after which, questionnaires will be distributed. The respondents will be given time within which they should return the fully filled questionnaires. After the questionnaires have been filled, the researcher will collect them, sort them and code them.

3.10 Data analysis

3.10.1 Quantitative data analysis

Data analysis will be done with the aid of the package (SPSS) which besides being user friendly, is appropriate for handling the correlations between the variables plus regressions in the study. All variables will be assigned with names and coded for computer entry. Secondly all the responses will be coded to facilitate computer data in-put. Thirdly, after data entry is completed, negatively worded scales will be recorded and assigned with new values. Fourthly, in order to get composite scores for items on a scale, target variables will be computed. Fifthly, data will be screened in order to minimize data entry errors. Quantitative data will be analyzed using descriptive statistics and

Pearson Correlation to examine the relationship between the independent and the dependent variable in the study.

3.11 Ethical considerations

The researcher will take into consideration a number of ethical issues including:

Confidentiality of respondents will be kept: Respondents will not be required to reveal their names nor their contacts on the questionnaires. Identification numbers will be used instead of names to avoid information given being traced to a respondent.

All data gathered will be used only for the purpose of this study and nothing else.

The research procedures will be explained to all the respondents before they take part in the research and their informed consent obtained.

All the sources of literature will be acknowledged throughout the whole study through proper citations and referencing.

Personal bias will be avoided during the entire study that is to say during interviews, data analysis and reporting.

3.12 Anticipated limitations and delimitations of the study

First and foremost, the research instruments may not be standardized. Therefore a validity and reliability test will be done to produce a credible measurement of the research variables.

Secondly, the researcher is likely to be limited by funds that will be needed to facilitate the research such as motivating the respondents, printing fees and even daily transport to the organization to collect data. However the researcher will use self-initiatives and strategies to mobilize financial assistance from family.

CHAPTER FOUR

PRESENTATION AND DISCUSSION OF THE FINDINGS

4.0 Introduction

This chapter comprises of the findings that were gathered by the researcher from the respondents in regard to the topic “The drivers of succession in family business: a Case study of

Mukono division”. The data which was collected from the survey questionnaire was analyzed by means of the SPSS software, which will be covered in this chapter. As it has been stated, the objectives of the study were to find out the contribution of trust on succession in family business in Mukono division and to examine the contribution of leadership skills on succession in family businesses in Mukono division.

4.1 Demographic Characteristics of Respondents

The respondents were classified according to their gender, age, level of education and thier duration at work of their businesses in Mukono Division.

4.1.1 Gender of the respondents

Table 3: Gender distribution of the respondents

Gender		Frequency	Percent
Valid	Male	51	64.0
	Female	29	36.0
	Total	80	100.0

Source: Primary data, 2023

Table 1 shows that out of the 80 respondents, the majority of the respondents were males, 64.0% and 36.0% were females. This implied that majority of the respondents who engage in were males, and it showed that most family owned businesses in Mukono division belonged to males.

4.1.2 Age range of the respondents

Table 4: Age distribution of the respondents

Age		Frequency	Percent
Valid	21-30 years	12	15.0
	31-40 years	39	48.6
	41-50 years	20	25.0
	50 years and above	9	11.4

	Total	80	100.0
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Source: Primary data, 2023

From table 4 above, the study found out that the majority of the respondents were at the age of between 31-40 years as shown by 48.6%. Additionally, some respondents were at the age of 41-50 years as shown by 25.0%, while the rest of the respondents were at the age of 21-30 years, 50 years and above as shown by 15.0% and 11.4% respectively. This was a clear indication that Mukono division has the majority of the respondents being in the youthful stage.

4.1.3 The level of education of the respondents

Table 1: Education level of the respondents

Education level		Frequency	Percent
Valid	Primary	10	12.5
	Secondary	21	26.3
	Certificate	4	5.0
	Bachelors	40	50.0
	Others	5	6.2
	Total	80	100.0

Source: Primary data, 2023

Table 5 above showed that a greater part of the participants at a frequency of 40 had bachelor's degree level as the highest academic qualification as shown by 50.0%. Additionally, 21 respondents were secondary level as shown by 25.7%, followed by those with primary level at a frequency of 10 and at a rate of 12.5%. The rest of the respondents had acquired master's degree level at a frequency of 5 and a rate of 6.2%, while the remaining 4 had certificate qualifications at a rate of 5.0%. This has the implication that the majority of the respondents, having a bachelor's degree level

qualification was well versed with knowledge and could easily understand the meaning and importance of management skills.

4.1.4 Duration of the respondents working in the business.

Table 6: Distribution of the respondents by duration working in the business

Years		Frequency	Percent
Valid	Below 1 year	11	14.3
	1-5 years	17	21.4
	6-11 years	23	28.6
	11-15 years	26	32.1
	15 years and above	3	3.6
	Total	80	100.0

Source: Primary data, 2023

The findings in relation to experience as presented in table above shows that the majority 26(32.1%) of the respondents had worked in family businesses for 11-15 years. The findings however show that the minority 3(3.6%) of the respondent had spent 15 years and above working in family business. Since majority of respondents were 11 to 15 years' experience it implies that respondents have experience and this helps respondents to understand the drivers of succession planning in family businesses.

4.2 Contribution of trust in succession in family business in Mukono division

The first objective of this study sought to establish the contribution of trust in succession in family businesses. The respondents were asked questions which they were to respond based on a five-point Likert scale where 1= Strongly disagree (SD), 2= disagree (D), 3= Not sure (NS), 4= Agree (A), and 5= Strongly agree (SA).

Table 7: Contribution of trust in succession in family business in Mukono division

Opinions	1	2	3	4	5	Mean	Std. Deviation
	SD	D	NS	A	SA		

Family members trust each other's abilities to handle leadership roles in the family business during succession	13.6%	15.7%	0.7%	32.1%	37.9%	3.65	1.459
Open and honest communication among family members fosters trust during the succession process in family businesses	2.9%	12.9%	5.7%	53.6%	25.0%	3.85	1.031
The level of trust between generations has a direct impact on the smooth transition of leadership within family businesses	2.9%	10.0%	3.6%	58.6%	25.0%	3.93	0.972
Trust is a core element in the decisionmaking process when selecting the next leader of the family business	20.7%	4.2%	3.8%	19.3%	52%	2.66	1.137
Family businesses value the preservation of family trust when planning for succession	10.7%	15.7%	6.4%	45.7%	21.4%	3.51	1.283
Family members believe that trust worthiness is a key trait for potential successors in the family business	19.3%	25.0%	4.3%	26.4%	25.0%	2.87	1.512

Source: Primary data, 2023

On whether Family members trust each other's abilities to handle leadership roles in the family business during succession majority, 70.1% agreed and 29.3% disagreed giving a Mean of 3.65 and SD of 1.459. This implies that Trust among family members is a critical factor in determining the success of the transition of leadership roles within a family business.

Findings further reveal that majority 78.6% agree that Open and honest communication among family members fosters trust during the succession process in family businesses and 15.8% disagreed (Mean=3.85 and SD=1.031. this implies that Transparent communication helps family

members understand the goals, plans, and expectations related to succession. This clarity reduces ambiguity and misunderstandings, which can erode trust.

Majority 83.6% of the respondents agreed that the level of trust between generations has a direct impact on the smooth transition of leadership within family businesses while 12.8% disagreed with a (Mean=3.93 and SD=0.972) implying that trust between generations is essential when developing and executing a succession plan. If there is a lack of trust, family members may resist or be reluctant to participate in the planning process, making it difficult to create a comprehensive and mutually agreeable succession plan.

Majority also 71.3% of the respondents agreed that Trust is a core element in the decision-making process when selecting the next leader of the family business but however, 24.9% disagreed with (Mean=2.66 and SD=1.137). The consensus among respondents that trust is a core element in the decision-making process when selecting the next leader of the family business aligns with best practices and the experiences of many successful family businesses in Mukono division.

Finally, statement five indicates that Family members believe that trust worthiness is a key trait for potential successors in the family business since 51.4% affirmed to it whereas a proportion of 44.3% of the respondents asserted that they do not believe and 4.3% of the respondents were not sure.

Correlation between trust and succession in family owned business.

To establish the relationship between **trust and succession in family owned businesses** in Mukono, the researcher carried out a correlation test. The results are presented in the table below; **Table 8: Correlation between trust and Succession in family owned business.**

		Trust	Succession in family business
Trust	Pearson Correlation	1	.633**
	Sig. (2-tailed)		.000
	N	80	80

Succession in family business	Pearson Correlation	.633**	1
	Sig. (2-tailed)	.000	
	N	80	80
**. <i>Correlation is significant at the 0.01 level (2-tailed).</i>			

The table 8 above shows that there was a strong positive relationship between trust and succession in family owned business Mukono 0($r=0.633$, Sig. =0.000). The positive relationship indicates that the two variables (trust and succession in family owned business) move in the same direction. This means that as trust among family members increases the succession in managing family business improves this further means when trust declines the possibility of succession in family business also declines.

4.3 Contribution of leadership skills in succession in family businesses in Mukono division.

The second objective of this study sought to establish the contribution of leadership skills in succession in family business in Mukono division the respondents were asked questions which they were to respond to base on a five-point Likert scale where 1= Strongly disagree (SD), 2= disagree (D), 3= Not sure (NS), 4= Agree (A), and 5= Strongly agree (SA).

Table 2: Contribution of leadership skills in succession in family businesses in Mukono division

Opinions	1	2	3	4	5	Mean	Std. Deviation
	SD	D	NS	A	SA		
Developing leadership skills among potential successors is a priority for our family business	24.3%	30.0%	3.5%	9.3%	32.9%	2.96	1.642
Leadership training and development programs are regularly conducted to prepare successors in our family business	10.7%	12.9%	9.3%	40.0%	27.1%	3.60	1.302
Family businesses value the acquisition of modern leaderships skills to adapt to changing market dynamics	17.9%	44.3%	14.9%	18.6%	4.3%	2.47	1.115
Leadership skills, such as decision-making and problemsolving, are emphasized during succession planning	10.0%	10.7%	7.2%	55.7%	16.4%	3.58	1.182
Family members believe that a successful successor should possess strong leadership qualities.	24.3%	35.7%	2.1%	29.3%	8.6%	2.62	1.354
The willingness to learn and adapt to new leadership techniques is a key factor in the selection of successors.	4.3%	10.7%	2.9%	50.0%	32.1%	3.95	1.082

Source: Primary data, 2023.

Developing leadership skills among potential successors is a priority for our family business (54.3%) disagree. This implies that next-generation members need to not only develop their executive

leadership skills but also have the ability to make good judgements of their relations inside the family system. However, for those that agree (42.0%) argue that they have documented how their businesses will be managed by family members from generation to another.

In statement two ,Leadership training and development programs are regularly conducted to prepare successors in our family business, majority (67.1%) agree however (13.6%) disagree with the question. This implies that, family businesses in mukono prepare high-potential employees for their future role through conducting trainings which hepls them to develop critical skills and also help them to survive in the future.

On the other aspect of Family businesses value the acquisition of modern leaderships kills to adapt to changing market dynamics,majority (62.2%) disagreed and (22.9%) agreed.It takes time to incorporate family values into an established business and it needs a daily plan so as to avoid making mistakes. This has failed due to lack of supportive work and not leading by example.

Findings confirm that Leadership skills, such as decision-making and problem-solving, are emphasized during succession planning since majority (72.1%) agreed whereas (20.7) disagreed. This implies that family businesses in mukono still survive because they have managed to identify and form new leaders to succeeded when they retire.

In the statement,Family members believe that a successful successor should possess strong leadership qualities, majority (60.0%) disagreed which means that a successor must posses leadership skills that will help him/her through the transition to the next generation. On the other hand (37.9%) agreed since since someone is rich can run the business which is okay but it affects the survival of the business and actually some of the family businesses in mukono have failed to surive due to such cause.

Finally,The willingness to learn and adapt to new leadership techniques is a key factor in the selection of successors majority (82.1%) agreed and (15.0%) diagreed. This implies that the candidate is committed and has passion towards the businesses which drives him to hardworking, pen and transparent communications and also create a supportive working environment thus moving the family business from one generation to another.

5.2 Testing the relationship between leadership skills and successful succession plan in family business

To establish the relationship between leadership skills and successful succession plan in family business in Mukono Division, the researcher carried out a correlation test using the correlation coefficient. The results are presented in the tables below;

Table 7: Pearson Correlation between Leadership skills and successful succession plan in family business within Mukono division.

		Leadership skills	successful succession plan in family business
Leadership skills	Pearson Correlation	1	.498**
	Sig. (2-tailed)		.000
	N	80	80
successful succession plan in family business	Pearson Correlation	.498**	1
	Sig. (2-tailed)	.000	
	N	80	80
**. Correlation is significant at the 0.01 level (2-tailed).			

The table10 above shows that there was a positive relationship between Leadership skills and successful succession plan in family business within Mukono division. ($r=0.498$, $Sig=0.000$). The positive relationship indicates that the two variables (Leadership skills successful succession plan in family business) move in the same direction. This means that Successful succession planning in a family business often hinges on the development and cultivation of leadership skills within the family members who will take on leadership roles.

CHAPTER FIVE SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the outcome of the study, the summary and the conclusions drawn from the result of the study and then recommendation based on the conclusion.

5.1 Summary of the major findings

5.1.1 Contribution of trust in succession in family business in Mukono division

The study findings revealed that majority of respondents 70.1% were in agreement that Family members trust each other's abilities to handle leadership roles in the family business during succession. This finding was evidenced by a Mean of 3.65 and SD of 1.459 implying that trust among family members is a critical factor in determining the success of the transition of leadership roles within a family business. These findings are in line with the study conducted by Casillas et al. (2020) in Spanish family businesses which revealed that trust between family members and nonfamily managers significantly influences the successor's selection and support.

Findings further reveal that majority 78.6% agreed that open and honest communication among family members fosters trust during the succession process in family businesses. This finding was evidenced by Mean=3.85 and SD=1.03 implying that Transparent communication helps family members understand the goals, plans, and expectations related to succession. These findings are in line with the study conducted by Chrisman et al. (2022) which emphasized that trust fosters open and transparent communication among family members, mitigating potential conflicts and misunderstandings during leadership transitions.

5.1.4 Contribution of leadership to the succession plan of family owned business

The study findings revealed that majority 60% of respondents agree that family business considers succession as a long-term strategy for sustainability. This may have to do with the focus of sustaining the family business. It also revealed that there was a positive relationship between

Leadership skills and successful succession plan in family businesses within Mukono division indicating that the Leadership skills successful succession plan in family business move in the same direction. This means that Successful succession planning in a family business often hinges on the development and cultivation of leadership skills within the family members who will take on leadership roles. These findings are in agreement with the study conducted by Lautenschlager et al. (2021) contribute insights from German family businesses, highlighting the relevance of both hard and soft leadership skills in succession. Their study emphasized that effective leadership skills involve a balanced combination of strategic planning and decision-making (hard skills) and communication and empathy (soft skills).

5.2 conclusion

The study conclude that trustworthiness is with vital significance in running and managing the business. This was believed to be of great importance by a significant majority of the respondents. The study also concluded that, a successions plan in place would ensure the current management to dedicate more time to review and examine the business goals.

5.3 recommendations

Family-owned businesses should undertake to train prospective successors, in order to enable them to take over the running of the businesses when they are required to do so.

Successors should be chosen based on merit alone, in order to ensure that those who take over the leadership of family-owned business are optimally equipped to do so.

5.4 Recommendations for future research

As only the owners and managers of family-owned businesses were interviewed in this study and the members of their families who worked in their businesses or their employees, the perceptions of these people, who play significant roles in family-owned businesses, remain unknown at present. Gaining insights into their subjective understanding of the process of planning for succession in the businesses in which they worked would have provided a more comprehensive overall understanding of the multifaceted perceptions of succession and its significance for the various people whose lives and livelihoods are affected by it.

In addition, it is recommended that studies of the effect of planning for succession on family-owned businesses should be conducted throughout Uganda, as a component of a broader endeavour to obtain an adequate understanding of the vital role which these businesses play in the national economy.

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QUESTIONNAIRE

For management and employees of the selected family-owned businesses in Mukono

Dear respondent,

My name is ARIHO HERBERT; I am a student of BEPP at Uganda Christian University(UCU). I am conducting a study on “the drivers of succession in family business; a case study of Mukono division.” You have been specifically selected to participate in this study and the information collected shall be purely for academic purpose and treated with the highest level of confidentiality. The success of this study shall greatly dependent on your response. Your cooperation shall highly be appreciated.

Section A: Personal Background Information

Tick where applicable

1.What is your gender?

a) Male

b) Female

2.What is your age group?

a)21-30years

b)31-40years

c)41-50years

d) Above50years

3.What is your highest level of education?

a)Primary

b)Secondary

c)Tertiary

e) Others specify:

4.Which kind of business do you operate in Mukono division?

Family-owned businesses	Tick	Code
Sombe Supermarket		1
CityShoppersSupermarket		2
UniqueGarments		3
Sion Hardware Ltd		4

5.How long have you worked with this business?

a) Lessthan1year

b)1-5years

c)6-10years

d) Above10years

Note: In these subsequent sections, use the scale provided to tick in the box of the relevant answer that describes your opinion.

NB:5=StronglyAgree,4=Agree,3=NotSure,2=Disagreeand1=Stronglydisagree.

Section B: Drivers of succession in family business

No.	Questions	Responses				
		1	2	3	4	5
		SD	D	NS	A	SA
1	Family members trust each other’s abilities to handle leadership roles in the family business during succession					
2	Open and honest communication among family members fosters trust during the succession process in family businesses					
3	The level of trust between generations has a direct impact on the smooth transition of leadership within family businesses					
4	Trust is a core element in the decision-making process when selecting the next leader of the family business					
5	Family businesses value the preservation of family trust when planning for succession					
6	Family members believe that trust worthiness is a key trait for potential successors in the family business					
No.	Leadership skills	1	2	3	4	5
1	Developing leadership skills among potential successors is a priority for our family business					

2	Leadership training and development programs are regularly conducted to prepare successors in our family business					
3	Family businesses value the acquisition of modern leaderships skills to adapt to changing market dynamics					
4	Leadership skills, such as decision-making and problemsolving, are emphasized during succession planning					
5	Family members believe that a successful successor should possess strong leadership qualities					
6	The willingness to learn and adapt to new leadership techniques is a key factor in the selection of successors					

Thank you very much for your cooperation



School of Business

AUG 09/2023

To whom it may concern

RE: ARIHO HERBERT Reg. No. S19B24/009

A bachelor's student who is seeking permission from your office to collect data for his/her dissertation titled "**DRIVERS OF SUCCESSION IN FAMILY BASED BUSINESSES IN MUKONO DIVISION**"

We shall be grateful if you could render assistance to him/her in collecting the necessary data for his/her dissertation.

The Uganda Christian University School of Business thanks you in advance

.....

Mukisa Simon Peter
Research coordinator.