

**SUCCESSION PLANNING AND SUSTAINABILITY OF FAMILY OWNED ENTERPRISES IN
KENYA: A CASE OF FAMILY OWNED ENTERPRISES IN NAIROBI COUNTY, KENYA**

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CITATION: Maina, F., W., & Namusonge, J., M. (2018). Succession Planning and Sustainability of Family Owned Enterprises in Kenya: A Case of Family Owned Enterprises in Nairobi County, Kenya. *International Journal of Arts and Entrepreneurship*. Vol. 7 (2) pp 25 – 44.

ABSTRACT

The study aimed at finding out the role of succession planning on sustainability of the family owned business enterprises in Kenya. The study specifically sought to establish the role of talent management on sustainability of the family owned businesses, to find out the role of training and development on sustainability of FBEs, to determine the relationship between

founder engagement and sustainability of FBEs, and to establish the effects of director partnership on sustainability of FBEs. The study adopted several theories so as to bring the research variables into a clear perspective. The theories included the two factor theory of Succession planning, stakeholder theory, Scharmer's Theory U Model and social learning theory. The study adopted descriptive research. The study targeted family owned enterprises in Nairobi County which are approximately 16285. A stratified random sampling was applied to come up with a study sample of 502 respondents who were obtained from the Family Business Enterprises in Nairobi County and grouped in manufacturing, trading and service sectors. Questionnaires were used to collect data from the respondents. The data was analysed using descriptive statistics and regression analysis with aid of SPSS software and presented in form of tables, figures and graphs. The findings from the study could be significance to FBE owners, government and policy makers and other researchers and future scholars. The study established that talent management, employee training and development, founder engagement and human capital orientation were key succession planning aspects which are essential in determining the sustainability of a firm. As per the findings, most of the family owned enterprises in Kenya fail to sustain their operations as a result of poor follow-up and implementation of such succession planning activities. The study recommended that the family owned enterprises should embrace succession planning through training of the employees, engaging the successors, delegating duties as a way of managing talents as well as orienting employees on firm management tactics for sustainability of their firms.

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