

# Factors influencing intention to family business succession: A case of Kigali Independent University ULK

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## Qualitative Research Paper

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The aim of this article is to investigate the factors affecting the intentions to family business succession using Kigali Independent University ULK as a case study. An extensive literature search of business magazines, journal databases, textbooks, and relevant reports and citations was carried out, interview and observation were used to collect data.

Key findings include succession planning, successor's readiness, affective commitment of the successor, role of the predecessor, and intra- family relations. A detailed summary of these is given, which together constitute the intention to family business succession. This paper is rich in

qualitative detail, but some of the respondents are still at school and some of them do not have sufficient information on practices of Kigali Independent University ULK. The main point of this paper is to determine the factors influencing the intention to family business succession at Kigali independent University ULK.

**Key words:** Family business, succession intention, succession planning, successor's readiness, affective commitment, predecessor, and intra- family relations.

## INTRODUCTION

In the two and a quarter centuries since the economist Adam Smith so eloquently expressed his concern for the poor masses, the wealth of nations has grown at an unprecedented rate. Yet roughly three – quarters of the world's population still live in conditions of poverty (Venter et al., 2005). It is therefore very important for researchers to study and find sustainable solutions to that problem. Family businesses are among the most important contributors to wealth and employment creation in virtually every country of the world (van et al., 2009). The study of family business has been of interest to researchers in the past few decades (Chaimahawong and Sakulsriprasert, 2013). One of the most crucial research topics in the study of family business is "family business successions", which refers to the actions, events, and developments that affect the transfer of managerial control from one family member to another (Sharma et al., 2001).

Management succession is a fundamental topic in

family business. Although a firm can survive indefinitely, people do not. Thus survival and success of family firms in the long term requires them to meet the challenge of transferring ownership and control. Although much has been written on succession, the literature remains fragmented (Steier et al. 2004).

It is with this regard that the researcher had a scientific curiosity to see how is the intention of succession of the most successful higher learning institution: Kigali Independent University ULK which has contributed significantly to socio-economic development of Rwanda in particular and the region in general.

Kigali Independent University ULK was founded in March 15, 1996 to provide human resources to Rwanda which has been divested by a tragic genocide in 1994. The mission of ULK is to educate (including ethical principles and values), to teach, to conduct research and serve the Community. About its achievements, up to now Kigali Independent University ULK has opened four

schools with many departments: School of Economics and Business Studies having five departments: Economics, Finance, Accounting, Management and Rural Development; School of Social Sciences having five departments: Development Studies, International Relations, Population Studies, Sociology and Administrative Sciences, School of Law, School of Science and Technology with the Department of Computer Science. Kigali Independent University ULK has also opened the Polytechnic Institute with two Departments: Electrical, Electronics, ICT and Civil Engineering.

In 2001, Kigali Independent University ULK opened a Campus in Gisenyi, Rubavu District, and Western Province. Many programmes are being run in this Campus. Up to December 2014, Kigali Independent University ULK has graduated 22,178 (Licence/Ao level) and 571 Masters in different programmes such as Business in Finance (MFIN), Business in Accounting (MACC), Business of Administration (MBA), in Economics (MSc), Development Studies (MDS), Public International Law (LLM), International Economics and Business Law (LLM/EL) and Internet Systems (MS). As far as research is concerned, he says that Kigali Independent University ULK possesses a four monthly Scientific Journal (ISSN 2308-5843) which publishes scientific articles related to Rwanda, to sub region, Africa and the world.

Despite ULK's legal status of "private institution", meaning that functions using its own means, ULK takes patience and allows gradual payments from students who don't have the capacity to pay the fees at once. Furthermore, RWIGAMBA BALINDA's FOUNDATION assists students deprived of financial capacities with a grant (a loan) without any interest. Since its creation in 2001 until the academic year 2013-2014, the Foundation has granted bursaries to 2,878 students of ULK (Kigali and Gisenyi Campuses) to help them complete their university studies.

The number of students in ULK in 2013-2014 rose to 11,298 and split as follows: 10,068 undergraduate students among which 4 270 (42.5%) are male and 5 789 (57.5%) are female; 1,230 Postgraduate students among which 835 (67.9 %) are male and 395 (32.1 %) are female. (ULK\_ANNUAL\_BOOK\_2013). With 384 employees (ULK, HR Department, 2014). For the future plans, the main ones are the construction of the Polytechnic Institute, The University Hospital (General and Super Speciality Hospital), the School of Medicine and health Sciences, the students Hostels, etc.

Succession in family firms is considered a multi-stage process beginning even before the heirs enter the business with effects that extend beyond the moment that they are named as successors. Researchers have pointed out three important aspects in this process. Firstly, the socialization process to which the family successors are subjected, and during which they are

gradually prepared for leadership. Secondly, the biological reality of parents and their offspring being separated by age and business experience, but united by blood ties and shared family experience. And thirdly, the mutual role adjustment process between the founder and next-generation family members, so that the simultaneous evolution of both generations is considered the key to understanding the succession (Cabrera-Suarez, 2005).

Few researchers provide the key determinants affecting the process of family business succession into four main categories, which are: personal factors, intra-family relationship factors, contextfactors and financial factors (Chaimahawong and Sakulsriprasert, 2013). But to the best of my knowledge, few empirical research was conducted specifically on factors influencing intention to family business succession.

From past studies on the topic of family business, scholars have suggested that approximately 30 percent of family firms survive into the second generation of family ownership (Chaimahawong and Sakulsriprasert, 2013). And roughly 16 percent survive further into the third generation (Morris et al., 1997). One the reasons for the low survival rate of family businesses is the problem of family business succession. In this context, the purpose of this research is to present and discuss the results of an experiment aimed at measuring the factors influencing intention to family business succession among the family members in order to make our contribution to existing body of knowledge.

This study is valuable to various parties such as the researcher, other scientific researchers, Private and public institutions. This research will help the researcher to improve his knowledge in this area of family entrepreneurship in general by understanding the factors influencing intention to family business succession in particular. The findings and the suggestions of the study will also be useful to the owners and successors of family businesses. This research will also be useful for the future researchers who will conduct their research in this area.

## Research Questions

Max well J.A (2013) states that research questions are what you want to understand by doing your study. The main question of this research is: what are the factors influencing intention to family business succession? Therefore, this study addressed the following questions:

1. How does succession planning influence intention to family business succession?
2. How does successor's readiness influence intention to family business succession?
3. How does affective commitment of the successor influence intention to family business succession?

4. What is the role of the predecessor in intention to family business succession?
5. How does Intra- family relations influence intention to family business succession?

### **Family business succession**

Family enterprises are important to the worldwide economy. This is true especially for established market economies, where entrepreneurial initiative is strongly encouraged. Although there are no statistics complete enough to map the presence of family businesses throughout the world, many studies conducted in different countries have confirmed the weight these businesses carry in national economies (Morck and Yeung, 2004). A “family business” has no commonly accepted definition, neither in established market economies nor in transition countries (Sonfield et al., 2005).

The literature on family firm research outlines a view of succession as a complex process, influenced by personal goals of the owners, family structure, ability and ambitions of potential successors and legal and financial issues (Sharma et al., 2003a; Nordqvist et al., 2013).

Chaimahawong and Sakulsriprasert A (2013) defines the term “successful family business succession” or “successful management succession” as a continuous process whereby leadership and power is transferred from one family member to the next, while maintaining positive family relationships, and enabling the business to expand and prosper financially. However, the relationship between the succession and performance of the company in the post succession period is still unclear. Therefore, another objective of this paper is to also investigate the relationship between the key determinants of family business succession and the firm’s performance after the succession period.

In this study, the factors that influence the intention to family business succession are *Role of the family, Succession Planning, Successor’s readiness, Affective commitment of the successor, social pressure, Role of the predecessor, Quality of relations between predecessor and successor, Intra- family relations.*

### **Succession Planning and intention to family business succession**

Our review indicates that extant literature on succession planning rarely takes into account an entrepreneurship perspective. For example, no attention has been given to how formal succession planning could include a systematic analysis of the entrepreneurial opportunities available for the next owner, to which extent these opportunities are more or less feasible to exploit or whether the new owners are from the owning family or from outside the owning family (Nordqvist et al., 2013).

Studies on how succession planning in family firms is related to key entrepreneurial processes and outcomes could provide interesting input to this debate from a fresh multilevel perspective. Our review reveals that some studies on succession planning stress the importance of the exiting party granting autonomy and support to the next generation taking over the firm. “Succession planning means making the preparations necessary to ensure the harmony of the family and the continuity of the enterprise through the next generation. These preparations must be thought of in terms of the future needs of both the business and the family” (Breton-Miller et al., 2004).

Although, various authors highlight the importance of succession planning, Ibrahim et al., (2004) suggest that a very small percentage of family businesses plan adequately for succession.

### **Successor’s readiness and intention to family business succession**

Commitment is one of the key factors traditionally associated with success in family firm succession because committed successors display willingness to develop a professional career in the family firm and to assume the functions of leadership in the firm, thus generating a higher level of satisfaction with the succession process (Cabrera-Sua´rez 2005; Sharma and Irving, 2005; Venter et al., 2005). In fact, the succession literature suggests that commitment may be more important than technical capabilities to the success of the successor in terms of maintaining certain competitive advantages such as reputation (Cabrera-Suárez and Martín-Santana, 2012). It has been considered a desirable feature of successors that should be enhanced to improve the quality and results of the succession process (Sharma and Irving, 2005).

It seems that the successor’s willingness to take over depends on three main variables: commitment to the family; the maturity of the successor, and finally; the degree of responsibility exhibited by the successor. The stronger these three variables are, the stronger the successor’s willingness to take over, and consequently the higher the overall satisfaction with the succession process (Pyromalis and Vozikis, 2009). Commitment is one of the key factors traditionally associated with success in family firm succession because committed successors display willingness to develop a professional career in the family firm and to assume the functions of leadership in the firm, thus generating a higher level of satisfaction with the succession process (Cabrera-Suárez and Martín-Santana, 2012).

The successor’s appropriateness and preparation depends on a number of variables that are easily measurable and refer to the knowledge, skills and overall grounding of the successor. It is important for the owner

to involve the successor in the business as early as possible in order for him or her to gain experience and commitment to the business through on-the-job training, because there is a strong need for valuing what connects the business to its entrepreneurial origins and traditions, but on the other hand, too much preoccupation with the past should be avoided. It is therefore safe to assume that there is a positive relationship between the successor's appropriateness and preparation and the effectiveness of the succession process (Pyromalis and Vozikis, 2009).

### **Affective commitment of the successor and intention to family business succession**

Affective commitment is based on an individual's "emotional attachment to, identification with, and involvement in the organization" (Meyer and Allen, 1991). Thus, affective commitment is characterized by a desire to follow a course of action of relevance to the target. An individual with a high level of affective commitment to an organization portrays a strong belief in, acceptance of and an excitement about the organization's goals (Sharma and Irving, 2005).

Affective commitment is based on a strong belief in and acceptance of the organization's goals, combined with a desire to contribute to these goals, and the confidence in one's ability to do so. In essence, the successor "wants to" pursue such a career (Sharma and Irving, 2005).

Commitment is a frame of mind or psychological state that compels an individual towards a course of action of relevance to one or more targets (Salvato et al., 2010). Family firms are commitment-intensive organizations as family members are emotionally attached and identify with the founder's business (Sharma and Irving, 2005). The commitment of the successor as well as the confidence of the incumbent in his ability play a significant role in the confirmation of the intention of succession among the predecessors and in the concretization of planning activities of the transfer of leadership which appear mainly in the preparation of the successors (Karima and Affes, 2012). Thus, we can affirm that it is not sufficient to speak about successor commitment, but it is necessary to ensure that the motivation behind this commitment is effective as it considerably influences the behavior of the successor during succession and even later when the successor is alone on board (Mitchell et al., 2009).

The level of self-confidence of the successors has a positive bearing on the effectiveness of the succession process; hence, the potential successor must possess high self-confidence and must have the managerial skills to run the business. If the potential successor is under-qualified due to a lack of necessary skills and poor preparation, the potential successor may then refuse the position offered by the incumbent, hence causing a

breakdown in the succession process (Le Breton-Miller et al., 2004; Venter et al., 2005).

### **Role of the predecessor and intention to family business succession**

Family firm heads have a very strong relationship to their businesses because they are totally committed to them (Fattoum and Fayolle, 2009). That is why withdrawing is both a difficult decision and process. Some founders even feel a sense of loss of identity and powerlessness; they feel useless and refuse to confront that feeling, which grows as their withdrawing nears completion. Indeed, the founder often sees his firm as an extension of his own personality and his own identity (Cattry and Buff, 1996). That is why the predecessor sees his firm's transmission as a "personal" loss, as it breaks the very link that total commitment to his firm had created (Fattoum and Fayolle, 2009). The predecessor who has held power during his whole career (Fattoum and Fayolle, 2009) will not easily let go of it and will even try to keep or strengthen it. Venter et al. (2005) noted that satisfaction with the succession process is strongly influenced by a willingness to take over the business and the positive relationship between the owner and successor.

Certain successors appreciate the fact that the predecessor does not leave the firm too quickly, this gives them confidence and functions like a "tool of motivation for the teams and outside interlocutors" (Bruneau, 2002). Others on the other hand do not accept the continual and daily presence of the predecessor.

### **Intra-family relations and intention to family business succession**

It is quite obvious that a positive relationship exists between good relations and communication and satisfaction with/and the overall effectiveness of the succession process (Pyromalis and Vozikis, 2009). Family harmony is said to help the succession process as it ensures greater trust, mutual understanding, and knowledge among the participants (Breton-Miller et al., 2004). Such harmony also aids in the development of a shared vision (Sharma et al., 2001).

It is obvious that if family members share the same values and show mutual respect to each other satisfaction will be higher, and the transition will be handled more effectively (Morris et al., 1997). Trust must be built among family members and everyone should clearly identify, acknowledge and accept their roles in the business as well as in the succession process through positive communication, and unmistakably know "what's in there for them" in terms of personal gains in exchange for their support, so conflicts and rivalries that may affect the succession effort negatively are avoided (Pyromalis

and Vozikis, 2009).

If both the incumbent and the successor have a mutual understanding about the future of their family business, there will be less conflict among them; hence, a higher chance for an effective succession (Venter et al., 2005). The quality of the relationship between the successor and other family members, such as siblings, is also considered to be important in the succession process (Brockhaus, 2004). A high level of competitiveness and conflict between siblings usually discourages the potential successor. Hence, hindering the succession process (Bruce and Picard, 2006).

Succession does not happen spontaneously; a process, not necessarily formal, must be put in place to transfer leadership from one individual to another. Since leadership succession in family firms is an emotion-bound issue, it can sometimes raise unpleasant issues for family members. However, thoughtfully developed succession plans can increase the likelihood of cooperation among stakeholders in the business and enhance satisfaction with the succession process (Sharma et al., 2003b)

In support of Handler, (1991) views, Morris et al. (1996) from a study of 102 family firms that had completed the succession process, found that during the process relationships among family members were generally positive, and tended to be based on trust, openness, respect, cooperation and closeness. Family tradition and the quality of the relationships between the family members also plays a major role in family business and how successful the business will be (Kepner, 1983). An effective succession process will occur if the successor feels that it is in the family tradition to continue on the family business (Morris et al., 1996).

The progressive delegation of authority to the successor is essential if the successor is to assume full control. The lack of delegation not only frustrates the learning process of the successor but, perhaps more importantly, it serves to reduce their credibility in the eyes of employees and other key stakeholders (Tatoglu et al., 2008). To make the potential successor feel welcomed and consequently willing to continue the family business, the quality of the relationships between the potential successors, the incumbents and other family members must be positive (Chaimahawong and Sakulsriprasert, 2013).

## METHODOLOGY

In this research, we shall use a single case study as a chosen method. According to Stake (2000), case studies have become one of the most common ways to do qualitative inquiry. Case studies are the source of some of the foundational work in organization theory. In the context of this special issue, we use a broad definition of case study research as the study of at least one case, a

case being a bounded system (Langley and Royer, 2006).

The case study in this research is Kigali Independent University ULK in Rwanda. Its choice was based on the fact that ULK is the most successful family business and the leading private university in Rwanda. Kigali Independent University ULK is a Higher Learning Institution, created on 15th March 1996 and accredited by the Convention no 001/98 of 02/02/1998 with the Government of the Republic Of Rwanda. Rwanda of July 1994 was a torn up country. There was no nation. Rwandan people were deeply affected. There were only survivors, traumatized people, widows, orphans, repatriated people, refugees, in short a vulnerable population (Rwigamba, 2014).

Kigali Independent University ULK is a private Institution of higher learning founded on 15th March, 1996 and governed by Law N0 27/2013 of 24 May 2013, governing the organization and functioning of Higher Education in Rwanda, the Law N0 13/2009 regulating Labor in Rwanda, the Presidential Order N0 51/01 of 13 July 2010 establishing quality standards in higher learning institutions. Given the country's tremendous need in the matter of higher education; taking into considerations the necessity of the population to get educated in line with scientific training and moral education; and in order to fight that the genocide against Tutsi in 1994 which has deeply affected Rwanda must not push and maintain Rwandans in despair, but beckons them to take up the challenge in his field, that is education and culture, which constitute the foundation of any development; Prof. Rwigamba Balinda created ULK which was the first private higher learning institution operating in Rwanda after 1994 Genocide against Tutsi.

The Philosophy of Kigali Independent University ULK is based on four fundamental principles: to have faith in God, to know one's mission on earth; to have positive thoughts; to live on ethical values. Kigali Independent University ULK's vision is destined to stand out as a remarkable University for excellence at the heart of Africa, with highly motivated students and high qualified personnel endowed with elevated ethical values. Kigali Independent University's mission is to provide people with a training which may enable them to become actors and organizers of a complete development of our nation. In this respect, research work is basically focussed on topics of local, national and regional interests.

### The choice of methods

The definition of case study does not exclude any data collection techniques and is less restrictive than that proposed by Yin, (2003) who excludes archival analyses and historical studies because they do not include data from living people. Thus, from our perspective, case studies can be ethnographies, as well as historical studies

(Vaughan, 1992). Moreover, although qualitative inquiry dominates (Stake, 2000), case study research can also include quantitative data from surveys or archival records (Langley and Royer, 2006).

In this work, the documentary via reading scientific journals, unpublished papers and tracer study reports will be reviewed. The semi-structured interview will be given, as well as observation techniques. The researcher uses these database as the main sources to get the articles for our review: ABI/ Inform complete, EBSCO Business source complete and Scopus. The time period covered by the research took place over the past decade, from January 2005 to the effective time of exploration or December 2015. The search for articles was conducted from 01/02/2015 to 10/02 / 2015. To the extent that any of the analysed theories were referenced as such in-used databases, it has not been possible to resort to the use of the thesaurus to refine the relevance of the lexical field.

### Sampling

In this qualitative research the purposive sampling was used as Miles and Huberman (1994) asked "knowing then, that one cannot study every one everywhere doing everything, even within a single case, how does one limit the parameters of the study?". They argue that just thinking in sampling-frame terms is healthy methodological medicine. If you are talking with one kind of informant, you need consider why this kind of informant, and, from there, which other people should be interviewed. This is a good bias-controlling exercise (Maxwell, 2013). To be selected for the interview, the respondents must fulfil two criteria: one is to be a member of the Kigali Independent University ULK owner's family, and the second, he must be mature to respondent to the questions and to give the expected information.

It is with this regard that among 8 members of the family owning Kigali Independent University ULK, five of them was selected deliberately to provide information that is particularly relevant to the research goals. One of these informants who is expected to be an expert in this topic is the Owner and President of ULK and 4 Children (2 girls and two boys) who have completed university studies or who are still at university and who were accessible for interview. One of the children who participated in this study has already completed his studies and is serving ULK; the others are still studying in USA.

The participation of these five family members is on a voluntary basis and they agree to partake after receiving the basic information. To fully protect the privacy of the participants, respondent's numbers are used to refer to them in the results section. The interviews were conducted in-between 10-15 April 2015. After receiving the consent form the respondents gave the appropriate

time for the interview.

### Data collection

The data were collected with multiple methods which is common in qualitative research, the documentary, observation or participation in ULK activities and interview were used. These multiple sources and methods used gives the researcher conclusions far more credibility than if he had been limited to one source or method (Maxwell, 2013).

With his experience at ULK for 13 years as a student then as a staff serving in different capacities including member of the senior management, the researcher participates in decision making and he actively participates in its implementation. The researcher has followed the development of Kigali Independent University ULK and the nature of its leadership style.

The interview guide includes the researcher's name, an explanation of the research and its importance to the community as well as the researcher. The interview guide makes it clear that participation is voluntary and answers would be anonymous. Interviewing respondents on events taking place in the past can prove difficult, not because respondents may lie but simply because we all view the past through a lens of the present. Hence this kind of retrospective study is likely to offer inaccurate information (Silverman, 2013). The questions are asked either in English but the answers were given either in English, French or even in Kinyarwanda according to the choice of respondents. The format of an interview that is chosen gives respondents the opportunity to express themselves more clearly and to expand on the topic.

The respondents were asked to start by the personal identification, then to explain how the factors such as Succession Planning, Successor's readiness, Affective commitment of the successor, Role of the predecessor, Quality of relations between predecessor and successor and Intra-family relations influence intention to family business succession. Finally the respondents were asked to give their additional information related to ULK or family business succession in general and suggestions for successful family business succession. Each interview takes around one hour.

### Data analysis procedure

The data which were collected are classified, categorized and analysed in accordance with the objectives and questions of the study. The researcher makes appointments with the respondents on phones and all interviews are registered. After conducting all of the interviews, the researcher gathered the data according to objectives, and comments are made on all sections.

Beginning with cross-case analysis means grouping

together answers from different people to common questions or analysing different perspectives on central issues. (Patton, 1990)

To do this, we have adopted an approach in three interrelated time (Miles and Huberman (1994). First, we conducted an initial coding (free nodes), the latter based on words, sentences or paragraphs that were in line with our theoretical dimensions, ie the factors influence the family business succession (Silverman, 2013). A second codification was to group the factors according to the major categories identified in the literature. Third, we juxtaposed the data by making use of a table summarizing the main results of interviews and comparing them with those of previous work requested in the context of this work.

Finally, we developed and verified the findings from the analysis of the first interview. As suggested by Miles and Huberman (1994), we attempted to identify trends, consolidate the central themes discussed in the answers, try to link these themes, to compare them with the underlying results in the literature consulted, and establish contrasts and comparisons.

### **Ethical considerations**

Silverman, (2013) states that the general principles that most researchers would agree with research ethics are: voluntary participation and the right to withdraw, protection of research participants, assessment of potential benefits and risks to participants, obtaining informed consent, not doing harm. To respond these requirements, a cover letter that explains the ethical considerations of this study and appeals for voluntary participation will be given to the respondents. In addition, the researcher will ensure that the respondents' anonymity is maintained. The respondents understood that their responses will be treated with confidentiality and could only be used for the purposes of this research. All respondents will receive a consent form.

### **RESULTS AND DISCUSSION**

The results of interviews with members of owner of Kigali Independent university are now presented by major groups of factors influencing the intention to succession in the family business emerged from the literature consulted. But first, we will give a brief portrait of the five respondents. As can be seen in (Table 1), the five respondents, and a part from the owner and father two of the children are boys and two others are girls.

#### **The factors influencing the intention to family business succession of Kigali Independent University ULK**

Succession is a result of strategy, tactics, decisions, goal setting and goal achievement within a family enterprise

(Steier et al., 2004). Just like the organisational structure, size of the firm and size of the family carry implications for the succession characteristics. Commitment among the family members is one of the unique cultural characteristics that a family business might have (Kansikas and Kuhmonen, 2008). The analysis of the interviews emphasizes on factors connected to the factors influencing the intension to family business succession identified in the literature consulted within the framework of this work. Thus, in the five interviews, we have found the following results.

#### **Succession planning and intention to family business succession**

Duh et al. (2009) state that in Slovenian family businesses are not very concerned about succession issues, it seems the lack of awareness about the need to prepare the transfer of ownership and management in time could also be a reason why not many differences in growth aspirations are found in those family enterprises that have gained succession solutions, compared to those that have not.

On the issue of succession planning at Kigali Independent University ULK, on this issue, it is the deep conviction of the respondent 1 that the success without successors is failure. He emphasise on that successors to be successful they should have the same vision, principles, and values as the Founder, intelligence, knowledge, skills and even Experience of Successors are not sufficient. They may account less than 30%. Someone may have these four elements and being an immoral person. But to him it is early for the children in as most as most of them are still pursuing their studies. For him the issue of succession goes beyond legal successors, he puts much emphasis in empowering mangers with skills (participatory management) and ULK philosophy as he always says "the bird of the same feathers fly together". The respondent 3 states that *"About the succession planning of Kigali Independent University ULK, our parents do their best to share with us their principles and values which are to have faith in God, to know one's mission on earth which is to serve God and through his people, to have positive thinking (positive vision of life) and to live ethical values of humility, hardworking, determination, patience, altruism etc."* Which they consider as the center of their success. And a apart from these, all of us will be successors as long as we are studying in different domains Finance, Engineering, Medicine and management, and Kigali independent University ULK is expanding in all these domains". While for respondent 5 on this issue states that *"ULK is a growing and expanding organization, as it grows it will need a competent and up to the task successors who will take charge and lead ULK to more success. Everyone has had a different work and academic experience, and*

**Table 1.** General characteristics of the respondents.

Respondent	Position in the family	Gender	Age (years)	Country
1	Parent	M	67 years	Rwanda
2	First born	M	27 years	Rwanda
3	Second born	F	26 years	USA
4	Third child	F	24 years	USA
5	Fourth child	M	21years	USA

*we will all put them to use in different departments/fields of ULK for its success and expansion”.*

The issue of the family culture was raised during interview by almost by all respondents. This goes with the view of Lussier and Sonfield, (2012) who states that there is a variety of other factors influencing succession in family businesses have also been suggested and are worth mentioning. Dyer (1988) investigated “culture and continuity” in family firms, and the need for firm founders to understand the effects of a firm’s culture and that culture can either constrain or facilitate successful family succession.

On the issue of succession planning the respondent 2 says “ *About succession planning, it is not necessary the person from the family, even other qualified people who have the same principles and values, as the owner can take the lead and the family get some representative in the business* ”The respondents said that a part from those who are working in Kigali Independent University ULK who participate in everyday activities and decision making, that it is the culture of the family to share the main decisions regarding the vision of ULK and to update them of its progressespecially in holidays.

On the issue of succession planning, Giarmarco, (2012) states that the first level of a business succession plan is management. It is important to recognize that management and ownership are not the same. The day to- day management of the business may be left to one child, while ownership of the business is left to all of the children (whether or not they are active in the business). It is also possible that management may be left in the hands of key employees rather than family members. The second level of a business succession plan is ownership. Most business owners would prefer to leave their businesses to those children who are active in the business, but would still like to treat all of their children fairly (if not equally). Yet, many business owners lack sufficient nonbusiness assets to allow them to leave their inactive children an equal share of their estate. Thus, a business succession plan must provide a means of transferring wealth to the children who are not interested in, or not qualified for, continuing the business. Business owners must also assess the most effective means of transferring ownership and the most appropriate time for the transfer to occur. Two other issues concerning ownership must be addressed. The first is whether the

business owner will have continued economic benefit from the business after the transfer of ownership. The second issue is whether the business owner will continue to control the business after the transfer of ownership is complete (Table 2).

### **Successor’s readiness and intention to family business succession**

On the matter of Successor’s readiness, the respondent 4 states “*my parents do their best to pay for us in the best schools, and myself, I am doing a masters in professional accounting and CPA in USA and working part-time in Ernst & Young to get sufficient knowledge and experience required to help Kigali Independent University ULK in near future*” while on this issue, the respondent 3 states that “ *On issue of readiness to succession of Kigali Independent University ULK, I am studying very hard whatever I learn, see and do as a medical doctor in the USA, I wonder how it can be applied at ULK. And a part from my respective courses I take also the courses of leadership which will help me to have a good sense of leadership in different capacities in Kigali Independent University ULK and in my country*”. Most of respondents state that whatever they do, are led by the intention to be successful successors.

On the issue of successors’ readiness, the respondent 1 says “my motivation to serve Kigali Independent University ULK now, is to make my contribution to the development of Kigali Independent University ULK and to get experience which will help me to take good decisions as what my parents are taking now”

Duh et al. (2009) state that there are three kinds of problems are generally linked to the preparation of business transfers.

The first type is psychological and emotional problems (Morris et al., 1997; Bjuggren and Sund, 2001; Sharma et al., 2001). The second type is related to the complexity of the succession process and to the fact that the owner-manager has no (or limited) experience with, or knowledge about, handling this situation (Morris et al., 1997).

The third type of problem stems from national legislation, in particular company law, taxation, and administrative formalities (Bjuggren and Sund, 2001).



**Table 2.** Confrontation of the factors identified in interviews and to the factors identified in the literature.

Factors influencing intension to succession	The studies which identified these factors influencing intension to family business succession	Summary of the findings
Intention to family business succession	(Van et al. 2009, Chaimahawong and Sakulsriprasert 2013; Sharma, et.al, 2001; Steier et al. 2004; Cabrera-Suarez, 2005, Morris, et al., 1997; Morck and Yeung, 2004; Sonfield et al., 2005; Le Breton-Miller et al.,2004; Cabrera-Suarez, 2005; Sharma et al., 2003a; Nordqvist et al., 2013; Kansikas, and Kuhmonen, 2008; Lambrecht and Donckels, 2006, Brenes et al., 2006)	There is high level of intention to family business succession to Kigali Independent University ULK led by the factors discussed below.
Succession planning	Nordqvist et al., 2013; Breton-Miller et al., 2004; Ibrahim and Ellis, 2004; Giamarco, 2012; Lussier and Sonfield, (2012).	In Kigali independent University ULK, the preparation of successors is on its early stage, most of the successors are still at school, what the founder do is to give them the education of Quality and emphasise on that successors should have the same vision, principles, and values as the Founder, intelligence, knowledge, skills and even Experience of Successors are not sufficient.
Successor's readiness	(Cabrera-Sua´rez 2005; Sharma and Irving 2005; Venter et al. 2005; Cabrera-Suárez and Martín-Santana, 2012; Sharma and Irving, 2005; Pyromalis and Vozikis, 2009; Morris et al., 1997; Sharma et al., 2001; Duh et al. 2009).	On the issue of readiness, the successors do their best to get the knowledge and experience and to put into practice the ULK values required to take over. They are willing to continue the family business and keep the great achievements of their parents
Affective commitment of the successor	Sharma and Irving, 2005; Salvato et al. 2010; Mitchell et al., 2009; Shama and Raos, (2000); Goldberg 1993; Le Breton-Miller et.al. 2004; Venter et al., 2005.	The successors of Kigali Independent University havefull ownership and they are passionate to take over of being supportive to the one who may be chosen to represent the interest of the owners.
Role of the predecessor	Fattoum and Fayolle, 2009, Catry and Buff,1996; Bruneau, 2002; Cadieux, L. (2007)	The role of predecessor was mainly founder to be mentorship and involving the successors in decision making. The consultation has become the culture of Kigali Independent University ULK family, the owner prepares managers at different levels who may take successfully the lead when he will be no longer there.
Intra- family relations and intention to family business succession	Pyromalis and Vozikis, 2009; Breton-Miller et al. 2004, Morris et al. 1997, Venter et al., 2005, Brockhaus, 2004, Bruce and Picard, 2006, Sharma and Chrisman and Chua, 2003;Handler's (1991); Morris et al., 1996; Kepner, 1983; Morris, 1996; Lee, 2003; Tatoglu et al., 2008; Chaimahawong and Sakulsriprasert, 2013; Cabrera-Suárez et al., 2001; Cabrera-Suárez, and Martín-Santana, 2012.	There is a high quality of intra- family relationship between predecessor and successor which is characterized by family open communication, constructive solutions from conflicting ideas, and a high level of trust, mutual support, and constructive criticism.

### **Affective commitment of the successor and intention to family business succession**

*On the issue of affective commitment of the successor, the respondent 3 states that "I am passionate and willing to take over. I am highly satisfied of the great job done by my parents, they have set the bar so high, I am eager to make a footstep to them for what they have done to develop my country and our people. My greatest satisfaction will be found in serving Kigali Independent University ULK and make my contribution to develop it even better". For the respondent 5, states that "I am willing to take over if I am chosen, but even if I am not chosen, I will be supportive to the one who will be chosen". For the respondent 4 she says "to me, I have full ownership of Kigali Independent University ULK, I am highly motivated to make my significant contribution to the development of ULK".*

According to Shama and Rao, (2000), the level of interest of the potential successors toward the family business can also increase or decrease their willingness to commit to working for the family. If the potential successor is dissatisfied with the family business, the chances that he or she will take over the business from the incumbent will be reduced due to a decrease in the motivation to work for the business. Thus, the successors of Kigali Independent University ULK are willing to serve Kigali Independent University ULK and they are satisfied with the great achievements of this family business.

### **Role of the predecessor and intention to family business succession**

Cadieux, (2007), states that the period during which transfers of management and ownership take place can be difficult, especially for predecessors, for whom the firm probably represent a large portion of their personal, professional and social lives. In the case of intergenerational transfers, the process appears to begin as soon as the predecessor goes into and lasts until the predecessors officially retires from business.

On the role of the role of the predecessor to the intention to succession, the respondent 3 said that *"I see my parents, as my good role model and best mentors ever. Their commitment to achieve their goals, encourages me and motivates me too much. We are involved in the biggest decisions about ULK, as my father always says consultation, he always does it. But they are very flexible on our choice, they do not make any pressure on us to work for the family business, they always look for our happiness. What I know can make then disappointed is when I fail in my career, otherwise to join Kigali Independent University is my choice".* While, the respondent 5 said *"our parents put the best of their abilities to put all of us in the philosophy of Kigali Independent University ULK and all values need to be*

*successful successor with all aspects of the business".* On the role of the predecessor, the respondent 2 says *"my parents involve me in all strategic decision making of ULK and teach me everything that I need to know about running the business".*

In this case, the role of predecessor of Kigali Independent University ULK, is justified by Cadieux, (2007), when he states that because the successors had not worked with a view to taking over one day, one of the tasks facing the predecessors was to prepare the successors for management and introduce them to the firm's network. The predecessors became their children's immediate superiors, assigning tasks, giving instructions, overseeing their work, and asking for instructions, overseeing their work, and asking for the correction where necessary. As stated by the respondent 1 on of the sun who has completed his studies is his advisor.

### **Intra-family relations and intention to family business succession**

About intra- family relations, the respondent 3 said that *"the intra- family relationship is excellent. It is our family culture to have a constructive criticism, from our childhood, we regularly meet all of us and from the father to the lastborn, we say to one by one what goes wrong with the purpose to improve, and each one get it positively. Sometimes we have opposite views on some issues, even our siblings are flexible, we discuss and the right views passes. We always end with a common agreement".* This relationship among predecessor and successors goes with the views of Cabrera-Suárez et al. (2001) emphasized the importance of the relationship between the predecessor and the successor, arguing that an effective transfer of knowledge between the generations is vital. A high-quality relationship between predecessor and successor is characterized by a high level of trust, mutual support, open and earnest communication, and complementary behaviour (Venter et al., 2005). Cabrera-Suárez and Martín-Santana,(2012) states that when the successor–predecessor relationship is characterized by respect, understanding and complementary behaviours, the successors will tend to feel supported, recognized and more satisfied with their involvement in the business. Those feelings entail the development of trust, feedback and the capacity for mutual learning and friendship (Table 2).

### **Conclusions and Recommendation**

In the conclusion, we underline our main findings, derive their theoretical and practical implications, and then present possible directions for future research. In this article, we set out to investigate factors influencing the intention to family business succession. As observed by

scholars, such as Le Breton-Miller et al. (2004) states that succession is neither an accident nor an event but a long-term process. Succession is, therefore, one of the most researched topics in the family firm field. Nevertheless, most studies have focused on the figure of the predecessor–founder as the principal architect of the company and its culture, and often as the main obstacle to the evolution of the succession process (Cabrera-Suarez, 2005).

In this qualitative research, the data were collected with multiple methods which are common in qualitative research, the documentary, observation or participation in ULK activities and interview were used. These multiple sources and methods used gives the researcher conclusions far more credibility than if he had been limited to one source or method (Maxwell, 2013).

The findings of this research show that the succession is effective as the Founder focus much on empowering the successors, managers and staff of Kigali Independent University ULK with his principles and values which were the cornerstone of the family business success.

The successors show much interest and readiness to take over by doing their level best to perform well in their schools and searching good experience for the purpose to be successful successors of Kigali Independent University ULK.

The motivation to serve Kigali Independent University ULK of successors is led by ownership and gratefulness of the great job done by their parents to serve their nation through education. The successors, consider their parents as a good model of hardworking and commitment. This is a high factor of motivation for them to step on their feet.

The fact that Kigali Independent University ULK applies the participatory management based on consultation, it involves every one of its community in the decision making process. There is a good family relationship based on mutual respect and communication. For some conflicting views, they always come up with constructive solutions.

We conclude that all the factors discussed above determine the intention to succession of Kigali Independent University ULK. As the President and Founder of ULK says that “the success without successors is a failure”, all successors agree that the succession of Kigali Independent University ULK will be based on meritocracy.

The one who will be having required skills and the same values and principles of the owner.

**Limitations:** The limitation of this research is that some of the respondents are still at school and some of them do not have sufficient information on practices of Kigali Independent University ULK. There should be a written criteria for succession plan for the future generations to avoid any kind of conflict when the founder will no longer be there.

**Future research perspectives:** As it was found in this research, having the same vision, principles and ethical values, as the founder play a very important role in family business succession and it is not developed in the literature of the family business succession. Thus, we encourage the future researchers to conduct the empirical study on their influence in successful family business succession.

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