

Family Business (FB) planning in Zimbabwe: a perspective of the Flea Market traders in Masvingo Urban

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Abstract: Family businesses are probably the predominant forms of businesses the world over. In Zimbabwe, such forms of businesses can be traced back to the colonial period to date. Family businesses are recognised for their contributions to the economy in terms of employment creation and foreign currency generation. Literature indicated that the FB is well managed can be the panacea to the economic woes of any country. In this study, the qualitative research philosophy informed the direction of the research. The phenomenological research design was employed and open interviews conducted to generate data for the study. Sampling was purposive to allow those with rich information about the phenomenology under study to contribute to the debate. Results of the study were that FB managers and owners were aware of the importance of planning. However, two groups emerged one with the view that planning is time consuming and the other with the view that they were planning for their FB operations. It was also established that when planning family, should be secured its commitment. Involvement and participation of the family allowed the next generations to learn how to navigate in the densely competitive business environment fully of risks and uncertainties. Therefore, it was recommended that the prerogative to plan lies in with the FB and family should not be excluded in planning to allow tapping and harnessing knowledge and expertise from family members.

Key words: Family business, planning, perspective, Flea market traders

I. Background to the study

Family businesses are the predominant forms of businesses in Zimbabwe evolving after the economic crunch of 2008. Because of that, individuals ventured into businesses although there were such enterprises prior but the influx at this stage was soaring at high rates. Many people saw themselves joining the bandwagon of owning and running a business at the Flea Market in Masvingo urban. Daspit, Chrisman, Pearson and Long (2017) argued that the most predominant forms of business organisation in the world are the family owned enterprises. These businesses are some smallest and largest, youngest and oldest enterprises found in both developing and developed economies of the world (Fernandez-Araz, Iqbal and Ritter, 2015). Family businesses are often marginalised and overlooked forms of ownership yet they are all over around the world underpinning many economies to household names such as BMW, Samsung and Wal-Mart stores (Casper, Dias and Elstrott, 2010).

In simple terms, a family business is one that is governed by the intention to reshape the vision of the enterprise by the dominant coalition controlled by members of a family, be it an extended family (Daspit et al 2017). Involvement of the family in the management of the enterprise is what differentiates the FB from other forms of ownership. Families are made up of systems that are governed by emotional relationships, which are used to govern the business system that is subject to the wider economic logic of the market. This situation brings in a complexity where two systems are overlaid which makes the FB a unique kind of enterprise. Lu, Au, Peng and Xu, (2013) opined that a family business is a kind of enterprise owned and run by the expertise of the founding entrepreneur. The entrepreneur is somebody who identifies opportunities in the wider environment and develops strategies, tactics and mobilise resources to satisfy the identified need in the market. However, this involves risk taking which is inherent in family businesses. Entrepreneurship skills differentiate family businesses from other kinds of enterprises (Saridakis, Lai, Torres and Mohammed 2017).

Family business acts as catalyst for socio-economic development in many countries. These forms of business are appraised for their ability to create jobs for their family members and extended family members as the case in

Zimbabwe. Most of the family businesses employ many family members than non-family members. In crucial moments of economic challenges such as when the country is, not having formal employment at hand the alternative source of employment becomes the family business. In addition, the enterprises play a vital role in contributing to the Gross Domestic Product of the country. In China FB are recognised for their indispensable role in economic contribution, which has resulted in showing the miracle of China speed to world economic transformation (Lin and Chen, 2014).

Perhaps the toughest management job on earth is to keep the Family Business (FB) alive. Family businesses have found themselves competing in the dynamic business environment driven by rapid changes in technology, intensified competition, and changing socio-economic-political dispensations. In Zimbabwe, in the past decade or two FB did not have to worry about or consider involvement of internet, digital communication, electronic marketing, and balancing family and career demands than is currently demanded by the current business environment. The FB of the ten years ago was more concerned with changing interest rates, defending local market position and profit maximisation.

Today the situation has changed rapidly. The FB has to grapple with business environment dynamism. All businesses, particularly family run businesses find it difficult to continue long term than before. Reasons associated with such difficulties are to do with changes in markets and technology, which used to be so stable in the past. Supplier and customer preferences are ever changing, as the standards of living are not static specifically in the era where technology is advancing at alarming rates. These changes in the environment are responsible for altering the game of competition where competitors are now able to copy quickly and successfully business strategies. Truly, in the dispensation of unstable business environment and uncertainty ranking most, any of these changes can take any company by surprise leading to decreased profitability and final closure in the end.

More often than not, the re-advent of planning in businesses, in the current turbulent business environment, calls for the businesses to develop meaningful planning in order to defend their turf. Family businesses in particular have to do much in presenting plans for their businesses because they are the ones that are prone to competition because of the blending of family and business. Family is the major obstacle in the planning process of a FB. Associated reasons are that there are usually unresolved personal conflicts, lack of trust among family members, unforthcoming family relationships, or even family demands on business. Such things tend to stifle the whole essence of planning in FB, which remains the fulcrum for firm survival in the dynamic business environment. Importance of business planning cannot be over-emphasised because without planning one will be planning to fail in business that goes the adage. Continued operation or extended life of the FB is predominantly anchored in planning. In all businesses despite size and form of ownership, planning is important because it guides the management of the enterprise to have a clear mental image of the business among other competing businesses. Moreover, in FB where family issues are brought into the business there is a need to manage the mixture of business issues and family issues rightly.

II. Statement of the problem

Family businesses are often overlooked forms of ownership yet these businesses are all over the world. The predominance of the family business indicates the way they are upraised for their socio-economic contribution. Despite their recognition as lynchpins of the economies of the world the family business are not taking planning aboard in their management. Hence, the current study to examine the perspectives of the Flea market traders on why family businesses are reluctant to take planning into their management.

III. Research objectives

Objectives of the study are as follows:

- To find out what family business planning considers as important
- To assess how family members are included in family business planning

IV. Research questions

Questions to be answered in this study are as follows:

- What do you consider as important when planning for a family business?
- How do you include family members in planning for a family business?

V. Significance of the study

Family businesses are an important assortment of enterprises any country. Their contributions to solving the economic woes of the countries make them significant to the nation at large. Hence the study make help those in policy making like the government ministry concerned with small enterprises to deal decisively with matters concerning the development of the family businesses. Policies should therefore be favourable such that the family business becomes a conduit for employment creation. The study also benefits the individuals in the management and development of their family businesses. Knowledge about planning is so important because planning greases the whole process of business management.

VI. Theoretical framework

The field of FB is advancing rapidly and gaining relevance in the field of business research (McCabe, 2012). Operating in an unknown and fast changing environment, navigating without a roadmap becomes more dangerous as this may plunge the business into unforeseen problems. The systems theory of family business asserts that interaction of persons with their environment is predominant and unavoidable (Pieper and Klein, 2007). For us to understand the concept of family business we need to first, understand the workings of the systems theory of family business. Family business is quite a complex phenomenon that can be well understood from the standpoint of the systems theory. The phenomenon is dynamic because of changing collections of parts that make the whole.

Many people are used to regard the business as a system (Barrett, 2014; McCabe, 2012, Peiper and Klein, 2007; Dispat et al, 2017). Equally, the family a system comprising of relatively closed set of interactions between the individuals that constitutes the family. This system is usually closed and has little interaction with the other sub-systems. However, once the family becomes entrepreneur is advancing the need to exploit business opportunities in the environment, owns, and run a business entity, the system of the family becomes open system. There will be predominant interactions between the business and the family. In that, interaction automatically emerges a second tier of relationships in the form of ownership and management of the business. The results will be interaction of the subsystems forming the whole system of family business theory. The interacting tiers will be the family, business and ownership/ management.

The above are the main subsystems that contribute through influencing each other to the systems theory of the family business. The three-tier model above shows the interaction patterns in the family business, which demands thorough planning. Each tier in the family system theory of family business has its distinct identity and dynamic that interacts with and impact on the on the other two tiers. More so, tiers require planning strategies to not only enable its own sustainable functioning but also to enable sustainable functioning of the family business as a whole. This reflects that there is high level of interdependence among the three tiers that form the business family theory whole. A balanced family business system should be one that has plans in place to interrogate the interrelationships among the three tiers of the theory through adequate planning.

VII. Literature review

The sector of family business occupies in the economies of the world important place as the driving impetus of business growth and competitiveness. Family business plays a decisive role in creation of vast job opportunities especially in shrinking economies like those developing (Karel, Adam and Radomir, 2013). The sector is appraised for its ability to stabilise socio-economic winds in the country through acting as agents of occupation of the reserved army of labour for the formal employment. Some of the family businesses are participating on the international platform of business in producing goods and services for export there by contributing to the improvement of the Balance of Trade of the country's Balance of Payment. Businesses owned and run by families in the world have played a pivotal role to the extent that they are now being regarded as the backbone of many economies (Vlckova and Patak, 2010).

However one of the main characteristic is family business is that these kind of enterprises shun business planning (Kirsch, Goldfarb and Gera, 2009). As family business, it is very tempting to neglect planning which is the central nerve of the business. Many people think planning is time consuming and time lost in planning is never compensated for in terms of profit losses. Thus, many family businesses would venture into the wandering jungle of competitive business environment without a roadmap to guide operations. Ultimate result of such a wandering in the park is complete failure and loss of invested fund by the business (Jesevicute-Ufartine, 2014). Planning remains the only tool to guide business operation maneuverers. It remains the most important instrument that can give light into how activities of the business are unfolding and quickly give information of danger signs and opportunities sign in the process.

In the dynamic business environment, planning is the key to providing an opportunity for a business to survive. Various scholars and researchers have attempted to debate about planning and multitudes of views emerged which point to the need of planning by firms. Planning remains the unchallenged management function which is the core function in making enterprises survive (Jeseviciute-Ufartine, 2014). Ability of enterprises, irrespective of size and ownership to develop include the ability to include planning in management as a way of managing turbulent and competitive environment surrounding the business. In family business, planning is of paramount importance and has to be executed by the founding member of the business. In such circumstances, planning is equally equated to strategic planning in the business. Planning at the top echelons of the family business makes the first managerial job when the environment of business becomes increasingly uncontrollable (Lin and Chen, 2014). A manager or owner of a family business operating without a plan becomes a victim of circumstances because planning is the solution to successfully deal with the dynamism in the business environment and the family structures at the same time.

VIII. Research methodology

Qualitative research is gaining acceptance as an alternative for research. Qualitative research paradigm gives an opportunity for qualitative data to be generated, analysed and interpreted in the qualitative form. As obtained from the informants. The current study therefore, is premised in the qualitative research paradigm, which has several research designs such as case study, narrative inquiry, and phenomenology, among others. Thus, the current study is guided by phenomenology research design.

IX. Research design

In research, people can be certain about how things appear in their consciousness. This is the main concern of phenomenology as a research design. Phenomenology focuses on people's perceptions of the world in which they live in (Koopman, 2015). In the process, people are able to interpret meaning out of their perceptions. Phenomenology focuses on people's real life experiences (Kafle, 2011), description of phenomenon (Groenewald, 2004) in order to understand hidden meanings and essences of experiences (Tristan and Davison, 2014). This makes phenomenology an effective method that is essential to return to the things themselves to avoid making assertions about that which we do not ourselves see and experience. In the interest of the study, the intention was to get the perceptions of the research informants on the issue of planning in the family business of which the participants are the ones experiencing the ownership and management of these kinds of enterprises on a day-to-day basis. To get their perceptions the phenomenological research design dovetails with the data generation instrument called the open interviews, which are administered to a chosen sample.

Sample and sampling technique

Coming up with a sample of research informants in phenomenological research is normally guided by sampling for a purpose (Padilla-Diaz, 2015). Purposive sampling is suitable because it is characterised by incorporation of required specific criteria met by participants at the period of selection. The criteria used to draw the sample from the population of family businesses aims at ensuring that the selected sample has common experiences regarding the studied phenomenon, in this case the family business. Therefore, the sample of six individual owners and managers of family businesses was drawn and the main characteristic rested on one owning and running a family business at the time of selection.

X. Data generation instrument

To solicit information on the perceptions of the managers and owners of family business at the Flea market an open interview was conducted. The most appropriate strategy for a phenomenological research is the profound interview that is open structured (Padilla-Diaz, 2015). Open structured interviews gave the space for informants to express their experiences in relation to family business planning in detail. This makes the research approach reality as faithfully as possible (Tristan and Davison, 2014).

XI. Results and discussion

Planning for the family remains the most important task of the founder member of the FB. In order to have continuance of the business, it is of paramount importance that planning done and put in place because planning is the roadmap for the operations of the FB in uncertain environment characterised by increasing competition. Asked whether planning is done in FB and what aspects of planning are regarded as important, the traders had varied perspectives on this one.

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Some of the informants indicated that they do not have the plan written and put on the shelf for future reference. To them planning is important although in reality it is difficult for them to develop one and make use of it in their business processes. It is regarded as strenuous as it requires someone to sit down and mould the plan as things in the business environment are fast changing. To keep in tandem with those changes and altering the plans to meet demands of the changing environment becomes problematic to FB. One of the informants in the study had this to say:

We are aware that we should be planning for our FB so that we get guided but it is tricky because the business environment in which we are operating in is very unpredictable. What you will have set in your plans may be overtaken by events."

What is obtaining in the current study is that the individuals owning and running FB are aware generally of the need for planning and they do appreciate it. However there are issues at stake that force them not to have planning as a business priority. Most of those who said they were aware of the need for planning but are not doing it lamented that the contemporary business environment is rapidly changing at a fast pace. Changes that occur in the business environment relating to prices availability of hard cash from banks and political regimes changes dispensing new business transactions are heavily overburdening the need for planning in the FB. Despite all these impediments to planning, it remains important that businesses should develop their plans for remaining focused on the critical issues that are tabulated in the plans. Planning sets the tone for the long-term survival of the firm. Therefore, planning remains the nerve centre of all other management functions in the operations of FB. From the above lamentations by the research informants about awareness of the need for planning for family businesses, the study established clearly that the FB are aware of the need for planning but are chocked by a number of variable that make the business environment unstable and making it difficult to set plans. Knowledge about the need and importance of planning as the roadmap for the operations of the business is appreciated by some of the informants but other have a different opinion on planning for FB.

Some of the informants in this study were of the opinion that they are developing plans for their FB. The opinion brought an interesting dimension which many studies are be in disagreement with that FB can involve them in planning. Categorically many studies so far are in concordial agreement that FB do not develop plans for their enterprises. Things are changing and the business environment is changing. Management styles of the past in the FB are changing rapidly perhaps because of change of ownership and management of the enterprises. In this study, it was established that the FB engage in planning as retorted by some of the informant who categorically showed that planning is important as it gives the business the desired direction of focus and ways of doing business. One of the informants supports this by saying:

Planning for FB is crucial and should be done especially in modern day management where FB are run by graduates from universities and polytechnic colleges where skills and concepts of management are taught. I am a graduate for a certain local university holding a degree in Commerce. Therefore, when it comes to planning I do because I have the knowledge of it and this always gives me a competitive edge over my competitors.

From the above loaded statement, it shows that the FB of the past may be different from the FB of today in terms of how people perceive the role of planning in such kinds of business outfits. It is indicative that planning for the FB is outstanding priority for the purpose of competitiveness and business focus. Planning allows individual owner/managers of FB to interact with the environment around the business. In some cases it is prudent to develop plans for the FB by securing family commitment because that commitment is what makes a family business- family business. Family should have shared vision and commitment to invest their knowledge and influence through participation in the business. The family aspect is one of the three tiers spelt out in the theoretical framework in this study that needs thorough attention as far as planning for FB is concerned. Family businesses are difficult to isolate them from the family if planning is to be done with the intention of achieving success.

Planning for FB demands a lot of other things to be considered for it be meaningfully done. Among those considered significant is the ability of the manager/ owner of the FB to secure family support in development and implementation of the plans. When asked whether they consult families when making plans for the FB, the traders at the Flea market indicated that it was obviously important to take recognition of the family input in the planning process. "Without the buy in of either children or their mother, business plans in FB are mere statements which lack support," lamented one of the informants. One of the participants also augmented to the above by saying:

If you want to come up with acceptable planning for the FB you must secure the commitment of the family members first.

What this showed was that the families have to be co-opted in the whole business of planning for the FB. Securing their support energises them and they feel part of the business end result being more motivated to work for the success of the business. Family is one of the subsystems that make the FB as a whole. Involvement and participation of the family in planning as eluded by the above statements is so essential in FB management. Nowadays families are having enlightened members who can bring better insights to how the FB processes can unfold and become competitive in the market. Tapping from expertise and experiences from the family members causes FB doing business with a difference. In other words, securing family commitment in planning for FB has indelible marks on the individuals who participate in their history of the business. Each one of us want to leave a legacy and that push will make the member contribute significantly and without bias to the planning of the business. Also securing and involving family members in planning answers a very difficult question of the next heir of the estate in the event of death of the founding member. Involving members creates an opportunity to the next generation to have realistic mental image of the forces interplaying in making the enterprise survive in technologically ever-changing businesses environment. With the participation, the next generation will gain confidence in navigating the business through the intensely infested competitive business environment.

XII. Conclusion

The study concluded that we should not take for granted the planning in FB is scanty. It has been established in the study that people who are owners and managers of FB are aware that planning plays an important role in the business. Upon that, some of the respondents actually lamented that they do planning. What can differentiate their plans from those of the large firm may just be scale and size but otherwise the concept is regarded as useful in the FB.

Conclusively the study established that when it comes to planning for the FB, the family members are involved and their commitment has to be secured. Participation helps in enduring the whole business entity into the future generation transition. Commitment of the family members in planning for the FB was alluded to as the lynchpin between business and the family and also a tool for improving relationships within family for the total support of business activities for continuity. It has to support the incoming generations to share the vision between the family and the enterprise. Strongly and simply terms a family that plans together can build strong lasting family relationships and new methods of exploiting business opportunities to achieve the profit maximisation goal of the firm.

XIII. Recommendations

The study recommended that the planning for family business should be taken serious as it has serious negative consequences on the continuance of the firms. Those who are not taking planning seriously in the family business practices should receive some planning workshops so that they gain insights into importance of planning in their firms. Planning remains “the roadmap for doing business,” should be the adopted motto by all FB. Securing family support in planning for FB is the bedrock for constructing and implementing successful plans in the FB. Without support, involvement and participation of family members planning would be directionless in FB. Therefore a complete engagement of all the members of the family who matter most in the affairs of the enterprises has the potential of tapping and harnessing the various experiences and expertise in possession of the family members. This can bring stability of the family and hence the stability of the business as the two are intertwined in FB three-tier model.

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