CRITICAL PERSPECTIVES ON SUCCESSION PLANNING IN THE COMMUTER TRANSPORT SECTOR IN ZIMBABWE.

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Abstract

Despite the importance of the transport business sector to the Zimbabwean economy the failure rate in the sector is alarming, these failures are related to finance, demand forecasting, management, marketing, capitalization at start up and business planning. The research seeks to find the reasons of the high attrition rate in the transport sector. This research established the notion that business failures in the transport sector are caused by failure to adequately plan for succession. It also established that some family members may not be willing to take the same business model, also failure to identify a potential successor prior to the death of the founder results in the discontinuance of the business. The key to succession dilemma is to identify and train the possible suitor early

Key words: transport: Transport; failure;succession;planning

1.0 Introduction

Approximately 80% of the businesses in Zimbabwe are classified as family business and are mainly small to medium sized. Family businesses are increasingly becoming the dominant form of business enterprise in Zimbabwe where they play a pivotal role in the economic and social spheres. However the family businesses have encountered difficulties such as rising global competition, high taxes and harsh economic and financial problems. Other challenges include the complexities of family business dynamics such as ownership, succession, family harmony and solidarity. These difficulties may be attributed to lack of formal organizational and corporate structures and this compromises their performance.

The survival and longevity of the Zimbabwean family business is a cause of concern if it must be a major contributor to the social and economic well being. The running of an enterprise is usually closely aligned to the personality and style of the founding entrepreneur. A number of research studies (Beckhard and Dyer 1983, Lansberg 1988, Maynard 1999) found that when owners or managers retire, less than one-third of family-owned businesses are continued by the next generation. The table below shows the percentages of family businesses which can survive to future generations; The Standard of 14 February 2010 shows that 15% of the Zimbabwean family businesses survive to the second generation.Some of the examples of transport businesses that failed or reduced its operation after the death of the owner in Zimbabwe include Nyamweda bus services, Musasiwa bus services, Mucheche bus services, Mverechena bus services and others. All these changes in operation were as a result of succession challenges.

Table 1. Companies that experienced succession challenges

Name of company	Owner/founder	Year of death of founder	No. of buses at the time of death	No. of buses after one year	No. of buses after two years	No. of buses in 2009
Manica Bus services	Mr. Movern Mahachi	2001	12	10	8	1
Matemba Bus services	Mr. Matemba	2000	9	8	6	2
Mushandira (Samaz)	Mr. Solomon Tavengwa	2004	10	7	4	1
Masamvu Bus services	Mr. Masamvu	1998	6	5	5	2
Mwoyomuchena bus services	Mr Mabodza	1995	16	16	13	0
Shoe shine	Mr. P Hall	1988	62	60	55	0

Source: Ministry of Transport records section

The cost of business failure in Zimbabwe has adversely affected the social and economic growth in Zimbabwe. The high failure rate among first and second generation family businesses are attributable to the inability to manage ownership and succession. Failure to plan for succession is a recipe of failure to business continuity. The right ownership structure and strategy can help the business pass from generation to generation. The majority of family run passenger transport businesses in Zimbabwe fail after the death or retirement of the owner/founder. The succession challenges may be due to failure to plan for the future of the business. The research seeks to establish the impact of succession planning on the survival and growth of passenger transport companies after the death of the founder. Also to

To establish the relationship between successions planning and passenger transport business performance in the long run.
To identify types of succession options to businesses.
To establish ways of identifying successors for companies in the passenger transport business
To establish the processes of preparing the successor of the business.

The research is further guided by the following Research hypothesis**:**

H0: Businesses in the second generation fail because of lack of succession planning.
H1: Businesses in the second generation fail due to other factors other than Succession planning.
H2: Most successors of passenger transport businesses are family members.
H3: Most successors of passenger transport businesses non family members.
H4: Succession planning is independent on the operator's time frame of operation.
H5: Succession planning depends on the operator's time frame of operation.
H6: Succession planning is independent on the importance of succession planning.
H7: Succession planning is dependent on the importance of succession planning.

2.0 Literature Review

Debapriya (2009) pointed out that succession planning is not only there to ensure that the business continues after the death or retirement of the founder but it is there to make the organization continue to be competitive in its industry.

There is a sharp increase of passenger transport operators in Zimbabwe and as a result for the transport operators to remain competitive there is need for a succession plan. Failure to have a succession plan means the transport operator risk losing the business to other new rivals. Debapriya (2009) gave the following statement about succession planning:

> *'With the attrition rate for companies increasing, succession planning has become an inevitable strategy to be considered by every organization. To mitigate risk and to enhance quality of life of an organization, succession planning is highly necessary" Debapriya (2009).*

Various definitions for succession planning are given by various authors. Ward (2000) defined succession planning as the process of preparing to hand over control of the business to others in a way that is least disruptive to the business operation and values. The definition shows that the succession planning process is an on-going process and this means it should take a long time. Ward (2000) and Asiado (2009) encourages at least five years before retirement. The definition also shows that succession planning aims at transferring information and knowledge from the founder to the successor of the business as the founder grooms the successor on how to run the business as it results in the continuation of the business after the death or retirement of the founder.
Succession planning is a process of deciding how and when the management, ownership and control of the business will be transferred to subsequent owners.

Crisis succession is brought about by the death or disability of the founder, divorce and threat of departure of the heir apparent or hiring of an outsider manager in an attempt to "finally fix things gone wrong."For example when Mr. Matemba, the owner of Matemba Bus Company Died in 2000, there was no succession plan in place. As a result the business was transferred to the first son who did not have the knowledge as he had not been exposed to the running of the business. However the transfer to the first son created disagreements between the children and they later on shared the buses between the children. This shows there is no handing over of control, management or ownership and there is no transfer of knowledge from the founder to the successor of the business. A forced, ill-formed or panic decision usually would result in transferring the business to a reluctant or incapable person.
There are a variety of ways to which a family business can be transferred. The succession can involve a transfer of the business to members of the owner's family, employees, or external buyers (Martin et al, 2002)

Ward (2000) illustrated that there are three main succession planning issues to be considered:

- Management The questions of who, when and how the ownership of the firm will be transferred is directly related to the ownership aspect of succession planning, while the questions of what changes will the transition bring, when will they be accountable for results and how will results be realized are connected with the issue of management in succession planning.
- Ownership
- Taxes the taxes component of succession planning looks at the minimisation of taxes upon death.

Table 2: Underlying Determinants of Successful Transitions

Preparation level of heirs:	**Planning and control activities:**
· Formal education, training, and work experience (outside firm); · Entry-level position · Year(s) working within firm (and/or industry); · Motivation to joining firm; . Self-perception of preparation.	· Succession planning; · Tax planning; · Use of outside board; · Use of family business consultants/advisors; . Creation of a family council.

Relationships among family and business members:
· Communication; · Trust, commitment, and loyalty; · Family turmoil and sibling rivalry; · Jealousy/resentment; · Conflict; . Shared values and traditions.

Source: Morris et al (1996)

Nasser Saidi, chief economist of the Dubai International Financial Centre, lists four major challenges with regard to succession planning

- Difficulties bringing in the younger generation into the business.
- Controlling the crisis of succession planning.
- Addressing the issue of dilution in big families.
- How to face up to the crisis of competition, with the opening of markets and having more players, both regional and global.

Ward (2000) added that succession planning can be especially complicated because of the relationships and emotions involved and because most people are not that comfortable discussing topics such as aging, death and their financial affairs.

The family may have all female children or the female child may have the qualities of a successor but due to gender stereotype which views women as weak, the founder may not be willing to pass on the business to the daughter. It is also a belief of the African culture that when the daughter gets married, she is no longer part of the family so the founder prefers giving the inheritance to the male child regardless of whether he is able to run the business or not (Volker 1997).

3.0 Methodology/ Research Design

Descriptive research design was chosen because it allowed the researcher to obtain the relevant information that the research project focused on, primary and secondary data was used to gather the requisite information. Questionnaires and interviews were used as instruments of data collection in this research.

Based on the above judgments, the researcher used a sample of 38 respondents. Inductive analysis was used reflect on and modify one’s thinking in the light of the next piece of evidence assessed. Inductive analysis also produced a final theoretical statement which was true of all cases. In addition the researcher also used qualitative analysis through a chi-square testing to test hypothesis.

The major respondents were the owner/founder of the business to show how they are preparing for succession planning and the challenges encountered in preparing the plan. The research is directed at family run passenger transport businesses in Zimbabwe. However the sample will consider the passenger transport operators in Harare, and the research covered periods of 1995 to 2009.

The study on family business succession planning will add value to the passenger transport businesses and this will close the gap of discontinuity or reduction of operation as effective succession planning will result in the smooth flow of business from one generation to the other. This is the first known in depth study in Zimbabwe looking at the area under review. It will thus help in the importance of succession planning; the process of succession planning; and how to overcome barriers to effective succession planning

4.0 Data presentation and Analyses

Data was collected from 30 respondents consisting of 15 for passenger transport operators in the first generation and 15 for transport operators in the second generation. This is consistant with previous researches done by Malone (1989) and Rothwell (2005) who obtained lesser response rates than this research.Most of the respondents interviewed have been operating their business for more than 10 years. Table 3 below shows the time frame for respondents.

Table 3:Respondents’ time frame of operation

Number of years	Frequency	Percentage
□5	3	10.7%
5-10	4	14.3%
11-20	14	50%
□20	7	25%
Total	28	100%

Source: Primary data

Previous researches established that the majority of the owners (42 percent) have business experience of between 10 to 20 years.

This makes all contributions by the different parties valid to this research as all these transport operators have the knowledge and experience in operating the business and they also know about the challenges faced by family businesses which the study was based on. The majority of respondents have been operational for more than 10 years and this shows that other businesses would have made strategic plans for their business which also include issues of succession planning. However very few operators have made plans for the future generation.

Respondents without succession plans highlighted that they are afraid of having one as they were afraid that it will result in conflicts within the family. Others stated that they have not yet considered succession planning as the potential successors is still very young. This shows that the respondents are anxious of the negative effects of succession planning. Some respondents highlighted that they have a polygamous family and choosing one family member would result in conflicts between family members. Companies without succession plans are likely to fail after the death of the founder.Bradley and Short (2008) observed that fewer than 30% of the family business are likely to survive in the second generation and this is due to lack of succession planning. This shows that effective succession planning guarantees the survival of the business in the long run. Debapriya (2009) highlighted that without an effective succession, a company might face a weakening of client relationships and discontinuity of the business.

As a result, the researchers sought to test whether the existence of a succession plan is dependent or independent on the operators time frame of operation.

Hypothesis testing 1
H0: Succession planning is independent of the operator's time frame of operation
H1: Succession planning is dependent on the operator's time frame of operation

Table 4: Establishing the contingency table

Observed frequency			
Response	Succession plan	No succession plan	Total
□5 years	0	3	**3**
5-10 years	1	3	**4**
11-20 years	3	4	**7**
20+ years	5	9	**14**
Total	**9**	**19**	**28**

Source: Primary data
Calculation of expected frequency (E)

$$E=\frac{\text{column total*row total}}{\text{Grand total}}$$

Table 5 Calculation of expected frequency (E)

Response	Succession plan	No succession plan	Total
□5 years	3*9/28=0.96	3*19/28=2.04	3
5-10 years	4*9/28=1.29	4*19/28=2.71	4
11-20 years	7*9/28=2.25	7*19/28=4.75	7
20+ years	14*9/28=4.5	14*19/28=9.5	14
Total	9	19	28

Calculation of χ^2

$$\chi^2=\sum\frac{(O-E)^2}{E}$$

where O=the observed frequency of any value
E=the expected frequency of any value

Table 6 Calculation of χ^2

Observed (O)	Expected (E)	(O-E)	$(O-E)^2$	$\frac{(O-E)}{E}$
0	0.96	(0.96)	0.9216	0.96
1	1.29	(0.29)	0.0841	0.0652
3	2.25	0.75	0.5625	0.25
5	4.5	0.5	0.25	0.056
3	2.04	0.96	0.9216	0.452
3	2.71	0.29	0.0841	0.031
4	4.75	(0.75)	0.5625	0.118
9	9.5	(0.5)	0.25	0.026

χ^2=1.9582

Calculation of degrees of freedom

V= (Rows-1) (Columns-1)

= (4-1) (2-1)

=3

At 5% level of significance, the cut off point of χ^2 for 3 degrees of freedom from the χ^2 tables is 7.82

As the calculated value (1.9582) is less than the table value (7.82), we accept the null hypothesis, that is, we accept that succession planning is independent of the operator's time frame of operation.

The results show that the length of time in business does not guarantee the business having a succession plan. This supports what Abdullah, Amid and Hashim (2011) found from their research as they established that out of the 42% of the owners who had experience of between 10 to 20 years, only 10% of them had succession plans. It shows that founders with the knowledge on the benefits of succession planning have the succession plan. Other operators have the knowledge of succession planning but are afraid of the consequences and as a result they are reluctant to have one. For example passenger transport operators like Chawasarira,Tenda and Munenzwa have been operating for more than 20 years but they do not have written or even informal succession plan in place. One of the respondents in the second generation highlighted that before the death of the founder; the company had been operational for more than 20 years but did not have a succession plan in place. The founder only realised that he was the successor of the business at the appraisal of the will. Other operators like Mucheche, Kadhani and Matambanadzo were once some of the best operators who had been operational for more than 20 years but did not have any succession planning and this resulted in them failing and to date there are no longer any buses for these companies that are still operating. This shows that the time frame of family owned businesses does not guarantee the business having a succession plan.

Hypothesis testing 2

H0: Succession planning is independent on the importance of succession planning

H1: Succession planning is dependent on the importance of succession planning

Table 7: Establishing dependence and independence variables of succession

Response	Succession plan	No succession plan	**Total**
Very important	6	12	**18**
Important	1	2	**3**
Not important at all	2	4	**6**
No idea	0	1	**1**
Total	**9**	**19**	**28**

Source: Primary Data

Calculation of the expected frequency (E)

$$E=\frac{\text{Column total*Row total}}{\text{Grand total}}$$

Table 8 Calculation of the expected frequency on succession planning

	Expected frequency		
Response	Succession plan	No succession plan	Total
Very important	18*9/28=5.79	18*19/28=12.21	18
Important	3*9/28=0.96	3*19/28=2.04	3
Not important at all	6*9/28=1.93	6*19/28=4.07	6
No idea	1*9/28=0.32	1*19/28=0.68	1
Total	9	19	28

Calculation of χ^2

$\chi^2 = \sum \frac{(O-E)^2}{E}$ where O=the observed frequency of any value
E=the expected frequency of any value

Table 8 Calculation of χ^2

0	E	(O-E)	$(O-E)^2$	$\frac{(O-E)^2}{E}$
6	5.79	0.21	0.0441	0.0076
1	0.96	0.04	0.0016	0.0016
2	1.93	0.07	0.0049	0.0025
0	0.32	(0.32)	0.1024	0.32
12	12.21	(0.21)	0.0441	0.0036
2	2.04	(0.04)	0.0016	0.00078
4	4.07	(0.07)	0.0049	0.0012
1	0.68	0.32	0.1024	0.151

χ^2=0.488

Calculation of degrees of freedom

V= (Rows-1) (Column-1)
= (4-1) (2-1)
= 3

At 5% level of significance, the cut off point of χ^2 for 3 degrees of freedom from the χ^2 tables is 7.82

As the calculation value (0.488) is less than the table value (7.82), we accept the null hypothesis and conclude that succession planning is independent of the importance of succession planning. The results show that one may view that succession planning is very important but that does not mean that he/she will have the succession plan. There are other factors which may hinder the implementation of the succession planning process which includes fear of conflicts between family members, lack of willingness by the potential successor and the unavailability of the potential successor.

The researcher also sought to test the hypothesis to show whether family owned businesses fail due to lack of succession planning as shown below;

Hypothesis testing 3

H0: Businesses in the second generation fail due to lack of succession planning
H1: Businesses in the second generation fail due to other factors

Table 9 Establishing the contingency table of failure

Response	First generation	Second generation	Total
Business fail due to lack of succession planning	12	9	**21**
Business fails due to other factors besides succession planning	3	4	**7**
Total	**15**	**13**	**28**

Source: Primary Data

Table 10 Calculation of expected frequency on failure

Response	First generation	Second generation	Total
Business fail due to lack of succession planning	21/28*15=**11.25**	21/28*13=**9.75**	21
Business fails due to other factors besides succession planning	7/28*15=**3.75**	7/28*13=**3.25**	7
Total	15	13	28

Calculation of the χ^2

$$\chi^2 = \sum \frac{(O-E)^2}{E}$$

where O=the observed frequency of any value
E=the expected frequency of any value

Calculation of the χ^2

Observed frequency (O)	Expected frequency (E)	(O-E)	$(O-E)^2$	$\frac{(O-E)^2}{E}$
12	11.25	0.75	0.5625	0.05
3	3.75	(0.75)	0.5625	0.15
9	9.75	(0.75)	0.5625	0.058
4	3.25	0.75	0.5625	0.173

χ^2 = 0.431

Establishing the degrees of freedom (v)

V= (Rows-1) (Columns-1)
= (2-1) (2-1)
=1

At 5% level of significance, the cut of point off χ^2 for 1 degree of freedom from the χ^2 tables is 3.841
As the calculated value (0.431) is less than the table value, we accept the null hypothesis, that is, we accept that businesses in the second generation fail due to lack of a succession plan.

Based on the literature review, Ward (2000) highlighted that more than 70% of family business do not survive in the second generation due to lack of succession planning. Miller (2003) highlighted that failure to plan succession is a recipe of failure to business continuity. This is true because most of the transport operators in the second generation are performing below the rate performed by the founder of the business. These companies include Musasiwa Bus Company, Munhenzva and others. Other bus companies have closed down prior the death of the founder and these include Matambanadzo, Kadhani, Mucheche and others. The researcher analysed the number of buses owned by the founder before the death and compared with the number after take over by the successor to show the performance of the business in the second generation and these are shown on table 11 below;

Table 11 Number of buses before and after death of the founder

Name of company	Year of death of founder	No. of buses at the time of death	No. of buses after one year	No. of buses 2 years after death	No. of buses in 2009
Musasiwa	1998	180	178	50	5
Munhenzva	2000	32	32	28	20
Mutsvanzva	2004	14	11	7	1
Kubvoruno	2000	22	21	18	8

Source: Company records

Table11 shows that the successors are failing to run the business the way it was done by the founder. When they experience any challenges they usually sell the buses so that they solve the problems. Other buses have deteriorated because they are not being serviced so they are no road worthy.

Hypothesis testing 4

H0: Most successors of passenger transport businesses are family members
H1: Most successors of passenger transport businesses are non-family members

Table 12 Establishing the contingency table of successors

	Observed frequencies (O)			
	Transfers to a Family member	Transfer to a Non-family member	Sell to a third party	Total
First generation	10	3	2	15
Second generation	11	1	1	13
total	21	4	3	28

Source: Primary Data

Calculation of expected frequency (E)

$$E=\frac{\text{Row total*Column total}}{\text{Grand total}}$$

Table 13 Calculation of expected frequency (E) of successors

	Expected frequency (E)			
	Transfer to a Family member	Transfer to a Non-family member	Selling to a third party	Total
First generation	15/28*21=**11.25**	15/28*4=**2.14**	15/28*3=**1.61**	15
Second generation	13/28*21=**9.75**	13/28*4=**1.86**	13/28*3=**1.39**	13
total	21	4	3	28

Calculation of χ^2

$$\chi^2=\sum\frac{(O-E)^2}{E}$$

where O=the observed frequency of any value
E=the expected frequency of any value

Table 14 Calculation of χ^2

Observed frequency (O)	Expected frequency (E)	(O-E)	$(O-E)^2$	$\frac{(O-E)^2}{E}$
10	11.25	(1.25)	1.5625	0.1389
3	2.14	0.86	0.7396	0.3456
2	1.61	0.39	0.1521	0.0945
11	9.75	1.25	1.5625	0.1603
1	1.86	(0.86)	0.7396	0.3976
1	1.39	(0.39)	0.1521	0.1094
			$\chi2$ =	**1.2463**

establishing the degrees of freedom (v)

V= (Rows-1) (Columns-1)
= (2-1) (3-1)
=2

At 5% level of significance, the cut of point of χ^2 for 2 degrees of freedom from the χ^2 tables is 5.991

As the calculated value (1.2463) is less than the table value, we accept the null hypothesis, that is, we accept that most successors of passenger transport businesses are family members.

The results are in line with the situation at hand because all the second generation respondents who were interviewed and who completed the questionnaires were family members of the founder. These companies include Munenzva Bus Company, Kubvoruno and Musasiwa.Companies in the first generation that have succession plans are also transferred to family members. These include Kukura Kurerwa Bus Services and Tenda Bus.

The results share with literature as highlighted by Volker (1997) in which he argued that it is the norm of the Zimbabwean culture that the inheritance of the father should be transferred to the family member especially the first son. Ward (2000) also highlighted that family businesses are usually transferred to family members regardless of the competency of the successor. This resulted in the increase in the failure rate of the family business in the second generation as the business is transferred to incapable hands.

Different ways for identifying the successor were identified by the respondents but the majority chose the successor based on the age and gender of the successor and not on the skills that the successor possesses. The eldest son was the one selected by most respondents (20 out of 28 showing 71.4% of the total respondents) to succeed the business.

Process for preparing the successor

When asked how long the succession planning process take should, respondents gave the following views shown in the table below;

Table 15 Period for succession planning

Option	Frequency	Percentage
1year	1	3.6%
1-2 years	6	21.4%
3years	4	14.3%
4years	3	10.7%
5years	11	39.3%
5years	3	10.7%
Total	**28**	**100%**

Most of the operators highlighted that the succession process should take five years so that the successor will know the operations of all the business which include the Accounts of the firm to show the revenue and expenditure, where to source the spare parts, buses, fuel and other issues. Ward (2000) highlighted that five years in advance (before retirement) is good, but ten years in advance is even better when it comes to preparing a smooth transition. However most respondents highlighted that there is no need to carry out the process for more than 5 years as other processes will be repetitive. During the period of the succession planning, the respondents highlighted that the successor should under-go intensive training and mentorship for him/her to have a clear picture of the operations of the business. Handler (1991) argued that factors that influence the effectiveness of succession criteria include degree of training, degree of responsibility as well as experience outside the organisation. **Succession planning options**

When asked about the succession planning options, both the first and second generation operators gave the following responses shown in table 16

Table 16 Succession planning options

Response	Frequency	% of respondents
Transferring the business to a family member, for example a child	21	75%
Transferring the business to a non-family member, for example an employee	4	14.3%
Selling the business to a third party	3	10.7%
Total	**28**	**100%**

Source: Primary Data

The responses show that most family businesses prefer transferring the business to a family member especially the immediate family member who includes the child or wife.87% of the respondents who prefer transferring the business to a family member prefer the eldest son as the successor of the business. 13% of the respondents prefer other immediate family members especially the wife and daughters. Two of the respondents in the second generation were transferred to the wife and the other 9 were transferred to the eldest sons. Most respondents said the eldest son was chosen as in the Zimbabwean culture, he is seen as the person who will take of the bereaved family. Most of the first sons selected were selected not using the criteria of the knowledge or experience that he possessed. Some of the eldest sons selected had no skills or experience in the transport sector. This is identified by Volker (1997) illustrated that the Zimbabwean tradition expects the eldest son to inherit his father's fortune. The respondents prefer transferring to a family member as they viewed that it allows the family to continue to enjoy the inheritance of the parents.

Most of the passenger transport operators in Zimbabwe fail or experience reduction in operations after the death of the founder. This has been identified in passenger operators that include Matambanadzo, Mucheche, Kadhani and many other operators have stopped operating after the death of the founder. Other companies have reduced their operations and these include Nyamweda, Munenzva and Musasiwa.This shows that without a succession plan, there is very little chance of the business surviving after the death of the founder. The hypothesis test 3 also accepted the null hypothesis which shows that most businesses fail due to lack of succession planning. The researcher made a conclusion that lack of succession planning has a great impact on the survival of the passenger transport companies in the future generation.

The family business passenger transport operators know that there is a positive relationship between succession planning and business performance in the future generation. They highlighted that succession planning allows the successor to have the knowhow of the operations of the business. As a result the researcher concluded that there is a very strong positive relationship that exists between succession planning and business performance in the future generation. There are various types of succession options to succession planning but most respondents prefer transferring the business to the family members and they want the family to continue to enjoy the inheritance of the owner of the business. Most owners prefer transferring the business to the eldest son of the family. The researcher made a conclusion that the majority of family business passenger transport operators in Zimbabwe prefer transferring the business to the family members and they do not know the benefits of other forms of business transfer.

Most founders prefer transferring the business to the eldest son. The research has shown that most of the successors chosen do not possess any professional qualifications, do not have experience and interest in running the business. These results in ineffective succession planning because even if the successor has the qualification, the succession plan usually fails if the successor is not interested in running the business. The researcher concluded that passenger transport operators in Zimbabwe do not know the factors to consider when selecting the successor of the business.

Most operators highlighted that in preparing the successor of the business, the succession plan should take a long period of at least five years and the period should involve rotating the successor to various department of the organization, mentoring and equipping him/her with other tools used in running the business which include knowing the suppliers of fuel. The researcher concluded that the family businesses in the passenger transport business have the adequate knowledge on the process of preparing the successor of the business.

The results shows that most operators in the passenger transport operators have the adequate knowledge on how to prepare the successor and they know that there is a positive relationship between succession planning and business performance in the second generation but do not want to have the succession plans. The results show that the passenger transport operators are afraid of the negative consequences of succession planning. The researcher made a conclusion that the passenger transport operators lacks knowledge on how to overcome the negative effects of succession planning.

Although there is no ideal succession process for every family business, the following are recommendations for family businesses; The owner should help the children gain appreciation and understanding of the business while they are still young. Allow the children to come to the company or garage regularly so that they have the knowledge on how the business is run. The owner of the business should make sure that they get the most possible education and experience in the business.

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