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CAN CROSS-CULTURAL CONTEXTS SHAPE FAMILY BUSINESS SUCCESSION?

Executive summary and practitioner insights by Angèle Marinelli, PhD Fellow, and Cécile de Lisle, Executive Director, Dieter Schwarz Foundation Family Business Center, based on Janjuha-Jivraj, S., & Woods, A. (2002). *Successional Issues within Asian Family Firms: Learning from the Kenyan Experience*. *International Small Business Journal*, 20(1), 77–94.

This summary draws on the core findings of Janjuha-Jivraj et al. (2002), with interpretation and application developed independently by Angèle Marinelli and Cécile de Lisle for a family business audience

EXECUTIVE SUMMARY

How do **culture** and **family dynamics** shape **succession** in Asian family firms? This study looks at Asian family businesses in Kenya to uncover how **generational expectations**, **community ties**, and **cultural norms** influence **leadership transitions**. Succession is never just the transfer of ownership; it is about balancing **identity**, **trust**, and **relationships** within the **family**, while navigating wider **business challenges**. Strong family bonds can provide resilience, but if not managed carefully, they can also create **obstacles to change**.

BUT WHAT DOES THIS MEANS FOR YOUR FIRM?

Continue reading to learn our **three key insights** and **questions to ask** within your family firm!



INSIGHT 1

SUCCESSION IS A CULTURAL AS WELL AS A BUSINESS PROCESS

- Cultural norms (patriarchy, hierarchy, filial duty) shape succession timing and openness to power transfer.
- Ignoring the cultural layer risks family resistance and hidden conflicts.

MANAGERIAL TAKEAWAY:

Design succession planning that balances formal governance with cultural sensitivity: respect cultural traditions while introducing structured tools (e.g., family councils, role definitions, succession timelines).

INSIGHT 2

PAST SUCCESSION FAILURES DRIVE CURRENT CAUTION

- Kenyan Asian firms experienced family and business splits from poorly managed succession.
- These failures are powerful cautionary tales that motivated the next generation to seek smoother processes.
- The community's collective memory offers lessons that other family firms can adopt pre-emptively.

MANAGERIAL TAKEAWAY:

Use past failures as learning cases to justify early, proactive succession planning.

INSIGHT 3

MOTHERS ARE CRUCIAL BUT OVERLOOKED ACTORS

- Mothers often mediate tensions between patriarchs and heirs.
- Their influence can prevent escalation of generational disputes.
- Despite their role, they are rarely included in formal planning structures.

MANAGERIAL TAKEAWAY:

Formally recognize and involve mothers in succession discussions, ensuring that planning includes both visible decision-makers and hidden influencers.



QUESTIONS TO ASK WITHIN YOUR FAMILY FIRM



Have we started planning for succession early enough, or are we waiting for a crisis to force decisions?



How can we combine the strengths of generational perspectives without creating conflict?



Are we learning from past succession experiences (in our own family or community) to avoid repeating costly mistakes?



Do we have a clear policy on when and how to involve non-family advisors?



Do our governance structures (family councils, boards, agreements) balance business needs with family unity and cultural traditions?



BOTTOM LINE



Succession in family firms is as much about **culture and relationships** as it is about **business**. Lessons from Kenyan Asian firms show that **poor planning** can **fracture both families and companies**, while **mothers** and other informal actors often play a **decisive mediating role**. For leaders, the takeaway is clear: build **succession plans** that combine **strong governance** with **sensitivity to family dynamics** to safeguard both unity and long-term business continuity.