

UNIEKE UITDAGINGS EIE AAN FAMILIEBESIGHEDE

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UNIQUE CHALLENGES FACING FAMILY BUSINESSES

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The fine line between family and business harmony is a taxing and intricate art, sure to challenge the outgoing family generation to find their way through the history of the family and the future of both the family and the business.

The need to focus attention on the unique challenges encountered in the demanding landscape of the family business developed into a research study encompassing a range of practical tools for the family business to employ in its search for harmonious co-existence of family members and business management members. The goal of the study entails providing assistance in evaluating and overcoming the challenges to leverage the positive traits of the family business into achieving sustainable competitive advantage from generation to generation. Traits such as shared family values, the family spirit, tenacity, skills and common goals can be significant factors to put to good use in the tough arena where family businesses come up against conglomerates, corporate enterprises and other role players claiming to be the economic heartbeat of the economy.

In view of the constant overlap between family and business goals, the study converges on identifying and addressing problems that occur in family businesses. The importance of taking proactive corrective measures to curb unnecessary (real and emotional) damage and cost, receives prominence in the report.

The research was conducted by means of a literature and empirical study. The literature study documents the initiatives of family businesses in providing the preparations necessary to ensure the harmony of the family and highlights the unique challenges facing family businesses. Thus, the literature study formed the basis for establishing what unique challenges are facing family businesses. The knowledge gained from the literature study was used to theoretically model the independent variables identified against the dependent variable and to empirically test the independent and dependent variables against each other, in practice and to analyse it.

As part of the findings of the empirical study, it was concluded that the following factors are critical to the success of family businesses: corporate governance, ownership succession, performance measurement and compensation of the family members and management succession.

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Abstract