

# News

2021

## MESSAGE FROM THE ACTING DIRECTOR - PROF ELMARIE VENTER

First and foremost, it is with great pleasure and pride that we wish to congratulate our colleague, Dr Welcome Kupangwa, a lecturer in Management Practice at the Nelson Mandela University and a member of the Unit, on successfully completing his doctoral studies. His thesis, which is titled, “A framework for enhancing the transgenerational potential of Indigenous African family businesses”, provides a deeper insight into practices implemented among successful indigenous African family businesses, as well as the context in which these businesses operate. Business values in indigenous Black South African family businesses are influenced and shaped by their African culture, and the philosophy of Ubuntu. And parents are the most influential familial socialisation agents. Welcome, we are proud of your perseverance despite being diagnosed with both tuberculosis and diabetes, and the psychological trauma of a car accident during the duration of your studies. Welcome has shared an insightful look into his PhD journey, which is included on Page 3 of the newsletter.

Despite the challenges of the Covid-19 lockdown, the Unit continued to successfully participate in several events and conferences during 2021. Highlights are included in this newsletter. Unfortunately, we also have to say goodbye to a valued member of our Unit. Dr Tony Matchaba-Hove will be leaving the Nelson Mandela University Department of Business Management and the Family Business Unit at the end of 2021. We wish him all the best for the future. Last, but not least, I want to thank all the members of the FBU, our partners, and the wonderful family business owners all over Africa that we have the pleasure and privilege of working with, for your continuous support and collaboration. We wish you and your families good health and prosperity for 2022.



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# NELSON MANDELA UNIVERSITY FAMILY BUSINESS UNIT CO-HOSTS THE SECOND VIRTUAL AFRICAN FAMILY BUSINESS RESEARCH CONFERENCE (AFBRC)

The Nelson Mandela University Family Business Unit (FBU) recently hosted the 2nd Annual African Family Business Research Conference (AFBRC), in collaboration with African Family Firms (AFF).

The conference was hosted online between 10 – 13 August 2021 and was themed “Gamade”, which means “Striving for cooperation and sharing”. The theme was linked to the topics that were covered at the conference, which included innovation, resilience, sustainability, values, generational differences, governance, philanthropy, polygamy, branding and other contemporary issues of concern to family businesses.

Over the four days, many accomplished family business researchers and professionals from various countries (South Africa, Zimbabwe, Botswana, Kenya, Nigeria, Netherlands, Germany, United States of America, United Kingdom and Sweden) presented their research in the field of African family business. Informative panel discussions were also held on each of the daily themes, where important questions were raised and answered. For each of these discussions, the context of Africa was also discussed and debated.

Several members of the Family Business Unit presented at and were involved in the conference:

- Prof Elmarie Venter presented her and Prof Farrington’s joint research, titled “The nature and importance of entrepreneurial orientation in African family businesses”, while also participating in several panel discussions and

chairing several sessions.

- Prof Shelley Farrington presented her and Prof Venter’s joint research, titled “Exploring the relationship between governance and family business success in a developing country context”, while also participating in several panel discussions.
- Mr Welcome Kupangwa presented his doctoral research, titled “The nature of values among South African IAFBs”, and also participated in a couple of panel discussions.
- Mr Haydn Hayidakis presented his master’s research, titled “Innovation in South African family and non-family SMEs” and participated in a panel discussion.
- Dr Tony Matchaba-hove participated in a panel discussion.

Overall, the conference was a great success, and we would like to thank each speaker and panel member for adding great value to this event. It is hoped that this conference can continue to grow from year to year, as it offers a great opportunity for researchers in Africa to share (and showcase) their research and to contribute to the world of family business management and governance.

Links to all the session recordings can be accessed on the conference website:

<https://www.africanfamilyfirms.org/gamade2021>

## CONGRATULATIONS TO WELCOME KUPANGWA FOR COMPLETING HIS PDH QUALIFICATION!

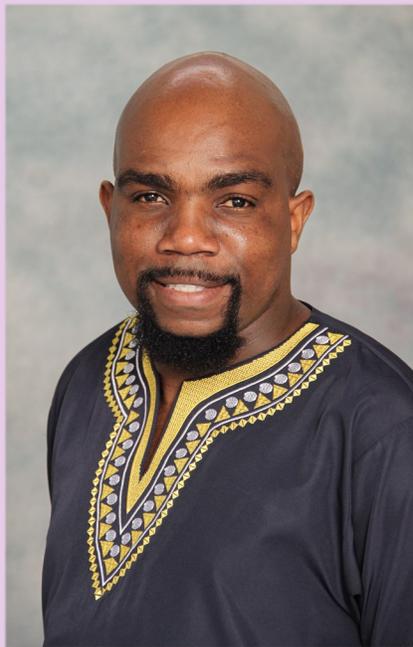
We would like to congratulate Family Business Unit member, Dr Welcome Kupangwa, who has recently graduated at the December 2021 graduation ceremony with his PhD in Business Management. He has kindly shared some wonderful insight into his PhD journey and research into African family businesses.

Dr Kupangwa's academic career began twelve years ago at the then Nelson Mandela Metropolitan University when he commenced his BCom degree, majoring in Business Management and General Accounting. Upon graduating in 2013, he proceeded to attain his BCom Honours in Business Management before completing his MCom in Business Management (Cum Laude) in 2015. Having focused on South African small and medium-sized enterprises (SMEs) for his MCom studies, Dr Kupangwa assumed that he would simply continue to focus on this subject going into his PhD. However, things didn't quite work out how he had imagined. Rather, he was introduced to the field of family business research.

Admitting to not know much about the topic of family businesses prior to commencing his PhD research proposal in January of 2016, he was intrigued by what the field had to offer. "It felt like it was not my space, and it was intimidating to focus on something that I knew nothing about, despite the fact that my MCom supervisor, Prof Shelley Farrington, is one of the best family business experts on the continent," said Dr Kupangwa. He recalls asking Prof Farrington about her desire to conduct research on family businesses and what makes them so significant. Drawing on Prof Farrington's and Prof Elmarie Venter's research proficiency and passion, he had gained inspiration, ignited an inquisitiveness, and manifested a desire to know what these firms were all about. He explains, "Although I do not come from a family that has a family business, I knew that there are two things in common between myself and the field, which are 'the family' and 'values' - that all people, no matter the form and shape come from a family and possess values of some degree". It was these two commonalities that are present in almost everyone, on which Dr Kupangwa then based his PhD study.

Dr Kupangwa's thesis is titled "A framework for transmitting and entrenching values in indigenous Black South African family businesses" and it focused on the nature and role of values in these businesses. The study investigated how values are transmitted from one generation of the family to the next, as well as how these values are entrenched and incorporated into the organisational activities of indigenous Black family businesses. The framework developed in the study highlighted several types of value sets, namely: personal, family, cultural, and business values, which are found amongst the families and their businesses, with these value sets operating at both

individual and group levels. The value sets of the participating business-owning families and their businesses tend to overlap and are mainly collective, ethical, and humanistic in nature. In addition, these values were found to be influenced and shaped by their African culture, which is premised on the philosophy of Ubuntu. In understanding the nature of the transmission of values from one generation to the next, the study also found that parents were the most influential familial socialisation agents. The study further highlights that the values of the founder and/or current leaders influence the values found in their family businesses and these values are institutionalised into the business through influencing and shaping several business functions and processes. Values were found to influence the strategies, identities, cultures, employees, governance, innovation, and operational decisions of the participating family businesses.



Undertaking a PhD study does not come without its fair share of direct and Indirect challenges, and Dr Kupangwa definitely faced a few. Around the middle of 2017, his health started deteriorating and he was later diagnosed with tuberculosis and diabetes within the space of two months. While this briefly slowed his progress, he would still keep busy by reading one or two articles each day and slowly drafting one paragraph after another. Then in 2018, he was involved in a car accident, which while left physically unharmed, the experience has left him with psychological trauma to this day. "I remember thinking to myself that I might not complete this PhD journey, as it felt like I was going to die during the process," said Dr Kupangwa. He also pointed out how challenging it was to find willing and committed

participants to engage with for the purpose of data collection. After spending many tedious months searching for suitable indigenous Black South African family businesses, which were applicable in his study sample, he learned that it is important for researchers to create meaningful networks, especially when dealing with notoriously private family entities. While reflecting on the challenges he has experienced, Dr Kupangwa has realised that they are not only there to prevent one from achieving their goals, but they are sometimes necessary to prepare and strengthen you for life's difficult journey. "It is because I went through these experiences, that I now know the value of perseverance, hard work, and determination – it is these values that contribute to one's success."

While it would be ideal for one to focus solely on their studies, Dr Kupangwa also had many other commitments that he had to focus on. Before he began his PhD studies in 2016, he was (and currently still is) a lecturer in the Nelson Mandela University Department of Management Practice. This means that in addition to being involved in the learning and teaching

CONGRATULATIONS TO WELCOME KUPANGWA FOR COMPLETING HIS PDH QUALIFICATION! (CONT.)

function within the department, he also spends time representing the department in committees associated with the Faculty of Business and Economic Sciences (BES). For example, he has been a member of the Research Ethics Committee – Human (RECH) since 2019 and a member of the Faculty of BES Corporate Social Responsibility’s showcase task team during a period in 2020. In addition, Dr Kupangwa has been involved in various professional bodies, such as the Southern African Institute of Management Scientists (SAIMS), Southern African Institute for Business and Accountants (SAIBA), and International Council for Small Business (ICSB).



His involvement in these bodies sees him offering his time to review conference papers and attend webinars presented by experts in different fields of business. Dr Kupangwa is also the Treasurer for the Nelson Mandela University Alumni Association Executive Committee.

Given the challenges associated with completing a PhD, one cannot overlook the role of certain individuals. Extending sincere gratitude towards his supervisors, Dr Kupangwa said, “I regard myself as being privileged and truly honoured for having both Prof Shelley Farrington (supervisor) and Prof Elmarie Venter (co-supervisor) as my supervisors and mentors. I believe that they are truly the best supervisors that Mandela University has to offer”. Both of these remarkable Professors have continuously believed in Dr Kupangwa’s academic potential and have shown him unwavering patience, support, and commitment over the years. “I will forever be grateful for the time and effort they have invested in my research, as they have both moulded within me the value of being a scholar that cares about critical thinking when undertaking research,” said Dr Kupangwa. The two of them take their work extremely seriously and have an undeniably impressive work ethic, which has, in many ways, inspired Dr Kupangwa to try and follow in their footsteps. “Without the guidance, encouragement, support, serenity and grace from both Prof Farrington and Prof Venter, undertaking my PhD study would not have been possible.”

In conclusion, Dr Kupangwa expressed the unique nature of qualitative research, with the process of data collection and analysis being truly iterative and time-consuming. “You may sometimes think that you have everything under control and then many things come up along the way, so I learned that one needs to be flexible with their research process, particularly when undertaking a qualitative study.” Finally, Dr Kupangwa advises that anyone who is thinking of pursuing a PhD themselves should create a meaningful relationship with their supervisor(s), seek training and development through attending research workshops, and READ, READ, READ!

Once again, congratulations, Dr Kupangwa. We look forward to seeing what your academic career has in store for you in the future!

*DID YOU KNOW?*

The Nelson Mandela University Family Business Unit was founded in 2010 and prides itself in being the first, and currently the only unit of its nature in the continent.



Family Business Unit

**FBU MEMBERS PRESENT COLLABORATIVE PAPER AT THE INTERNATIONAL FAMILY ENTERPRISE RESEARCH ACADEMY CONFERENCE**

Prof Elmarie Venter and Prof Shelley Farrington from the Nelson Mandela University Family Business Unit, and Mr Alan Barr of KPMG SA, presented a paper at the annual International Family Enterprise Research Academy (IFERA) 2021 Conference.

The title of their presentation was: 'Exploring the nature of entrepreneurial orientation in African family businesses: Implications for future research'. The Conference was hosted online from 14-25 June, by Santander (Spain).

Using a survey method and cross-sectional research design, the research examined five dimensions of EO amongst 122 family businesses from 9 African countries. The results revealed that African family businesses demonstrate strong Innovativeness, Proactiveness and Autonomy, while the Risk-taking and Competitive aggressive dimensions were much weaker. The economic perspectives of respondents post Covid-19 were positively correlated with Innovativeness, Autonomy and Proactiveness. Autonomy



and Proactiveness were found to be significant predictors of Turnover. Significant differences in the average score of the EO dimensions according to country were obtained for the Overall EO, Innovation, Proactiveness and Competitive aggressiveness, illustrating that heterogeneity exists amongst African family businesses.

Whilst the immediate future is uncertain, African family businesses are focused on the future and are looking to diversify their businesses to continue growing in this rapidly changing global and African business environment.



**PROF VENTER PARTAKES IN STANDARD BANK'S PHENOMENAL FAMILIES SERIES – WOMEN MAKING AN IMPACT**

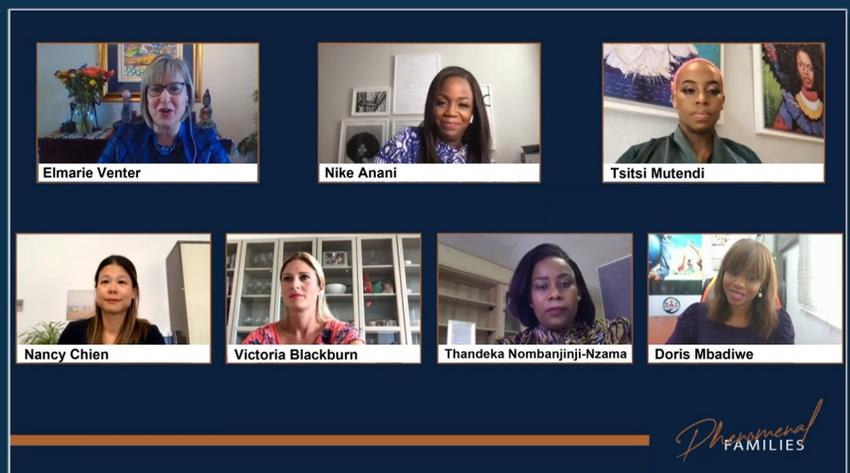
On Wednesday, 8 September 2021, Prof Elmarie Venter of the Nelson Mandela Family Business Unit was part of a 90-minute long women's panel discussion and broadcast, themed: Women making an impact in business, entrepreneurship, and society.

- Work-life balance, especially in a family business.
- What happens when a sibling (male) is not chosen to be the CEO - How to manage potential conflict.

Watch the session recording on YouTube: [https://www.youtube.com/watch?v=5sJ\\_queEL2k&t=403s](https://www.youtube.com/watch?v=5sJ_queEL2k&t=403s)

This broadcast formed part of Standard Bank's Phenomenal Families Series. Prof Venter joined other well-known business-women, such as Nike Anani, Tsitsi Mutendi, Nancy Chien, Victoria Blackburn, Thandeka Nombanjini-Nzama, and Doris Mbadiwe on the panel, where they discussed various issues surrounding:

- Women in business - What matters most to them.
- Cultural differences to consider.
- Mentoring women in business.
- Succession planning impact.



**PROF VENTER AND PROF FARRINGTON PRESENT AT THE 2021 SAIMS AND IBC CONFERENCES**

Prof Elmarie Venter and Prof Shelley Farrington of the Nelson Mandela University FBU presented joint research papers at the recent SAIMS and IBC conferences, respectively.

After being postponed in 2020 due to the Covid-19 pandemic, the 32nd edition of The Southern Africa Institute for Management Scientists (SAIMS) conference was held online for the first time in 2021. This year's edition of the conference was hosted by North-West University from 13-14 September 2021. The theme of the conference was 'Re-Imagining Management Research: Past insights for Future Foresights'. Prof Venter presented their research paper at the SAIMS conference, which was titled 'Entrepreneurial orientation as a source of heterogeneity in African family businesses'. The paper was motivated by the dearth of empirical research on understanding entrepreneurial orientation (EO) in African family businesses, and because these businesses can leverage entrepreneurship to respond to and take advantage of opportunities in the marketplace, reduce unemployment, and deal with a global crisis. The results of the study, conducted amongst 122 family businesses from 9 African countries, revealed that African family businesses demonstrate strong Innovativeness, Proactiveness and Autonomy, while the dimensions of Risk-taking and Competitive aggressiveness were much weaker. Significant differences in the average score of the EO dimensions according to country were obtained for the Overall EO, Innovativeness, Proactiveness and Competitive aggressiveness, illustrating heterogeneity amongst African family businesses.

In a similar fashion to the SAIMS conference, the 2020 edition of the International Business Conference (IBC) was also postponed. The 14th IBC returned this year as a virtual conference for the first time and was held from 20-21 September 2021. Their IBC paper was titled 'Governance and success: The case of two multigenerational South African family businesses' and was presented by Prof Farrington. The aim of the paper was to explore the relationship between governance and family business success in a developing country context using a qualitative approach. Their findings confirmed that despite many family businesses not having formal governance structures in place, both formal family and business governance structures are necessary if a family business is going to survive and prosper over the long term. Several recommendations were also made on how such structures could be implemented. Their paper was nominated for the best paper award.



Prof Elmarie Venter



Prof Shelley Farrington

**PROF VENTER PRESENTS WEBINAR FOR THE SOUTH AFRICAN INSTITUTE OF PROFESSIONAL ACCOUNTANTS**

Prof Elmarie Venter from the Nelson Mandela University Family Business Unit presented a two-hour webinar to the South African Institute of Professional Accountants (SAIPA), on 22 September 2021.

Her presentation centred around 'Consulting to family businesses: Successfully planning and guiding the family business through management and ownership transitions'.

Prof Venter highlighted the nature and importance of succession planning and how to approach this process if clients are family-owned or controlled. She highlighted the factors that influence the succession process and the obstacles to be aware of. In addition, she presented suggestions for how to successfully plan for ownership and management succession.



### PROF VENTER CO-HOSTS A FAMILY BUSINESS WEBINAR

On 26 October 2021, Prof Elmarie Venter, Director of the Family Business Unit, was a co-host and speaker at a recent Family Business Webinar, themed: ‘Your Family Business: Re-set, Re-align, Re-ignite’.

The webinar was co-hosted by Mr Carl van Vuuren, who is a Certified Financial Planner (CFP®), specialising in estate and business risk analysis. Prof Venter’s presentation focused on the often neglected ‘soft issues’ that are faced in family businesses. Various questions and topics were raised and discussed, such as:

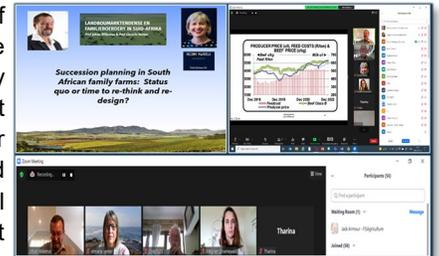
- Is traditional succession planning still relevant in family-owned businesses?
- What are the factors that force business families to re-design their succession planning processes?
- What could be done to re-align and re-ignite the succession process in family businesses to ensure their success and increase their transgenerational potential?



### PROF VENTER PARTICIPATES IN WEBINAR ON AGRICULTURAL MARKET TRENDS AND FAMILY FARMING IN SOUTH AFRICA

On 17 November 2021, Prof Elmarie Venter, together with Prof Johan Willemse, an Agricultural Economist, presented a two-hour webinar to discuss the economic outlook for 2022 for different parts of the Agricultural sector in South Africa.

In her session, Prof Venter discussed the economic and industry market influences that were presented earlier by Prof Willemse and delved into how they will influence the way that family farms in South Africa plan for succession, both from a management and ownership perspective. Prof Venter then addressed questions such as whether “traditional” succession planning is still relevant in 2021/2022, which factors should be considered when re-designing and re-imagining succession planning, and how should succession planning be approached by South African family farms. Prof Venter also emphasised that the next generation of the family should be taught and mentored from a young age, so as to become responsible, committed, and competent owners and/or managers of the family farm business.



### PROF VENTER PARTICIPATES IN CROSS BORDER PLANNING: INTERNATIONAL 2021 CONFERENCE

Prof Elmarie Venter represented the Nelson Mandela University and Family Business Unit (FBU) as a speaker and panellist during the **Cross Border Planning: International 2021 Conference – Europe, Middle-East, Asia and Africa.**

The conference was held online during the period of 25-27 May 2021 and aimed to engage in discussion across a full range of issues affecting the modern private client. Areas of focus included Tax & Immigration, Wealth & Investment Management, Global Structures & Litigation, and Family Perspectives.

Prof Venter spoke on the topic of “*Succession planning in (African) family businesses: Exploring key success factors*”, alongside fellow speaker and panellist, Mr Moses Chundu, who is an economist, management consultant and lecturer at the University of Zimbabwe. The session

#### Succession Planning (in African) family businesses: Exploring key success factors



focused on raising and addressing the question: “Where does succession planning rank amongst the list of priorities?”, while also establishing a suitable method for succession planning in family businesses. In addition, various challenges that affect succession planning across local and international borders were discussed, along with the key factors that need to be considered to ensure successful wealth ownership and preservation.

More information about the conference can be found on the following website: <https://informaconnect.com/cross-border-planning-international-2021/>

**PROF VENTER PARTICIPATES IN THE TRANSCONTINENTAL TRUSTS BERMUDA CONFERENCE**

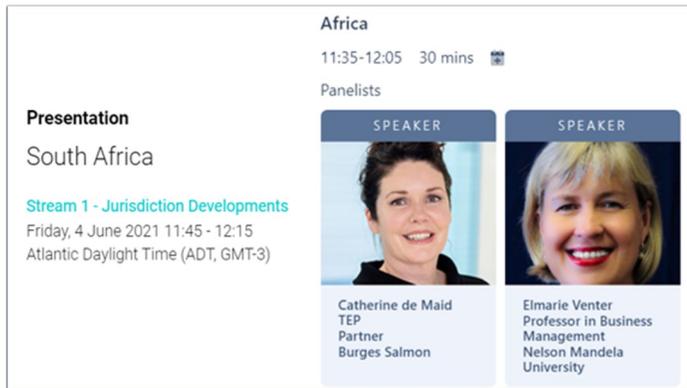
Prof Elmarie Venter (Director of the Nelson Mandela University Family Business Unit) participated in the latest edition of the Transcontinental Trusts: International Forum 2021 Conference.

The virtual conference was held from 1 to 4 June 2020 in Bermuda and conducted online. The purpose of the Transcontinental Trusts Conference was to connect the entire breadth of the offshore industry and create purposeful engagement within the whole private client intermediary network.

Prof Venter partnered with Catherine de Maid (Partner at Burges Salmon) as speakers on the topic of “Jurisdiction developments: Africa and South Africa”. During their session, a

variety of topics were covered that focused on the dynamics of a hybrid South African and United Kingdom (UK) residency and emigration procedure. Some of these discussions included:

- The situation in Africa and South Africa and implications of moving to another country, such as the UK.
- Ancestral passports and work/investor Visas for entry into the UK.
- UK residency and domicile position/position under DTA if remaining as an ordinary resident in SA.
- The attractiveness of “remittance basis” and pre-immigration planning.
- The popularity of trust structures (Domestic SA trusts hold local assets while offshore trusts hold funds taken out with FIA over the years).
- A review of those trust structures in order to understand how they will be taxed once the settlor and/or beneficiaries are UK residents.
- The legalities surrounding Wills and how the new UK Will fits in with SA Wills.



More information about the conference can be found on the following website: <https://informaconnect.com/transcontinental-trusts-international-forum/>

**FOR MORE INFORMATION ABOUT THE FBU:**



<https://fbu.mandela.ac.za/>



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