

The Factors Influencing the Management of Family-Run Businesses in Uganda

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Introduction

This study examined the factors influencing the management of family-run businesses in Uganda. It is based on a case study of Nice house of Plastics (NHP).

Objectives

The objectives of the study were;

1. to examine how NHP put in place effective corporate governance structures,
2. to examine how NHP ensured that its staff was well motivated to ensure effective company management, and
3. to examine how NHP mentored new business leaders over time to ensure continuity in the company.

Methodology

The study adopted a case study survey design and used both qualitative and quantitative methods of data collection. The study population was 200 out of whom a sample of 133 respondents was randomly and purposively. Questionnaires and interviews were used as data collection methods.

Key findings

The results of the study revealed a high positive and significant correlation between corporate governance structure and management of family-run business ($r= 0.691$, $p=0.000$), a moderate positive relationship between staff motivation and management of family business ($r= 0.535$, $p=0.000$), and a low significant relationship between mentoring of new business leaders and management of Nice House of Plastics ($r= 0.469$, $p= 0.000$). questionnaires and interviews were used as data collection methods.

Conclusion

The findings of the study indicated that corporate governance structure, staff motivation, and mentoring of new business leaders were influential factors towards the management of Nice House of Plastics.

Key recommendations

The researcher recommended that: the majority of the board members at Nice House of Plastics should be independent of the family; a family-run business or company should determine its policies designed to influence appropriate behaviour by both non-executive and executive directors as well as key executives, and NHP should acknowledge and exploit the extrinsic factors in their human resource management practices particularly in the strategic human resource management to ensure that the employees are well motivated to perform their task

Key references

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