

Does Education of the Successor Matter towards Leadership Succession Planning in Family-Owned Businesses in Malawi?

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Received: 18.05.2025 | **Accepted:** 25.05.2025 | **Published:** 06.06.2025

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DOI: [10.5281/zenodo.15607097](https://doi.org/10.5281/zenodo.15607097)

Abstract

Original Research Article

This qualitative study investigates the role of education in leadership succession planning within family-owned businesses across the hospitality, restaurant, and real estate sectors in Malawi. Data were collected through interviews with business owners and successors in Blantyre, Lilongwe, and Zomba. Findings reveal that formal education enhances managerial competence and sector-specific knowledge, but its value varies across locations due to cultural and contextual factors. Education combined with mentorship is crucial for successful succession. The study recommends tailored educational programs aligned with local business environments to improve succession outcomes.

Keywords: Successor Education, Leadership Succession Planning, Family-Owned Businesses, Malawi, Qualitative Research, Hospitality Sector, Real Estate, Restaurant Industry.

Citation: Zanera, D. M. (2025). Does Education of the Successor Matter towards Leadership Succession Planning in Family-Owned Businesses in Malawi?. *GAS Journal of Economics and Business Management*, 2(3), 97-100.

1. INTRODUCTION

Leadership succession planning is a critical issue for family-owned businesses globally, and Malawi is no exception. The ability to successfully transition leadership roles from one generation to the next can determine the longevity and sustainability of family enterprises (Chikosi & Banda, 2021; Mvula & Kalilombe, 2022). Education of successors is often highlighted as a key factor influencing leadership readiness, yet the extent and nature of this impact remain underexplored in Malawi's specific socio-economic context.

This study explores the perceptions and realities regarding successor education within family-owned businesses in Malawi's hospitality (hotels and lodges), restaurant, and real estate sectors. The research focuses on three major urban centers: Blantyre, Lilongwe, and Zomba. These cities provide diverse economic and cultural backdrops, allowing examination of how local context influences the role of education in succession planning.

2. LITERATURE REVIEW

Previous studies globally emphasize the importance of successor education in enhancing business continuity and

growth (Smith & Johnson, 2019; Lee & Carter, 2020). In African contexts, education is linked to improved entrepreneurial skills and innovative capacity (Banda & Chikhosi, 2023). However, several scholars highlight that formal education alone does not guarantee successful succession; mentorship and cultural alignment are equally important (Mutanda et al., 2021; Ngwira & Tembo, 2020).

In Malawi, family businesses face unique challenges, including limited access to quality education and strong cultural expectations that influence succession decisions (Kachala et al., 2023). Sectors such as hospitality and real estate require specific skill sets, making sector-specific education critical for successors (Phiri & Jere, 2024; Zimba & Gondwe, 2023).

3. METHODOLOGY

This qualitative study employed semi-structured interviews with 30 participants, including family business owners and successors from the hospitality, restaurant, and real estate sectors in Blantyre, Lilongwe, and Zomba. Data were analyzed thematically to identify patterns related to education's role in succession planning.

4. FINDINGS

The findings of this study highlight the significant role of education in leadership succession planning among family-owned businesses in Malawi. Data from interviews conducted in Blantyre, Lilongwe, and Zomba reveal several key themes:

1. Enhanced Managerial Competence:

Successors with formal education in business management, hospitality, or related fields demonstrated greater ability to manage operations, financial planning, and strategic growth. One participant in Blantyre noted,

"I studied hospitality management at the Polytechnic and this really helped me understand how to improve customer satisfaction and keep up with modern service trends."

Hotel owners confirmed that educated successors introduced efficient systems and innovations, aligning with findings by Banda and Chikhosi (2023).

2. Sector-Specific Knowledge:

Education equipped successors with technical knowledge critical for their sector's unique demands. A real estate business owner in Lilongwe shared,

"My daughter studied land economy and understands property laws better than I ever could, which has made our transactions smoother and more secure."

Restaurant owners in Zomba noted that culinary training and business education enabled successors to revamp menus and enhance service.

3. Variation by Location:

While education was widely valued, its role varied by city. A participant in Zomba explained, "Even though my son went to college, what really helped him was learning how we've done things traditionally—how we treat loyal customers and respect the community." In Blantyre, education was emphasized as key to business expansion, while Zomba participants stressed balancing modern knowledge with cultural practices.

4. The Role of Mentorship and Family Culture:

Although education was a crucial enabler, many participants stressed that mentorship from senior family members and adherence to family values were equally vital.

"I never went to university, but my father mentored me for years. I now run the restaurant better than most graduates," said one successor from Lilongwe.

This hybrid model of mentorship and education resonates with findings by Mutanda et al. (2021).

5. Challenges and Gaps:

Some successors lacked access to quality education or sector-specific training, hindering smooth succession. A hotel owner in Blantyre stated,

"My son did a general business degree, but it didn't teach him about hotel-specific operations—so I had to train him on the job."

This underscores the need for education that is both practical and sector-relevant.

5. DISCUSSION

The findings of this study affirm the pivotal role education plays in the leadership succession of family-owned businesses in Malawi, while also revealing that it must be understood in conjunction with cultural, regional, and sectoral nuances. Echoing previous research (Banda & Chikhosi, 2023; Phiri & Jere, 2024), the study confirms that formal education enhances strategic capabilities, management effectiveness, and sector-specific knowledge.

However, as noted by Mutanda et al. (2021), the data also reinforce the necessity of combining education with mentoring to bridge theoretical knowledge and practical application. In Blantyre, where businesses are more commercially driven, education was seen as essential to innovation and competitive advantage, a sentiment supported by Zimba and Gondwe (2023), who highlighted education's importance in regulatory compliance within the real estate sector.

In contrast, in Zomba, the findings reflect a stronger reliance on cultural mentorship and familial ties, aligning with Kachala et al. (2023) who argue for community-rooted leadership transitions. This contrast emphasizes that while education is necessary, its implementation must be adaptive to local conditions.

Additionally, the sector-specific findings reinforce the importance of contextual relevance. Hospitality successors benefited from hospitality management education (Phiri & Jere, 2024), while real estate successors required knowledge in law and property (Zimba & Gondwe, 2023). This substantiates recommendations by Ngwira and Tembo (2020) that succession strategies must be industry-informed.

Furthermore, the study highlights the challenge of balancing academic preparedness with experiential learning. As argued by Banda and Chikhosi (2023), the dynamic nature of entrepreneurship in Africa necessitates that successors be

exposed to hands-on management experience alongside formal training. This interplay is crucial in navigating the often-unpredictable socio-economic terrain of family businesses in Malawi.

6. CONCLUSION AND RECOMMENDATIONS

This study examined the role of education in leadership succession planning in family-owned businesses in Malawi across the hospitality, restaurant, and real estate sectors. Findings affirm that education significantly enhances strategic thinking, operational skills, and transition readiness. However, education alone is insufficient without mentorship and cultural alignment.

The findings from Blantyre, Lilongwe, and Zomba highlight that while education plays a crucial role in preparing successors for leadership roles, local business environments and cultural nuances in these cities influence how education is perceived and applied in succession planning. This underscores the importance of tailoring educational and mentoring approaches to fit the specific contexts of different urban centers within Malawi.

Recommendations Include:

- Encouraging sector-relevant education for heirs
- Combining formal education with traditional mentoring
- Creating succession plans early and integrating successors gradually
- Developing sector-specific training programs to enhance industry readiness and align with local business practices.

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8. APPENDICES

Appendix A: Interview Guide

1. Can you briefly describe the history and ownership structure of your business?
2. What is the educational background of the identified successor(s)?
3. How do you perceive the role of formal education in preparing successors?
4. What other forms of preparation (mentorship, training) were involved?
5. What challenges have you encountered in preparing the successor?
6. Do you think education should be sector-specific for better succession?
7. In your view, what makes a successor ready for leadership?

Appendix B: Consent Form

- Statement of voluntary participation
- Assurance of anonymity and confidentiality
- Right to withdraw at any time
- Purpose and expected duration of the study
- Contact details for further inquiries

Appendix C: Demographic Data of Participants

- Location (Blantyre, Lilongwe, Zomba)
- Sector (hospitality, restaurant, real estate)
- Role (owner or successor)
- Education level (secondary, diploma, degree, postgraduate)

Appendix D: Sample Distribution by Study Area

- **Blantyre:** 12 participants
 - Hospitality: 5
 - Restaurant: 3
 - Real Estate: 4

- **Lilongwe:** 10 participants
 - Hospitality: 3
 - Restaurant: 4
 - Real Estate: 3

- **Zomba:** 8 participants
 - Hospitality: 2
 - Restaurant: 3
 - Real Estate: 3