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PRIVATE HIGHER EDUCATION (PHE) INSTITUTIONS IN BOTSWANA AND THE FAMILY BUSINESS CONCEPT: A KNOWLEDGE MANAGEMENT (KM) PERSPECTIVE

Ushe Makambe

ABSTRACT

All the five PHE institutions included in this study are owned and managed by family members. This affords members power to determine how these institutions operate. This inhibits KM practice since this process requires employees with a good-working relationship with their management enabling effective creation and sharing of knowledge. A sample of five PHE institutions was chosen as units of study while 132 respondents were selected. Results of the study revealed that most respondents are of the view that family management indeed stifles KM practice by close monitoring of employee activities, penalising employees who take the initiative and so on.

Key words: *Family business, Knowledge Management, knowledge creation, knowledge sharing, social capital*

1. Introduction

According to Carrasco-Hernandez and Jimenez-Jimenez (2013), while family firms can be more innovative and aggressive than large firms due to their smaller size, greater local market knowledge, and financial independence, their problem is that they are often introverted, burdened by old traditions, inflexible and resistant to change. Research by some authorities has revealed that family businesses make choices based on the reference point of the organisation's dominant principals who will make decisions in a way that preserves the socio-emotional wealth of the family business. This wealth consists of the effective endowment of family owners, including the family's desire to exercise authority, enjoy family influence, maintain clan membership within the business, appoint trusted family members to critical positions in the organisation, retain a strong family identity, continue the family legacy and dynasty, and so on (Gomez-Mejia et al. 2007; Berrone et al. 2012). As a result, family firms, unlike non-family firms, are perceived as risk-averse, conservative, and resistant to change ((Welsh, Rosplock, Roure, and Segurado, 2013; Segaro, Larino, and Jones, 2014).

Carrasco-Hernandez and Jimenez-Jimenez (2013) believe that the development of sustainable competitive advantage in the family business is determined by the family's involvement in the organisation (familiness) and it involves the development of important resources such as the innovative capacity or social capital, which in turn, is influenced by the family power, experience, and culture. In PHE institutions in Botswana, the power to control is exerted both directly through family members being CEOs and Board chairpersons, and subtly through the appointment of family members to the senior management team. All the five PHE institutions covered in this study are family-owned and family-managed enterprises. The influence of the family may either foster or inhibit the exploitation of knowledge. The process of knowledge generation requires the participation of employees who have a good relationship with their partners (Beck et al. 2011). Since individual learning is not sufficient to guarantee success in new product development, employees must share resources and knowledge with other employees in the organisation. Therefore, there is a need to establish what effect family control has on Knowledge Management (KM) initiatives in PHE institutions in Botswana especially on the relationship between social capital and product innovation, that is, the active connections among people in the organisation and this is what this paper seeks to achieve. The objective of this research paper is therefore to determine the impact of family management on the performance of PHE institutions from a Knowledge Management perspective, that is, on the generation, sharing, and application of knowledge to enhance organisational effectiveness hence performance. All items on the questionnaire and interview guide therefore seek to address this research objective.

2. Literature review

Carney (2005) argues that family firms tend to be disadvantaged compared to publicly-owned businesses in terms of development of innovative capabilities because family firms are usually ill-equipped to build such capabilities. Their financial resources are more limited as they cannot float shares on the stock market, and family members are generally overly concerned with wealth preservation. This limits their investment and re-investment of profit. Yet establishing innovative capabilities requires extensive investment in Research and Development and technological diversification, and it usually forces the family to establish business associations or cede some ownership to parties outside the family such as venture capitalists or institutional investors (Carney, 2005). Since family businesses need to survive and pass their businesses to the next generations, the organisation should adapt to organisational changes and innovate. However, family businesses possess a number of characteristics that differentiate them from non-family businesses and have a negative impact on KM practice. These are outlined below.

2.1 Family business characteristics

According to Beck et al. (2011) family businesses exhibit the following characteristics which have a negative impact on KM and innovation, namely a strong inter-relationship between the family and the business, focus on realising generational changes in ownership and management, dominance of management from within the family, and risk aversion behaviour. These are discussed in detail below.

2.1.1 A strong interrelationship between the family and the business

The family is, formally and informally, at the centre of the organisation. This results in two structures namely the family and the business, increasing the potential for conflict which affects both the family and the business sphere. The interrelationship between family and business leads to the creation of parallel decision-making lines which raise the complexity of doing business and reduce clarity of the business process (Zody, Sprenkle, MacDermid, and Schrank, 2009). The intermingling between the family and the business has the following negative effects (Zody et al. 2009):

i) The organisation has to cope with different life situations and family developments which have an impact on the organisation's Human Resources and financial endowment, for example, family events such as marriage, divorce, child birth, wedding, retirement, death, and religious practices have an impact on the whole organisation instead of being confined to the family. For instance, one of the institutions in this study closes on a day recognised by the owner as a religious holiday. Family businesses therefore do not necessarily follow a purely economic objective but also serve the purpose of enhancing the lifestyle of the owners, for example, by doing business from a hobby, by adapting working times to personal requirements, and by providing employment for needy family members.

ii) The complexity of relationships, particularly if multiple persons are involved in various roles that are not fully concordant with each other may lead to conflict and a negative impact on both the business and the family. An example of this would be during a business succession when some descendants become the authority and other family members have to obey their orders. Such conflicts include future business plans, choice of managers, unilateral decision-making by family members not consulting others, remuneration of family members as employees and managers, distribution of profits and reinvestment decisions (PriceWaterhouseCoopers, 2008).

Lievens and Lambrecht (2008) postulate that within the family business, governance is not only necessary for the organisation but also for the family sphere, favouring the unity of the organisation standing behind the enterprise and regulating the relationship between the family members and the organisation. Thus governance of the firm has to take into account the developments within both the organisation and the family. For example, one PHE institution has a Pro-Chancellor (the father), Vice-Chancellor (the mother), four Deputy-Vice Chancellors, five Deputy Pro-Vice Chancellors yet the institution has only four thousand students. This arrangement is meant to accommodate family members from both the father and the mother's sides.

2.1.2 Focus on realising generational changes in ownership and management

When a firm is transferred to the next generation, it is not only financial assets that are transferred but also social and cultural capital, that is, the value system, for example, the importance of honesty, credibility, modesty, and respect and so on. This has led to particular emphasis being placed on the personal commitment and engagement of family members within the business on the one hand, and on the firm's engagement in local corporate social responsibility activities, done for political reasons (to spruce up the image of the family and not to the business), on the other hand.

2.1.3 Dominance of management from within the family

In this context, paternalism and nepotism are often prevalent as is the existence of emotional and informal decision-making. Positions are given based more on family relations and networks than on performance, experience or qualifications. The emphasis is more on who you are rather than what you are capable of doing in the organisation, while decisions can be made at home over family dinner or while watching a movie.

According to Kostia (2008), the paternalistic management style characteristic of family businesses is responsible for the well-established resistance to share information and knowledge with non-family members and so creating knowledge barriers. This is manifested in an authoritarian management style, a low level of delegation and little information transfer. Family businesses are also characterised by a value-driven, personal management style and decision-making which is rather emotional and informal (made on the kitchen table) (Kostia, 2008).

2.1.4 Risk aversion behaviour

The recognition of the importance of the business for the economic sustenance of the entire family and its dependents coupled with the objective of long-term sustainability of the business to take care of generations to come often result in careful risk taking behaviour as business failure will dramatically reduce the family budget. This negatively affects the livelihood of future generations. Thus avoidance and penalising risky behaviour often leads to lack of learning and flexibility in the organisations where experimentation and trial and error are seriously discouraged and heavily reprimanded hence inhibiting new knowledge creation and innovation.

2.2 Challenges facing family businesses

Beck et al. (2011) argue that family businesses, including PHE institutions in Botswana, face a plethora of challenges some of which are the politicians' lack of awareness of the economic and social/societal contribution of family businesses, lack of alternative sources of finance, balancing business and family issues, and lack of specific management and entrepreneurship education. These challenges are discussed in detail below.

2.2.1 Politicians' lack of awareness of the economic and social/societal contribution of family businesses

This leads to lack of their appreciation and support – a phenomenon which results in the creation of a hostile business environment for family enterprises, especially those that benefit from the taxpayer's money. Family businesses are often viewed as fortune seekers instead of partners with government in socio-economic development. This leads to them being heavily policed by regulatory authorities and being subjected to very close public scrutiny where a simple mistake easily leads to a serious public outcry. This is the situation all PHE institutions in Botswana find themselves in needing to depend upon effective KM programmes that lead to effective decision-making, efficiency in service delivery, and effective customer satisfaction.

2.2.2 Lack of alternative sources of finance

Most small family businesses are not public-listed organisations and hence cannot trade shares on the stock market which seriously limits their financing options. They have to rely on family member incomes and bank loans as the initial investment outlay. All PHE institutions in Botswana rely on the two aforementioned financing options before they start receiving student fees from government which becomes the only source of financing once the institution starts operating. This lack of financing options has led most of these institutions to charge very high fees which have made them unpopular with politicians, parents, and students who often accuse them of profiteering. Tight budgets have also led to accusations that some of these institutions offer a sub-standard learning and teaching experience due to inferior infrastructure such as small, ill-equipped libraries, inadequate computers, small and overcrowded classrooms, overcrowded staff rooms and so on. A visit to all five PHE institutions in this study bore clear testimony to the overcrowding in the staff rooms with a staff room in one institution accommodating sixty members of staff which included lecturers and cleaners. This has led to serious disgruntlement and demotivation resulting in high staff turnover. Recently, one institution lost all three of its professors because of the unsatisfactory work environment.

The lack of financing options has also meant that PHE institutions in Botswana fail to attract and retain well qualified and experienced manpower due to poor salaries and working conditions. This has led to high staff turnover resulting in frequent changes of lecturers in one semester. This lack of continuity in the learning programme has a negative impact on the learners. This explains why government, through the Tertiary Education Council (TEC), heavily regulates the operations of these institutions fearing that a tight fiscus on their part leads to shortcuts aimed at cutting costs which result in poor quality teaching, learning, and infrastructure.

2.2.3 Balancing business and family issues

Most family-managed businesses fail to separate family issues from business issues. For example, one institution closes if there is a family bereavement or a wedding of a family member creating unplanned holidays for staff and students. At times there is direct or indirect pressure for staff members to attend these events. This has prompted the need for these organisations to put proper professional governance structures in place that will facilitate innovation, promote swift movement of information and allow effective knowledge sharing. The TEC has also had to institute strict regulatory requirements to try and ensure that these institutions follow corporate governance regulations which require a separation of ownership and management. This has been largely unsuccessful since all the institutions covered in this study continue to be managed by family members who own them in direct violation of the TEC corporate governance policy.

2.2.4 Lack of specific management and entrepreneurship education

Family members involved in most small family businesses assume key roles and responsibilities in the organisation with no evidence of relevant and appropriate levels of education and any recognised formal training necessary for their roles and responsibilities. The only qualification will be that of being the owner, spouse, child or close family relative. Thus filling of senior posts is embroiled in serious nepotism (Bloom and van Reenen, 2006). This negatively affects business performance as well as frustrating and demoralizing well qualified, experienced and competent non-family personnel hired on merit, leading them to leave the organisation.

2.3 KM process in family businesses

Baranska (2011) argues that on the one hand, due to the strong entrepreneurial spirit of their members, family businesses have a higher chance of survival than non-family businesses, and on the other hand, due to their family character they have a longer horizon to their existence as there is a willingness to pass it on to future generations, hence KM in such organisations is of vital importance due to the danger of losing core competencies in the succession process, particularly the tacit dimension.

The family business is an organisational challenge that combines two types of social structures: the family and the business. These two entities have different sets of rules and goals that influence their behaviours and for the family business to survive in the competitive environment, it has to successfully manage the delicate and complex relations between family and business (Safin, 2007). While in non-family owned organisations the only criteria for hiring is the knowledge and capabilities possessed by the individual, in family-owned businesses, the position is usually passed along the blood line and then the organisation trains and develops the individual (Baranska, 2011).This demoralises those who are in the organisation through merit resulting in their departure. Such a situation creates challenges with the application of tacit knowledge through generations as this main source of strategic capabilities (tacit knowledge) is difficult to transfer and easy to lose, especially with the generational change among managers which characterise family organisations.

Cruz, Firfiray, and Gomez-Mejia (2011) believe that while close relations among family members and many opportunities to interact in both private and professional life are a natural background to create mentoring relationships among family managers, this emotional closeness can lead to family conflicts that cascade down to the business thus endangering the whole learning process of the organisation. This negatively impacts on the organisation's capabilities in terms of knowledge creation, sharing, and application.

3. Methodology

Triangulation is the research design adopted for this study wherein an in-depth interview (qualitative) (focusing on a smaller, carefully selected and knowledgeable sample) was used to support and confirm the results of a representative survey (quantitative) for understanding the perspective of lower level employees in PHE institutions on the impact of family management on KM practices in their institutions. The simultaneous, concurrent, or parallel design was used where the researcher gathered quantitative and qualitative data more or less at the same time for purposes of comparing them with the search for congruent findings. The study gives equal priority, (that is, weight, or status) to the quantitative and qualitative aspects (equal weight designs) based on the demands of the empirical research objective. Quantitative data (large sample) was analysed first and qualitative (small sample) data analysis followed to confirm and validate the findings of quantitative data.

This study's target population was all employees of PHE institutions in Botswana offering degree programmes at the professional level ranging from lower level to top management. The sample frame thus comprised, firstly, the list of all the five family owned PHE institutions in Botswana which offer bachelors and master's degrees and have been operating for the past twelve months or more. Secondly, the sample frame also comprised the list of all academic staff members who have worked for the institution for at least 12 months. The units of selection therefore were the education institutions in the first instance and academic employees in the second instance. The total population surveyed (that is, all academic employees of these institutions including top management) came to 670.

The sample size, based on the sample size calculator, was 132 (including two additional respondents) (The Research Advisors, 2006). The table below shows the population of academic staff in the PHE institutions in this study and the sample size from the different strata.

Table 1: Strata, population, and sample size

Strata	Limkokwing University	Botho University	Ba Isago University College	ABM University College	GIPS	Total	**Sample size**
Middle Management	33	28	13	9	8	$N_1 = 91$	$n_1 = 13$
Lower Management	39	33	15	11	9	$N_2 = 107$	$n_2 = 15$
Non-managerial teaching staff	181	142	58	47	44	$N_3 = 472$	$n_3 = 104$
Total	**253**	**203**	**86**	**67**	**61**	**N = 670**	n = 132

This study adopted the stratified sampling technique which is used when the population to be sampled does not constitute a homogeneous group. The researcher formed strata on the basis of common characteristics of the items to be placed in each stratum thus ensuring that elements in each stratum were most homogeneous within each stratum and most homogenous between the different strata implying that strata were purposively established based on the past experience and personal judgment of the researcher. Different strata comprised academic staff in middle management, lower management and non-managerial teaching staff and then units were selected from each stratum to comprise a sample as shown in the table (Table 1) above. This is stratified random sampling using proportional allocation.

4. Findings

4.1 Quantitative findings (questions 1 – 9)

Descriptive Statistics

Table 2 and Figure 1 below show the results of descriptive statistics of the impact of family on the KM activities of their institutions. The results indicate that the mean ranges from 4.21 to 2.41 and standard deviation, that is, the variations in respondents' perceptions were small - slightly above and below 1(0.811 to 1.15). Most of the items' mean scores range from 'agree' to 'strongly agree' indicating that employees of PHE institutions agree or strongly agree that indeed family managers play a role in stifling KM practices in their institutions. The statement that family managers always keep a watchful eye on employee movements and activities has the highest mean score of 4.21, followed by the suggestion that performance of the organisation could be enhanced by being managed by professional employees instead of members of the family with a mean score of 4.15, and family-managed organisations are overly concerned with wealth preservation and management of the organisation by family members having a negative impact on trust, employee innovation, mutual understanding and shared values - each had a mean score of 4.09 and 4.03 respectively. On average, the employees disagreed with the statement that members of the family who manage their organisation possess specific and appropriate management education and that management appoints employees to positions of responsibility purely through merit as shown by mean scores of 2.41 and 2.59 respectively. This means that respondents believe that family managers managing PHE institutions covered in this study do not possess the required management education and training to be in those positions and that the same managers do not appoint employees to positions of responsibility through merit.

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Table 2: The impact of family on KM activities in the organisation (sorted on the mean)

	Mean	Std. Deviation
q1 My organisation's family managers always keep a watchful eye on employee movements and activities.	4.21	1.03
q2 To what extent do you think the performance of your organisation could be enhanced by being managed by professional employees instead of members of the family?	4.15	.81
Q3 To what extent are members of the family who manage your organisation overly concerned with wealth preservation?	4.09	.90
Q4 To what extent does management of your organisation by family members negatively impact on trust, employee innovation, mutual understanding and shared values?	4.03	.93
Q5 To what extent does the influence of the family in your organisation prevent full exploitation of knowledge?	3.95	.93
Q6 My organisation's family managers tend to compete with other employees for influence	3.74	1.2
Q7 To what extent does the management of family members in your organisation contribute to staff turnover?	3.73	1.03
Q8 To what extent does the management of your organisation appoint employees to positions of responsibility purely through merit?	2.59	1.01
Q9 Members of the family who manage my organisation possess specific and appropriate management education	2.41	1.15

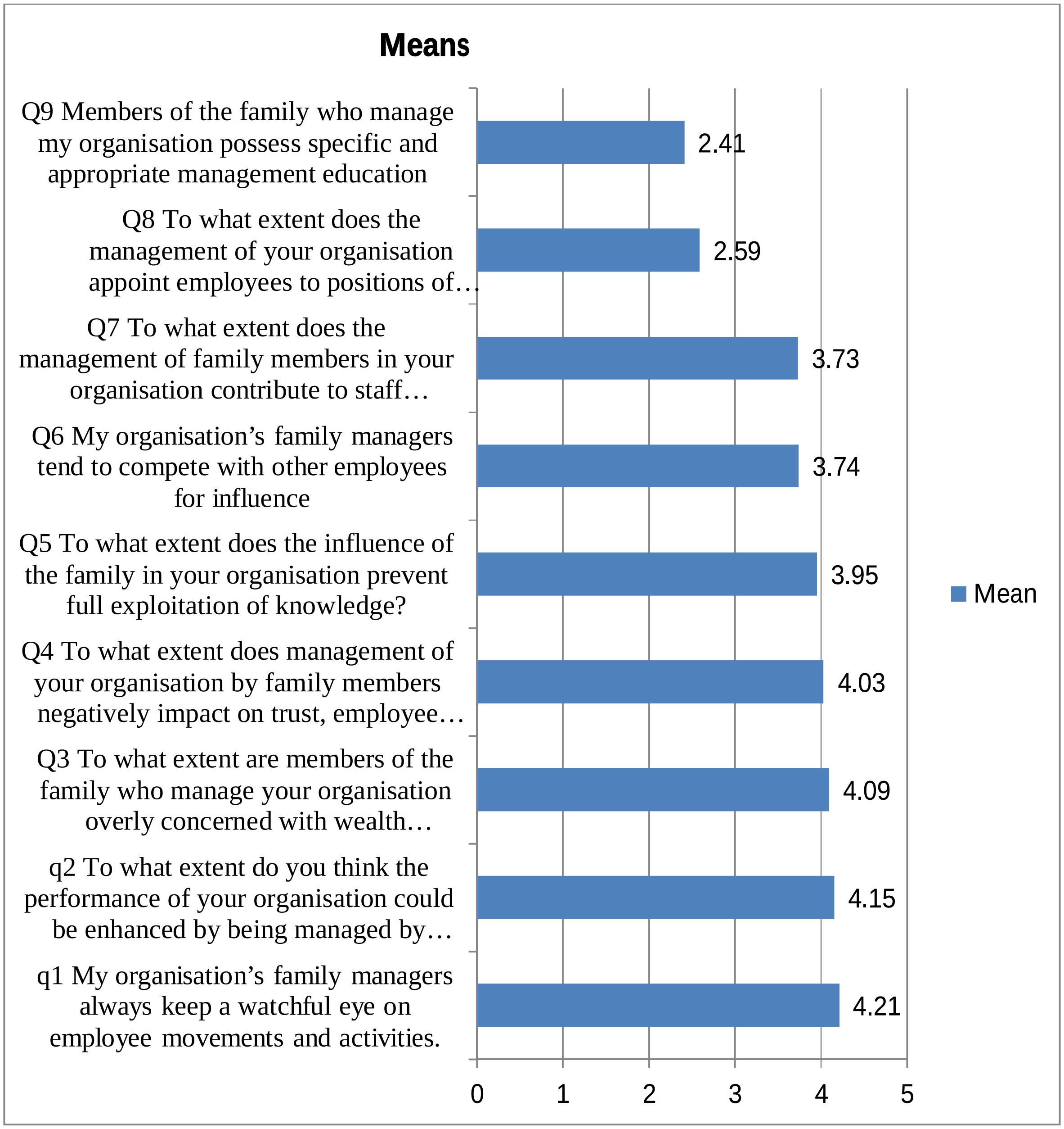

Figure 1: Analysis of the impact of family on KM activities in the organisation

Descriptive Statistics

Business partnership with other businesses or institutional investors

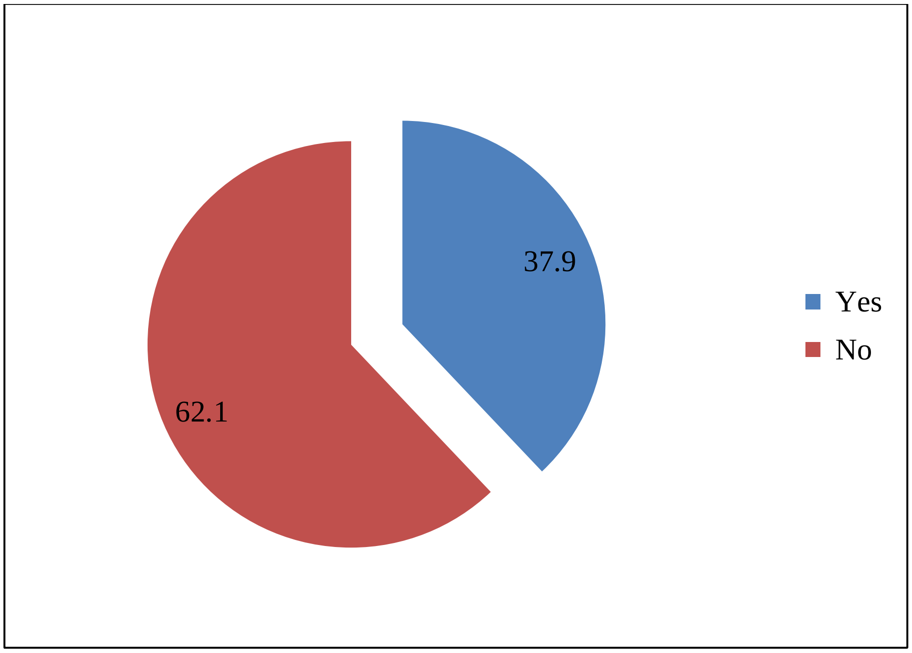

Figure 2: Business partnerships with other businesses or institutional investors.

The above figure shows that the majority of the respondents (62.1%) believe that their organisations are not in business partnership with other businesses or institutional investors, while 37.9% believe that their organisations are in that kind of partnership.

The major criteria used by family managers when appointing employees to managerial positions (Open-ended question)

The following were the common responses given by the respondents:

- Closeness to family managers/relationship with the family;
- Loyalty to family members;
- Closeness to influential people like those in government;
- Country of origin, that is, those from the same country as the family/ethnic origin;
- Easiness of manipulation by the family managers/those who do not challenge the family/timidity/blue-eyed boy mentality;
- Gossiping about others to the family, and
- Race (those who belong to the same race as the family get promoted ahead of other races).

4.2 Qualitative findings

Respondents were asked the following questions from the interview guide:

Question 1: Who owns this organisation? Are they members of the same family or those with strong ties to the family?

All ten interviewees indicated that their organisations are owned by families although some added that there may be one or two co-owners with very close ties to the family but with very minimal say in what goes on in the organisation. Interviewee 1 asserted that her organisation has six directors - the father, mother, two sons, and two other close relatives, and these constitute top management except for the father who is not involved in the day to day administration of the institution but is the board chairman. This was confirmed by Interviewee 2 from the same organisation.

Interviewee 3 indicated that his organisation is owned by a husband and wife, with the wife being the Executive Director (ED) who operates with the manager of academic services, corporate services manager, and the finance manager (son of the ED). This is confirmed by Interviewee 7 from the same institution. Interviewee 4 stated that his organisation is also owned by a husband and wife although in this case, it is the husband who is in charge of the institution as Managing Director (MD), while the wife leads from behind as a Director and Board Chairperson. This was confirmed by Interviewee 9 from the same organisation. Interviewees 5 and 6 also indicated that their own institutions are owned and managed by a husband and wife who are both heavily involved in the day-to-day administration of the institution, the husband as MD, and the wife as finance director. Interviewees 8 and 10 also indicated that their organisation is owned by a family (a father, mother and son) based in Asia.

Question 2: Does top management (the family) closely monitor activities of employees of the organisation?

All the ten respondents indicated that top management closely monitors the activities of employees. For instance, Interviewee 1 stated, “Actually there is very little that employees can do and escape the watchful eye of the family managers or their close associates”. This was confirmed by Interviewee 2, her counterpart, who also asserted that there is a lot of monitoring of employee activities in the institution and added that the institution has invested huge amounts of money in a biometric machine, imported from South Africa, where employees log in and out in the morning and in the evening to ensure that they work at least eight hours a day.

Interviewee 3 also alluded to very close monitoring of employees by stating, “Employees are not allowed to think outside the box but are supposed to follow a pattern of decisions made by the owner. There is a lot of micro-management in the organisation. These views were confirmed by a fellow employee (Interviewee 7) who stated, “There are actually some unidentified employees planted within the organisation to monitor the activities of fellow employees in return for certain favours.

Interviewee 5 stated that those rewarded with positions take the responsibility of closely monitoring other employees so that they inform the owner because he is keen to know what employees are doing. Interviewee 6 from the same institution concurred saying, “Monitoring of employees is so widespread to the extent that the MD even uses cleaners. Interviewee 8 added that there is close monitoring of employees as evidenced by the presence of a book which employees sign when they come to work and sign out when they knock off, with employees time and again stealing the book as a sign of passive resistance to the practice.

Question 3: How comfortable are family managers with employees who are good at their work?
All the ten respondents indicated that family managers look at employees who are good at their work with scorn and disdain to the extent that they force them out of the organisation by frustrating them. Interviewee 1 stated that because these managers are also full-time employees, they tend to compete with lower-level employees for recognition and influence. “They tend to look at knowledgeable employees with disdain and hatred and any contribution made by such employees is frowned upon and viewed as a deliberate attempt to undermine and expose the professional short-comings of family managers or their close associates”. This was confirmed by Interviewee 2 from the same institution.

Interviewee 3 said on the matter, “Top management regard employees who know their job with suspicion. Some members of top management feel threatened by competent employees because they think it will expose their own incompetence to the ED who can easily turn against anyone she thinks will cause interruption of the flow of revenue into the organisation even if they are a relative. These views were confirmed by Interviewee 7 from the same organisation. Interviewees 5 and 6 from the same organisation stipulated that employees who are good at their work have had to leave the organisation due to frustration.

Question 4: What is the impact of the presence of the family on aspects such as exploitation of knowledge, professionalism, employee motivation, and staff turn-over?
Because knowledgeable employees are viewed with suspicion and regarded as a threat by family managers, they tend to withdraw from participation in important professional activities by not contributing in staff meetings and claiming not to know things that they know out of fear that their knowledge will result in them being hated even more. Most of them end up leaving the organisation in favour of organisations where they think their contribution will be valued. This seems to satisfy family managers because when these knowledgeable employees tender their resignations, no attempt is made to persuade them to stay, yet when associates of family managers want to leave, they are persuaded to stay. Interviewee 1 cited an example of a close associate of the family managers who visited a relative in South Africa and decided to stay there for good; she was sent emails and telephone calls persuading her to return yet she is not deemed competent in her work. An air ticket was sent for her to come back and that is how she then returned.

Interviewee 3 indicated that the presence of the owner in the institution on a daily basis certainly impacts negatively on employees’ ability to exploit knowledge. He added, “The organisation is blessed with professionals who have demonstrated a lot of proficiency in their areas of operation but all the time, the owner stifles their initiatives and their willingness to share ideas. As a result, professionals who know their job end up leaving the organisation”. Similar sentiments were also echoed by Interviewee 7 who added “Even if one was to come up with innovative ideas that benefit the institution, the owner would view that person with suspicion and regard him/her as a rival who wants to dethrone her”.

Interviewee 9 indicated that the presence of the owner impacts negatively on employee motivation and staff turnover. He stated, “Here you do not feel the work but rather the full weight of individuals based on personality. Even if the person is far, you feel him/her reaching you. As a result you can see some middle managers clinging onto that person in an attempt to endear themselves well to that person and this they will be doing in an attempt to please the MD (owner)”. The Interviewee added “Employees who leave the organisation are not necessarily doing so because of low remuneration but due to lack of professionalism which manifests itself through an unprofessional work environment characterised by fear, throttling of creativity, lack of freedom of expression, mistrust, and so on”.

Question 5: Do family managers possess appropriate academic and professional qualifications to occupy the positions they hold?

All the ten respondents indicated that family managers do not possess the requisite academic and professional qualifications at all. Interviewee I intimated, "One would expect that a Vice Chancellor (VC) and Pro-Vice Chancellor (PVC) of any university – whether private or public – would hold at least a doctoral degree if not a professor. But this is not the case here. Of the VC, 4 PVCs, and 5 of their deputies, not even one holds a doctoral degree, and not even one has written a letter to the editor which has been published." This was confirmed by Interviewee 2 from the same institution who concurred saying that while some of these managers have master's degrees, others are bachelor's degree holders while two hold only professional qualifications in Accounting.

Interviewees 3 and 7 also stated that the owner - Executive Director (ED) - of their institution does not hold the requisite academic qualifications. They concurred that the ED is a mere former secondary school teacher and her management style exhibits clear lack of managerial skills required at this level. Interviewee 4, with the concurrence of Interviewee 9, believes that their MD does not have the necessary qualifications to occupy such a position in the organisation. They both agreed that the MD is a former school teacher with only a bachelor's degree. Similar views are shared by Interviewees 5 and 6, who stated that their top management lags behind in terms of academic qualifications to the extent that it becomes impossible for them to work well with well-qualified academics because 'they will not click like oil and water'. They concurred that the MD only holds a diploma while the wife (Director of Finance and many other functions) has no tertiary qualification at all and was a full-time housewife who decided to join her husband in the business to avoid boredom at home. Similar sentiments were echoed by Interviewees 8 and 10 who stated that there is an abundance of poorly qualified academic leaders in their organisation that begs the question 'is it a university or a pre-school?'. Interviewee 8 retorted, "As you know, in academia there is a guildship where one has to rise through the system learning the trade. Those who hold senior academic and non-academic management positions in the organisation did not rise through the system but were appointed by the owner yet they are mere diploma holders".

Question 6: Are there well-defined criteria used when promoting employees? Explain the criteria.

All 10 interviewees indicated that there is no well-defined criterion used to promote employees. They all believe that the disposition of the individual in the eyes of the family managers is the single-most important criterion, that is, how the employee is seen by the family managers – whether he/she listens to them, whether he/she is likely to jump whenever required to do so, whether he/she is likely to supply them with information they want about other employees, and so on. They look for employees who pretend to be loyal or who are loyal to them and do not question their authority and decisions no matter how unreasonable they are. For example, Interviewee 1 goes further to say "those who aspire for promotion become unbelievable boot-lickers who say the truth when speaking to lower level employees but go on to sing a different tune when in the presence of top management". All the interviewees mentioned that criteria used by other academic institutions such as academic qualifications, relevant work experience, and research output are not considered at all in these institutions.

According to Interviewee 1, the major criterion used to appoint one to senior management position seems to be nationality since all senior managers up to the top position belong to the same nationality which happens to be the nationality of the owners yet these are expatriates who do not hold any superior qualifications and most of them lack relevant work experience. This same issue was raised by Interviewee 6 from the same institution. Interviewee 7 also supported this view by stating: "At this institution, no one has ever been promoted from the lower level employees for the past two years I have been here. The only people who have been promoted are those recruited from the government ministries and regulatory authorities because of their connections to government where students come from. This is done so as to influence the Ministry when it allocates students and the regulatory authorities when they carry out their regulatory processes." This view is supported by Interviewee 3. Interviewee 8 reiterated, "There is no promotion criterion at all. In fact, it is mafia-like. Everything hinges on loyalty to the owner and ability to smear and back-bite others. Those who provide information about what other employees are doing in and outside the organisation – whether true or false – are the ones who get promoted and all the time, they are poorly educated".

5. Conclusions

Results of this study clearly established that family ownership and management of PHE institutions have a negative impact on Knowledge Management (KM) initiatives and practices especially on the relationship between social capital and product innovation, that is, the active connections among people in the organisation. The fact that all questions on the questionnaire on the impact of family management on the performance of the organisation recorded a mean of above 3 is indicative of the fact that truly the presence of the family has an impact (negative) from a KM perspective. Virtually all the respondents to the questionnaire and interviews indicated that indeed their organisations are managed by family members who own them. Family firms, unlike non-family firms, are perceived as risk-averse, conservative, and resistant to change in an attempt to preserve family wealth – a phenomenon that makes them ineffective in terms of KM practices (Welsh, Rosplock, Roure, and Segurado, 2013; Segaro, Larino, and Jones, 2014).

Segaro et al; (2014) add that, because family businesses can be over-committed to their business as their financial and social resources such as social capital and reputation are tied up with the family and depend on the success of the entity much more directly than non-family businesses, this kind of over-commitment can have a negative effect on strategic outcomes such as entrapment into a small organisation that the family has full and direct control over. This is because the culture of commitment to the family entity may trigger a risk-aversion leading to a lower propensity to expand if the family believes that such expansion threatens the family's objectives of preserving wealth and maintaining full control. This study revealed that PHE institutions are conservative and do not tolerate employees who come up with new ideas since these may lead to loss of control and expenses that threaten family wealth.

Research by Dawson (2012) revealed that while family businesses play a significant role in the global economy and are key to the entrepreneurial process, it is also recognised that not all family businesses fulfil that role as some of them primarily pursue value creation through non-economic benefits such as giving jobs to family members who may not qualify and preserving family ties. He argues that such firms, often labelled lifestyle firms, often resist change, are not prepared to hire non-family managers no matter how qualified and competent, and become cautious in their business strategy thereby inhibiting their potential for organisational performance and future growth and profitability. Results of the study show that PHE institutions covered by this study fall into this category as family managers tend to compete with non-family employees for influence (mean of 3.74) leading to them keeping a watchful eye on these non-family employees (mean of 4.21), prevent full exploitation of knowledge (mean of 3.95), negatively impacting on trust and employee motivation (mean of 4.03), leading to staff turnover (mean of 3.73), and being overly concerned with wealth preservation (mean of 4.09). These were confirmed by the responses of the interviewees.

The above findings resonate well with the views of Dawson (2012) when he stated that on the positive side, family employees/managers may have deep tacit knowledge owing to early and direct exposure to business matters, but on the negative side, however, the administrative structure of family businesses is generally expected to be linked with a managerial and human capital constraint since the human capital pool is often restricted to family members, particularly at the senior management level, which can mean recruiting inferior employees who are not qualified and capable of doing the job effectively. Dawson (2012) further posits that non-family managers can come in handy to help family businesses with expertise and resources that a family business might lack but even when family enterprises decide to open up managerial positions to non-family members, they may struggle to hire and retain top quality non-family employees as they are not included in succession, have limited career progression opportunities since these are restricted to family members especially at the top echelons of the organisation, are remunerated and monitored differently compared to family members, and have perceptions of unfair treatment due to bias and favouritism towards family members. These issues are prevalent in PHE institutions in Botswana as highly skilled and experienced non-family employees end up leaving these institutions due to frustration caused by a perceived lack of recognition as top managerial positions are given to poorly qualified family members. Another issue is the close monitoring of non-family employees' activities due to a lack of trust while family employees are left free to do their work, which amounts to bad treatment. These issues were also captured in the interviews.

Excessive employee monitoring (mean of 4.21on the questionnaire, and confirmed by all the ten interviewees) does not augur well for KM practices such as knowledge generation, sharing and utilisation. Yerby (2013) argues that while it is prudent for organisations' leadership to monitor employees to protect both the organisation and the employees, diligent attention should be given to the effect of such monitoring on knowledge creation and sharing and organisational performance. He added that many organisations believe that, by monitoring employee activities, they can manage the organisation more effectively yet such a strategy will not allow the firm to derive maximum benefits from its human capital leading to sustainable competitive advantage because monitoring does not create an environment of accountability and transparency that allows employees to express themselves freely, showcase their talent, and operate freely. Among the most notable effects of excessive employee monitoring are increased levels of stress, lower levels of customer service, decreased job satisfaction, decreased work life quality, low levels of morale, and a hostile workplace environment (Yerby, 2013).

Evidence gathered from the questionnaire survey and interviews showed that there is such heavy monitoring of employee activities in PHE institutions in Botswana covered in this study, to the extent that one interviewee referred to her institution as a 'military barrack' where employees can hardly step on anything and escape the watchful eye of the owner. Knowledge creation and sharing cannot prosper in such an environment hence a KM enabler is absent. If employees feel their employer is always monitoring their activities, they tend to take less initiative, and do only the bare minimum just for survival on the job hence employee monitoring can be detrimental to productivity and organisational performance (Yerby, 2013).

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