RURAL PLANNING JOURNAL
Website: https://journals.irdp.ac.tz/index.php/rpj

DOI: https://doi.org/10.59557/rpj.25.2.2025.190

The Status of Family-Owned Food Processing Firms in Tanzania: Evidence and Implications for Generational Continuity

Galinoma G. Lubawa

Department of Development Finance and Management Studies, Institute of Rural Development Planning, Don Bosco Road, 41213 Mbwanga P.O Box 138, Dodoma, Tanzania
Corresponding Author: glubawa@irdp.ac.tz

ARTICLE INFO

Keywords

Family-owned firm

Food processing

Food security

Socioemotional wealth

ABSTRACT

Family-owned food processing firms are central to Tanzania's economy, contributing to the agricultural value chain and food security. However, limited information exists on their characteristics, governance, and generational succession. This study provides a quantitative overview of 267 single-family-owned food processing firms in Mainland Tanzania, guided by socioemotional wealth and stewardship theories. The study collected data through structured questionnaires and zanalyzed them using descriptive statistics, logistic regression, cluster analysis, and the General Electric Portfolio Matrix. Results show that the founder leads 78.3% of firms, 84.6% were under first-generation control, and only 14.6% involve multiple generations. The descriptive results indicated that 73.0% of firms focused on staple grain milling, while 14.6% were involved in bakery production. Participation in other categories is minimal, including fruit and vegetable processing (6.7%), dairy (3.4%), meat products (1.9%), and cocoa and confectionery (0.4%). No firms had adopted a family constitution; instead, they relied on informal governance. Education and work experience significantly predicted founder status, firm longevity, and diversification. Cluster analysis identified three profiles: founder-led, multi-generational, and education-driven firms, with the latter exhibiting stronger governance and adaptability. Asset analysis revealed significant disparities: average firm assets were valued at TZS 920.6 million, yet the distribution was highly skewed. The General Electric Portfolio Matrix indicates that most firms operate in low- to medium-risk zones, although some education-driven and emerging firms exhibit high growth potential. The study concludes that, although the firms support continuity, founder dominance and limited governance restrict their resilience. Policy efforts should prioritize governance reform, succession planning, and diversification to support Tanzania's Vision 2050 zindustrialization goals.

1. Introduction

Family-owned food processing firms (FOFPFs) are a key part of Tanzania's manufacturing sector, supporting food security, jobs, and rural development through their role in agricultural value chains (Bank of Tanzania, 2025; Jettah *et al.,* 2024; Mtenga & Ripanda, 2022). zRecognizing their importance in economic transformation, Tanzania's Development Vision 2050 (URT, 2025) identifies manufacturing, including food processing industries, as a major driver of economic transformation, supported by modern infrastructure, natural resource utilization, blue economy initiatives, and digital innovation (URT, 2025). As the country works towards its ambition of attaining upper-middle-income status by 2050, with a projected population of more than 118 million, a US$1 trillion economy, and a GDP per capita of approximately US$7,000 (URT, 2025, 2024a), strengthening the food processing sector becomes increasingly important. Within this broader development agenda, food processing enhances value addition in agriculture, reduces post-harvest losses and creates stable markets for smallholder farmers, thereby supporting industrialization, trade expansion and long-term national development (Fanzo et al., 2024; Klinger et al., 2024; Mpogole, 2025).

Despite their vital role in Tanzania's economy and food security, the overall status of FOFPFs remains underexplored in academic research. Prior studies have concentrated on socioemotional wealth and family firm culture (Lubawa & Kapaya, 2025; Lubawa & Raphael, 2023), succession planning (Magasi, 2022), patient capital (Charles, 2014), technical efficiency (Lufano & Kirori, 2022), and business planning (Lubawa, 2021). Likewise, the most recent national industrial survey (URT, 2016)

mainly focused on ownership structures, employment patterns, value addition, fixed asset investment and broader industrial performance. While these works provided valuable insights, they remain fragmented and fail to capture the complete picture of FOFPFs. As a result, their recommendations risk limited policy relevance, despite national frameworks such as Tanzania's Development Vision 2050 (URT, 2025), which identify food processing as central to industrialization. Understanding FOFPFs is therefore essential, given their reliance on kinship ties and unique governance practices that distinguish them from non-family firms.

Guided by Socioemotional Wealth (SEW) and Stewardship theories, this study examines the status of FOFPFs in Tanzania, focusing on their characteristics, governance practices, and SEW dimensions (family continuity [FC], family prominence [FP], and family enrichment [FE]). SEW theory highlights that family-owned firms prioritize non-financial objectives, such as identity, legacy, and generational continuity, alongside financial performance (Gómez-Mejía *et al.,* 2007; Berrone *et al.,* 2012). In the Tanzanian context, these priorities are embedded in ownership, management, and succession decisions (Lubawa, 2025). The SEW dimensions illustrate how families balance long-term survival and community reputation with short-term profitability, particularly in resource-constrained environments (Debicki *et al.,* 2016; Lubawa & Raphael, 2023).

In addition to SEW theory, this study applies Stewardship theory to complement it with a behavioural perspective that explains how actors implement these priorities. It portrays owner-managers and family leaders as stewards whose interests align with those of the firm, zemphasizing collective goals, intrinsic motivation, and trust-based relationships (Ali *et al.,* 2025; Davis *et al.,* 1997). Within family-owned businesses, stewardship fosters participative governance, a long-term outlook, and altruistic behaviours that enhance capabilities and facilitate intergenerational transfer (Eddleston & Kellermanns, 2007; Eddleston *et al.,* 2013; Le Breton-Miller & Miller, 2015). In Tanzania, these mechanisms manifest as loyalty, shared purpose, and informal control systems, enabling firms to navigate institutional challenges while preserving continuity (Lubawa & Kapaya, 2025; Lubawa, 2021).

Integrating SEW theory with Stewardship theory offers a robust framework for this study. SEW zemphasizes the values and motives central to FOFPFs, whereas stewardship concentrates on governance and leadership practices that support these objectives. Theories demonstrate that stewardship-oriented leadership and participatory governance enhance succession, family involvement, and intergenerational continuity. This paper fills an empirical gap by providing a descriptive analysis of Tanzanian FOFPFs, exploring demographics, governance, generational roles, and SEW dimensions (FC, FP, FE). The study offers valuable insights into firm practices, underscores the policy importance of governance reforms and succession planning, and proposes suggestions to assist zindustrialization and long-term development.

2. Materials and Methods

2.1. Research design and sampling

This study adopted a positivist quantitative design, reflecting the paradigm's emphasis on reliability, validity and generalisability in instrument development, sampling procedures and statistical analysis (Saunders *et al.,* 2019; Hair *et al*., 2020). The target population comprised 803 FOFPFs with at least 10 permanent employees, as reported in the 2013 Census of Industrial Production (CIP) (URT, 2016), and classified under food manufacturing activities in accordance with the International Standard Industrial Classification of All Economic Activities, Revision 4 (OECD, 2024). The CIP dataset is an open-access survey report available through the National Bureau of Statistics. Eligible firms were those established between 1 January 1962 and 31 January 2020, to ensure the inclusion of FOFPFs that had operated for at least 5 years; thus, FOFPFs established in 2021 and subsequent years were excluded from the study.

The study obtained a final sample of 267 firms using Yamane's (1967) formula, with a 5% margin of error and a 95% confidence level. Data were collected from four regions (Dar es Salaam, Morogoro, Arusha, and Mbeya), which had the highest concentrations of FOFPFs and served as the primary sampling units (URT, 2016; Taylor *et al.,* 2025). Probability proportional to size (PPS) sampling allocated regional quotas of 119 firms in Dar es Salaam, 76 in Morogoro, 42 in Arusha, and 30 in Mbeya.

After deriving the sample size, the study constructed the sampling list using business registers maintained by local government business departments, which record all enterprises that obtain annual business licences in accordance with the Business Licensing (Amendment) Act, Act Number 25 of 1972. These registers provided up-to-date and reliable lists of active food-processing firms in each region, rather than relying on the CIP 2013 firm list, which lacks firm-level identifiers. To identify and locate respondents' physical addresses, the study worked

with district business officers, verified firm locations through on-site visits, and cross-checked licence records to confirm operational status. This procedure ensured accurate identification of eligible FOFPFs before applying simple random sampling to select a qualified firm (Hair *et al*., 2020).

2.2. Unit of analysis and data collection

The unit of analysis was the family-owned food processing firm. In contrast, the unit of inquiry was a senior informant such as the founder, owner or a family member in a top managerial position, selected for their direct knowledge of firm operations (Seema, 2020). Data were collected using a structured bilingual questionnaire (in English and Swahili) covering firm demographics, governance, succession, and socioemotional wealth. The research team distributed and retrieved questionnaires through a drop-and-pick approach after obtaining informed consent. Participation was voluntary, and confidentiality was assured. Data collection took six months and achieved a 100% response rate (267 firms). Responses were cleaned in Microsoft Excel and zanalyzed using STATA version 17 (Islam *et al*., 2017; StataCorp, 2021).

2.3. Data preparation and validation

Data preparation followed a rigorous protocol to ensure accuracy and analytical reliability. Survey responses were initially coded and zorganized in Excel using a zstandardized codebook, after which the cleaned dataset was transferred to STATA for analysis. Frequency checks, box plots and consistency tests were used to identify missing values, extreme observations and coding errors. Likert-type items were numerically coded, and dummy variables were created for derived indicators, while asset values were znormalized to address skewness and meet the assumptions for subsequent statistical tests. Instrument validation involved a pilot study with 35 family business owners in Morogoro and Mbeya, followed by expert review using a four-point relevance scale. The instrument achieved strong content validity, with item-level CVI scores of 0.83 or above and a scale-level CVI of 0.90 (Lynn, 1986) (Appendix I). Structural validity was confirmed by Loevinger's H coefficients exceeding 0.40 (Mokken, 1971), and Cronbach's alpha values exceeding 0.70 indicated robust internal consistency (Cronbach, 1951). These outcomes collectively affirm that the instrument reliably measures firm demographics, governance, succession and socioemotional wealth constructs (Cohen & Swerdlik, 2018; Downing, 2004).

2.4. Construct reliability and validity assessment.

The study assessed the psychometric suitability of the measurement model through tests of reliability, convergent validity, and discriminant validity (Table 1). All constructs achieved Average Variance Extracted (AVE) values above the recommended threshold of 0.50, ranging from 0.613 for family continuity to 0.707 for family enrichment. These values demonstrate that the latent constructs account for a significant portion of the variance in their observed indicators. Cronbach's alpha coefficients for all constructs surpassed the minimum recommended level of 0.70, indicating strong internal consistency and reliability. Discriminant validity was also verified, as the squared correlations among constructs were consistently lower than their respective AVE values, confirming that each construct is empirically distinct (Fornell & Larcker, 1981). These results, therefore, support the conclusion that the study's constructs provide reliable and valid measures of the theoretical dimensions examined.

Table 1: Assessment of construct reliability and validity metrics

Construct/Scale	AVE	Cronbach's Alpha	Squared Correlation	Discriminant Validity Status
FC	0.613	0.7598	0.33	Established
FP	0.660	0.7941	0.31	Established
FE	0.707	0.7928	0.29	Established

2.5. Measurement items

This study employed validated measurement tools to enhance the accuracy, reliability, and comparability of the results (Table 2). Data collection combined general firm-level information with specific constructs related to SEW and governance practices in family-owned food processing firms. Section A of the questionnaire collected demographic and contextual data, including respondents' age, gender, education, job title, work experience, generational involvement, and firm size. Section B assessed governance practices by determining whether firms had a formal family constitution to guide operations, roles, and responsibilities. Section C evaluated the SEW dimensions (FC, FP, FE) using the nine-item SEW Index (SEWi) developed by Debicki et al. (2016). The study measured all SEW dimensions on a five-point Likert scale ranging from "strongly disagree" to "strongly agree. This structure generated a comprehensive dataset to examine both contextual characteristics and core constructs, providing a solid basis for statistical analysis.

Table 2: Items measured and their sources

Variable Category	Measurement Approach	Sources
A. General Information		
Job Title	Role indicated (CEO, Director, Manager, or Other)	
Age	Respondent's actual age in years	
Gender	Man or Woman	
Education Level	Highest qualification (Primary, Secondary, Bachelor's, Master's, Doctorate)	
Tenure in Firm	The number of years the respondent has worked in the firm.	
Founder Status	Whether the respondent is the founder (Yes/No)	Author
Founder's Age	Age of founder (if respondent is not the founder)	
Family Name in Firm	Whether the family name appears in the firm's official name (Yes/No)	
Family in Top Management	Number of family members in the top management team	
Year of Establishment	Year in which the firm was founded.	
Generational Involvement	Generations involved in management (One, Two, or Three)	
Decision-Making Generation	Generation currently holding decision-making authority (First, Second, or Third)	
Number of Employees	Current number of permanent employees	
B. Governance		
Family Constitution	Binary variable: Yes = 1 (formal family constitution); No = 0 (informal family dynamics). Allows governance-related analysis	
C. SEW Dimensions		
SEW Index (SEWi)	Nine-item scale measuring Family Continuity, Family Prominence, and Family Enrichment on a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree)	Debicki et al. (2016, 2017); Gómez-Mejía & Herrero (2022); Seema (2020)

2.7. Data Analysis

This study used a quantitative approach to examine the status of Tanzanian FOFPFs. Descriptive statistics summarised demographic attributes, governance features, and SEW dimensions, while cross-tabulations and frequency distributions were used to describe generational involvement, founder status, gender, education, and leadership roles. Group differences were examined using chi-square tests, t-tests, and ANOVA. The General Electric (GE) Portfolio Matrix was further applied to evaluate industry attractiveness and business strength within the sector. The GE Portfolio Matrix was selected for its capacity to integrate multiple indicators into a comprehensive assessment of competitive positioning and resource capability, making it particularly suitable for family-owned firms whose strategic profiles are shaped by variations in governance, generational involvement, and resource endowments (Chekashkina, 2022; Mikkola, 2001). Its use in this study established a structured foundation for the industry attractiveness analysis presented in Section 3.15.

Logistic regression models were further applied to examine the determinants of key binary firm characteristics in Tanzanian FOFPFs. This method was appropriate because the dependent variables, founder status and the use of the family name in firm identity, were dichotomous (Cameron & Trivedi, 2022). The outcome variable 'Y' was coded as '1' when the event occurred and '0' otherwise. The log odds of 'Y' were modelled as:

$$\ln\left(\frac{P(Y=1)}{1-P(Y=1)}\right) = \beta 0 + \beta 1 EDU + \beta 2 EXP + \beta 3 GEN + \boldsymbol{\varepsilon} \quad \text{.....(i)}$$

Where 'EDU' refers to education level, 'EXP' represents years of leadership experience, 'GEN' indicates generational involvement, β0 is the intercept, β1, β2, and β3 are the coefficients, and ε is the error term. The probability of observing the event was estimated using the logistic function:

$$P(Y=1|X) = \frac{e^{\beta_0 + \beta_1 X_1 + \cdots + \beta_k X_k}}{1 + e^{\beta_0 + \beta_1 X_1 + \cdots + \beta_k X_k}} \quad \text{.(ii)}$$

Model parameters were estimated using Maximum Likelihood Estimation, which identifies the coefficient values that zmaximize the likelihood of the observed sample (Cameron & Trivedi, 2022). The resulting odds ratios provide a clear interpretation of how education, experience and

generational involvement influence founder leadership and the use of the family name within FOFPFs.

3. Results and Discussion

Table 3 summarises the demographic and zorganizational characteristics of the 267 surveyed firms, outlining respondent profiles, leadership roles, generational control, and founding periods, thereby providing the contextual basis for examining how the SEW dimensions influence business operations and continuity in Tanzanian FOFPFs.

Table 3. Profile of respondents and firms (n = 267)

Variable	Category	Frequency (n)	Percentage (%)
Gender	Men	181	67.8
	Women	86	32.2
Job Title	CEO	37	13.9
	• *Men*	30	81.1
	• *Women*	7	18.9
	Director	104	39.0
	• *Men*	80	76.9
	• *Women*	24	23.1
	Manager	126	47.2
	• *Men*	71	56.3
	• *Women*	55	43.7
Founder Status	Yes	209	78.3
	No	58	21.7
Family Name in Firm Name	Yes	211	79.0
	No	56	21.0
Decision-Making Generation	First Generation	226	84.6
	Second Generation	39	14.6
	Third Generation	2	0.7
Years of Experience in the Firm	5–10	119	45.0
	11–20	90	34.0
	21–30	41	15.0
	31+	17	6.0
	Mean (SD)	14 (7.660)	—
Business Founding Period	First Regime (1964–1984)	2	1.0
	Second Regime (1985–1995)	43	16.0
	Third Regime (1996–2005)	69	26.0
	Fourth Regime (2006–2015)	118	44.0
	Fifth Regime (2016–2020)	35	13.0

3.1. Gender distribution of firm ownership and leadership

Table 3 presents the gender distribution of FOFPF ownership in Tanzania. Men hold 67.8% of ownership and management positions, while women hold 32.2%, resulting in a 35.6% gender gap. Compared with the 2013 Census of Industrial Production (URT, 2016), which showed 15.5% women's participation in ownership and management, this study's results show a marked increase in women's participation in the food processing subsector. These results still reflect societal attitudes that give men a greater leadership role (Kilgallen *et al.,* 2025; Ndimbo, 2024). However, the participation of women, which accounts for almost one-third of firms, represents a positive step toward inclusive leadership, aligning with national priorities and the Sustainable Development Goals, particularly SDG 5 on gender equality (Cardella et al., 2025; Castillo *et al.,* 2024).

3.2. Management roles and gender distribution of respondents

Further analysis of descriptive results revealed evident gender disparities across job titles. Leadership within Tanzanian FOFPFs was predominantly situated at the top management team level, indicating that respondents held substantive strategic and operational authority. A total of 47.2% served as Managers, while 39% were Directors. Only 13.9% had the position of Chief Executive Officer. It therefore suggests that the study obtained perspectives from individuals with direct strategic and operational authority, thereby yielding rigorous, evidence-based insights into firm-level governance (Skorodziyevskiy *et al.,* 2024).

However, the gender disaggregation shows uneven access to senior roles. Men held most executive positions: 81.1% of CEOs and 76.9% of Directors. Women were more prevalent in middle management, accounting for 43.7% of Managers. This pattern is consistent with the chi-square test, which confirmed a significant association between gender and job title ($\chi^2(2) = 12.47$, $p = 0.002$, Cramér's $V = 0.22$). These findings are consistent with SEW theory, which proposes that family-owned firms often reproduce leadership arrangements that protect family control and sustain family reputation (Aguilar & Maciel, 2024). The results highlight the need for governance reforms that broaden women's access to ownership, strategic decision-making, and leadership succession in family firms (Graves *et al*., 2023).

Moreover, to examine whether gender influenced responses, independent-samples t-tests were conducted for family continuity, family prominence, and family enrichment. The results showed no significant differences between men and women ($p > .05$), confirming that both groups interpreted the constructs similarly (Table 4). Assumption checks confirmed normality and equal variances, thereby validating the robustness of the results. These findings suggest that gender did not bias perceptions in this study, in contrast to earlier research reporting gender-based differences in family-owned business priorities (Ali, 2018; González *et al.,* 2023).

Table 4: Assumption test results for the gender-based Independent Samples t-test

Construct	Shapiro-Wilk p-value (Men)	Shapiro-Wilk p-value (Women)	Normality Satisfied?	Levene's Test p-value	Equal Variances Assumed?
FC	0.123	0.187	Yes	0.417	Yes
FE	0.145	0.192	Yes	0.396	Yes
FP	0.176	0.205	Yes	0.36	Yes

3.3. Family identity and business naming practices

Table 3 shows that most FOFPFs in Tanzania (79%) include the family name in their business registrations, zemphasizing the strong link between family identity and firm branding. This practice is often associated with authenticity, continuity, and customer trust, while also signifying pride, heritage, and long-term commitment (Andersson *et al.,* 2017; Olivares-Delgado *et al.,* 2016). Such naming also enhances family prominence as part of socioemotional wealth, as the firm's name reflects the family's reputation and public image (Deephouse & Jaskiewicz, 2013). Conversely, 21% of companies adopt alternative branding strategies, which the literature suggests may be motivated by a desire to attract a broader customer base or to create a more neutral and professional image (Olivares-Delgado *et al.,* 2016). A chi-square test showed that there was a significant association between the use of family names and generation in the control group (χ^2 (2) = 7.35, $p = .025$, $V = 0.17$) (Table 6), indicating that younger generations are more likely to zemphasize family identity in their branding.

3.4. Generational involvement and decision-making authority

Table 3 indicates that the founding generation holds the majority of decision-making power in Tanzanian FOFPFs. Of thetotal sample, 226 firms (84.6%) are led by first-generation members, primarily founders, while 39 firms (14.6%) are controlled by the second generation. Only two firms (0.7%) reported that the third generation dominated decision-making. These results confirm that most FOFPFs remain founder-led, reflecting the strong influence of legacy, trust, and limited succession planning in shaping leadership structures. Similar results have been found in previous studies, in which founders often retain authority to ensure stability and continuity; however, this approach risks delaying formal succession (Lubawa, 2021). Thus, the findingemphasises the importance of preparing future leaders and establishing formal mechanisms to ensure continuity and preserve socioemotional wealth.

A chi-square test was conducted to assess the relationship between the working-age owner group and the current generation in power (Table 6). The results were not statistically significant, χ^2 (4, $N = 267$) = 3.63, $p = .458$, with a small effect size

(Cramér's V = 0.12). This result suggests that the owner's age alone does not determine which generation leads; other factors may also influence this outcome. Eddleston *et al*. (2013) also noted that succession outcomes often depend on specific contextual factors rather than demographic traits. However, these findings contrast with Magasi (2016), who observed that older family business owners in Tanzania were more likely to initiate generational transfers. Therefore, the results suggest that although founder dominance remains important, improving succession planning is crucial for long-term sustainability.

3.5. Generational involvement in firm management

Table 5 indicates that one generation is responsible for the majority of FOFPFs in Tanzania. Of the 267 firms, 203 (76%) are led by a single generation, primarily the first. Most leaders have only a primary or secondary education (75%). Just 25% have higher qualifications, mostly bachelor's degrees, with very few holding postgraduate qualifications. This suggests that leadership in Tanzanian FOFPFs is primarily driven by founders, who often have limited advanced education and little experience in multi-generational leadership. Similar findings have been reported in other studies, indicating that Tanzanian family-owned firms continue to rely heavily on founding members and exhibit low levels of succession planning (Magambo *et al.,* 2024; Lubawa & Osabuohien, 2023).

In contrast, 64 firms (24%) reported the involvement of two or more generations in management. These firms were led by individuals with higher levels of education, including bachelor's, master's, and doctoral degrees, suggesting that multi-generational leadership is linked to greater zprofessionalization and strategic capacity (Sciascia *et al.,* 2013). However, chi-square results indicated no significant relationship between education and generational involvement, $\chi^2(3, N = 267) = 5.24$, $p = .155$, $V = 0.14$, suggesting that these patterns are more influenced by family traditions and dynamics than by formal education. While single-generation leadership may promote cohesion, it often limits succession planning, innovation, and the transfer of knowledge and expertise. Conversely, multi-generational leadership enhances family culture and socioemotional wealth by fostering continuity, family pride, and external reputation (Åberg *et al.,* 2025).

The findings reveal that many firms remain founder-led, have modest educational levels, and exhibit limited intergenerational involvement, thereby constraining succession and innovation. In contrast, firms that engage multiple generations with higher educational attainment exhibit stronger continuity, resilience, and innovation. To align with Tanzania's Development Vision 2050, targeted policies are needed to strengthen education, leadership development, and structured succession planning in FOFPFs.

Table 5. Generations involved in firm management

Generations Involved	Highest educational qualifications					
	Primary school certificate	Secondary school certificate	Bachelor's Degree	Master's Degree	Doctorate Degree	Total
One Generation	50	102	48	3	0	203 (76%)
Multiple Generations(two or three)	9	19	23	9	4	64(24%)
Total	59	121	71	12	4	267

3.6. Work experience of respondents in FOFPFs

Table 3 presents the distribution of respondents by years of work experience in FOFPFs in Tanzania. Work experience is a crucial indicator of managerial capacity and the strength of FFC, both of which significantly contribute to SEW. Previous studies show that industry-specific experience enhances productivity, firm growth, and the creation of long-term value (Colombo & Grilli, 2005; Shrader & Siegel, 2007).

The findings reveal a balanced mix of early-career, mid-level, and veteran leaders within Tanzanian FOFPFs. The largest cohort (45%) reported 5–10 years of experience, representing an emerging leadership group whose growing managerial capability is evidenced by their increasing strategic responsibilities and participation in firm-level decision-making processes. These indicators reflect a developing leadership pipeline with the potential to support succession planning and intergenerational knowledge transfer, thereby reinforcing SEW dimensions related to continuity and enrichment (Paço *et al.,* 2021; Magambo *et al.,* 2024). A further 34% reported 11–20 years of experience, zcharacterizing a mature leadership stage

combining accumulated expertise with elevated strategic influence. Leaders at this phase typically mentor younger family members, consolidate zorganizational reputation, and drive legacy-building, thereby strengthening SEW dimensions and long-term stewardship (Betancourt et al., 2014).

A smaller group (15%) had 21–30 years of experience, mostly founders or senior members with long service records. Their extended tenure illustrates loyalty and deep emotional attachment, contributing to trust, cohesion, and the preservation of continuity (Eddleston & Kellermanns, 2007). Finally, 6% of respondents were veterans with more than 31 years of experience. Though few in number, they represent extensive institutional knowledge, resilience, and strong intergenerational bonds, reinforcing the SEW dimensions (Botero et al., 2021; Ghalke *et al.,* 2023).

On average, respondents reported 14 years of work experience (SD = 7.66), a distribution that combines innovative energy with zorganizational stability (Table 3). These findings suggest that accumulated managerial expertise provides a foundation for succession planning, intergenerational learning, and sustainable governance (Eddleston & Kellermanns, 2007; Hernández-Perlines et al., 2023). For Tanzania, this reflects a resilient entrepreneurial base capable of contributing to Vision 2050, which zprioritizes sustainable growth, human capital development, and competitiveness. Family-owned firms in the food processing sector are therefore well positioned to support inclusive and long-term economic transformation.

3.7. Founding year of FOFPFs

Based on the randomly selected sample, the establishment patterns of FOFPFs in Tanzania reflect distinct political and economic transitions. Two firms (1%) were founded during the first regime (1964–1984), a period shaped by the socialist orientation of the Arusha Declaration, which constrained the establishment of private enterprise. Firm establishment increased in the second regime (1985–1995), with 43 firms (16%) emerging as economic zliberalization and structural adjustment policies opened space for private investment. Growth strengthened further in the third regime (1996–2005), during which 69 firms (26%) were created amid market reforms, infrastructure expansion, and support for small and medium enterprises (URT, 2003). The most significant expansion occurred in the fourth regime (2006–2015), accounting for 118 firms (44%), supported by initiatives such as *Kilimo Kwanza* [1] and *SAGCOT* [2] that enhanced agricultural zcommercialization and agro-industrial value chains (Dimoso et al., 2020). The fifth regime (2016–2020) recorded 35 firms (13%), indicating a relative slowdown despite zindustrialization ambitions under the Five-Year Development Plan II. A chi-square test confirmed a significant association between political regime and firm establishment, χ^2 (1, N = 267) = 660.98, p < .001, Cramér's V = 1.00, indicating a strong influence of policy environments on firm establishment.

The results mirror international evidence linking political regimes to family business development (Varga *et al.,* 2024). The results are also consistent with stewardship and SEW theories, which zemphasize legacy, continuity and long-term commitment. Tanzania's transition from socialist restrictions to zliberalization and agricultural zmodernization created uneven conditions for firm formation. Thus, ensuring stable and predictable policy implementation under the Tanzania Development Vision 2050 (URT, 2025) will be critical for strengthening family business resilience, enhancing their developmental contribution and supporting sustained industrial transformation beyond short-term political shifts.

From an empirical perspective, the study shows that leaders of FOFPFs possess substantial experience, averaging 14 years (SD = 7.66) and ranging from 5 to 35 years, reflecting a blend of emerging, mid-career, and seasoned leadership. With an average founding year of 1998 (SD = 11.2), the sector remains relatively young, though firms established in the 1970s illustrate enduring resilience. This combination of experience and generational continuity underscores the strategic role of Tanzanian family-owned firms in driving inclusive industrial development. It, thus, indicates the importance of policies that strengthen their long-term contribution.

[1] *Kilimo Kwanza, launched in 2009, was a national strategy to modernise agriculture and strengthen food processing in support of Tanzania's Vision 2025.*

[2] *The Southern Agricultural Growth Corridor of Tanzania (SAGCOT) is an initiative to boost agricultural production and processing as part of national sectoral transformation.*

Table 6. Chi-Square test results for associations between categorical variables (N = 267)

Variable Pair	χ^2 (df)	p-value	Cramér's V	Interpretation
Gender × Job Title	12.47 (2)	.002	0.22	Significant association; men are more likely to be in senior roles
Education × Founder Status	9.83 (4)	.043	0.19	Significant association; successors tended to be more educated
Generations Involved × Decision-Making	16.25 (4)	.003	0.25	Significant association; authority concentrated in the first generation
Family Name × Founder Status	7.11 (1)	.008	0.16	Significant association; founder-led firms are more likely to include the family name
Working Age Group × Education Level	42.66 (1)	< .001	0.40	Significant association; medium effect
Working Age Group × Generation in Power	3.63 (4)	.458	0.12	No significant association
Education Level × Generational Involvement	5.24 (3)	.155	0.14	No significant association
Gender × Education Level	14.19 (1)	< .001	0.23	Significant association; small effect
Political regime × Year Business Founded	660.98 (1)	< .001	1.00	Significant association; substantial effect
Family Name Inclusion × Generation in Power	7.35 (2)	.025	0.17	Significant association; small effect

3.8. Types of food processing in FOFPFs

Table 7 indicates that most FOFPFs in Tanzania focus on staple grain milling, accounting for 73.0% of the sample, underscoring the importance of maize, rice, and wheat in the national diet. Bakery production ranks second (14.6%), driven by growing urban demand for bread, cakes, and pastries as cities expand. Conversely, processing of fruits and vegetables (6.7%), dairy (3.4%), meat (1.9%), and cocoa and confectionery (0.4%) is relatively rare, suggesting limited diversification beyond staple categories. This concentration may stem from structural challenges, including high capital and technology costs, land tenure issues, and weak investment incentives (Dimoso *et al.,* 2020; Lubawa & Osabuohien, 2023). Consumer preferences for fresh or minimally processed foods, influenced by health and cultural factors, may also restrict product variety (Elizabeth et al., 2020; Monterrosa *et al.,* 2020). These findings highlight a missed opportunity to add value to agricultural products and diversify food processing options, thereby improving resilience and food security. Policy measures aligned with Tanzania's Development Vision 2050 should therefore focus on investments in underdeveloped sub-sectors such as dairy, meat, and fruit and vegetable processing, to better connect FOFPFs with the country's zindustrialization and food security objectives.

Table 7. Frequency distribution of food processing activities in FOFPFs

Types of Food Processing Activities	ISIC Rev. 4 Code	Frequency (%)
Manufacture of grain mill products	1061	195 (73.0%)
Manufacture of bakery products	1071	39 (14.6%)
Processing and preserving of fruit and vegetables	1030	18 (6.7%)
Manufacture of dairy products	1050	9.0 (3.4%)
Processing and preserving of meat	1010	5.0 (1.9%)
Manufacture of cocoa, chocolate, and sugar confectionery	1073	1.0 (0.4%)
Total		**267**

Table 8 shows that almost all FOFPFs fall within the small and medium enterprises (SMEs) category, as defined by the Tanzania SME Development Policy (URT, 2003), with most classified as medium-sized enterprises. Despite the disruptions of the COVID-19 pandemic (2020–2022) and wider manufacturing downturns (Pantaleo *et al.,* 2021; Walakira, 2021), the firms sustained an average of 14 employees, reflecting strong resilience. This finding aligns with national evidence that shows SMEs are crucial to job creation and industrial growth (Kweka, 2018). In line with Ferreira *et al.* (2025), this study argues that strengthening FOFPFs is vital for sustaining jobs, fostering innovation, and advancing Tanzania's Development Vision 2050.

Table 8. Employment characteristics of firms

Employment Range	Frequency (n)	Percentage (%)	Minimum	Maximum	Business Category	Five-Year Employment Mean (SD)
10–49	3	1.1	10	78	Small business	14.00 (6.44)
50–99	264	98.9			Medium-sized business	
Total	**267**	**100**				

3.9. Family constitutions in FOFPFs

The study found that none of the 267 surveyed FOFPFs in Tanzania had a formal family constitution (FC); instead, governance relied on verbal agreements, traditions, and interpersonal trust. While limited liability firms operate under a Memorandum and Articles of Association (MEMART), this document addresses only the legal and structural dimensions of the firm. It does not regulate succession pathways, family roles, or mechanisms for managing family emotions, which are central to SEW theory (Hurtado González & Herrero-Chacón, 2025). The literature is evident that informal arrangements may be adequate in early-generation firms but become insufficient as firms expand or transition leadership (Birgach *et al*., 2020). Similar findings are reported in other emerging economies, where the adoption of family constitutions remains rare despite their demonstrated governance benefits (Rodriguez-Garcia & Menéndez-Requejo, 2020; Schickinger *et al.,* 2023). The absence of FC thus exposes FOFPFs to the risks of leadership ambiguity, weakened values, and reduced sustainability. Therefore, strengthening governance capabilities and promoting the use of FC would enhance FOFPF's continuity, resilience, and long-term contributions to industrial development.

3.10. Firm characteristics by group

Table 9 presents group comparisons of firm characteristics using both independent-samples t-tests and a one-way ANOVA. The initial analysis examined years of leadership experience based on founder status. The results indicate that founders reported significantly more years of leadership experience (M = 16.4, SD = 8.7) than non-founders (M = 13.8, SD = 8.0), t (265) = 2.14, p = .033, Cohen's d = 0.32. Although the effect size is small, this finding suggests that founders tend to remain more actively involved in leadership roles over time. This outcome supports stewardship theory, which zemphasizes the founder's role in transmitting core values and ensuring long-term continuity in family firms (Davis *et al.,* 1997; Gómez-Mejía *et al.,* 2007).

The second analysis explored differences in firm age across education levels. Results from the one-way ANOVA showed a significant effect, F (4, 262) = 3.71, p = .006, η^2 = .05. Post hoc Tukey tests revealed that respondents with at least a bachelor's degree were more likely to be associated with older firms than those with only primary or secondary education. These findings suggest that higher education contributes to firm longevity, probably by enhancing governance and supporting adaptive strategies. Prior research supports this interpretation, noting that educated family business leaders are better equipped to implement practices that sustain growth and resilience in dynamic environments (De Massis *et al.,* 2018; Kellermanns & Eddleston, 2006). The results thus highlight the dual importance of founder involvement and educational attainment in shaping FOFPF sustainability. By combining founder-driven stewardship with the professional expertise provided by education, firms in Tanzania are better positioned to survive, adapt, and compete in an evolving industrial landscape.

Table 9. Group comparisons of firm characteristics using T-Tests and ANOVA

Comparison	Groups	M	SD	Test Statistic	p	Effect Size
Years of Leadership Experience × Founder Status (t-test)	Founder (n = 209)	16.4	8.7	t(265) = 2.14	.033	d = 0.32
	Non-founder (n = 58)	13.8	8.0			
Firm Age × Education Level (ANOVA)	Primary (n = 59)	22.5	9.8	F(4, 262) = 3.71	.006	η^2 = .05
	Secondary (n = 121)	24.8	10.2			
	Bachelor's (n = 71)	27.9	11.0			
	Master's (n = 12)	28.3	9.5			
	Doctorate (n = 4)	30.0	8.7			

3.11. Logistic regression models predicting firm characteristics

Table 10 presents logistic regression models predicting two key binary firm characteristics: founder status and the use of the family name in the firm's identity. The explanatory variables included education levels, years of leadership experience, and generational involvement. The results indicate that higher education significantly increased the likelihood of being a founder (OR = 1.45, 95% CI [1.05, 2.01], p = .028). Similarly, years of leadership experience positively predicted founder status (OR = 1.02, 95% CI [1.00, 1.04], p = .041). These findings demonstrate that both formal education and accumulated experiential knowledge enhance the capacity and willingness to establish and sustain FOFPFs. The findings support the argument that human capital, manifested through educational attainment and leadership tenure, strengthens entrepreneurial capability and contributes to the continuity of founder-led enterprises (De Massis *et al.,* 2018).

Regarding firm identity, founder status emerged as a strong predictor of including the family name in the firm's branding (OR = 1.63, 95% CI [1.12, 2.38], p = .009). Founder-led firms are therefore more likely to embed family identity within their zorganizational image, consistent with socioemotional wealth theory, which highlights the importance of reputation, legacy, and identity preservation in family enterprises (Gómez-Mejía *et al*., 2007; Berrone et al., 2012). Generational involvement demonstrated only a marginal positive effect (OR = 1.34, p = .071), suggesting a weaker but still notable tendency for multi-generational firms to retain the family name in their brand identity.

The findings, therefore, suggest a dual mechanism: human capital (education and experience) strengthens founder-led leadership, while identity-driven motivations encourage the symbolic use of the family name. Together, these elements illustrate how human capital and socioemotional wealth considerations jointly shape the governance, branding, and strategic positioning of FOFPFs in Tanzania

Table 10: Logistic regression models predicting firm characteristics

Dependent Variable	Predictors	OR	95% CI	P
Founder status	Education (higher vs lower)	1.45	[1.05, 2.01]	.028
	Years of experience	1.02	[1.00, 1.04]	.041
Family name in the firm	Founder status	1.63	[1.12, 2.38]	.009
	Generational involvement	1.34	[0.97, 1.86]	.071

3.12. Cluster profiles of family-owned firms

The cluster analysis zcategorized FOFPFs in Tanzania into three profiles, reflecting variations in governance and leadership (Table 11). The largest group comprised founder-dominated firms (41.9%), where decision-making was concentrated in the first generation and educational attainment was relatively low. This structure reflects strong founder influence but raises concerns about succession planning and long-term sustainability. The second group, multi-generational firms (33.3%), involved two or more generations actively engaged in management, suggesting stronger prospects for continuity but also the potential for intergenerational conflict. The third group, education-driven firms (24.7%), was zcharacterized by leaders with at least a bachelor's degree, more zprofessionalized governance, and structured decision-making processes, indicating greater adaptability and competitiveness.

These clusters illustrate the evolution of Tanzanian FOFPFs from founder-centric to more professional and diversified governance models. Founder dominance provides stability in the early stages, but over-reliance on a single leader exposes firms to succession risks and limited innovation (Gersick *et al.,* 1997; Basco, 2014). By contrast, multi-generational and education-driven firms demonstrate stronger governance practices and greater capacity to integrate modern management approaches, consistent with evidence that human capital and zprofessionalization enhance family business resilience (De Massis *et al.,* 2018).

From a policy perspective, these findings underscore the need to support FOFPFs by investing in training in governance, leadership succession,

and conflict management, as well as in higher education and managerial skills. Such measures would help firms transition from informal, founder-led models to more sustainable, zprofessionalized structures. Therefore, strengthening these capacities is crucial to supporting the objectives of Tanzania's Development Vision 2050, which, although it does not explicitly reference FOFPFs, zemphasizes industrialization, value addition, and resilient food systems. This indirect alignment underscores the importance of FOFPFs as value-chain actors in creating employment and securing food (URT, 2025; Rodriguez-Garcia & Menéndez-Requejo, 2020).

Table 11. Cluster profiles of family-owned firms (n = 267)

Cluster	Dominant Characteristics	n	%
Cluster 1: Founder-Dominated Firms	Founder-led, first generation in control, lower formal education	112	41.9
Cluster 2: Multi-Generational Firms	Two or more generations in management, shared decision power	89	33.3
Cluster 3: Education-Driven Firms	Leaders with Bachelor's or higher, professionalized governance practices	66	24.7

Note. *Percentages are based on the total sample of 267 family-owned food processing firms. Clusters were derived using hierarchical and k-means clustering, combining founder status, generational involvement, and education as classification variables.*

3.13. SEW dimension rankings

Table 12 presents the rankings of practices across the three SEW dimensions (family continuity, family prominence, and family enrichment) reported by 267 FOFPFs in Tanzania. The Friedman test confirmed statistically significant differences across items within each dimension ($p < .001$), providing a detailed overview of which non-financial goals are prioritized in the strategic and governance practices of these firms.

Within family continuity, the most highly regarded practices were the opportunity to work as a unit (Mean Rank = 3.88) and to make decisions collaboratively (Mean Rank = 3.74), while preserving the family legacy (Mean Rank = 3.45) and maintaining shared values (Mean Rank = 3.31) followed closely. These findings therefore suggest that Tanzanian FOFPFs prioritize collective decision-making as a key strategy for safeguarding intergenerational control, aligning with research highlighting the importance of shared governance in continuity planning (McAdam *et al.,* 2024). Lower ratings for dynasty preservation and value transmission indicate that, although legacy remains significant, daily cooperation is regarded as more vital for sustaining operations.

For family prominence, maintaining a family reputation through business ranked highest (Mean Rank = 3.76), followed by benefits from family (Mean Rank = 3.51) and social relationships (Mean Rank = 3.40). Recognition for community generosity scored lowest (Mean Rank = 2.33). The finding shows that actors value reputation and relational trust more highly than public recognition, thereby affirming stewardship perspectives that emphasize credibility and integrity over external accolades (Davis *et al.,* 1997; Berrone *et al.,* 2012). It also reflects the Tanzanian cultural context, where close networks of trust may outweigh formal community recognition in securing business legitimacy (Lubawa & Kapaya, 2025).

In family enrichment, improving family harmony through the business ranked highest (Mean Rank = 4.38), followed by financial stability needs (4.12) and employment needs (3.87). Needs for intimacy (3.29) and happiness outside the business (2.79) ranked lowest. These findings indicate that firms primarily view the business as a means to strengthen intra-family cohesion and meet essential livelihood needs, rather than to achieve more individual or emotional goals. The result supports previous evidence that family-owned firms combine economic and non-economic objectives to attain holistic well-being (Rau *et al.,* 2019).

These findings therefore confirm that Tanzanian FOFPFs attach great importance to collective decision-making, reputation, and harmony, the non-financial objectives central to SEW theory. They emphasize how cultural and contextual factors shape SEW priorities, providing evidence that these dimensions are context-dependent rather than universal (Debicki *et al*., 2016). For policy and practice, the findings underscore the need for governance frameworks that institutionalize shared decision-making, strengthen ethical standards, and promote intra-family cohesion, all of which are vital for succession planning and sustainable growth in line with Tanzania's Vision 2050.

Table 12. SEW dimension rankings

Dimension	Rank	Practice Code	Mean Rank	Description	Friedman χ^2(df)	p-value
Family Continuity	1	FC1	3.88	Opportunity to work as a unit	210.45 (4)	< .001
	2	FC2	3.74	Opportunity to make decisions together		
	3	FC3	3.62	Opportunity to work towards an agreement		
	4	FC4	3.45	Preservation of the family dynasty		
	5	FC5	3.31	Maintaining family values through business		
Family Prominence	1	FP4	3.76	Maintenance of family reputation	185.62 (3)	< .001
	2	FP3	3.51	Business benefits from family relationships		
	3	FP2	3.40	Family benefits from social relationships		
	4	FP1	2.33	Recognition for generous actions in the community		
Family Enrichment	1	FE2	4.38	Enhancing family harmony through business	256.11 (5)	< .001
	2	FE4	4.12	Financial stability affects decisions.		
	3	FE3	3.87	Employment needs affect decisions		
	4	FE5	3.55	Belonging needs affect decisions		
	5	FE6	3.29	Intimacy needs affect decisions		
	6	FE1	2.79	Happiness of family members outside the business		

3.14. Asset values and implications

Tables 13 and 14, along with Figure 1, present the assessment of asset values among 266 FOFPFs in Tanzania. Asset data were compiled using audited financial statements and verified loan application records, with one outlier removed to prevent skewness. Z-score normalization yielded a dataset with a mean close to zero ($M \approx 0.000$) and a standard deviation near 1 ($SD \approx 1.002$), meeting statistical reliability standards. Normality tests confirmed significant deviations from normality (Shapiro–Wilk, $W = 0.560$, $p < .001$; Kolmogorov–Smirnov, $D = 0.218$, $p < .001$), while the histogram showed a pronounced right skew (Figure 1). Descriptive statistics (Table 13) showed a mean asset value of TZS 920.6 million (SD = TZS 667.4 million), a median of TZS 771.2 million, and a range from TZS 132.9 million to TZS 5.86 billion, highlighting structural disparities within the sub-sector.

These findings suggest that a small number of firms control a large share of assets, consistent with SME patterns in emerging economies (Ayyagari et al., 2011; URT, 2024). The presence of firms with assets over TZS 5 billion indicates growth potential, associated with reinvestment, family wealth, and managerial skills (González *et al*., 2023). However, the dominance of smaller firms highlights limited investment ability, emphasizing the need for targeted policies. In line with the National Investment Report (URT, 2024), this study advocates for inclusive asset investment strategies that reduce capital disparities and aim to increase agro-processing capacity. Strengthening FOFPFs through accessible finance, innovation, and recognition of socioemotional wealth priorities (Berrone *et al*., 2012) is essential to developing resilient, competitive enterprises. These efforts, aligned with Tanzania's Development Vision 2050, will support industrialization, job creation, and sustainable economic growth.

Table 13. Descriptive statistics for five-year average asset values (N = 266)

Statistic	Value (TZS)
Mean	920,575,500
Standard Deviation	667,401,100
Minimum Value	132,971,600
Median (50th)	771,221,200
Maximum Value	5,864,670,000

Table 14. Normality test results for average asset values (N = 266)

Test	Test Statistic	p-value	Interpretation
Shapiro–Wilk Test	0.560	< .001	Significant deviation from normality
Kolmogorov–Smirnov (K–S) Test	0.218	< .001	Significant deviation from normality

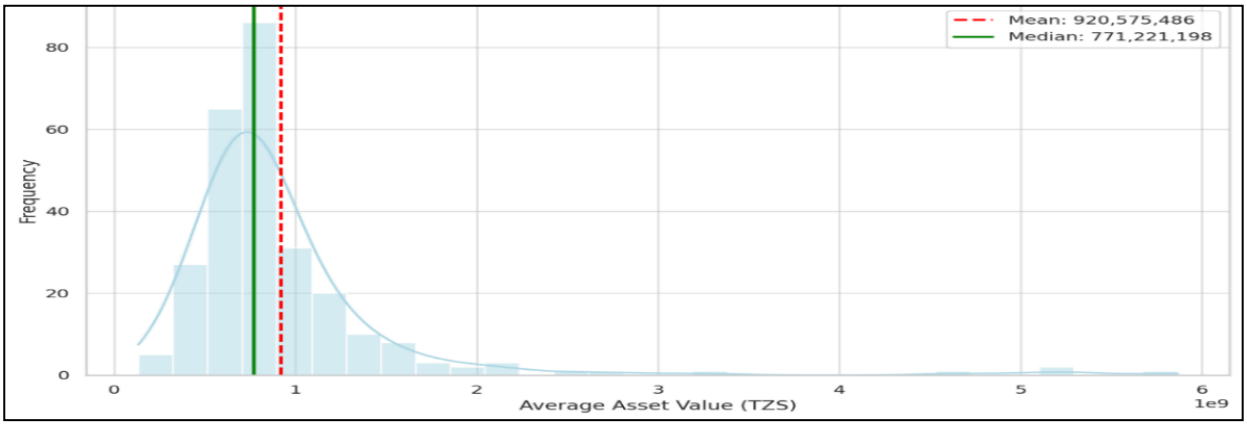

Figure 1: Histogram and density curve of 5-year average asset values for FOFPFs

3.15. Industry attractiveness analysis

The industry attractiveness analysis used the GE Portfolio Matrix to position FOFPFs based on their market conditions and competitive capabilities. Scores in Table 15 were generated using weighted indicators that captured market growth, competitive intensity, resource capacity, and value-chain participation. This multidimensional approach enables a structured comparison of firm clusters and reveals their relative strategic positions within the sub-sector.

The results from 267 firms revealed that most occupy the low-to-medium zones of the matrix (Table 15). Founder-dominated grain milling firms, representing nearly three-quarters of the sample, scored 2.3 on business strength and 2.6 on industry attractiveness. Their placement in the survival or selective earning zone reflects dependence on staple milling, limited diversification, and weak governance. The findings mirror the stagnation of small-scale rice mills in Lampung, Indonesia, which Rosid *et al.* (2025) found to be similarly constrained by structural weaknesses.

Multi-generational firms (15%) achieved moderately higher scores (3.4; 3.2). With broader family involvement, modest diversification, and higher levels of education, they lie in the cautious investment zone. Their profile is comparable to that of medium-scale mills in Lampung, which adopted selective investment strategies while awaiting favourable conditions (Rosid et al., 2025).

Education-driven firms (12%) held the strongest positions, averaging 3.7 in business strength and 3.5 in industry attractiveness. Led by university-educated owners, these firms emphasize professionalism, branding, and innovation. Their placement in the high-growth zone is consistent with large Lampung mills that expanded through technology and succession planning, illustrating how human capital strengthens family firm competitiveness (De Massis et al., 2015; Habbershon & Williams, 1999).

At the weakest end, small under-capitalized food processing firms scored 1.9 and 2.2, placing them in the divestment zone. With low assets and limited market appeal, their long-term viability is uncertain. In contrast, a handful of emerging growth firms, mainly in Dar es Salaam and Arusha, scored above 3.8. Positioned in the invest-to-build zone, they benefit from modern facilities, stronger supply chains, and the involvement of the second generation. These firms resemble Lampung's largest mills and could play a leading role in Tanzania's agro-industrialization agenda.

Three strategic implications follow. First, survival and divestment-zone firms urgently require support, including access to finance, managerial training, and diversification incentives, to avoid stagnation. Second, medium-positioned firms would benefit from cluster-based policies, joint branding, and stronger succession planning to sustain continuity (Ward, 2011; Ferrari, 2023). Third, education-driven and emerging firms represent the sector's future champions. Targeted innovation funding, export promotion, and formal governance mechanisms could accelerate their growth, echoing the successful pathways of competitive mills in Lampung (Rosid *et al.,* 2025).

In conclusion, the GE Portfolio Matrix demonstrates that Tanzanian FOFPFs are highly polarised. While most firms remain confined to survival or selective

zones, a smaller group shows strong potential for modernization and expansion. Thus, it emphasizes the importance of professionalization, diversification, and structured succession planning as strategies to strengthen their long-term role in Tanzania's industrialization and food security

Table 15. GE portfolio matrix analysis on FOFPFs in Tanzania

No	Firm Category (Representative Cluster)	Typical Firm Profile	Industry Attractiveness (Score 1–5)	Business Strength (Score 1–5)	Strategic Implication
1	Founder-dominated, single-generation, staple milling (≈ 73% of firms)	First-generation, founder-led, grain milling, limited education, no family constitution	2.6	2.3	Low–medium zone → Selective earning/survival
2	Multi-generational, moderately diversified (≈ 15% of firms)	Two generations in management, some higher education, diversification into dairy/fruit, moderate branding	3.2	3.4	Medium zone → Build selectively / cautious investment.
3	Education-driven leadership firms (≈ 12% of firms)	Leaders with Bachelor's/master's, some professionalization, stronger branding, better SEW balance	3.5	3.7	High zone → Invest to build / growth potential.
4	Small under-capitalized grain mills (subset within cluster 1)	Minimal assets, weak governance, no diversification	2.2	1.9	Low zone → Harvest/divest
5	Emerging growth firms with modern facilities (a few cases in Dar es Salaam & Arusha)	Second generation involved, using modern equipment, strong branding	3.8	4.0	High zone → Protect position / aggressive growth

4. Conclusion

The primary aim of this study was to create a detailed map of FOFPFs in Tanzania, analyzing their demographic traits, governance approaches, and socioemotional wealth aspects. The findings reveal a sector primarily led by founders and first-generation owners, characterized by limited diversification and the absence of formal governance systems, which leaves FOFPFs vulnerable to succession issues and poor strategic agility. However, evidence of multi-generational and education-based clusters indicates potential for professionalization, innovation, and ongoing success. Notably, the sector's heavy dependence on grain milling reveals structural weaknesses and overlooked opportunities for added value. Improving succession planning, implementing governance reforms, and providing managerial training are essential for these firms to move from mere survival to becoming drivers of inclusive industrial growth and food security. To accomplish this, targeted policy measures must be aligned with Tanzania's Vision 2050.

This study extends the SEW and Stewardship perspectives by contextualizing them in Tanzania and demonstrating how non-financial goals, such as family continuity, family prominence, and family enrichment, interact with economic strategies in family-owned firms. The findings underscore the practical significance of governance reforms, including family constitutions, clear roles and responsibilities, leadership training, and structured succession planning. The identification of founder-led, multi-generational, and education-driven clusters provides benchmarks for FOFPFs to evaluate strategic direction and professionalization needs. Policy implications are evident in the dominance of grain milling, which signals both significance and vulnerability. Diversification into dairy, meat, fruit, and other value-added activities, together with skills upgrading and governance reforms, is vital for resilience. Aligning these measures with Vision 2050 priorities for industrialization, human capital, and food security will strengthen the contribution of family-owned food processing firms. Future research should employ longitudinal and comparative approaches to track governance and succession.

References

Åberg, C., Sundkvist, C. H., & Campopiano, G. (2025). The humanistic state in family firms: Exploring the significance of socioemotional wealth and culture as drivers of stewardship. *Journal of Business Research, 189,* 115212. https://doi.org/10.1016/j.jbusres.2025.115212.

Aguilar, J. L. E., & Maciel, A. S. (2024). The impact of corporate governance mechanisms on value creation in family firms: Evidence from an emerging economy. *Journal of Evolutionary Studies in Business, 9*(1), 33–56. https://doi.org/10.1344/jesb2024.9.1.40345.

Ali, N., Simeonova, B., & Hughes, M. (2025). Evolution of Stewardship Across Family and Business Goals: Toward a Stewardship Transition Framework. *Entrepreneurship Theory and Practice,* 49(4), 1162-1188. https://doi.org/10.1177/10422587241311155.

Ali, R. (2018). Feminist theory and its influence on female entrepreneurs' growth intentions. *International Journal of Innovation and Economic Development, 4*(3), 20–31. https://doi.org/10.18775/ijied.1849-7551-7020.2015.43.2003.

Andersson, F. W., Johansson, D., Karlsson, J., Lodefalk, M., & Poldahl, A. (2017). The characteristics of family firms: Exploiting information on ownership, kinship, and governance using total population data. *Small Business Economics, 51*(3), 539–556. https://doi.org/10.1007/s11187-017-9947-6.

Ayyagari, M., Demirguc-Kunt, A., & Maksimovic, V. (2011). Small vs. young firms across the world: Contribution to employment, job creation, and growth. *Policy Research Working Paper 5631.* World Bank. https://doi.org/10.1596/1813-9450-5631.

Bank of Tanzania (2025). *Statistical bulletin for the quarter ending June 2025* (Vol. III, No. 2). Bank of Tanzania. http://www.bot.go.tz.

Basco, R. (2014). Exploring the influence of the family upon firm performance: Does strategic behaviour matter? *International Small Business Journal, 32*(8), 967–995. https://doi.org/10.1177/0266242613484946.

Berrone, P., Cruz, C., & Gómez-Mejía, L. R. (2012). Socioemotional wealth in family firms: Theoretical dimensions, assessment approaches, and agenda for future research. *Family Business Review, 25*(3), 258–279. https://doi.org/10.1177/0894486511435355.

Betancourt, G. G., Botero, I. C., Ramirez, J. B. B., & Vergara, M. P. L. (2014). Emotional intelligence in family firms: Its impact on interpersonal dynamics in the family, business and ownership systems. *Journal of Family Business Management, 4*(1), 4–23. https://doi.org/10.1108/JFBM-08-2013-0020.

Birgach, H., Berrada El Azizi, T., & Habba, B. (2020). Family governance mechanisms in Moroccan family businesses: An exploratory study. *International Journal of Business and Management, 15*(8), 101–113. https://doi.org/10.5539/ijbm.v15n8p101.

Botero, I. C., Martínez, A. B., Sanguino, G., & Binhote, J. (2021). The family's effect on knowledge sharing in family firms. *Journal of Knowledge Management, 26*(2), 459–481. https://doi.org/10.1108/jkm-08-2020-0653.

Cameron, A. C., & Trivedi, P. K. (2022). *Micro econometrics using Stata: Volume II – Cross-sectional and panel regression methods* (2nd ed.). Stata Press.

Castillo, D. C. C., Reyes-Reinoso, J. R., Valdivieso, M. C. R., & Calle, K. A. C. (2024). Practical implications of women's participation in family businesses: A systematic review. *Journal of Infrastructure Policy and Development, 8*(14), 9052. https://doi.org/10.24294/jipd9052.

Charles, G. (2014). Role of family resources in firm performance: Evidence from Tanzania. *Journal of African Business, 15*(2), 122–135. https://doi.org/10.1080/15228916.2014.920607.

Chekashkina, N. R. (2022). Matrix models of portfolio analysis as a tool for choosing an organization's growth strategy. *Economic Analysis: Theory and Practice, 21*(3), 532–552.

Cohen, R. J., & Swerdlik, M. E. (2018). *Psychological testing and assessment: An introduction to tests and measurement* (9th ed.). McGraw-Hill.

Colombo, M. G., & Grilli, L. (2005). Founders' human capital and the growth of new technology-based firms: A competence-based view. Research Policy, 34(6), 795–816. https://doi.org/10.1016/j.respol.2005.03.010.

Cronbach, L. J. (1951). Coefficient alpha and the internal structure of tests. *Psychometrika, 16,* 297–334. https://doi.org/10.1007/BF02310555.

Davis, J. H., Schoorman, F. D., & Donaldson, L. (1997). Toward a stewardship theory of management. *Academy of Management Review, 22*(1), 20–47. https://doi.org/10.2307/259223.

Debicki, B. J., Kellermanns, F. W., Chrisman, J. J., Pearson, A. W., & Spencer, B. A. (2016). Development of a socioemotional wealth importance (SEWi) scale for family firm research. *Journal of Family Business Strategy, 7*(1), 47-57.
https://doi.org/10.1016/j.jfbs.2016.01.002.

De Massis, A., Kotlar, J., Campopiano, G., & Cassia, L. (2015). The impact of family involvement on SMEs' performance: Theory and evidence. *Journal of Small Business Management, 53*(4), 924–948. .https://doi.org/10.1111/jsbm.12093.

De Massis, A., Kotlar, J., Wright, M., & Kellermanns, F. W. (2018). Sector-based entrepreneurial capabilities and the promise of sector studies in entrepreneurship. *Entrepreneurship Theory and Practice, 42*(1), 3–23. https://doi.org/10.1177/1042258717740548.

Deephouse, D. L., & Jaskiewicz, P. (2013). Do family firms have better reputations than non-family firms? An integration of socioemotional wealth and social identity theories. *Journal of Management Studies, 50*(3), 337–360.

Dimoso, P., Mpogole, H., & Mayaya, H. (2020). Industrial development: The past, present, and future. In T. L. Maliyamkono & H. L. Mason (Eds.), *The game changer: President Magufuli's first term in office*. TEMA Publishers Co. Limited.

Downing, S. M. (2004). Reliability: On the reproducibility of assessment data. *Medical Education, 38*(9), 1006–1012. https://doi.org/10.1111/j.1365-2929.2004.01932.x.

Eddleston, K. A., Kellermanns, F. W., & Zellweger, T. M. (2013). Exploring the Entrepreneurial Behaviour of Family Firms: Does the Stewardship Perspective Explain Differences? *Entrepreneurship Theory and Practice*, *36*(2), 347-367. https://doi.org/10.1111/j.1540-6520.2010.00402.x .

Eddleston, K. A., & Kellermanns, F. W. (2007). Destructive and productive family relationships: A stewardship theory perspective. *Journal of Business Venturing*, *22*(4), 545-565. https://doi.org/10.1016/j.jbusvent.2006.06.004.

Gersick, K. E., Davis, J. A., Hampton, M. M., & Lansberg, I. (1997). *Generation to generation: Life cycles of the family business*. Harvard Business School Press.

Ghalke, A., Haldar, A., & Kumar, S. (2023). Family firm ownership and its impact on performance: Evidence from an emerging market. *Review of Managerial Science, 17*(2), 493–512. https://doi.org/10.1007/s11846-022-00527-7.

Gómez-Mejía, L. R., Takacs-Haynes, K., Nunez-Nickel, M., Jacobson, K. J. L., & Moyano-Fuentes, J. (2007). Socioemotional wealth and business risks in family-controlled firms: Evidence from Spanish olive oil mills. *Administrative Science Quarterly, 52*(1), 106–137. https://doi.org/10.2189/asqu.52.1.106.

González, L. A. C., Rodríguez, Y. E., & Sánchez, C. (2023). Women in the family business: Self and family's influence on their perceptions of financial performance. *International Journal of Gender and Entrepreneurship, 15*(4), 341–363. https://doi.org/10.1108/IJGE-01-2023-0020.

Graves, C., Caspersz, D., & Thomas, J. (2023). An examination of the relationship between governance mechanisms and performance: Evidence from the Australian family business context. In H. Fleischer & S. Prigge (Eds.), *Family firms and family constitution (Law and management of family firms)* (pp. 143–163). Emerald Publishing. https://doi.org/10.1108/978-1-83797-200-520231009.

Habbershon, T. G., & Williams, M. L. (1999). A resource-based framework for assessing the strategic advantages of family firms. *Family Business Review, 12*(1), 1–25. https://doi.org/10.1111/j.1741-6248.1999.00001.x.

Hair, J., Page, M., & Brunsveld, N. (2020). *Essentials of business research methods* (4th ed.). Routledge. https://doi.org/10.4324/9780429203374.

Hernández-Linares, R., López-Fernández, M. C., Memili, E., Mullins, F., & Patel, P. C. (2023). High-performance work practices, socioemotional wealth preservation, and family firm labour productivity. *BRQ Business Research Quarterly*. https://doi.org/10.1177/23409444211002521.

Hurtado. González JM, Herrero-Chacon I (2025), "Family constitution and firm resilience". *Journal of Family Business Management*, Vol. ahead-of-print No. ahead-of-print. https://doi.org/10.1108/JFBM-04-2025-0105.

Jettah, R. N., Mbasa, B., & Mdoe, C. N. (2024). Enhancing food and nutritional security through gender-disaggregated analysis: A case study of Lake Victoria Shore, Tanzania. *The North African Journal of Food and Nutrition Research, 8*(17), 123–134. https://doi.org/10.51745/najfnr.8.17.123-134.

Kellermanns, F. W., & Eddleston, K. A. (2006). Corporate entrepreneurship in family firms: A family perspective. *Entrepreneurship Theory and Practice, 30*(6), 809–830. https://doi.org/10.1111/j.1540-6520.2006.00153.x.

Kilgallen, J. A., Ishungisa, A. M., Charles, P., Chizi, M., John, A., Nicholaus, I., Sebarua, E., Urassa, M., & Lawson, D. W. (2025). "You are married by the woman": Divergent understandings of men's support for women's empowerment in north-western Tanzania. *Men and Masculinities*. https://doi.org/10.1177/1097184X251326192.

Klinger Mosquera, W., López Vergara, M. P., & Lagos Cortés, D. (2024). The role of family culture on the transgenerational transfer in Colombian family business. *Journal of Evolutionary Studies in Business, 9*(1), 127–151. https://doi.org/10.1344/jesb2024.9.1.32893.

Kweka, J. (2018). *Monitoring policies to support industrialization in Tanzania: An update and policy recommendations*. SET Policy Briefings. ODI.

Le Breton-Miller, I. L., & Miller, D. (2015). Learning stewardship in family firms: For family, by family, across the life cycle. *Academy of Management Learning & Education*, 14(3), 386–399. https://doi.org/10.5465/amle.2014.0131.

Lubawa, G. (2021). Business plan and industrial development: The case of family-owned food processing SMEs in Tanzania. In E. S. Osabuohien, E. A. Oduntan, O. Gershon, O. Onanuga, & O. Ola-David (Eds.), *Institution development for sustainable and inclusive*

economic growth in Africa. IGI Global. https://doi.org/10.4018/978-1-7998-4817-2.

Lubawa, G., & Kapaya, S. M. (2025). Family firm culture's influence on socioemotional wealth and financial performance in single-family-owned food processing firms. *African Business Management Journal, 3*(1), 1–16. https://doi.org/10.58548/2025abmj31.0116.

Lubawa, G., & Raphael, G. (2023). Socioemotional wealth and financial performance of single-family-owned food processing firms: Evidence from Tanzania. *Colombo Business Journal: International Journal of Theory and Practice, 14*(2), 157–187. https://doi.org/10.4038/cbj.v14i2.162.

Lubawa, G. G., & Osabuohien, E. S. (2023). Wine industry in Tanzania and its sustainability: Qualitative insights from family-owned wine processing enterprises owners. In B. Marco-Lajara, A. Gilinsky, J. Martínez-Falcó, & E. Sánchez-García (Eds.), *Handbook of research on sustainability challenges in the wine industry* (pp. 194–235). IGI Global. https://doi.org/10.4018/978-1-6684-6942-2.ch011.

Lufano, V. V., & Kirori, G. (2022). Efficiency performance trends in the food processing industry in Tanzania. *Asian Research Journal of Arts & Social Sciences, 18*(4), 87–96. https://doi.org/10.9734/arjass/2022/v18i4406.

Lynn, M. R. (1986). Determination and quantification of content validity. *Nursing Research, 35*(6), 382–385. https://doi.org/10.1097/00006199-198611000-00017.

Magambo, E., Nyamwesa, A., Mgulunde, A., & Magasi, C. (2024). Factors affecting succession planning in family-owned fish trading SMEs in Mwanza City, Tanzania. *International Journal of Research in Business and Social Science, 13*(2), 84–97. https://doi.org/10.20525/ijrbs.v13i2.3094.

Magasi, C. (2022). Management succession planning and family-owned manufacturing businesses survival: The moderating role of firm's background variables. *International Journal of Research in Business and Social Science, 10*(8), 12–24. https://doi.org/10.20525/ijrbs.v10i8.1486.

Magasi, C. (2016). Factors influencing business succession planning among SMEs in Tanzania. *European Journal of Business and Management, 8*(3), 126–135.

McAdam, M., Clinton, E., Gartner, W. B., & Hamilton, E. (2024). How family business practices are created, maintained, and transformed across generations from a community of practice lens. *Entrepreneurship & Regional Development, 36*(1–2), 1–22. https://doi.org/10.1080/08985626.2024.2331149.

Mikkola, J. H. (2001). Portfolio management of R&D projects: Implications for innovation management. *Technovation, 21*(7), 423–435. https://doi.org/10.1016/S0166-4972(00)00062-6.

Mokken, R. J. (1971). *A theory and procedure of scale analysis: With applications in political research*. De Gruyter.

Monterrosa, E. C., Frongillo, E. A., Drewnowski, A., De Pee, S., & Vandevijvere, S. (2020). Socio-cultural influences on food choices and implications for sustainable healthy diets. *Food and Nutrition Bulletin, 41*(2_suppl), 59S–73S. https://doi.org/10.1177/0379572120975874.

Mpogole, H. (2025). Navigating the nexus between agricultural transformation, food security, and climate change in rural development in Tanzania. *Rural Planning Journal, 1*(1), 1–14. https://doi.org/10.59557/rpj.1.1.2025.173.

Mtenga, D. V., & Ripanda, A. S. (2022). Towards food security in semi-arid regions: The role of small-scale food processing industries in Dodoma City, Tanzania. *Tanzania Journal of Community Development, 2*(1). https://www.suaire.sua.ac.tz/handle/123456789/5292.

Ndimbo, R. (2024). A critical discourse analysis of the representation of gender images in wedding speeches in Tanzania. *Journal of Humanities & Social Science (JHSS), 13*(2). https://doi.org/10.56279/13/2/2.

OECD. (2024). Structural business statistics ISIC Rev. 4, structural and demographic business statistics (database). https://doi.org/10.1787/8e34f7e7-en.

Olivares-Delgado, F., Pinillos-Laffón, A., & Benlloch-Osuna, M. T. (2016). An approach to patronymic names as a resource for familiness and as a variable for family business identification. *European Journal of Family Business, 6*(1), 32–45. https://doi.org/10.1016/j.ejfb.2016.06.001.

Paço, A., Fernandes, C., Nave, E., Alves, H., Ferreira, J. J. D. M., & Raposo, M. (2021). Succession planning and strategies in family business: A multiple case study. *International Entrepreneurship Journal, 25*(Special Issue 1), 1–12.

Pantaleo, I. M., & Ngasamiaku, W. M. (2021). Are sectors hit equally by the COVID-19 pandemic? Some insights from assessing the economic impacts of the pandemic on selected sectors in Tanzania. *African Journal of Economic Review, 9*(3). https://doi.org/10.22004/ag.econ.315807.

Rosid, A., Sobirin, A., & Hendri, N. (2025). Predicting the sustainability of family business in the rice milling industry: A multiple case study. *Asian Management and Business Review, 5*(2), 487–502. https://doi.org/10.20885/AMBR.vol5.iss2.art15.

Saunders, M. N. K., Lewis, P., & Thornhill, A. (2019). *Research methods for business students* (8th ed.). Pearson Educational Limited. ISBN 9781292208787.

Schickinger, A., Bierl, P. A., Leitterstorf, M. P., & Kammerlander, N. (2023). Family-related goals, entrepreneurial investment behavior, and governance mechanisms of single family offices: An exploratory study. *Journal of Family Business Strategy, 14*(2), 100393. https://doi.org/10.1016/j.jfbs.2020.100393.

Sciascia, S., Mazzola, P., & Chirico, F. (2013). Generational involvement in the top management team of family firms: Exploring nonlinear effects on entrepreneurial orientation. *Entrepreneurship Theory and Practice, 37*(1), 69–85. https://doi.org/10.1111/j.1540-6520.2012.00528.x.

Seema, M. (2020). Dynamics of socioemotional wealth on family firms' performance. *Sumedha Journal of Management, 9*(1), 20. https://doi.org/10.46454/sumedha/9.1.2020.2.

Shrader, R., & Siegel, D. S. (2007). Assessing the relationship between human capital and firm performance: Evidence from technology-based new ventures. *Entrepreneurship Theory and Practice, 31*(6), 893–908. https://doi.org/10.1111/j.1540-6520.2007.00206.x.

Skorodziyevskiy, V., Sherlock, C., Su, E., Chrisman, J. J., & Dibrell, C. (2024). Strategic change in family firms: A review from an institutional environment and firm size perspective. *Family Business Review, 37*(1), 130–160. https://doi.org/10.1177/08944865231221841.

StataCorp. (2021). *Stata statistical software: Release 17*. StataCorp LLC.

Taylor, S. M., De Groote, A., Hyder, K., Vølstad, J. H., Hartill, B. W., Foster, J., Andrews, R., & Ryan, K. L. (2025). Coverage matters: Identifying and mitigating sampling frame issues in recreational fishing surveys. *Reviews in Fish Biology and Fisheries.* https://doi.org/10.1007/s11160-025-09921-2.

United Republic of Tanzania. (2025). Tanzania Development Vision 2050. National Planning Commission.

United Republic of Tanzania (URT). (2024b). *The national investment report 2023*. President's Office – Planning and Investment. https://www.planninginvestment.go.tz/documents/report.

United Republic of Tanzania (URT). (2016). *The 2013 census of industrial production: Analytical report*. National Bureau of Statistics & Ministry of Industry, Trade and Investment.

United Republic of Tanzania (URT). (2003). *Small and Medium Enterprises Development Policy*. Ministry of Industry and Trade.

United Republic of Tanzania(URT). (1972). *The Business Licensing (Amendment) Act, Act No. 25 of 1972*. Government Printer.

Varga, A. R., Sipos, N., Rideg, A., & Lukovszki, L. (2024). The comparison of RBV-based competitiveness of Hungarian family-owned and non-family-owned SMEs. *Competitiveness Review, 34*(7), 1–24. https://doi.org/10.1108/CR-02-2023-0017.

Walakira, G. (2021, 8 October). Impact of COVID-19 on light manufacturing in the East African Community. *AERC Working Paper COVID-19_017y*. African Economic Research Consortium. https://publication.aercafricalibrary.org/items/634b8d8e-f1c8-4af2-8503-6d581ecb90ab.

Ward, J. L. (2011). *Keeping the family business healthy: How to plan for continuing growth, profitability, and family leadership*. Palgrave Macmillan.

Yamane, T. (1967). *Statistics: An introductory analysis* (2nd ed.). Harper & Row.

Appendix I: CVI Analysis

Key Variable	Construct Item Statements	I-CVI Score	Action Taken
Family Continuity	Business enables the family to work as a unit	1.00	Retained
	Business allows the family to make decisions together	0.86	Retained
	Business encourages the family to work toward an agreement	0.83	Retained
	Preserving family dynasty and succession planning	0.88	Retained
	Business upholds family values for future generations.	1.00	Retained
Family Prominence	Family gains community recognition through business generosity	0.83	Retained
	Business develops social capital, benefiting the family	1.00	Retained
	Businesses benefit from family social relationships	1.00	Retained
	The family maintains a strong public reputation through the business	0.83	Retained
Family Enrichment	Importance of enhancing the happiness of family members not involved in the business	1.00	Retained
	Improving family life and relationships through business operations	0.86	Retained
	Influence of family needs (employment) on business decisions	0.83	Retained
	Influence of family needs (financial stability) on business decisions	0.88	Retained
	Role of family needs (belonging) in shaping business decisions	1.00	Retained
	Consideration of family needs (intimacy) in business decision-making	0.83	Retained
Overall	—	0.90	—