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Growing people, growing legacy

How Africa's family businesses develop, engage, and retain their talent



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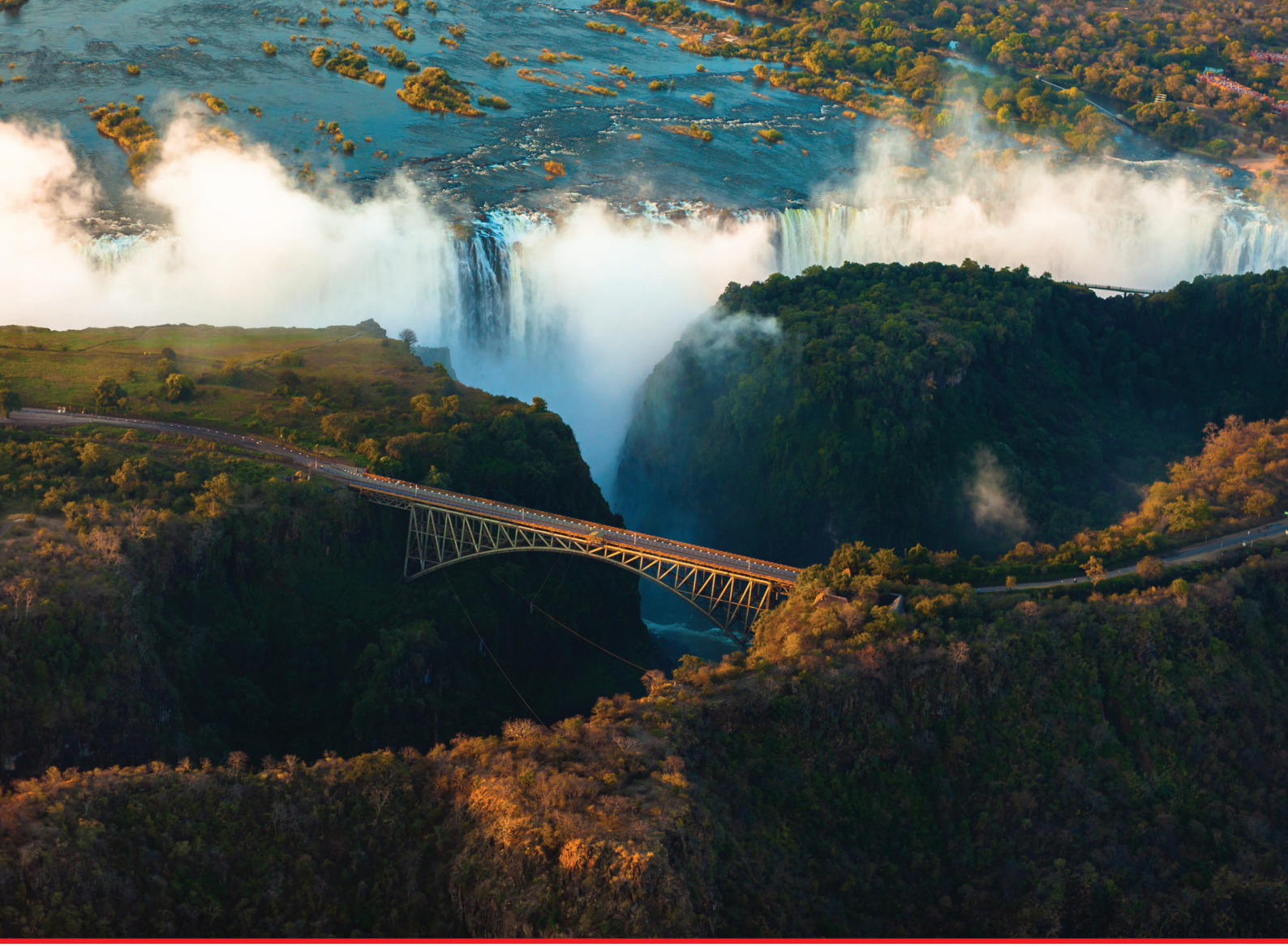
IESE Business School
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Africa Initiative

THE AFRICA INITIATIVE

Based on its firm belief in the pivotal role of the private sector in the development and growth of communities around the world, the Africa Initiative's mission is to foster responsible business leadership across the continent. Leveraging IESE's resources and intellectual capital, we aim to harness the power of entrepreneurship, innovation, and ethical business practices to contribute to Africa's sustainable development while simultaneously addressing global challenges. Under the leadership of Professor Heinrich Liechtenstein, the Academic Director of the Africa Initiative, research constitutes a core pillar of this mission to enable research constitutes a core pillar of this mission to enable a deeper and nuanced understanding of the opportunities and challenges inherent in the African business landscape.

Over the last year, IESE and its associate schools in Africa—the Lagos Business School in Nigeria, Strathmore Business School in Kenya, and MDE Business School in the Ivory Coast—have joined forces with the Family Business Network—which, with over 20,000 members, is the largest global network of business families—to strengthen African business families for generational growth and continuity. Together, we are building a network for African families that own some of the largest businesses. The aim is to learn from one another and from multigenerational business families in the rest of the world.

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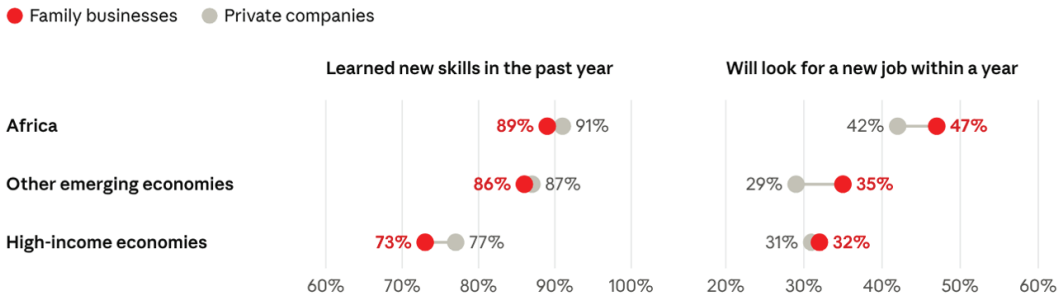
Executive summary

Africa's family businesses are strong schools of talent, but they keep less of the talent they build, and the levers to change this lie largely with their owning family. This matters. Around 12 million young Africans enter the labor market each year, and training typically is twice as effective as pay when it comes to raising productivity; therefore, businesses that develop and keep talented people gain a lasting edge. This report draws on a 2026 survey of 6,966 employees in 26 countries, of whom 3,489 are working in African countries.

Key findings

- **Family businesses develop their people well.** Nine in ten of their employees in Africa learned new skills in the past year, a rate equal to that in other private companies.
- **However, more of their employees plan to leave.** Nearly half (47%) expect to look for a job elsewhere within a year, compared with 42% in private companies. In high-income economies, there is no such discrepancy.
- **The problem is not learning but what happens afterward.** Employees often learn on their own with little help from the business, and those outside the family are less sure they can be promoted.
- **The owning family makes a difference.** Where the family is engaged and promotions are seen as fair, 74% of employees are satisfied with their job, compared with 54% where the family is distant and family ties count in career development.
- **A climate for new ideas pays off twice.** In African family firms where employees feel free to suggest and try out ideas, nine in ten report learning and growing, compared to approximately half where they do not, and job satisfaction is twice as high.

Share of employees in private and family businesses who learned skills in the past year and will be looking for a job within a year.



Note: Employee survey, 2026, 6,966 employed respondents in 26 countries. Share who answered "somewhat" or "strongly agree."

Three priorities for family business leaders

1. **Develop people deliberately.** Support the learning employees already do on their own, make mentoring a routine, and link new skills to a future step in the business.
2. **Lead as a present and fair family.** Stay visible, set clear rules for hiring and promoting family members, and give all employees a sense of ownership.
3. **Prepare the next generation of talent.** Invite ideas from all employees, and give young professionals an early mentor and a clear path forward.

Africa's family businesses already do the harder part: they help people grow. The opportunity now is to make sure that employees see a future for themselves inside the business. Families that do so can strengthen business continuity and become employers of choice for a generation of young Africans.



About the study

In 2025, we asked the leaders of 31 prominent African family businesses about their legacy, governance, and succession challenges (Neckebrouck, Obonyo, and Mengistu 2025). Their most pressing concern was encouraging entrepreneurship and new ideas in the next generation. That study listened to owners; this one listens to the people who work for them.

Between March and September 2026, we surveyed employees about how they learn and grow at work, how fairly they feel treated, how satisfied they are at work, and whether they intend to stay. After quality screening, the sample included 6,966 employed respondents working in 26 countries. Thirteen were in African countries—Algeria, Cameroon, Côte d'Ivoire, the Democratic Republic of the Congo, Egypt, Ethiopia, Ghana, Kenya, Morocco, Nigeria, Senegal, South Africa, and Tanzania. These countries contributed 3,489 employees, 898 of whom worked in family businesses. The remaining 13 countries, in Europe, the Americas, and Asia, served as a benchmark: Argentina, Brazil, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Spain, Turkey, and the United States.

Respondents told us the kind of organization that employed them. This allowed us to compare family businesses with several types of employers: founder-run businesses, owner-managed firms, companies owned by private individuals or investors, government organizations, and nonprofits. Employees of family firms also answered questions about the family's involvement in daily work and whether family ties influenced hiring and promotion. The appendix lists the measures used in this report and the survey statements behind them.

The study was conducted at IESE Business School in preparation for the FBN-IESE Workshop held in Barcelona from November 11 to 13, 2026. We caution against reading the results as representative of every family business or country. Respondents were recruited through online panels and were mostly urban, connected, and formally employed. The results describe associations, not proven causes and effects.



Introduction

Family businesses are the backbone of Africa's private sector, and their role is set to become even larger. Africa's working-age population stood at 883 million in 2024 and is projected to reach 1.6 billion by 2050, close to a quarter of the world's total (UNECA 2024). Each year, around 12 million young Africans enter the labor market, while only about 3 million find jobs (Adesina 2025). The businesses that employ these young people—and, more importantly, help them become more skilled—will influence the continent's prosperity for decades.

There is a second reason this topic matters. In our 2025 study, leaders said that their greatest succession worry was developing entrepreneurship and capability in the next generation. A business cannot be passed on in good health without capable people around the family—people who have learned, share what they know, and choose to stay. Today's employees may become managers who will support a new generation of family leaders.

In addition to these reasons, a substantial body of research shows why employee development deserves an owner's attention: it pays for itself. Firms that train their people become more productive, and this gain usually exceeds the additional wages they pay. In a large study of Belgian firms, trained workers were about 23% more productive but received only about 12% more in pay (Konings and Vanormelingen 2015; see also Dearden, Reed, and Van Reenen 2006). Evidence from Kenya and Zambia points the same way (Rosholm, Nielsen, and Dabalen 2007). Development also helps businesses retain good people. Employees who learn are more satisfied and committed, and satisfaction is one of the most reliable predictors of whether people stay (Griffeth, Hom, and Gaertner 2000). Replacing an employee is expensive, with estimates of the cost being around a fifth of a year's salary for most jobs and much more for senior roles (Boushey and Glynn 2012). Finally, people and performance go together. Business units with more engaged employees are more productive and more profitable (Harter, Schmidt, and Hayes 2002), and companies recognized as great places to work earned higher stock returns than comparable firms over more than two decades (Edmans 2011).

Yet we know surprisingly little about what it is like to grow professionally inside a family business, and very little about this in Africa. Most research on family firms as employers comes from Europe and North America and relies on administrative records of wages and dismissals. Much of this work shows that family firms tend to offer greater job security, sometimes at lower pay (Bassanini *et al. 2013*; Ellul, Pagano, and Schivardi 2018; Neckebrouck, Schulze, and Zellweger 2018). Registers cannot see mentoring, learning, fairness, or pride, and they say little about the African context in which many family firms operate. This study addresses this lack of employee-focused evidence by asking employees directly.

Five messages stand out:

1. **Family businesses develop their people well.** Employees of family firms report levels of learning and skill growth on par with those of employees in private companies.

2. **Development gives employees a powerful reason to stay.** Across employers, employees who feel they are growing—that is, they report learning new skills and improving at their jobs over the past year—are much less likely to plan to leave. This is welcome news for owners who worry that training people simply prepares them to work for competitors.

3. **Retention is the clearest opportunity.** Despite reporting the same levels of learning and skill growth as their peers, family-firm employees in Africa are more inclined to look elsewhere than employees of other organizations, with 47% against 40% expecting to look for a job elsewhere within a year. Fewer of them receive employer-paid training than in private companies. These are outcomes that owners can directly influence.

4. **The family's presence can be an asset.** The family's presence can be a significant asset for employees, but its value depends on the perception of fairness. Employees who say family owners are visible and engaged also report more development and stronger commitment. The concern is not family involvement itself but the perception that family ties, rather than performance, determine who gets hired, rises into leadership positions, and is protected when performing poorly.

5. **Innovation and learning go together.** In our African data, family firms with a strong innovation climate across the organization reported the highest learning and growing scores of any group, on par with other employers with an equally strong climate. In these firms, employees are encouraged to propose improvements, may experiment when the outcome is uncertain, and know how new ideas are tested. Employees of younger African family firms describe a stronger innovation climate, and the generation in charge makes little measurable difference.

These patterns are remarkably consistent. Development is on par in every African subregion and almost every other world region we studied, and firm size makes little difference. The difference in turnover intentions is smallest in Central Africa and largest in East and Southern Africa. It disappears in high-income economies and is concentrated in sectors such as education and healthcare, as well as among employees in their late twenties.

The sections that follow explain each finding, connect it to existing research, and end with practical steps for family business leaders.



Strong foundations: How employees experience family firms

Employees of family businesses score well on our learning and development measure. On average across the statements, 59% agree that they have learned new skills, become better at their jobs, and have good opportunities to develop. Across all employees in the survey, 85% agree that over the past year they learned new skills in their job, and 81% that they became noticeably better at it. The family-firm figure matches that of private companies and is somewhat higher than the figures for government organizations and nonprofits.

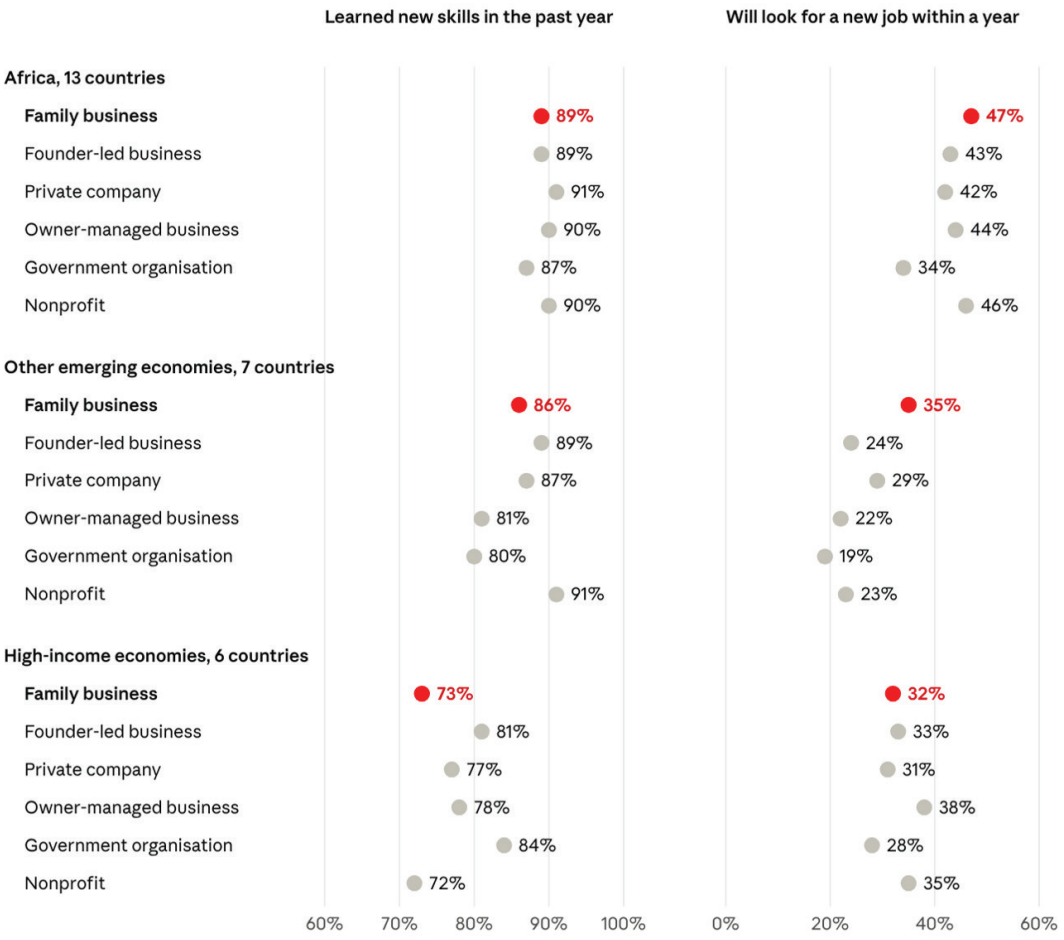
What research tells us

Scholars have long argued that family businesses hold distinctive advantages as places to build skills. Owners think in generations rather than quarters, which can make long-term investment in people easier (Sirmon and Hitt 2003). The best family firms treat their workforce as a community they care for over the long run (Miller and Le Breton-Miller 2005), and their reputations and identities are bound up with this (Gómez-Mejía *et al. 2007*). Much of what makes a family business successful is tacit know-how passed on through close working relationships (Cabrera-Suárez, De Saá-Pérez, and García-Almeida 2001). Research also notes a natural tension: employees from outside the family may wonder how far they can rise in a firm whose top positions are often reserved for relatives (Verbeke and Kano 2012; Tabor *et al. 2018*).

Insights from our study

Figure 1 shows the results for three groups of countries. In each group, family-firm employees report about as much learning as employees of private companies. In Africa, nine in ten family-firm employees say they learned new skills in their job over the past year (89%, compared with 91% in private companies). Learning is reported less often in high-income economies. This partly reflects how people answer surveys, but it may also suggest a strong appetite for learning in fast-growing economies.

Figure 1. Share of employees who agree with each statement by type of employer and group of countries



Note: Employee survey, 2026; 6,966 employed respondents. Africa: 13 countries, with 3,489 employees. Other emerging economies: Argentina, Brazil, China, India, Indonesia, Mexico, and Turkey, 1,679 employees. High-income economies: France, Germany, Italy, Japan, Spain, and the United States, 1,798 employees. Share of respondents who answered "somewhat" or "strongly agree."

The retention picture varies with the level of economic development. In high-income economies, family firms retain their people about as well as private companies do, with roughly a third of employees in both groups planning to look for a new job within a year (32% vs 31%). In Africa, 47% of family-firm employees report that they are considering leaving their employer, compared with 42% of employees in private African companies. The difference appears to be a feature of fast-growing talent markets rather than family ownership as such. This is encouraging because it points to practices that owners can change.

Family businesses hold their own as developers of people. Across all 26 countries, 85% of family-firm employees say they learned new skills in their jobs over the past year, the same share as in private companies. Businesses still run by their founders do slightly better, especially when employees are asked whether they have become noticeably better at their jobs. These differences are small. They suggest that the involvement of an owner who is personally present may benefit employees and that family firms can keep this energy alive well past the first generation, as we show below.

Family-firm employees in Africa also reported higher trust in other people in general than employees of nonfamily firms. 34% agree that most people can be trusted, against 28% of employees of other organizations, a difference that holds within countries. Outside Africa there is no such difference (42% in both groups), so this advantage appears specific to African family firms. Trust is a valuable foundation for learning and cooperation. The clearest opportunity concerns commitment. In Africa, 47% of family-firm employees expect to look for a job at another organization within the next year, compared with 40% of employees across all other firms combined. This difference remains after accounting for country, industry, firm size, and employee characteristics. Government employers, for instance, retain people best, potentially because they offer a degree of job security that few private businesses can match. In our international sample, the difference in family-firm retention tended to be smaller in countries with stronger legal and regulatory institutions. The encouraging news is that owners can largely control the factors that influence employee commitment, as the next sections show.



Development is a powerful retention lever

Employees who report that they have learned new skills, become better at their job, and have good opportunities to keep learning are much more likely to stay, and this holds in family businesses just as strongly as anywhere else.

What research tells us

Many business owners share a long-standing worry: if they train their people, will a competitor simply hire them away? Economists have long recognized this concern, as skills that are useful everywhere make employees more attractive to other employers (Becker 1964). This does not imply that firms can't still gain from investing in general skills. Trained employees generally become more productive and employees typically face important costs when moving jobs (Acemoglu and Pischke 1999). The evidence from Africa is encouraging. In Kenya and Zambia, employer training was associated with wage increases of around 20%, a sign of real productivity gains (Rosholm, Nielsen, and Dabalen 2007). Studies have also highlighted the importance of mentoring, indicating that mentored employees are more satisfied and more committed to their careers, and hence more likely to stay with their employer (Allen *et al. 2004*; Griffeth, Hom, and Gaertner 2000).

Insights from our study

Within each country in our sample, we compared employees in the top third of our learning and growing measure with those in the bottom third. The strongest learners are far less likely to think often about leaving their organizations. In family firms, the contrast is especially sharp: 30% compared with 51%. The relationship holds after accounting for country, industry, firm size, and personal characteristics. Of the different aspects of development, the sense of getting better at one's work matters most, followed by access to learning opportunities.

Development works best as part of a wider climate. Its link with staying is strongest where colleagues share knowledge and help one another, employees have mentors and stretching assignments, procedures and rewards feel fair, and people take pride in the organization's purpose. The relationship is weaker where employees feel their jobs are insecure.

Among African employees, the strongest everyday influences on development are helping colleagues, mentoring and stretching assignments, pride in the organization's purpose, knowledge sharing, learning on one's own initiative, and structured learning on the job. Once these are in place, formal employer-provided training adds little on its own. A culture of learning appears to matter more than a training budget.

This matters because African family-firm employees are clearly eager to learn. Three in four develop new skills on their own initiative, slightly more than in private companies. Yet fewer receive training organized or paid for by their employer: 54%, compared with 60% in private companies. The same pattern holds outside Africa, and the training shortfall is largest in high-income economies. The motivation is there; the opportunity is to meet it with structured support (see **Table 1)**.

Table 1. Employee learning and training by firm type

Share of employees who . . .	Learned on their own initiative	Received employer training
Africa	74% family firms vs 70% private companies	54% family firms vs 60% private companies
Other emerging economies	74% family firms vs 75% private companies	54% family firms vs 59% private companies
High-income economies	52% family firms vs 49% private companies	38% family firms vs 57% private companies



Presence, not preference: The family's role

When family owners are visible and engaged in the business, employees report more development, more fairness, and a stronger wish to stay. The one factor that weakens these benefits is the perception that family ties, rather than merit, decide who gets ahead.

What research tells us

Family involvement is often discussed as if it were a single entity, either good or bad. Research suggests otherwise. Owners who act as stewards, close to their people and committed to the long term, build loyalty and trust (Miller and Le Breton-Miller 2005). Employees from outside the family judge their employers above all on fairness (Barnett and Kellermanns 2006), and fairness is one of the strongest foundations of commitment in any organization (Colquitt *et al. 2001*). Even employing relatives is not necessarily a problem. Jaskiewicz and colleagues (2013) distinguish between hiring relatives out of entitlement and hiring capable relatives who feel a strong obligation to contribute. They find that the second kind can build up a business. The risk lies in what Verbeke and Kano (2012) call bifurcation: the habit of treating family and nonfamily people by different rules.

Insights from our study

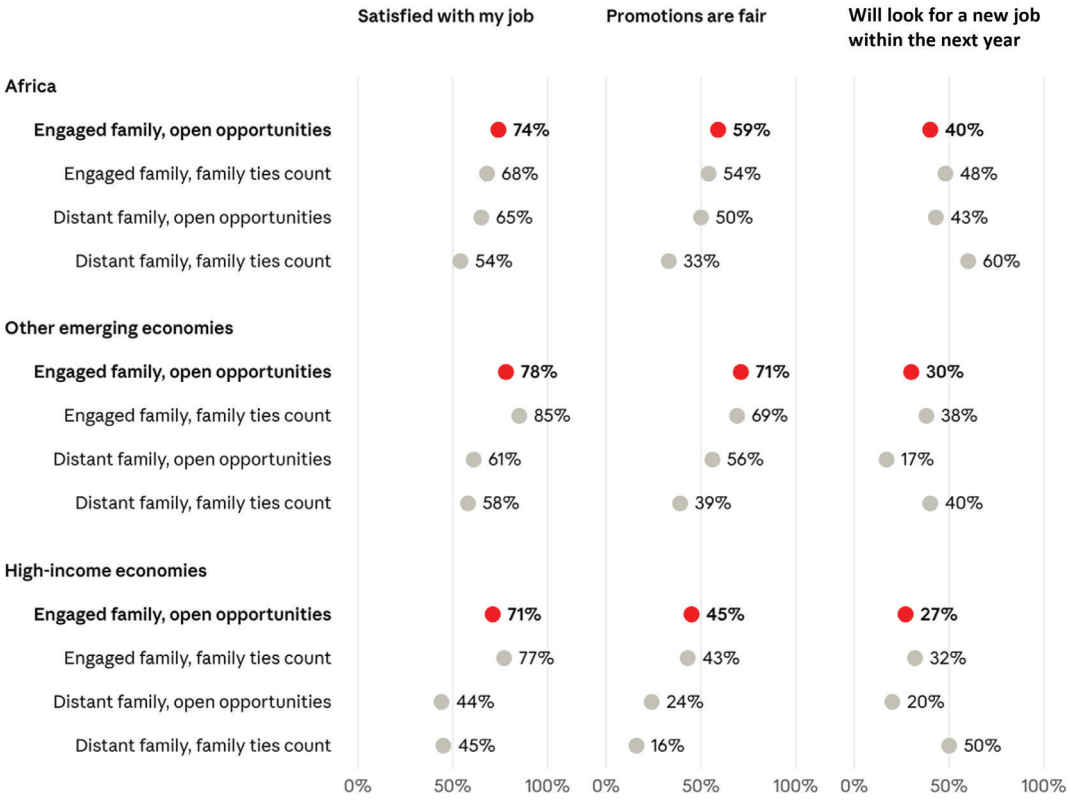
We asked employees of family firms two separate sets of questions. The first captured family involvement, which refers to how present the family is, how close it is to employees, and how much attention it pays to the business. The second captured favoritism, which refers to whether family ties give people an advantage in hiring, promotion, or protection. The two are related but far from identical; therefore, a family can be very present without being seen as favoring its own.

3

Involvement is an asset, and favoritism is the factor to watch. **Figure 2** groups family firms in Africa, in other emerging economies, and in high-income economies by whether employees, on balance, see the family as engaged and whether they see family ties as giving people an advantage. An engaged family correlates with more learning, more satisfaction, more fairness, and fewer plans to leave. Favoritism has little to do with how much people learn, but it erodes satisfaction and trust in promotions and increases job-search plans. Engaged owners soften these effects considerably. Where the family is closely involved, perceived favoritism does far less damage than where the family is distant.

Figure 2 shows how large these differences are. In African family firms where the family is engaged and employees see opportunities as open, 74% are satisfied with their jobs. Where the family is distant and family ties count, the figure is 54%. Similar patterns appear in employees' belief that promotions are fair and in plans to leave, and they hold in the other emerging and high-income economies as well. Across all three groups, the combination of a distant family and favoritism is associated with the lowest trust in promotions and some of the highest levels of job-search plans.

Figure 2. Share of family-firm employees who agree with each statement by family profile and group of countries



Note: Employee survey, 2026; 1,728 family-firm employees: 898 in Africa, 485 in other emerging economies, and 345 in high-income economies. "Engaged" and "family ties count" mean that employees agreed, on average, with the involvement or favoritism statements. Some groups outside Africa include only 41 to 57 employees.

A related finding points to a simple opportunity. In African family firms, employees from the owning family learn about as much as their colleagues, but they see the workplace very differently. Around seven in ten (71%) believe that promotions are decided on fairly, compared with fewer than half (46%) of employees from outside the family. Family members are also more satisfied with their jobs and are far less likely to plan a move. The difference in perceptions of fairness is widest in Africa. In high-income economies, even family members are skeptical about how promotions are decided. Family members naturally feel that the business is theirs. The best family firms find ways to extend some of that sense of ownership and belonging to everyone who works for them.



Innovation and capability go hand in hand

Family firms where employees say they are encouraged to propose improvements, are allowed to experiment, and know how a new idea can be tried out in practice reported the highest levels of development of any group in our African data.

What research tells us

Family businesses are often seen as cautious innovators. Our 2025 study found that leaders with a keen sense of history tended to favor steady, incremental change over bolder moves. Yet research also shows that family firms can, in fact, also be efficient innovators. A review of 108 studies, most of them from high-income economies, found that family firms spend less on innovation than other companies but turn that investment into more new products and patents (Duran *et al. 2016*). Innovation and learning are closely linked. People learn most where it is safe to speak up, experiment, and occasionally fail (Edmondson 1999).

Insights from our study

As shown in **Figure 3**, among African employees, reported learning rose steeply according to the innovation climate employees described. Where the climate was strong, nine in ten family-firm employees agreed, on average, with the learning and growing statements—as many as in other organizations with an equally strong climate. Where it was weak, only about half did. In firms with a middling climate, family firms fell behind other employers (56% compared with 68%). This pattern suggests a threshold: once a family business commits to openness and experimentation, its climate of closeness and trust appears to turn into learning.

Figure 3. Share of African employees who agree, on average, with the learning and growing statements, by innovation climate



Note: Employee survey, 2026; 3,192 African employees with a known employer type, grouped into thirds according to the innovation climate they describe.

The benefits of a strong innovation climate extend far past learning. In African family firms where employees describe a strong climate for new ideas, twice as many are satisfied with their job as where the climate is weak (86% compared with 42%). They are also about half as likely to think frequently about leaving, three times as likely to trust the promotion process, and more likely to say that colleagues share what they know (88 against 63%). The same pattern holds for other employers and outside Africa.

The family itself plays a part here. In African family firms where employees see the family as engaged, 57% say they are allowed to experiment with new ideas, compared with 51% where the family is distant. Engaged owners who keep opportunities open tend to create workplaces where new ideas thrive.

Renewal is possible at every stage. In younger African family firms (those up to 10 years old), 60% of employees say they are allowed to experiment with new ideas, compared with 50% in older family firms. Across all 26 countries, we found no significant differences between first-generation and later-generation family firms in terms of development, knowledge sharing, satisfaction, or retention. What matters is the climate a family chooses to build, not which generation is in charge. Overall, only a little more than half of employees, in family firms and elsewhere, say they are allowed to experiment with new ideas, and this makes this one of the most promising areas for improvement.



Across Africa and the world

The core pattern holds everywhere we looked. In every African subregion and almost every other world region, employees of family firms report as much learning and growth as employees of other organizations in the same country. The one exception is Japan, discussed below. What varies is how strongly employees intend to stay.

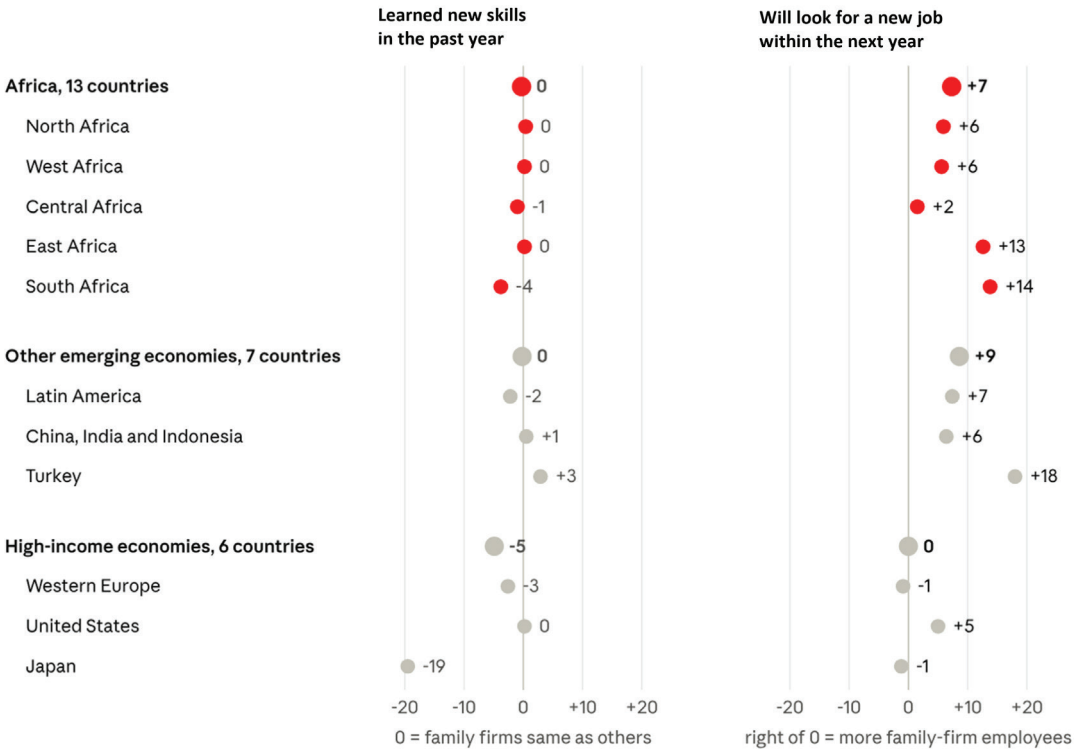
Why context matters

Family businesses operate in very different settings across the African continent, with considerable differences in labor markets, legal systems, languages, and business traditions between Casablanca, Lagos, Kinshasa, Nairobi, and Johannesburg. Research shows that the way family firms treat employees depends partly on this context. Where public safety nets are thin, for example, research has shown that family firms tend to protect jobs more vigorously (Ellul, Pagano, and Schivardi 2018). To compare regions fairly, we compared family-firm employees with employees of other organizations in the same country and then averaged those differences within each region. This removes differences in national response styles, which are considerable.

Insights from our study

Figure 4 compares family firms with other employers in the same country. Each dot shows how much higher (more than zero) or lower (less than zero) the share of family-firm employees is than the share of employees in other organizations. A dot at +10, for example, means that 10 more in every 100 family-firm employees agree with the statement.

Figure 4. Gap between family-firm employees and employees of other organizations in the same country (family minus others)



Note: Employee survey, 2026; 6,966 employed respondents. Differences in the share of employees who agree with each statement, computed within each country and averaged across the countries of each region. Weighted by the number of family-firm employees. Unadjusted.

Learning is on par almost everywhere. In every African subregion, the share of family-firm employees who learned new skills in the past year is the same as, or very close to, the share in other organizations. The same holds for the other emerging economies. Japan is the one exception, where family-firm employees report learning new skills only half as often as their peers. This potentially reflects Japan's strong tradition of systematic in-house training in large companies, which the smaller family firms in our sample find hard to match.

North and West Africa show modest differences in retention plans. In both regions, about 5 more in every 100 family-firm employees plan to look for a job elsewhere within a year than in other organizations. There is little or no difference in Algeria, Senegal, and Côte d'Ivoire, while the difference is largest in Egypt and Ghana, at more than 10 in every 100.

Central Africa shows almost no difference in retention plans. In Cameroon and the Democratic Republic of the Congo, family-firm employees are as likely to stay as their peers. They also more often say that colleagues share what they learn, and in the Democratic Republic of the Congo, they report learning new skills more often than their peers. Job satisfaction is the area where family firms trail other employers and thus the priority for improvement.

East and Southern Africa offer the greatest upside. The difference in retention plans is largest here. In Ethiopia, Kenya, and Tanzania, 51% of family-firm employees plan to look for a job elsewhere within a year, compared with 41% of their peers; the difference in South Africa is similar. Family-firm employees there are also somewhat less often satisfied with their jobs, while learning is as strong as elsewhere. These are likely to be competitive labor markets for skilled people, with many multinational and listed employers. Therefore, family firms that prioritize fairness, career paths, and recognition have the most to gain.

Outside Africa, the difference follows the stage of development. In high-income economies, there is little or no retention disparity in Western Europe and Japan, and only a small one in the United States. In the other emerging economies, the disparity resembles Africa's, with about 8 to 10 more in every 100 family-firm employees planning to leave in Latin America and in China, India, and Indonesia. Turkey shows the largest difference in the study, at 35% compared with 17%. The retention opportunity is therefore not an African problem but a common feature of family firms in fast-growing economies with competitive talent markets, and the levers described in this report apply everywhere.

Regional figures rest on smaller groups—between 56 and 297 family-firm employees per region—so they should be read as indications rather than as precise rankings.



Sectors, firm size, and employee groups

The sector in which a family business operates influences its people profile far more than its size does. Family firms show clear advantages in some sectors and clear room to grow in others, while small and large family firms look remarkably alike.

What research tells us

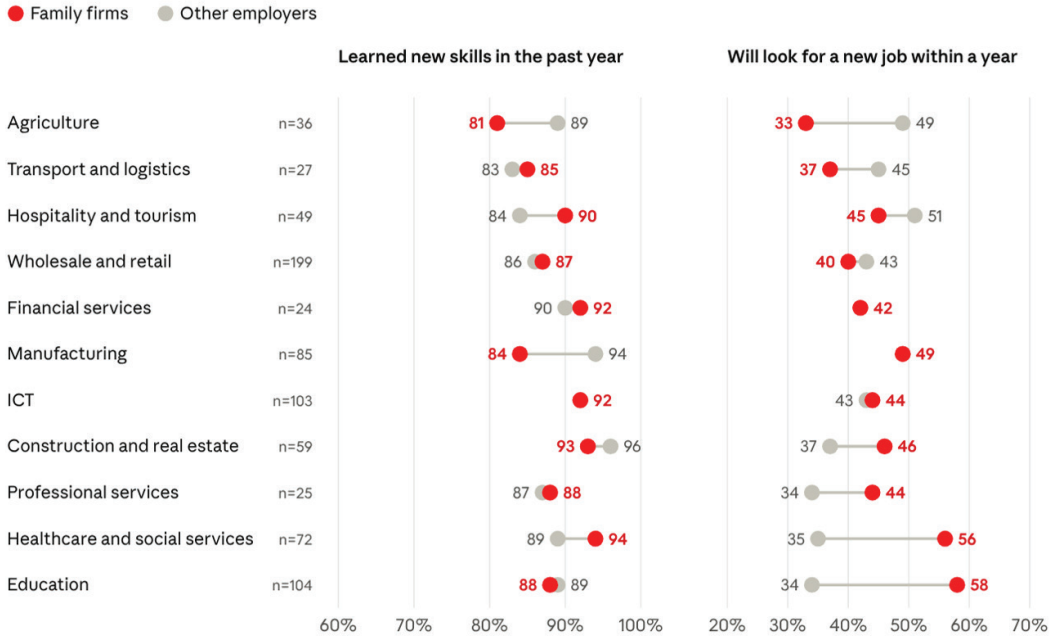
Family businesses are especially good at passing on tacit, hands-on knowledge through close working relationships and long tenure (Cabrera-Suárez, De Saá-Pérez, and García-Almeida 2001; Sirmon and Hitt 2003). That advantage matters most where skills are learned on the job and service quality depends on trust and continuity. Where skills are codified and careers are built on formal credentials, employees tend to expect structured training and transparent promotion systems. Research on professionalization shows that family firms can adopt such systems in many ways without losing their identities (Stewart and Hitt 2012). Some keep family members in charge but introduce formal appraisals, training budgets, and published promotion criteria. Others bring experienced nonfamily managers into key roles, while the family continues to set the values and long-term direction.

Insights from our study

Sector matters. In Africa, the disparity between family firms and other employers in job-search plans differs significantly from one sector to another, while learning differs much less. **Figure 5** shows, for each sector, the share of family-firm employees and of employees of other organizations who learned new skills in the past year and who expect to look for a job elsewhere within the next year. Sectors are ordered from the smallest to the largest retention difference.

6

Figure 5. Share of African employees who agree with each statement, family firms and other employers



Note: Employee survey, 2026; African employees with a known employer type. Some sectors have few family-firm employees (n shown per row), so read the smaller ones as indications.

Three groups stand out:

- **Where family firms keep their people.** In agriculture, transport and logistics, hospitality, and trade, family-firm employees are less likely than their peers to plan a move; in financial services, the two are level. Family firms in hospitality also lead on learning (90% compared with 84%). These are sectors built on trust, reputation, and practical know-how passed on from person to person.

- **Where people grow but may move on.** In education and healthcare, family firms develop people as well as or better than others, yet far more of their employees plan to look elsewhere (more than half, compared with about a third elsewhere). Professional services and construction show smaller versions of the same disparity. Teachers, nurses, engineers, and other qualified professionals carry credentials that travel easily, so clear career paths, recognition, and fair pay progression are the natural levers here.

- **Where structure pays off.** In manufacturing and agriculture, family firms trail on learning (by about 8 to 10 in every 100 employees), even though their employees are at least as likely to stay. These sectors rely on technical skills and codified procedures, so formal training programs, rotation schemes, and clear skill ladders are likely to make the biggest difference.

Wherever a family firm operates, the same everyday learning practices—mentoring and knowledge sharing, above all—make the difference.

Firm size is not destiny. The family-firm pattern does not differ substantially between small, midsized, and large businesses. In Africa, in every size band, from one-person businesses to firms with more than 200 employees, a somewhat larger share of family-firm employees than of their peers plan to move, and the difference is of similar size throughout. Learning is on par in every band, except the very smallest. A family firm of a few dozen people and one with thousands of employees face the same opportunity and can use the same levers.

Young professionals deserve special attention. In our African data, the family-firm gap is largest among employees in their late twenties. Among employees aged 25 to 29, 49% of those in family firms often think about leaving, compared with 33% in other organizations, and fewer are satisfied with their jobs (61 against 68%). Newcomers in their first year also report a little less knowledge sharing than newcomers elsewhere. The late twenties are when ambitious people look for a clear next step, so visible career paths, mentoring, and early responsibility are among the most valuable investments a family business can make.



Practical takeaways for family business leaders

The findings point to eight concrete steps. None requires a large budget, and each builds on strengths that family businesses already have. Each step comes with a question that owners can bring to their next family council or board meeting.

1 **Treat development as an important part of your retention strategy.** Employees who grow are more likely to stay in family firms as much as anywhere, alongside pay, working conditions, and career prospects. Track whether people feel they are getting better at their work, not only how many training days they receive.
- Question for the family: Can each of our leaders name something important that they have learned with us in the past year?

2 **Turn self-directed learning into supported learning.** Three in four family-firm employees in Africa report learning on their own initiative. Meet that energy with structured on-the-job learning, stretch assignments, study support, and recognition of new skills.
- Question for the family: Do our most ambitious employees feel that we notice and support the effort they put into learning?

3 **Make mentoring and knowledge sharing routine.** Mentoring, helping colleagues, and sharing know-how were the strongest everyday motivators of development. Pair senior and junior staff, rotate people across functions, and create regular moments in which lessons are shared outside the family circle.
- Question for the family: Does the knowledge in our business flow mainly through family channels, or does it reach everyone who needs it?

4 **Stay present.** Visible, engaged owners are associated with more learning, more fairness, and greater commitment. Walking the floor, knowing people by name, and taking an interest in their progress are among the most powerful things a family can do.

- Question for the family: How often do our employees see family owners taking a genuine interest in their work and growth?

5 **Keep the door open for everyone.** The benefits of involvement fade when employees believe that family ties decide who gets ahead. Clear entry rules for family members, transparent promotion criteria, and visible career paths for nonfamily talent protect both fairness and the family's reputation. Many families set these rules out in a family constitution or employment policy.

- Question for the family: Could a talented employee from outside the family describe how they might reach a senior role with us?

6 **Share the sense of ownership.** Family members who work in the business feel far more committed than their colleagues. Purpose, recognition, involvement in decisions, and, where appropriate, financial participation can extend some of that feeling to everyone.

- Question for the family: What would it take for our best nonfamily employees to feel that this business is partly theirs?

7 **Make innovation part of the family's legacy.** In our data, a strong climate for new ideas goes hand in hand with the highest levels of employee development. Permit people to experiment, provide a route to put good ideas into practice, and give visible credit when they succeed. Our 2025 study showed that leaders worry most about nurturing new ideas in the next generation. Building that climate for all employees serves both goals at once.

- Question for the family: When did an idea from a nonfamily employee last change the way we work?

8 **Win over young professionals.** The family-firm employee disparities are largest among those in their late twenties, and newcomers share knowledge a little less. A structured welcome, an early mentor, a clear picture of how people progress, and regular conversations about the next career step help talented young people see their future in the business.

- Question for the family: What does a talented 27-year-old experience in their first six months with us, and would they recommend our firm to a friend?

Fitting the steps to your context. Every family business can use all eight steps, but the emphasis differs. In East and Southern Africa, and in sectors where staff carry portable credentials—such as education and healthcare—the priority is retention, which can be addressed through steps 4 to 6 and 8. In manufacturing and agriculture, structured development comes first, which can be improved through steps 2 and 3. In hospitality, trade, and financial services, where family firms already hold their own, the task is to protect what works as the business grows past the size where the owner knows everyone personally.



Conclusion

Africa's family businesses already do something important well. Their employees learn and grow at levels that match those of any other type of employer, and the trust and closeness that families bring to their businesses are real assets. The opportunity ahead is to make sure that the talent they develop chooses to stay and build their businesses with them.

Our findings suggest that the path is clear and largely within the family's control. Owners who remain present, keep opportunities open to everyone, and welcome new ideas have the most engaged and committed employees. These are not new values for most family businesses. They echo the integrity, hard work, and humility that leaders in our 2025 study named as the foundations of their success, as well as the teamwork that later generations increasingly emphasize.

With Africa's working-age population set to almost double by 2050, to close to a quarter of the world's total (UNECA 2024) , Africa's family businesses are in a unique position to become the continent's leading schools of talent. Those that succeed can support their own continuity and improve the prospects of millions of young Africans.

8



A note on method

The survey was administered online through professional panel providers (BeSample, Sagaci, Prolific, and DataSpring). Respondents were retained if they completed the survey, spent more than five minutes on it, and answered at least two of three attention checks correctly. In each country, we kept the first 300 eligible respondents based on their completion time. Most measures are multi-item scales rated from 1 (very low) to 5 (very high) and are adapted from established research instruments, with good reliability for the main measures. Cronbach's alpha, a standard measure of how consistently the statements in a scale capture the same idea, ranges from 0.79 to 0.89 (learning and growing 0.89, procedural and reward fairness 0.89 each, mentoring 0.87, innovation climate 0.86, knowledge sharing 0.85, intention to leave 0.84, favoritism 0.83, job satisfaction 0.79). Values above 0.70 are generally considered acceptable. Comparisons among employer types adjust for country, industry, firm size, age, gender, and supervisory responsibility. Standard errors are clustered by country.

Unless stated otherwise, the percentages in this report are the share of employees who answered "somewhat agree" or "strongly agree" to a statement. **Figure 4** shows the differences between these shares.

For regional comparisons, we grouped countries as follows: North Africa covers Algeria, Egypt, and Morocco; West Africa covers Côte d'Ivoire, Ghana, Nigeria, and Senegal; Central Africa covers Cameroon and the Democratic Republic of the Congo; and East Africa covers Ethiopia, Kenya, and Tanzania. South Africa is reported separately for Southern Africa. Outside Africa, Western Europe includes France, Germany, Italy, and Spain; Latin America includes Argentina, Brazil, and Mexico; and Asia covers China, India, Indonesia, and Japan. Turkey and the United States are shown separately.

For each country we computed the difference between the share of family-firm employees who agree with a statement and the share of employees of all other identified employers who agree with it, then averaged these differences within each region, weighting each country by the number of survey respondents in that country who work in a family firm (between 29 and 103), so that countries where the comparison rests on more respondents count more. Giving every country equal weight, or using a regression with country fixed effects, changes the regional figures by at most about 2 percentage points.

Comparing employees within countries account for national differences in how people respond to surveys.

Three cautions apply. First, the data capture employee perceptions at one point in time, so they show associations rather than proven causes. Second, intention to leave is not the same as actual departure. Third, online panels reach mostly urban, connected, and formally employed people; the results therefore do not represent every worker or family business. Detailed statistical results are available from the authors.

Appendix

What we measured

Employees rated statements about their own job on a scale from 1 (strongly disagree) to 5 (strongly agree). Each measure averages several statements, so a score of 4.0 means that, on average, an employee somewhat agreed. The table lists the measures used in this report with examples of the statements behind them.

Measure in this report	What it captures	Example statements
Learning and growing (12 statements)	Skills gained in the past year, skills that would be valued elsewhere, and opportunities to learn	"Over the last 12 months, I have learned new skills in this job." "Over the last 12 months, I have become noticeably better at my job." "The skills I have learned in this job would be valued by other employers in my industry." "In this job, I have good opportunities to develop new skills."
Mentoring and stretching assignments (5)	Coaching, feedback and role models from experienced colleagues	"I receive coaching from more experienced people in this organization." "Senior people take time to develop my capabilities."
Knowledge sharing (7)	Whether colleagues pass on know-how and learn from each other	"In this organization, when employees learn something useful, they share it with colleagues."
Employer-paid training (yes or no)	Formal training in the past 12 months	"Did you take part in any job-related training or courses that were organized or paid for by your employer?"
Learning on own initiative (yes or no)	Learning without employer support	"Did you engage in job-related learning entirely on your own initiative, without employer requirement or support?"
Fairness (3 and 5)	Fair procedures for appraisal, pay and promotion, and fair rewards	"The procedures used to determine promotions or career advancement are fair and applied consistently." "Overall, the rewards I receive are quite fair."
Job satisfaction (3)	Overall contentment with the job	"All in all, I am satisfied with my job."
Intention to leave (2)	Plans to move to another employer	"I often think about leaving this organization." "I will probably look for a job at another organization within the next 12 months."
Innovation climate (3)	Room to propose and test new ideas	"Employees are allowed to experiment with new ideas, even if the outcome is uncertain." "It is clear how a new idea can be taken forward and tried out in practice."
Family involvement (3, family firms only)	How present and close the owning family is	"Members of the family spend a lot of time in the firm." "Members of the family maintain a close tie with employees."
Favoritism (4, family firms only)	Whether family ties bring advantages in hiring, promotion or protection	"Family-member employees have better promotion opportunities than nonfamily employees with similar performance and experience." "Poor performing family-member employees are more protected than non family employees."

When we write that employees "grow" or "develop", we refer to the learning and growing measure. It captures what employees perceive about their own progress, not an independent test of their skills.

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