

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY -
KUMASI
COLLEGE OF ARCHITECTURE AND PLANNING
FACULTY OF ARCHITECTURE AND BUILDING TECHNOLOGY
DEPARTMENT OF BUILDING TECHNOLOGY**

TOPIC:

Assessing the entrepreneurial skills of real estate developers in Ghana.

BY:

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**A thesis presented in partial fulfillment of the requirements for the award of a
degree of Master of Science in Construction Management April, 2010.**

APRIL, 2010

DECLARATION

I hereby declare that this submission is on my own work towards the Msc. and that, to the best of my knowledge it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made.

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HEAD OF DEPARTMENT

SIGNATURE

DATE

DEDICATION

This work is dedicated to my mother Maame Mary Mansah (Alias Amma Kunne) and my father the late Opanin Kwame Abronye all of Nkomi-Kajaji for the discipline and quest for knowledge instilled in me during my up-bringing.

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ACKNOWLEDGEMENT

Thanks to God the Omnipotent whose providence and guidance have brought me this far. I am equally thankful to my Supervisor, Professor Dinyeh of Housing and Planning Department of KNUST – Kumasi for his good guidance, suggestions, directions and more importantly patience in performing onerous assignment of supervision at this level.

My special gratitude to Professor E. A. Badu for his constant advice and encouragement. Mr. Danku, thank you for your invaluable assistance. I further express my appreciation to the entire Lecturers and non-teaching staff at the Building Technology Department of KNUST. I owe a debt of gratitude to my classmates in the persons of Aloysius Malinyu, Kpama Zoya, Abraham Boateng, Stephen Agyafing-Mensah, Michael Edu-Boandor.

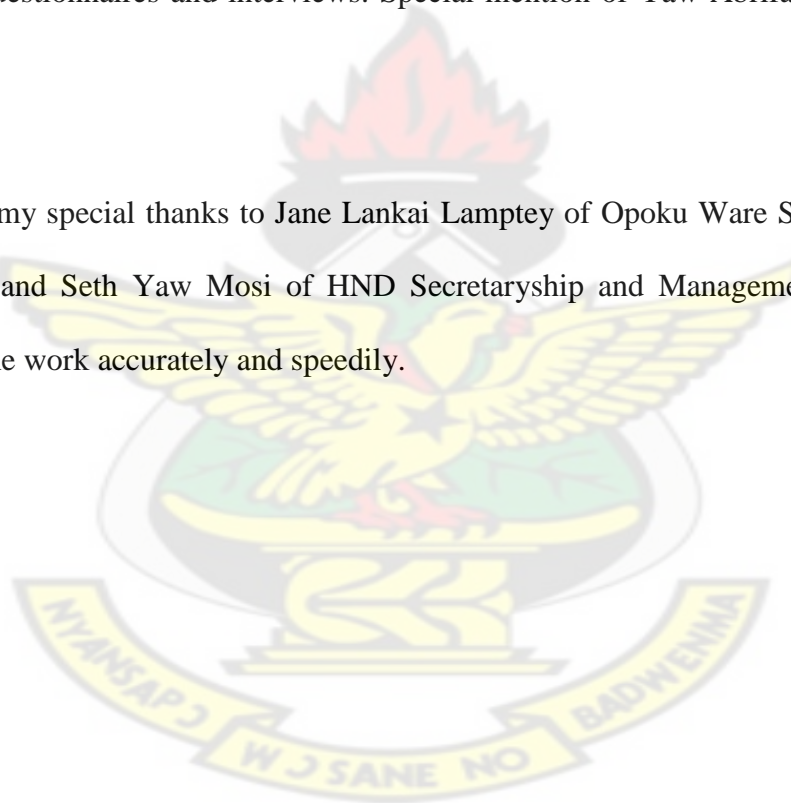
Special thanks to the Netherlands Government, our Netherlands counterparts: Dr. Emelia Van Egmond, Dr. Peter A. Erkelens, Jan Van Cranenbrock, Prof. F. J. M. Scheublin, Prof. J. Lictenberg and Prof. Post.

I further express my appreciation to Professor Kwasi Nsiah Gyabah, the Rector of Sunyani Polytechnic, Dr. William Gyadu-Asiedu, Kwaku Owusu, the Vice Rector, Jojo Adinkrah, the Dean of School of Engineering and to all my students.

The following individuals deserve recognition for their special contributions towards the realization of this Thesis. They are, Collins Manu, London, Samuel Donkor, Paapa Abronye, Nana Yaw Akuamoah and L. Anokye-Twentor of Ntonaboma in the Afram Plains.

I am grateful to institutions, individuals and writers whose books, journals and reports which were consulted during the writing of this Thesis. Also to all those who responded to my questionnaires and interviews. Special mention of Yaw Abrifa of Trassaco Ltd, Accra.

Finally, my special thanks to Jane Lankai Lamptey of Opoku Ware Secondary School, Kumasi and Seth Yaw Mosi of HND Secretaryship and Management Studies II for typing the work accurately and speedily.



ABSTRACT

Shelter is one of the physiological needs of mankind. Providing housing to every family has become a major issue, in view of higher population growth and rural-urban migration.

Real Estate Developers are expected to be major contributors to the solution of the housing problems in Ghana. However, their impact is not felt. The study investigated the entrepreneurial skills and characteristics of Real Estate Developers in Ghana as a means of determining how they impact on their performance. The survey method was used to identify the entrepreneur's skills and characteristics of Real Estate Developers. Upon rating the various skills and characteristics the results were later ranked. It was realized that those characteristics and skills that enables Real Estate Developers to plan for long-term and to invest as such were ranked low. Rather, those ones which drive them into the Real Estate Business received high ranking. It was also realized that only 10.5% of the members come from the built environment.

It was concluded that the needed education be given to Real Estate Developers to have long and sustainable planning. It was also recommended that entrepreneurs with background in the built environment be encouraged to undertake Real Estate Development as their business.

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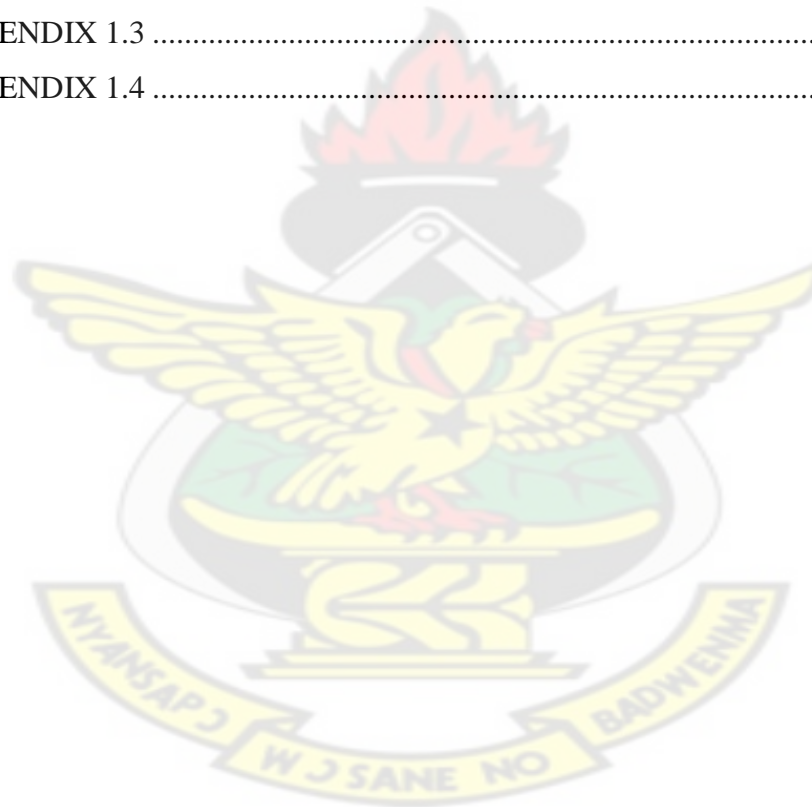
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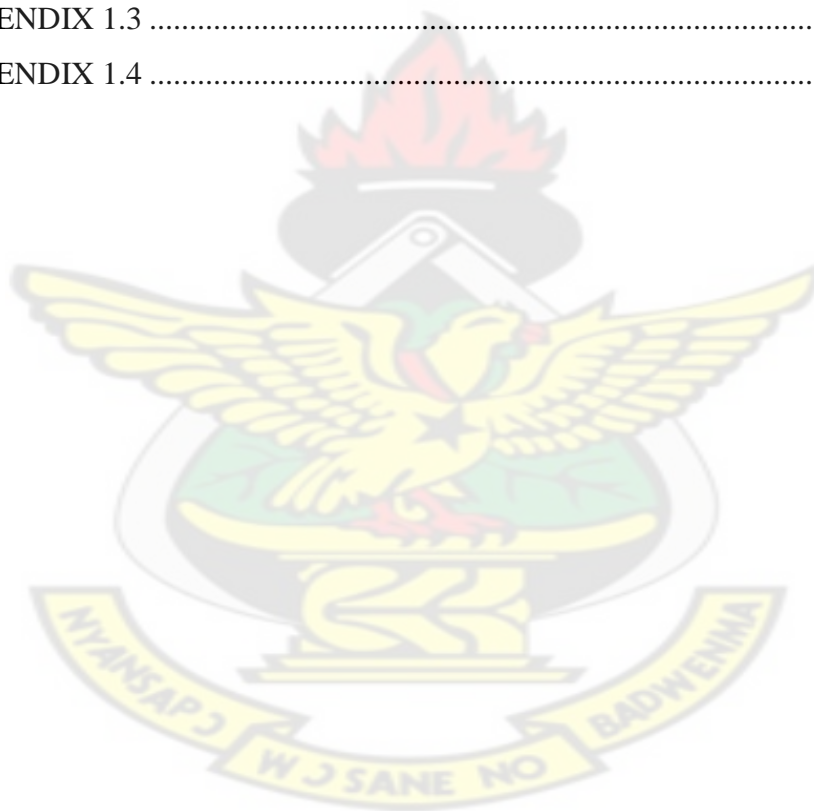
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LIST OF ABBREVIATIONS

BRR	-	Building and Road Research Institute
GREDA	-	Ghana Real Estate Development Association
GIMPA	-	Ghana Institute of Management and Public Administration
HND	-	Higher National Diploma
IFC	-	International Finance Corporation
KNUST	-	Kwame Nkrumah University of Science and Technology
PESTEL	-	Political, Economic, Social, Technological, Ecological and Legal
SAFE	-	Search Advice Follow up and Elicit
SWOT	-	Strength, Weaknesses, Opportunities and Threat
WTD	-	Weighted Sum
PNDCL	-	Provisional National Defense Council Law
NLCD	-	National Liberation Council Degree
UK	-	United Kingdom

CHAPTER ONE

1.0 Introduction

There have been diverse definitions of entrepreneurs. Each of the definition is thought provoking. Timmon (1994), defined entrepreneurs as individuals who recognize opportunities where others see chaos or confusion. They are aggressive catalysts for change within market place. He compared entrepreneurs to Olympic athletes challenging themselves to break new barriers or records. Kao (1991), was of the opinion that, the entrepreneur is a catalyst for economic change who use purposeful searching, careful planning and sound judgment when carrying out the entrepreneurial process. Green (2006), identified entrepreneurs as people who own, operate and take risk of business ventures. She further explained that, entrepreneurs try to identify the needs of the market places and to meet the needs by supplying a service or product. When they succeed, their business flourish and the profit go to them, when they fail their companies decline and they may have to go out of business.

From the foregoing definitions, the following key terms can be extracted:

- They are individuals
- They recognize opportunities
- They are aggressive catalyst of change in the market place
- They break new barriers or records
- They are catalyst for economic change
- They use careful planning and sound judgment
- They are risk takers

Burton (2001), opines that the Real Estate Developers must have an idea usually based on experience in the market place, or intuition about a residential real estate development that he/she believes the market demand for, exceeds market supply. In other words, they must be entrepreneurs. He identified two key factors about having an idea for real estate development. They are:

- a. Strong market demand for that type of development or a market niche.
- b. A strong emotional and financial commitment by the developers to create that type of residential development.

Real estate developers therefore need to possess entrepreneurship skills.

1.1 Problems Statement

Suitable shelter is commonly accepted as a basic human need. The universal declaration of human rights adopted by UN in 1948 declared that every one has the right to an adequate standard of living including satisfactory decent home (Kyere 2006). Tettey et al (2006), stated that the increasing pace of urbanization unaccompanied by sound urban development and management practice has been recognized by government as a major problem facing Ghana's socio economic development. According to them government intends to ensure that urbanization proceeds along lines which make positive contribution to development and is equitably distributed between settlements of varying sizes.

Issues in various plans include the following:

- Urbanization slums and squalid conditions,
- Inadequate access to basic utilities and services,
- Poor environmental situations:-lack of capacity to deal with solid and liquid disposal,
- Poor access and traffic congestion, and
- Flood

Demand for housing by the low-income group is dominating (quite high). Yet housing delivery by real estate developers hardly meet the needs of this group of Ghanaians.

Kyere (2006), stated that the Real Estate service industry is comparably new in Ghana and that only few operators are professionals. This situation does not inspired confidence. He identified that the unprofessional attitudes of many operators'/agencies has hampered growth of a buoyant housing delivery systems in the country. Boachie (2000), observed that, the real estate market in Ghana today is one of the challenging vital areas for economic growth of the country considering the government free market policy.

The challenges posed by high population and urbanization together with the difficulties in meeting the housing needs could be overcome if Real Estate Developers possess certain key entrepreneurial characteristics / skills. In addition, it means that the

challenges faced by Real Estate Developers in land acquisition, financing, marketing and the human resource required for the whole process be critically considered.

1.2 Aim and Objectives

The aim of this research was to assess the entrepreneurship skills of the Real Estate Developers in Ghana.

The specific objectives were:

1. To identify the challenges of Real Estate Developers in Ghana.
2. To identify the Characteristics of entrepreneurs in Real Estate Developers
3. To assess the characteristics / skills of the Real Estate Developers as entrepreneurs to identify their strength and weaknesses.

1.3 Research Questions

- a. What are the main challenges faced by Real Estate Developers in Ghana?
- b. Which of the characteristic / skills of the entrepreneur must Real Estate Developer have in order to succeed?

1.4 Significance of the Study (Justification of the Study)

To make estate developers in Ghana and practitioners in the construction industry better informed of entrepreneurship skills. To motivate students studying construction in the universities and the polytechnics to be more serious in studying entrepreneurship.

To encourage other practitioners in the construction industry to go into the estate development to help reduce the overwhelming housing problem in Ghana. It will help reduce the housing pressure on the government.

1.5 Scope of the Study

The study covers Ghana Real Estate Developers Association (GREDA) Members.

Reasons for the Scope

- Time available for the study was woefully inadequate
- Limited financial resources.
- Difficulty in getting developers to respond to questionnaires

1.6 Methodology

The data were collected from two main sources; namely, field surveys (primary data) and documentary source (secondary data).

1.6.1 Primary Data

A list of accredited Real Estate Developers was obtained from Ghana Real Estate Developers Association (GREDA). Questionnaires were administered to Directors, Marketing Officers, Human Resource Managers and Accountants. Unstructured interviews were conducted on other workers at each of the establishment visited to cross-check information given. Visits and observations were made to the various real estate organizations.

1.6.2 Secondary Data

Information from books, periodicals, journals and policy documents were extracted to support Primary Data.

1.7 Limitations of the Study

The limitations to this study are:

- a. Funding for the proposed travellings for data collection.
- b. The delay of responses from directors due to their numerous assignments.
- c. Unpreparedness of some estate developers to answer questionnaires for fear that their marketing strategies may leak to their competitors.

1.8 Structure and Organization of the Study

The study was presented in five (5) chapters. Chapter one (1) dealt with general introduction, background of the research, problem statement, aim of the study, objectives of the study, research questions, significance of the study, scope of the study, methodology, assessment of the results, limitations and structure and organization of the study. Review of related literature formed the bases of the second chapter with theoretical framework. Chapter three (3) gives a reflection of the methodology used to collect data. e.g. sampling, administration of questionnaires, visits and interviews. Chapter four (4) deals with the results of the data (field work) with the analysis of the data, findings and discussions.

Summary of the main findings of the study, conclusion, recommendations / suggestions for further research are catered for in chapter five (5). Finally, there are references comprising the sources of information used for this research work. This is followed by illustrative appendices.

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CHAPTER TWO

REVIEW OF RELEVANT LITERATURE

2.1 Introduction

This chapter is devoted to the review of the related literature of the study. It addresses issues concerning entrepreneurs(hips), land acquisition process, marketing, human resource and source of funding.

2.1.1 Entrepreneurs

“It is not the critic who counts nor the observer who watches from a safe distance. Wealth is created only by doers in the arena who are marred with dirt, dust, blood and sweat. These are producers who strikes out on their own, who know high, highs and low lows, great devotions and who over extend themselves for worthwhile causes. Without exception, they fail more than they succeed and appreciate this reality, even before venturing out on their own. But when these producers of wealth fail, they at least fail with style and grace and their gut soon recognizes that failure is only a resting place not a place in which to spend a life time. Their places will never be with those nameless souls who know neither victory nor defeat, who receive weekly pay checks regardless of their weeks performance, who are hired hands in their labour in some one else’s garden. These doers are producers and no matter what their lot is at any given moment, they will never take place beside the takers, for theirs is a unique place alone, under the sun. They are entrepreneurs – (Mancuso, captured in (Kuratko, Hudget, 1998 pp.5)”.

Kuratko and Hodget (1998), postulated that, entrepreneurs are individuals who recognize opportunities where others see chaos, or confusion. They further stated that entrepreneurs are aggressive catalysts for change within market place. They compared entrepreneurs to the following:

- Symphony orchestra conductors who balance the different skills and sound into cohesive whole.
- Top-gun pilots who continually push the envelope of speed and daring.

They expressed that whatever the passion, because they all fit into some way, entrepreneurs are heroes of today's market place. They identified them as people who start companies and create jobs at a breath-taking pace. The U.S. economy has been revitalized because of the efforts of entrepreneurs, and the world has turn now to free enterprise as a model for economic development. The passion and drive of entrepreneurs move the world of business forward. They challenge the unknown and continuously create the future. In Timmons (1994), was a quotation which states "anyone (can be an entrepreneur) who wants to experience the deep, dark canyons of uncertainty and ambiguity and who wants to walk the breathtaking highlands of success, But 1 caution do not plan to walk the latter until you have experienced the former". Kao (1991), identified entrepreneur as a catalyst for economic change who uses purposeful searching, careful planning, and sound judgment when carrying out the entrepreneurial process.

He further said that, entrepreneurs are unique by being optimistic and committed; the entrepreneur works creatively to establish new resources or endow old ones with new capacity, all for purpose of wealth creation. “People who own, operate and take the risk of business venture are called entrepreneurs” Green (2006 pp.40), She acknowledged that entrepreneurs come from all types of backgrounds and create all kinds of business. All ages of people choose to become entrepreneurs, some own tiny craft shop while others own huge construction companies. She further explained that entrepreneurs try to identify the needs of the market place and to meet the needs by supplying a service or product. When they succeed, their business flourish and the profit go to them. When they fail, their companies decline, and they may have to go out of business. Strokes and Wilson (2006), defined entrepreneurs as the individual (or group of individuals) who act(s) as principal mediators of the process of change described, through undertaking a specific project based on an opportunity that requires the implementation of a new idea (or ideas). “Entrepreneurs can exist in large as well as small economic units, and in the public as well as the private sector. Small business does not have a monopoly of entrepreneurial talent. There is a perception, to some extent confirmed by research that small business is more innovative and therefore more entrepreneurial, than large organizations”. Strokes and Wilson (2006, pp.34).

Barrow et al (2005), opines that the stereotypical entrepreneur is someone who is always busting with new ideas, highly enthusiastic, hyperactive and insatiably curious. But this is not always the case. They further explained that people who start businesses have many different personality types. On personality types, Barrow et al (2005, pp.23)

quoted Drucker's (1999) researched work which revealed that, "some are eccentrics, others painfully correct conformists; some are fat and some are lean, some are worriers, some relaxed, some drink quite heavily, others are totally abstainers, some are people of great charm and warm, some have no more personality than frozen mackerel".

Amponsah (2003), quoting Shapero (1975), described entrepreneurs as having internal locus of control, meaning that they depend on internal reinforcement to become self-reliant and desirous of independence and autonomy. According to Amponsah (2003), Shapero (1975), said people with these traits believe that they can control their own fates, that the difference between success and failure depends on themselves. Kuratko and Hodgett (1998), viewed entrepreneurs as the pioneers of today's business success. Their sense of opportunity, their drive to innovate and their capacity for accomplishment have become the standard by which free enterprise is now measured and has been accepted throughout the entire world. They asserted that entrepreneurs will continue to be critical contributors to economic growth through their Leadership, Management, Innovation, Research and Development Effectiveness, Job Creation, Competitiveness, Productivity and Formation of new Industry.

According to Drucker (1999), a French economist called 'Say', around 1800, defined entrepreneurs as people who shift economic resources out of an area of lower and into an area of higher productivity and greater yield. In contrast, Drucker thinks that Say's definition has created confusion due to lack of clarity. He rather favoured the definition which is popular in the United States, thus "the entrepreneur is one who starts his own

new and small business”. In an attempt to define entrepreneur, Drucker (1999), was of the opinion that, entrepreneurs see change as the norm and as healthy. Usually, they do not bring about the change themselves. He ended by saying that the entrepreneur always searches for change, responds to it, and exploits it as an opportunity. According to Wickham (2004), “Entrepreneurs are significant because they have an important effect on the world economies. They play a critical role in maintaining and developing the economic order we live under”. This confirms earlier definitions that entrepreneurs create new value. Hisrich and Peters (2002, pp.7), claimed that, “The word entrepreneur is a French and literally translated, means ‘between-takers’ or ‘go-between’”. They said in the 19th and 20th Centuries, entrepreneurs were frequently not distinguished from managers and were viewed mostly from an economic perspective.

“Briefly stated, the entrepreneur organizes and operates an enterprise for personal gain. He pays current prices for the materials consumed in the business, for the use of land, for the personal services he employs, and for the capital he requires. He contributes his own initiative, skills, and ingenuity in planning, organizing and administering the enterprise. He also assumes the chance of and gain consequent to unforeseen and uncontrollable circumstances. The net residue of the annual receipts of the enterprise after all cost have been paid, he retains for himself.” (Hirich and Peters 2002 pp.9). Longenecker, Moore and Petty (2000), disagreed with writers who restrict the definition of entrepreneurs to founder of firms. Rather, they include all active owner-managers who buy out the founders of existing firms. Earlier, they had contributed that “Entrepreneurs are the decision makers who will help shape the free-enterprise

economic system of the new millennium by discovering market needs and launching new firms to meet those needs. Much of the impetus for change, innovation, and progress in our economy will come from entrepreneurs – energizers who take risk and spark economic growth” (Longenecker et al 2000 pp.3).

Pure Entrepreneurs

They are men and women who create a venture from raw materials of their own ideas and hard work. Pure entrepreneurs launch their own ventures from the scratch.

From the above, entrepreneurs can simply be defined as follows:

- Entrepreneurs are change agents – they bring about development in their communities.
- Entrepreneurs break through barriers and employ unorthodox means in achieving their goals.
- Entrepreneurs are solvers of social problems.
- Entrepreneurs identify opportunities not problems.
- Entrepreneurs convert all problems into business opportunities.

As revealed by opinions of authorities cited above, the term entrepreneur means different things to different people and can be seen from diverse conceptional perspectives. Despite the diversities in views, there are some common traits of the entrepreneur; they are risk-takers, cherish independence, creative, profit-oriented and innovative. Extensive research particularly within the disciplines of Psychology and

Sociology indicates that Entrepreneurs, like most people are complex and no one theory can explain their behaviour. Many theories have been propounded as to the identification of an entrepreneur. Research has unearthed about forty-two personality characteristics which are associated with entrepreneurs and will be indicated in this study.

2.1.2 Entrepreneurship

Wickham (2004), simply defined entrepreneurship as what the entrepreneurs do. He further explained that “Entrepreneurship is characterized by a particular approach to wealth creation” (pp.7). According to Green (2006), entrepreneurship is the process of running a business of one’s own. She further stated that, “the foundation of the U.S. economy is entrepreneurship. Today’s large corporations were yesterday’s small business. Identifying a new need and coming up with product or service to meet it are what entrepreneurship is all about”. (Green 2006 pp.3). Drucker (1999), considered the Germans and English speakers’ views on entrepreneurship. “Whereas English speakers identify entrepreneurship with the new, small business, the Germans identify it with power and property, which is even more misleading. The **Unternehmer** – the Literal translation into German of Say’s **entrepreneur** – is the person who both owns and runs a business. (The English term will be owner – manager)” (pp. 22).

The word owner-manager is used primarily to distinguish the ‘boss’, who also owns the business, from the ‘professional manager’ and from ‘hired hands’ altogether. He further

explained that Entrepreneurship is thus a distinct feature whether of an individual or of an institution. It is not a personality trait.

In an attempt to justify this, he explained again that he has seen people with most diverse personalities and temperaments perform well in entrepreneurial challenges. Drucker posited that to be sure, people who need certainty are unlikely to make good entrepreneurs. But such people are unlikely to do well in a host of activities as well. He looked at politics and command positions in a military service and captain of an ocean liner. In all such pursuits, decisions have to be made, and the essence of any decision is uncertainty. He asserted that anyone who can face up to decision making can learn to be an entrepreneur and to behave entrepreneurially. He concluded that Entrepreneurship is behaviour rather than personality traits. He believed that the foundation of entrepreneurship lies in the concept and theory rather than in intuition.

He postulated that every practice rest on theory, even if the practitioners themselves are unaware of it. To him entrepreneurship rest on a theory of economy and society. “The theory sees change as normal and indeed as healthy. And it sees the major task in society – and especially in the economy – as doing something different rather than doing better what is already being done.” (Drucker 1999, pp.23).

Hisrich and Peters (2002), contended that “entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic and social risks and receiving the resulting reward of

monetary and personal satisfaction and independence” pp.10. They further explained that the definition stressed on four main aspects of being an entrepreneur regardless of the field as follows:

- a. ***Entrepreneurship evolves the creation process***:- creating something new of value. The creation has to have value for the entrepreneur and value to the audience for which it is developed. This audience can be:
 - (i) The market of buyer in the case of a business innovation.
 - (ii) The hospital’s administration in the case of new admitting procedure and software.
 - (iii) Prospective students in the case of new course such Real Estate Development in the Polytechnics.
 - (iv) The constituency for a new service provided by a non-profit agencies – Environmental, motivational lectures etc.
- b. ***Entrepreneurship requires the devotion of necessary time and efforts***:- Only those going through the entrepreneurial process appreciate the significant amount of time and effort it takes to create something new and make it operational.
- c. ***Entrepreneurship is risky***:- Assume the necessary risks. These risks take variety of forms, depending on the field of efforts of the entrepreneur. It often centres around;
 - (i) financial
 - (ii) psychological
 - (iii) social

d. ***The rewards of an entrepreneur:-*** Some of these rewards are:

- (i) Independence – Chief significant
- (ii) Personal satisfaction
- (iii) Monetary reward – Indicators of the degree of success.

2.1.3 Entrepreneurship – A Perspective

Kuratko and Hodgett (1998), was of the opinion that, entrepreneurship is more than the mere creation of business. Although that is certainly an important facet, it is not the complete picture. The characteristics of seeking opportunities, taking risks beyond security and having the tenacity to push idea through to reality combine into special perspective that permeates entrepreneurs. They posited that an entrepreneurial perspective can be developed in an individual. Perspective can be exhibited inside or outside an organization in profit or not-for-profit enterprises and in business or non-business activities for the purpose of bringing forth creative ideas. (pp. 6). Again, Kuratko and Hodgett (1998), viewed entrepreneurship as an integrated concept that permeates an individual's business in an innovation manner. They further explained that, the perspective has revolutionised the way businesses are conducted at every level and every country. It was asserted that a revolution has begun in an economic sense, and the entrepreneurial perspective is the dominant force. Kuratko and Hodgett (1998), acknowledged that entrepreneurship is the symbol of business tenacity and achievement. He posited that “we are experiencing an ‘Entrepreneurial Revolution’ in the United States. This revolution will be powerful to the twenty-first century as the Industrial Revolution was to the Twentieth Century (if not more)”. To understand

entrepreneurship, Kuratko and Hodgett (1998), claimed that it is important to consider from two perspectives,

1. The environment in which the entrepreneurial firms operate. This perspective is statistical, providing actual aggregates numbers to emphasis the importance of small firms in our economy.
2. The second perspective examines some of the trends in entrepreneurial research and education in order to reflect the emerging importance of entrepreneurship in academic developments.

Amponsah (2003), in his work identified two perceptions. He referred to them as:

- Standard perception and it is that entrepreneurship is a special personal feature; either a person is or is not an entrepreneur. According to him this perception is the entrepreneurial traits such as:
 - Need to achieve,
 - Risk taking propensity,
 - Self-esteem and internal locus of control,
 - Creativity and innovative behaviour,
 - Need for independence,
 - Occupational primacy,
 - Fixation upon goals and
 - Dominance.

All these are in-born and cannot be acquired by training.

- The second perception is that some cultures and some social groups are more conducive to entrepreneurial behaviour than others. According to this view, factors that contribute to supply of entrepreneurs are:
 - Inheritance,
 - Family position,
 - Social status and
 - Educational background and the level of education. Whether Educational background influences potential entrepreneurs is a debatable issue.

However, it was established that entrepreneurs who are better educated are more successful than the less educated ones.

From the work of Kuratko and Hodgett (1998) and Amponsah (2003), the two perspectives can be termed personal – or inborn and environmental.

- The popular idea of an entrepreneur is that of totally “self-made man” – They lack formal education – Amponsah (2003).

2.1.4 Characteristics of Entrepreneurs

“Many people dream of running their own businesses. They would like to become entrepreneurs. Entrepreneurship can be exciting. But running your own business is difficult. In fact many companies started by entrepreneurs go out of business. This is often caused by poor Planning, lack of business knowledge or entrepreneurial

characteristics or choosing the wrong business.” (Green 2006, pp. 9). Several researchers have written to express different views of the characteristics of entrepreneurs. Some of the characteristics run through most of the researches.

Longenecker, Moore and Petty (2000), identified a common stereotype of entrepreneurs’ characteristics as:

- a high need for achievement,
- a willingness to take moderate risks,
- strong self-confidence and
- a passion for business.

They however admitted that the proof of these characteristics is still lacking. Again, they said individuals who do not fit the mold may still be successful entrepreneurs.

2.1.5 Need for Achievement:

Longenecker et al (2000), concurred Psychologist recognition that people differ in the degree of their need for achievement. Individuals with low need for achievement seem to be content with their present status. On the other hand, individuals with high need of achievement like to compete with some standard of excellence and prefer to be personally responsible for their own assigned tasks. They cited David McClelland, a Harvard Psychologists to have discovered a positive correlation between the need for achievement and entrepreneurial activities. According to McClelland as cited by Longenecker et al (2000), those who become entrepreneurs have, on average, a higher

need for achievement than other members of the general population. McClelland again stated that while research continues to find that entrepreneurs are high achievers, the same characteristic has also been found in successful corporate executives.

It was also established that, the drive for achievement is apparent in the ambitions of individuals who start new firms and then guide them in their growth. In some individuals, such entrepreneurial drive is evident at a very early age. Some even start student-related venture while pursuing academic programmes.

2.1.6 Willingness to take Risks:

According to Longenecker et al (2000), McClelland identified varied risks entrepreneurs take in starting and/or operating their own businesses some of which are:

- Financial risk: - the individual investing his own money.
- Risk of careers: - when individual leaves their secured jobs and start the business.
- Family risk: - The stress and time required to start and run the business. The individual deny the family his time. This is likely to disintegrate the family.
- Psychic risk: - Entrepreneurs who identify closely with particular business ventures and as they face the possibility of failure.

It was also unearthed that individuals with high need for achievement have moderate risk-taking propensities. They prefer risky situations in which they can exert some

control over the outcome; in contrast to gambling situations in which the outcome depends purely on chance. (Longenecker et al, 2000).

2.1.7 Self-Confidence:

On self-confidence, Longenecker et al (2000), posited that individuals who possess self-confidence feel they can meet the challenges that confront them. They have a sense of mastery over the types of problems they might encounter. They recognized that most successful entrepreneurs are self-reliant individuals who recognize the problems involved in launching a new venture but believe in their ability to overcome these problems.

According to them, Rotter, a psychologist has identified two significant things about entrepreneurs' self-confidence. They are:

- **Inter Locus of Control:** - Entrepreneurs who believe that their success depends on their own efforts.
- **External Locus Control:** - Others also feel that their lives are controlled to a greater extent by luck or fate-than by own efforts.

2.1.8 Passion for the Business:

According to Longenecker et al (2000); many entrepreneurs display a level of enthusiasm that might be termed “a passion for the business”. Passion for a business as for any cause creates tenacity and willingness to work hard. They quoted Jon Goodman, director of the University of Southern California Entrepreneurs program to have said “The first crucial sign I’ve learned to look for is passion. When evaluating any new

venture, I ask: What's the passion?" Earlier, Mengginson et al (1997), concluded their research and came out with seven characteristics of successful owners of small business. Their results, however, was at variance with what Longenecker et al (2000) established.

Mengginson et al (1997), identified that, small business owners;

- Desire independence,
- Have a strong sense of initiative,
- Are motivated by personal and family considerations,
- Expect quick and concrete results,
- Are able to react quickly,
- Are dedicated to their business and
- Enter business as much by chance as by design.

2.1.9 Desire Independence:

Entrepreneurs seek independence and want to be free from outside control. They enjoy the freedom that comes from "doing their own thing and making their own decisions for better for worse". (Mengginso et al. 1997, pp. 34).

2.1.10 Have a strong sense of initiative:

Mengginso et al (1997), explained that, entrepreneurs have strong sense of initiative that gives them a desire to use their ideas, abilities and aspirations to the greatest degree possible. They further said entrepreneurs are able to conceive, plan, and carry to

successful conclusion ideas for a new product. Besides, they are willing to work long, hard hours to reach their goals. They tend to be capable, ambitious, persevering individuals.

2.1.11 Are motivated by personal and family considerations:

Mengginso et al (1997), were of the opinion that entrepreneurs are often motivated as much by personal and family considerations as by profit motive. They start and operate their businesses to help their parents, children, and other family members.

2.1.12 Expect Quick and concrete results:

“Small business owners expect quick and concrete results from their investment of time and capital. Instead of engaging in the long-range planning that is common in large businesses, they seek a quick return on their capital and they become impatient and discouraged when these results are slow in coming.” (Mengginso et al. 1997, pp. 35).

2.1.13 Are able to React Quickly:

According to Mengginso et al (1997), were of the view that small businesses have advantage over larger firms because they can react more quickly to changes occurring both inside and outside the company. The reasons being their vulnerability to technological and environmental changes. Since the business is small, changes have a great effect on its operations and profitabilities. An entrepreneur must therefore have the ability to react quickly.

2.1.14 Are dedicated to their business:

“Small business owners tend to be fiercely dedicated to their company. With so much of their time, energy, money and emotions invested in it, they want to ensure that nothing harms their ‘baby’. Consequently, they have a zeal, devotion and ardor often missing in managers of big companies”. (Mengginso et al. 1997, pp. 36).

2.1.15 Enter business as much by chance as by design:

According to Mengginso et. al (1997), many small business owners get into business as much as chance as by design. These are the owners who quite frequently ask for assistance in the form of management training and development. This type of individuals differs sharply from those who attend college with the ambition to become professional managers and who gears their programmes toward the end.

2.1.16 Characteristics of successful entrepreneurs:

According to Green (2006), researchers have identified several characteristics which distinguish successful entrepreneurs from those that fail.

She identified seven of such characteristics. These are:

1. ***Independence:-*** She said successful entrepreneurs want to make their own decisions and do something they enjoy.
2. ***Self-Confidence:-*** Successful entrepreneurs make all decisions. They must have the confidence to make choices alone.
3. ***Determination and Perseverance:-*** Successful entrepreneurs persist through hard times until goals are met.

4. ***Goal-Oriented:-*** Successful entrepreneurs know what they want and they are able to focus on achieving it.
5. ***Need to Achieve and set high standards for themselves:-*** Successful entrepreneurs are constantly setting challenging new goals.
6. ***Creative:-*** Successful entrepreneurs think of new ways to market their businesses and are always looking for new solutions to problems.
7. ***Act Quickly:-*** Successful entrepreneurs are not afraid to make quick decisions when necessary, which helps them beat their competitors. Green (2006)

2.1.17 Environment and Entrepreneurship

The macro view of entrepreneurship presents a broad array of factors that relates to success or failure in contemporary entrepreneurial ventures. This array includes external processes that are sometimes beyond the control of the individual entrepreneurs for they show a strong external locus of control. Kuratko and Hodgetts (1989) pp. 36. Environment, deals with external factors that affect a potential entrepreneur's life style. There can be either positive or a negative force in the modeling of entrepreneurial desires. The focus according to them, is on institutions, values and mores that, grouped together, form a socio-political environment framework that strongly influence the development of entrepreneurs.

At middle manager experiences the freedom and support to develop ideas, initiate contracts or create and institute new methods, will enhance his desire to pursue entrepreneurial career.

Another environmental factor that often affects the potential development of entrepreneurs is their social group. The atmosphere of friends and relatives can influence the desire to become an entrepreneur.

Boachie-Mensah and Marfo-Yiadom (2005), identified twelve factors which relate to the environment. These are:

1. Living conditions
2. Availability of supporting services
3. Availability of land or facilities
4. Accessibility of transport
5. Government Influences/Policies
6. Accessibility of customers or new markets
7. Accessibility of suppliers
8. Venture capital availability
9. Presence of experience entrepreneurs
10. Technically-skilled labour force
11. Attitude of the area population
12. Proximity of Universities.

Strokes and Wilson (2006), termed the environmental forces as external influences, thereafter put them into two categories which are:

- Macro-environment and Microenvironment.

- The macro-environment consist of factors which tend to have influence on all firms nationally and sometimes internationally.

The factors include:

- (i) Political and regulatory, such as taxation, health and safety regulations. Starting business in different countries, can have major implication for the entrepreneur.
- (ii) Economic conditions such as the rate of inflation or levels of employment.
- (iii) Social and demographic influences such as the age profile of the population.
- (iv) Technological changes: the impact of electronic commerce in which products, services and/or information is bought, sold transferred or exchanged through computer networks plus internet has been overwhelming these days.

With micro-environmental factors, they refer to more local factors which influence firms operating in particular markets and competing in certain industries. These include:

- (i) Local-socio-economic conditions such as the relative property and population profile of a specific catchment area.
- (ii) The development and growth potential of a particular market.
- (iii) Customers' needs and the structure of the demand for individual products and services.
- (iv) The competitive environment across specific industries.

According to Barrow et al. (2005), the essence of environmental analysis for growing business is to unearthed the changing elements in the market place which aids the birth

of company in the first place and the implications of these changes are for the future of the company. They suggested that regular scanning should be part of the planning process since a business moves out from start-up phase into the growth phase.

Barrow et al (2005), established PESTEL analysis to ensure consistence, in approach and to leave no stone unturned.

P – Political: factors affecting the business and/or its market which are due to political changes or trends (changes of government policy, creation of regional bodies).

E – Economic: factors affecting the business and/or its market which are driven by the economy (e.g. whether the national economy is growing, flat or in recession, likely changes in the price of key commodities).

S – Social: factors affecting the business and/or its market which are driven by social changes (e.g. major demographic changes or changes in consumers' lifestyles).

T – Technological: These are factors the business and/or its market which are due to technological development.

E – Ecological: These are factors affecting the business and/or its market arising from environmental changes (e.g. global warming, desertification, the need to conserve fish stocks).

L – Legal: factors affecting the business and/or its market arising from new or planned legislation (e.g. tighter data protection laws in many countries). (Barrow et al. 2005, pp. 161 – 162).

The first four Factors PEST analysis has been a standard Strategic Planning tool. The EL is added to it recently to make it more comprehensive. The opportunities and threats aspect of the SWOT analysis is closely linked to PESTEL.

According to Froehlich; Hawranek; Lettmayr and Pichler (1994), the social and economic environment within which a business operates has a significant impact on the efficiency and the success of the operation. He posited that business activities also have an impact on their socio-economic environment. It therefore means that the business and socio-economic environments are interdependent. Froehlich et al (1994), conducted a study to identify and assess the factors, both supportive and constraining, that may have significant impact on the success of small business in the sub-sector in geographical area with relatively homogeneous business environment. The empirical assessment of obstacles to developing small-and medium-scale enterprises, carried out in a number of developing countries unearthed the following as serious obstacles to expansion of small businesses:

- Regulatory constraints
- Limited access to finance and input constraints
- Cumbersome bureaucratic procedures
- Difficulties with sales

- Income tax authorities
- Licensing requirements and procedures
- Labour regulations
- Relations with providers of public utilities

In the assessment of socio-economic environment, they acknowledged that, the development of small industrial businesses is linked to and correlates with, a politically stable business climate that supports long-term commitments and offers entrepreneurs autonomy to make decisions they need to make to conduct a successful business. It is only when there is sufficient macro-economic stability regarding prices, fiscal and exchange matters are business conditions conducive for entrepreneurs to take on financial, market and technological risks.

Froehlich et al (1994), further explained that, experience has indicated that the right balance between the public and private sectors and between bureaucratic regulations and free, unregulated areas of business is essential for the development of the sector. They revealed that there was a trend towards liberalization of trade and foreign investments in the developing countries. Also, the reduction of lengthy and complicated administrative and legal procedures to an absolute minimum is another means of fostering the development of small businesses.

Another important aspect of the economic system, as determined by a country's constitution, is the attitude of a society towards property: that is, whether private

property is tolerated, permitted or promoted and what legal organizational forms apply to domestic and foreign investments, licensing agreements and joint-venture contracts. Moreover, the legal framework regarding liability, arbitration and bilateral or multilateral treaties with other countries has to be examined to assess the opportunities and risks connected with a project. The study empirically uncovered that the personal attitudes of the entrepreneurs' vis-à-vis society in general, as well as vis-à-vis their families, customers and business partners, correlate with their potential to be successful as entrepreneurs. (Froehlich et al 1994). Behrens and Hawranek (1991), summarized their work into four major areas of which the environment should be considered. They are:

- Natural environment, geophysical conditions
- Socio-economic policies, incentives and restrictions and government plans and policies.
- Infrastructure services, conditions and requirements, such as the existing industrial infrastructure, the economic and social infrastructure, the institutional framework, urbanization and literacy.
- Ecological Impact of the project: The site and impact analysis will cover the impact of business and its alternatives (in terms of size, technology etc) on the surrounding areas; including its population.

Extrapreneurs:- This refers to those who leave their workplace (employment) and create their own organization.

Intrepreneurship:- It is the entrepreneurial activities within an existing organization.

2.2 Land Acquisition for Real Estate Developers

Balchin, et al. (1988), posited that land market is the least efficient market. He, further expressed that the imperfect knowledge of buyers and sellers, the uniqueness of each piece of land, the unwillingness of some land owners to dispose of land despite the certainty of monetary gain and the absence of easily recoverable investment is costly and specific developments on lands are some of the factors militating against the efficiency and perfection of the land market. Also, the immobility of land resources once they are committed, the time-absorbing and costly process of seeking and acquiring land, the expense and legal complexity of transferring landed property and the length and legal rights of interest on land. The conservationist and environmentalist, the monopoly power of planning authorities, land owners and land related professions are also some of the factors which prevent land from transferring smoothly to its profitable use.

Oduro-Kwarteng (2007), viewed the land market in Ghana as being characterized by many problems and constraints. He identified one of the problems being general indiscipline, which have led to land conflicts, litigations and other negative effects particularly on the environment. Prospective Estate Developers are not secured in venturing into that business.

2.2.1 Indiscipline in the Land Market

Oduro-Kwarteng (2007), attributed the indiscipline in the land market to the misconduct of stakeholders in the market. He identified the stakeholders to be the sellers (Traditional Authorities, family heads, Government agencies on vested lands), and buyers (Estate Developers and Agents) as well as those who play the role of referees to regulate the market (surveyors, planners, lawyers, Land Commission officials, Survey Department, Town & Country Planning Department, Metropolitan/Municipal and District Assemblies, Environmental Protection Agencies, Land Economist).

He further defined indiscipline as the disregard for rules and regulations or laws governing the land market system by the stakeholders. He explained that the problem of indiscipline in the land market has become so serious and endemic that, sustainable management and land use has become mirage.

Several interventions such as enacting legislations and formulating policies in order to regulate the land utilization and development have not performed up to expectation. He emphasized that Administration of Land Act, 1962 (Act 462) as well as tested customary practice such as taboos, which have in the past ensure sustainable land use appear to be ineffective. Institutions such as Land Commission and the Town and Country Planning Department which was established to provide sound land delivery service have all been rendered ineffective due to indiscipline. This has serious negative effects on the Real Estate Industry. Entrepreneurs are scared to go into the Real Estate Development and Investors are not comfortable to take the high risk to invest. Though,

there is some element of risk in every investment, the risk in Real Estate Industry in Ghana seem overwhelming as a result of the high level of indiscipline in the land market.

2.2.2 Nature of Indiscipline in the Land Market

Oduro-Kwarteng (2007), identified the following as the nature of indiscipline in the land market:

- Multiple and Illegal Land Allocation
- The use of Unapproved Planning Schemes and Disregard for Approved Planning Layouts
- Unlawful re-entry of land by Traditional Authorities
- Disregard for the Regional Lands Commission's Certificate of Disposition and development of Stool lands
- Encroachment
- Unauthorised Development
- Corruption in the land market
- Activities of Unqualified Surveyors and other professionals
- Unlawful Re-Zoning to protect Public lands
- Disregards for Guidelines of Environmental Protection Agency.

2.2.3 Causes of Indiscipline in the Land Market

The following has been identified as the causes of some of the indiscipline in the land market.

- Compulsory Acquisition of land by government
- Failure to develop state acquired lands
- Inadequate access to land
- Delay in preparation and approval of Planning Schemes
- Cumbersome procedures for Securing Planning and Environmental Permits
- Ineffective supervision
- Poor Records Keeping
- Ineffective Enforcement of Laws and Regulations
- Ignorance of Laws
- Lack of 'Whistle Blowers'
- High Professional Fees
- Lack of well defined Land Boundaries
- Payment of fair prompt and adequate compensation by Government as stipulated under Article 20 (5) of 1992 constitution and the National Land Policy.

(Source: Oduro-Kwarteng 2007)

2.2.4 Land Tenure System in Ghana

Kasanga, (1998), defined the land tenure system in Ghana as the various Laws, rules and obligations governing the holding and/or ownership rights and interest in land. The system provides a structure within which the rights and interests are exercised or left dormant in the use of development and transference of land.

Renner (1947), opines that land tenure is a

“Broad term covering all those relationships established among men that determine their varying rights in the use of land. It

deals with the splitting of property rights for their division among various owners, between owner or occupier and creditor, and between private owner and public.”

In all, Land Tenure is about the rights to use or dispose of user’s rights’ which are recognized as legitimate under customary laws and practice backed by status and government policies. It identifies the legal, institutional and policy framework, the ownership pattern, various interest rights over land and the process of acquisition of various interests and rights in land. (Oduro-Kwarteng, 2007).

2.2.5 Land Valuation Board

The Land Valuation Board was established by the P.N.D.C. Law 42 of 1982, Section

43. The Land Valuation Board was charged with the functions of:

- (a) Determining for any organ of Government or public corporation all matters of compensation for the land acquired by Government,
- (b) Preparing Valuation list for property rating purposes,
- (c) Valuing interest in land for the administration of death duties,
- (d) Determining values of Government rented premises,
- (e) Advising the Land Commission and the Forestry Commission on royalty payments on Forestry holdings and products,
- (f) Assess duties on landed properties and collect such duties as capital gains tax and Stamp duty on behalf of the Internal Revenue Service.
- (g) It is also in charge of preparation of a register and publication of data on Land Value. (Oduro-Karteng 2007)

It is for the last function of the Land Valuation Board, which makes it very necessary for an Entrepreneur desirous to enter into the Estate Development industry will have to contact the Board, especially when he/she intends to acquire a piece of land so that the appropriate price can be assessed and paid for.

2.2.6 Town and Country Planning Department

An Entrepreneur in Real Estate Development is expected to seek the assistance of the Town and Country Planning Department for the preparation of planning schemes. This is to ensure orderly development. The Town and Country Planning Department is one of the statutory institutions established by the Town and Country Planning ordinance, 1945 (Cap 84), charged with the preparation of planning schemes. The Department operated as a district statutory body alongside the defunct Lands Department and Survey Department as component bodies of institutional framework for the development and management of Ghana's land resources. (Oduro-Kwarteng 2007).

The Town and Country Planning Department is currently one of the decentralized departments of the Metropolitan, Municipal and District Assemblies under the Local Government Act 1993, (Act 462). The Department is a service establishment of the Central Government, Regional Co-ordinating Councils and Metropolitan, Municipal and District Assemblies concerned with functional and spatial integration of development in the country (Owusu-Akyaw, 2002). It has the core responsibility for settlements planning and land use controls to guide development and growth of settlements and their surrounding countryside. The crucial responsibilities are the

formulation of national human settlement development policy, formulation of legislation and technical standards to regulate the use of land and development; the preparation of plans and proposals to direct growth and development of settlements and the coordination of the diverse types of physical development initiated by public agencies and private individuals as well as provision of various forms of planning services to public agencies and private developers, such as Estate Developers. It is also aimed at securing the highest possible measure of health, efficiency and order in the physical environment (Oduro-Kwarteng, 2007).

2.2.7 Land Size of Ghana

Ghana is a country which is richly endowed with natural resources including land and human. Land is very important in every country's development and wealth creation. The Land area of Ghana is approximately 238,539 Square Kilometres (92,100 square miles) which is permanently fixed in supply and therefore needs to be utilized judiciously, this is because population keeps on increasing but the land is static. Oduro-Kwarteng (2007), recognized that land resources are the basis of human sustenance and economic activities such as the demand of industry, housing, commerce, agriculture, forestry, transport and communication. He acknowledged the need to take a major step towards balancing these competing demands on the limited land resource. He suggested the need to design comprehensive management policies that will ensure effective land administration and sustainable development. The suggestion further saw the need to review and harmonise the past and present policies in the light of new perceptions and

challenges such as indiscipline. Indiscipline in the utilization of land has been a major stumbling block towards the development of Real Estate Industry.

2.2.8 Types of Land Ownership in Ghana

There are many types of land ownership in Ghana but the major one's which are acknowledge by the legal framework are identified as public or state/government lands, vested stool lands and stool lands. Real Estate Developers are expected to know the ownerships so that when they are acquiring lands they go through the appropriate procedures to avoid litigations which will frustrate them.

(i) State/Government Lands

These are parcels of lands, which have been acquired by successive governments over the years. Such acquisitions were done either through appropriation and payment of compensation or through private treaty. All state lands are managed by the Lands Commission, which makes grants to individuals and corporate bodies on behalf of the Government (Oduro-Kwarteng, 2007).

(ii) Vested Stool Lands

These are lands which are vested in the Government in trust for the stools. The Government holds the legal interest while the stool kept the beneficiary interest.

(iii) Stool Lands

The hierarchy of interest and right are identified with stool lands as paramount, sub-paramount, and family/clan. As a Real Estate Developer, it is expedient to know what

type of land it is to be acquired. This will help the developer to know the appropriate procedure to follow.

2.2.9 Land Acquisition and Documentation Process

Access to land in Ghana is facilitated by acquisition process which depends on the ownership of the land; that is whether the land involve is state, vested stool or stool land.

(i) *State/Vested Stool Lands Grants*

Land Commission manages all public or state land and vested lands on behalf of the Government. Any prospective buyer or anybody who intends to acquire any of such lands is therefore required to:

- Submit an application for any available plot(s) of land or a lease over a particular piece of land as the case may be to the Regional Lands Officer.
- The Regional Lands Officer proposes a plot or vets the application to ensure that the land is not encumbered.
- The applicants then is allowed to complete a statutory form and a questionnaire designed for soliciting the personal particulars of the applicant and four passport size photographs.
- The application is then forwarded to the Regional Lands Commission for consideration for approval.

- Where the land falls on Vested Land, a consent is sought from the chief concern. It should be in line of Minister of Lands directives before consideration is given by the Lands Commission.
- Upon approval, an offer letter is issued to the applicant for acceptance. This gives the applicant an opportunity to study conditions and terms of the proposed lease before his acceptance.
- After the applicant has communicated his acceptance in writing and also paid the necessary charges and statutory fees to the Commission, a plan is prepared and the lease engrossed.
- The prospective lessee then signs the lease with a witness who also appends his signature.
- The Chairman of the Lands Commission executes the leasehold instrument on behalf of the government.
- Payment of Stamp duty and stamping of the lease.
- The documents are therefore released to the grantee to be sent to the Land Valuation Board or the Internal Revenue Service for the purpose in line with the stamp Act 1965, (Act 311) as amended by the Stamp Act (Amendment) Decree, 1967 (N.L.C.D.160) and Stamp Act (Amendment) Law. 1988 (P.N.D.C.L 204)
- The Lands Commission is to provide the document with a number and ensure plotting of same after payment of appropriate fees.
- The original document is then given to the applicant for registration at the Land Title Registry where a title certificate is issued to the lessee to end process in consonance with the Land Title Registration Law 1986 (P.N.D.C.L 152).

(ii) ***Stool Lands Grants***

With the stool land the process of acquiring is different from the state lands.

- The prospective grantee finds out the ownership of the land allodia – family/clan, stool/chief.
- Investigate the validity of the ownership.
- Ascertain the suitability and availability for the purpose. Involve professionals such as Land Valuers, Engineers, etc.
- Prospective grantee negotiate with the legitimate caretaker chief of the area the land is located. Taking into consideration compensation to be paid to squatters and other interest groups.
- Search at the Lands Commission in respect of the subject plot is cleared of encumbrances and consistence with the Planning Scheme. It helps safe guarding paying a large sums of money which might go waste.
- Pays “drink money” which is generally equivalent to the market value of the land to the caretaker chief who has to issue the Allocation Note evidencing the grant.
- The grantee sends the Allocation Note plus three site plants to the Lands Commission, pay the lease preparation fee. Engage legal adviser during the preparation of Lease.
- Execution of the Lease (signing of the lease by both parties:- Lessee and lessor).
- Present the Document to Land Commission for processing and Registration.

Document sent to Chairman of Lands Commission for concurrence.

- Document sent to Land Valuation Board or (IRS) for Stamping duty (Tax on the property)
- The executed Lease is returned to the Lands Commission where concurrence is granted in line with Article 267 (3) of the 1992 Constitution.

2.2.10 Guidelines Issued By Ghana Real Estate Developers Association (GREDA)

Destination Ghana (2008), refers to Ghana as one of the fastest and most profitable places for Real Estate Investment in Africa. It identified the metropolises of Accra, Kumasi and Tamale as areas which offer investors reasonable prices and purchasers an affordable lifestyle. However acquisition of land is a major headache to property buyers. Resolving this fundamental issue is critical to the development of a competitive real estate market. In assisting to facilitate and regulate the land market, the government has started to implement a compulsory Land Title Registration Scheme throughout the country. The pilot project has started from Accra and some few Districts and it will be rolled out in stages across the country and will force the current registration of all parcels of land. This will help the real estate developer to know the legal owner of the land. It will also seek to satisfy any current disputes over various parcels of land so that when the scheme is implemented, there will be a central record of land registration that can be easily searched. This will enable a property buyer to register the new legal owner of land or real estate and avoid any potential claims against that property.

While waiting for the complete implementation of such a comprehensive scheme, the GREDA has come out of guide to the property buying process in Ghana and some free advice. The GREDA list the four most critical stages of property buying process under the acronym 'SAFE'; namely Search, Advice, Follow-up and Elicit. The whole process works as follows:

First, an investor needs to employ the services of an established and reputable real estate agent and a solicitor who specializes in property. Without these two critical support elements in place, a property investor in Ghana will struggle to make progress and may fail to purchase any property legally. The real estate agent will find land and property that matches the purchaser's investment objectives and the lawyer will help with the entire search process. Destination Ghana (2008), Pg. 10 – 12 described the GREDA process as follows: for a search to be carried out on any parcel of land, or piece of property, that a buyer is considering making an offer on the procedure must include: (SAFE)

i. Search

- Search for proof of vendor's legal ownership of the property at the nearest Land Commission Office.
- Doing a technical search at the Town and Country Planning and Geological Survey Department to find out about any proposals to develop on or near the land and also to find out the geological nature of the land with respect to issues like earthquakes, flooding etc.

- Conducting ‘Social Searches’ on the credibility of the vendors claims that he owns the land being sold. These take the form speaking to neighbours and locals about the vendor and his claim to own the property.

Once these searches have been conducted and their findings are satisfactory, an offer of purchase can be made. If any element of doubt arises, from searches, the property investor would be wise to walk away.

ii Advice

Either way, a buyer should take the advice of the lawyer, experts at Town and Country Planning and Geological Survey Department as well as Real Estate Agent before deciding whether to proceed or not. These experts in their field all have local knowledge of the local property market and will likely give decent advice about whether a particular parcel of land or property is worth pursuing.

iii Follow-Up

This means that, the buyer should consider conducting his / her own due diligence on the property he / she is interested in and double check the findings of his / her solicitor.

iv Elicit

Elicit as much information about the vendor, the land and property from as many sources as possible, because, currently, this is the only way one can be sure of legally acquiring the real estate he / she has interest. To ease the stress, one has to use reputable

and well established real estate Agency and Lawyer who trade on their reputation and whose best interest is to make their customers happy.

After an investor is committed to a parcel of land or a piece of property, the estate agent will usually enter into negotiations with the vendor to reach an agreeable price. Once a price has been agreed upon, the property investor's lawyer will prepare the appropriate instrument of transfer – whether that of Deed of Conveyance, Deed of Lease, Deed of Sub-lease or Deed of Assignment. The appropriate deed will be signed by all parties involve in the transaction and then registered with the Land Commission Secretariat. When the execution of transfer is complete, the property has to be paid for. Finally, when the property has been paid for, the title is registered in the name of the buyer by Lands Commission Secretariat and all statutory fees paid.

2.3 Definition of Marketing

Proctor (2007), defined “Marketing as the management process responsible for identifying, anticipating and satisfying customer requirement profitably.” He explained that there are numerous definitions of marketing but this is the official definition of Chartered Institute of Marketing. Boone and Kurtz (1998), viewed marketing as “the process of planning and executing the conception, pricing, promotion, and distribution of goods, services, organizations and events to create and maintain relationships that will satisfy individual and organisational objectives. Cannon (2003), put forward the definition by the Chartered Institute of Marketing (UK) as

“Marketing is the management process which identifies, anticipates and supplies customer requirements efficiently and profitably.”

Again Cannon (2003), quoted American Marketing Association's definition as:

“Marketing is the integrated analysis, planning and control of product, price, promotion and distribution, to create exchanges and satisfy customer and organizational needs.”

Kotler (1969), provided one of the widest definitions:

“Marketing is a human activity directed at satisfying needs and wants through exchange process”

Runyon (1982), defined marketing as:

“The performance of business activities that direct the flow of goods and services from producers to consumers”.

Lamb et al (2000), identified marketing as two facets. The first being its philosophy, and attitude, a perspective, or a management orientation that stresses customer satisfaction.

Secondly, marketing is a set of activities used in to implement this philosophy Ibid agreed with the definition contributed by American Marketing Association which states that:

“Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational goals.”

The word **exchange** was identified as a key word in the definition of marketing.

Exchange

They defined exchange as: “the idea of that people give up something to receive something they would rather have.” Lamb et al (2000), explained that five conditions must be satisfied for any kind of exchange to take place:

- There must be at least two parties
- Each party must have something the other party values.
- Each party must be able to communicate with the other party and deliver the goods or services sought by the other trading party.
- Each party must be free to accept or reject the other’s offer.
- Each party must want to deal with the other party.

He however argued that, Exchange will not necessarily take place even if all these conditions exist. They are however, necessary for exchange to be possible. Gyedu-Asiedu (2002) quoted Pearce (1992), describing marketing as “the recognition and use of the economic and other forces that exist within the market and create business”. In the opinion of Palmer (2000), marketing is essentially about marshalling the resources of an organization so that they meet challenging needs of customers on whom the organization depends.

2.3.1 Real Estate Market and the Analysis

Betts et al (2001), gave example of a market as a place where buyers and sellers meet to exchange goods or services. The concept of a market also has an exact technical

definition, based on several criteria. They went ahead to categorized market into two i.e.: Perfect market and Imperfect market.

(i) ***Perfect Market:*** was defined as one that meets the following criteria:

- There are numerous buyers and sellers
- All parties are knowledgeable
- All parties are free to trade or not trade
- All products are similar and interchangeable
- All products can be transported to better markets
- Items are small, inexpensive, and frequently purchased
- The government plays a very minor role in pricing.

The stock market was identified to be closed to a perfect market, the prices fluctuates ups and down and neither the seller nor buyer can control the price movement.

(ii) ***Imperfect Markets***

Ibid, posited that many markets cannot meet the seven test of a perfect market that was listed above and therefore are regarded as Imperfect Markets. Example of imperfect was given such as diamonds, where there are very few sellers and the sellers tend to fix prices, and there is little price fluctuation. This can also be seen in the international oil market.

Another common feature of the imperfect markets is inadequate knowledge of buyers and/or sellers about the true condition of the market. The lack of adequate knowledge means that the buyers and sellers are unable to make good decisions, so as when additional information is finally given, price or location decisions turn out to have been wrong. When more information about a product becomes available, prices change. It means some people get information ahead of the general market and use this information to their advantage and profit at the expense of those who lack full information.

2.3.2 Real Estate Markets

Betts et al (2005), refer to the Real Estate market as imperfect one. They attest to the fact that economists often refer to the Real Estate markets as one which do not meet any of the seven requirements for a perfect market. In re-enforcing the argument that Real Estate Market is imperfect market, Betts (2005), said there are relatively few buyers and sellers of one type, price range, and location of real property. Neither buyer nor seller is very knowledgeable because the product, the Real Estate is complete and not commonly bought and sold as other commodities.

Available properties are not very similar or interchangeable. The properties cannot be transported to a better market; should the local market be poor. The properties are not small or inexpensive and are not frequently purchased by more market participants. He finally revealed that real estate pricing is strongly influenced by government actions through income tax. Because of the imperfection of the real estate market, prices for

real estate do not rise or fall smoothly or rapidly as do, for example stock prices. In the real estate market, individuals sales can occur well above or below the prices that would occur with more perfect market. A unique price can result where there is a poorly informed buyer or seller, or when there is some unique characteristics of the property from the point of view of the typical buyer. There are relatively few buyers willing to pay a proportionately high for a large house with few rooms. To the right buyer, a relatively high price could be reasonable. To most buyers, however, the price would have to be considerably lower to be attractive.

Due to the complex nature of real estate, many factors can influence prices. These factors vary in importance, depending on the place, time, or property type. Real Estate Markets are more varied and unique than bond market. In the real estate market, each subcategory of property is somewhat distinct from the others. A house in Accra may not be at the same price as identical house in Kumasi. Even within Accra, prices in Trasaco at Accra – Tema motor way will be different from Spintex road.

2.3.3 Market Segmentation

Proctor (2007), believed that market segmentation is a systematic approach to analyzing markets with respect to different customer characteristics and variations in taste, usage and so on. In effect a homogenous mass market is partitioned into subsets of customers. He further explained that, within each subset, customers have similar needs which are distinct from those in other subsets. The marketing approach used for each segment should reflect the particular needs of customers and potential customers in that segment.

He opines that, by employing different marketing mix approaches to each segment, there should be increase in levels of satisfaction in each segment. For a segment to be viable, Proctor (2007), recommended that it must have the following characteristics:

- ❖ It must be substantial – (There should be enough people to justify producing a product or service specifically for them)
- ❖ It must be measurable and definable – (There must be some way of identifying the members of segment and counting them)
- ❖ It must be congruent – (Members must have close agreement on their needs)
- ❖ It must be accessible – (There must be some way of targeting the segment with marketing messages and services)
- ❖ It must be stable – (The nature and membership of the segment must be reasonably constant)

2.3.4 Market Positioning

Positioning is the process of conjuring up an image and message so that those within the target segment understand what the organization, service or brand represents (Proctor, 2007). The process involves identifying the key criteria or attributes that people use to judge the service or organization and then deciding on those benefits / characteristics that are to be emphasized. These then forms the positioning concept and are implemented through the marketing mix.

2.3.5 The Marketing Tools

Marketing has a number of tools at its disposal. The first of these is known as the 7Ps of the marketing mix (Proctor, 2007).

2.3.6 The Seven P's and four C's of the marketing mix

In the pursuit of marketing objectives, an organization requires a strategy that makes use of the marketing mix. Marketing mix was originally used comprising of the 4Ps (Product, Price, Promotion and Place). The original 4Ps of marketing mix were considered by many to be restrictive, particularly with the developing of service economy. Some academics such as Booms and Bitner (1981), Moorthi (2002) and Gilmore (2003), extended this framework to include three additional variables – (people, physical evidence and process) – thus making the 7Ps. Each element affects the other and are all dynamic. A successful market mix will combine these variables in a way that will facilitate meeting or exceeding organizational objectives. Elliott de Saez (2002), had an alternative view, and focused on the 4Cs developed by Lauterborn (1990). He suggested that marketers should examine customers' needs and wants, the cost and issues of convenience and communication. The 4Cs reflect a more client-oriented marketing philosophy, which meets with the principle of a customer-centred approach to marketing (Graham, 1995).

Table 2.1: The 4Ps must match the 4Cs

4Ps	4Cs
Product	Customer needs and wants
Price	Cost to the customer
Place	Convenience
Promotion	Communication

Table 2.2: The 7Ps of the marketing mix

People	Product	Price	Promotion	Physical Evidence	Processes	Place
Those involved in service delivery, their behaviour, attitudes and interactions	Quality, features, options, style, brand name, packaging, services	Listed price, discounts allowances, payment period, credit, etc	Advertising, selling, sales promotion, publicity, public relations	Information in leaflets, components facilitating the performance and communication of the service	View as a system of inputs and output (e.g. Information and people); mechanism involved in the delivery of product or service, policies and procedures	Distribution channels, coverage location convenience, availability
Stakeholders	The service features, location design branding	Financial management, tendering contracts	Vision, values, culture branding, design of literature, letter heads, leaflets	Prospectus website, news letters organization's facilities and buildings	Surveys evaluation of surveys, complaints procedures, quality management, consultation, charter mark, investors in people, open door policy	The organization where situated, opening times

- Products:-** Quality, design features, durability, packaging, range of size options, after sales services, brand image.
- Price:-** Price of product to increase volume to create profit consider price of other products. Pricing strategy.
- Promotion:-** Promotional tools, including advertising, personal selling, public relations sales promotion, - message, media, timing of advertising campaign, how much should be spent.
- Place:-** How easy organization can make products easy for customers to access the products – Distribution.
- People:-** Human Relationship. How people in organization treat customers. Actions of employees on customers, a resultant waiter can make or break the company due to his / her actions on customers.
- Process:-** The nature / process by which customers are served. Speedily or slowly. A busy customer will want to be served speedily. Marketers want work closely with operation managers to design customer handling services.
- Physical Evidence:-** Use brochure, pictures or important elements of the service products. A vacation brochure gives evidence of pictorial view of a hotels and resort.

2.3.7 Marketing Mix

A unique blend of product, distribution, promotion, and pricing strategies designed to produce mutually satisfying exchanges with a target market. Marketing Strategy, “The activities of selecting and describing one or more target markets and developing and

maintaining a market mix that will produce mutually satisfying exchanges with target markets”.

2.4 Human Resource (Labour)

2.4.1 Labour and Globalization

Entrepreneurs must be abreast with what is happening elsewhere to be able to recruit people and maintain skillful workers (labour) for efficiency and to maximize profit. Bamber et al (2005), revealed that there is a rapidly expanding literature on globalization and its impact on many aspects of people’s lives – including their working lives. They admitted that, there are many definitions of “Globalization” which range from narrow technical definitions, associated with the structure of international trade, to those that define globalization as further mental change in ideological principles under the international social, political and cultural order. Wade (1996), refers globalization as changes in the international economy, which are associated with increases in international trade goods and services. Isaac (2003), saw globalization as a new work of and old phenomenon.

2.4.2 Recruitment

Dessler (2005), advised on the effective and efficient manner by which recruitment must be done to avoid waste. He developed selection devices that could be used to initially screen applicants. Armstrong (2006), claimed that the overall aim of the recruitment and selection process should be to obtain at minimum cost the number and quality of employees required to satisfy the human resources needs of the company.

Stredwich (2005), estimated the average cost of replacing an employee to be close to £4,300, and rising to £6,800 for a manager. Organization is greatly affected if recruitment is not handled well. Therefore due diligence is required during the recruitment processes.

2.4.3 Motivation

All organizations are concerned with what should be done to achieve sustained high levels of performance through people. This means giving close attention to how individuals can best be motivated through such means as incentives, rewards, leadership and importantly, the work they do and the organization context within which they carry out the work. The aim is to develop motivation processes and a work environment that will help to ensure that individuals deliver results in accordance with expectations of management. (Armstrong 2006 pp. 251) motivation theory examines the process of motivation. He explained why people at work behave in the way they do in terms of their efforts and the directions they are taking Armstrong (2006), further described what organizations can do to apply their efforts and abilities in ways that further the achievement of the organization's goals as well as satisfying their own needs. He viewed motivation as concerned with job satisfaction. In an attempt to define 'Motivation', he concerned motivation with the factors influencing people to behave in certain ways. Arnold et al (1991), identified three components of motivation which are:

- Direction – what a person is trying to do,
- Effort – how hard a person is trying,
- Persistence – how long a person keeps on trying

Megginson et al (1997), defined motivation, as “the inner state that activates a person, including drives, desires and / or motives”. They further explained that employee can be motivated to perform positively or negatively. They said if employees are given reasons to perform better, positive motivation have been created; on the other hand, if an employer does something that annoys, frustrates or antagonizes employees, they will react positively and either withhold production or actually sabotage operations. As an entrepreneur, the best way to succeed in business is to increase employee productivity and efficiency. While there is a limit to improvements in employee productivity, effective motivation can have a positive effect. However, they state that because many factors affect productivity, motivation alone is not enough. Megginson et al (1997), develop a formular for the performance of an employee. They were of the opinion that managers use motivation for three reasons; thus to:

- a. Attract potential employees
- b. Improve performance
- c. Retain good employees.

In trying to disprove the assertion that money alone can motivate, they quoted the thought expressed soon after world war II by Clarence Francis, chairman of General Foods that a speech given in 1952 and reprinted in management method magazine in 1952 “You can buy a man’s time, you can buy a man’s physical presence at a given place, you can even buy a measure number of skilled muscular motions per hour or day, but you cannot buy initiative, you cannot buy loyalty; you cannot buy devotion of

hearts, minds, and souls. You have to earn these things”. (Megginso et al 1997, pp 347).

Barrow et al (2005), supported Professor Frederick Herzberg study which discovered the separate factors which cause job satisfaction and dissatisfaction. The five determinants of job satisfaction are identified to be: achievement, recognition, responsibility, advancement and of course the attractiveness of the work itself. He also found reasons for job dissatisfaction to be, company policy, supervision, administration, salary, working conditions and interpersonal relations. Herzberg, called these cause of dissatisfaction as ‘hygienic factors’. According to Herzberg, the lack of these hygienic conditions will not produce health. Lack of adequate “job hygiene” will cause dissatisfaction but its presence will not itself cause satisfaction. Herzberg said ‘motivators’ such as recognition, responsibility, achievement, etc will cause satisfaction. Finally he suggested that both motivators and hygiene must be considered if an entrepreneur is to be successful at the art of effective management. Some of the non-monetary ways in which an entrepreneur can motivate his / her staff to get the best out of them are:

- Ensuring that everyone understands where the business is now, where it is heading and how they can contribute.
- Provide clear individual and team roles and responsibilities
- Provide lots of feedbacks for people (this can be as simple as saying thank you)
- Creating a good working environment for all staff
- Offering people autonomy and new challenges

- Ensuring that people feel that they are contributing and making a difference (for example by listening to their ideas about what should be done and how things could be improved).
- Having clear development plans and carrier path for each member of staff
- Having training and development activities which support these plans.
- Offering the opportunity to experience other areas of the business and other roles
- Having excellent communication mechanisms (e.g. Monthly management meetings, regular briefings and internal news letters)
- Informal, social meetings (e.g. Weekly visit to the pub, sporting activities etc. and celebration.

2.4.4 Factors in Job Satisfaction

Pearson (1991), captured a survey on the Britain's Guardian Newspaper conducted in 1988 and published in January 1989 revealed the factors and their percentages that contributes to job satisfaction.

Below is the table:

Table 2.3: Showing factors in job satisfaction

No.	Factors in Job Satisfaction	Important % profit or Satisfaction
1	The respect of people you work with	88
2	Personal freedom	87
3	Learning something new	86
4	A challenge	83
5	Seeing your suggestions acted upon	84
6	Helping other people	82
7	Being asked for advice	78
8	Respect of people in your field	76
9	Being well – trained	74
10	Being like by people you work with	74
11	Influencing events	72
12	Working conditions	71
13	Being offered increasing responsibility	69
14	Completing a project	68
15	Being part of a team	65
16	Meeting people through work	65
17	Influencing people	64
18	Working as a individual	63
19	Starting a project	61
20	Solving a human relation problem	59
21	Security	55
22	Being praised by superior	53
23	Status in your organization	50
24	Being promoted	45
25	Solving technical problem	45
26	Status of your organization	42
27	Setting up new system	43
28	Making money	40
29	Exercise power	26
30	Social status	19

Sources: Knight, G. P. Why work survey, January 1989, The Guardian

He further explained that Job Satisfaction is often associated in the public mind with the work environmental conditions of work, social relationships and physical nature of the equipment and workplace. Yet the psychology and the personal situation of the individual are as likely to affect his attitude. He suggested that 'Worker Satisfaction' should rather be used in place of 'Job Satisfaction', of which Job Satisfaction would be a significant but partial element. Harrison and MaCaffer (2005) agreed with Peter Drucker (1996) argument that management is a function, which involves getting things done through other people. Entrepreneurs like managers, achieve the success of their business through other people. To obtain the best from the people they work with, it is expedient to know the factors in Job Satisfaction or workers satisfaction. The above table is to inform entrepreneurs to know the percentage of satisfaction each of the thirty variables contributed to job satisfaction.

2.4.5 Staff Development (Training)

Training people on regular basis in all aspects of their jobs, is a sure-fire way to improve performance by reducing mistakes, getting cost down and increasing customers' satisfaction. Training can also play an important part in retaining and motivating the staff, since it demonstrates your commitment to invest in them. (Barrow C. et al 2005 P. 193). They revealed that it cost two percent (2%) of salary to train staff which is less than ten percent (10%) of the cost of their mistakes. This justified, their position on staff training. Once trained, they may even get enough job satisfaction. It gives fact pay back routes for cost reduction.

The staff training can be one of the following:

- On-the-job coaching
- In-house classroom training
- Public courses
- Interactive distance learning
- Off-the shelf training programmes
- Collages

According to Robore (2000), it is literally impossible today for any individual to take on a job or enter a profession and remain in it for forty or so years with his / her skills basically unchanged. Therefore staff development is not only desirable but also an activity to which each system / organization must commit human and fiscal resources if it is to be remained a skilled and knowledgeable staff. Robore (2000) PP. 175 believed that, the genesis of staff development programme, originates from the organizational goals and objectives. He developed a model for a staff development programme. Below is the model.

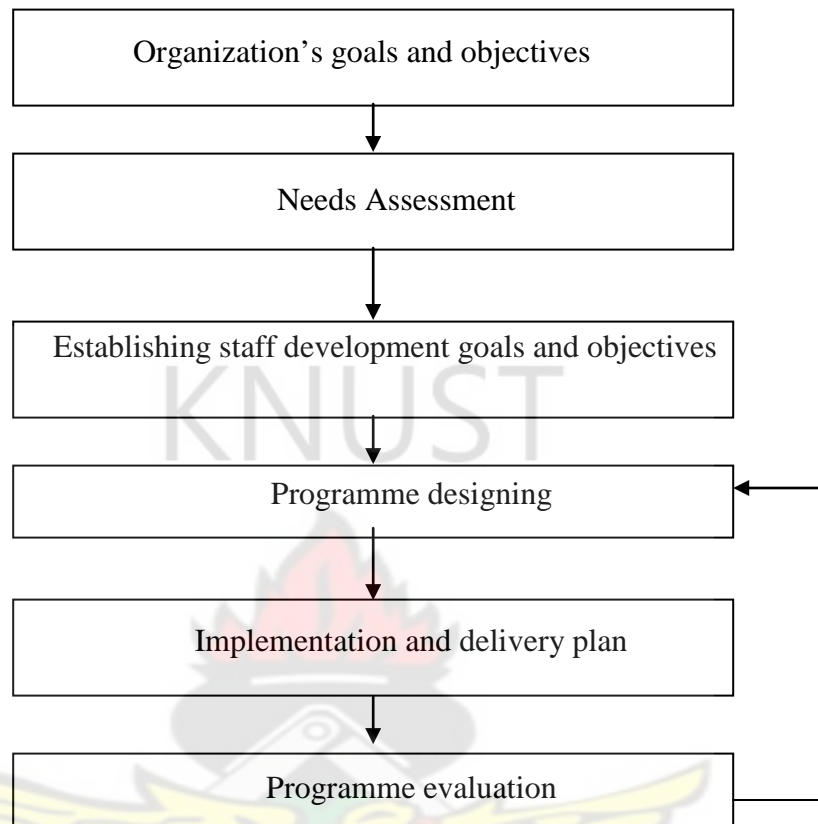


Figure 2.1: A model for a staff development programme

Source: Rebores (2000 pp.175, fig.6-1), Human Resources Administration in Education

With the fast changing technological world we find ourselves and high competition in the business sector, an entrepreneur can only match the competition and remain in and lead the industry only when he pays serious attention to a Staff development.

2.5 Source of Funds (Capital)

Real estate development industry like any other business, require capital for its operations. Due to the nature of the industry it requires huge initial capital.

2.5.1 Capital Structure

Mclaney (2006), refers to capital structure as the way in which an organization is financed by a combination of long-term capital (ordinary shares and reserves), preference shares, debentures, bank loans, convertible loan stock and short-term liabilities such as bank overdraft and trade creditors.

2.5.2 Equity Capital

According to Mclaney (2006), equity capital is the amount contributed by owners / members of the company and is normally supplemented by retained profits or undistributed profit. He is of the opinion that equity finance dominates most business and regarded as the best. Equity capital is mobilized in two main ways; thus by ordinary shares and by preference share.

2.5.2.1 Ordinary Shareholders

This category of share owners are the owners of the business, they have the voting right attached to their shares and have the power to exercise ultimate control over the business. As owners of the business, they bear the greatest risk. Mclaney (2006), further explained that if the business trades unsuccessfully, the ordinary shareholders are the first to suffer in terms of their dividends. In case of the collapse of the business (put into liquidation), it is the ordinary shareholders who will be at the bottom of the list with a claim for repayment of their investment on the other hand, the fruit of the business success principally benefit them.

2.5.2.2 Preference Shareholder

This category of shareholders is the first to take their dividends.

2.5.2.3 Retained Profit

McLaney (2006), viewed retained profit as a source of equity finance. According to him it leads to increase in funds (capital). It is a good source of capital.

2.5.2.4 Mortgage

According to Popplewell (2001 pp 1), mortgage is an arrangement under which a person, the borrower is lent money and as security for loan provides for the lender to have a right to hold the deeds of property that the borrower owns, either freehold or leasehold. Also the lender has the right to sell the property if the loan repayments are not made as required.

Mortgage Loan: A loan that is provided with the provision of the lender taking a mortgage on property owned by the borrower.

Mortgagor: The legal term used to describe the lender.

Mortgagee: The legal term used to describe the borrower

2.5.3 Loans from Financial Institution

These are monies borrowed from financial institutions by issuing securities with a fixed interest rate payable on nominal or face value on a pre-stated redemption date. The securities can also be known as loan stock, debentures or bonds. These are long and

medium term loans ranging from 10 – 25 years. (McLaney 2006). Loan stocks attract all types of investors who seek relatively low-risk returns. It is a popular form of loan stock, as a means of raising long-term financing. Many businesses however, obtain financing from a capital market by listing for their own stock so that potential lenders can buy part of a business's borrowings from a previous lender.

2.5.4 Overdraft

This is a short-term source of finance obtained from banks. Harrison I. (2004), suggested that it is better for business to agree an overdraft limit with the bank before they use this source of finance. He advised that the negotiation of the limit is to ensure that the company is given a fair deal with the interest charged. He agrees that interest charged on short-term loans such as overdrafts are higher than long-term borrowing. He contended that it is expensive to raise financing through overdraft than long-term loan or bank loan. However, providers of overdrafts do not require the level of security that would be required when granting a bank loan. He advised that an overdraft is used when the amount of additional finance required can only be calculated approximately and the period for which it is required is estimated to be short.

2.5.5 Factors for the Business to Consider on Loan Stock Financing

The factors to be considered before going in for a loan stock financing are:

- i. **Issue Cost:** The cost involve in using the stock. Most often it tends to be relatively low.

- ii. **Service Cost:** Since loan stock represent a relatively low-risk investment to investors, expected returns turn to be low compared with those typically sought by equity holders.
- iii. **Obligations to Pay Interest:** Loan stockholders have the basic right under the law of contract to take action to enforce the payment of interest and repayment of capital on due dates. What action will the borrower take in case of default?
- iv. **Tax Deductibility of Loan Stock Interest:** Interest is fully deductible from profit for corporation tax purposes. This has turn to make loan interest payments cheaper than ordinary and preference shares.
- v. **Effects on control** and freedom of action(s).

2.5.6 Factors for Potential Investors to Consider on Loan Stock

- i. **Level of Returns:** Level of return on equity financing would be expected to be higher than the level of return associated with 'safe' investments. Compared with other types of securities, ordinary shares have an advantage.
- ii. **Risk of Returns:** Returns, in terms both of capital gains and of dividends, are not certain by any means. Negative returns are very common over short periods though, historically, above average positive returns in other periods compensate for these.
- iii. **Ease of Liquidating the Investment:** Typically, when investors take up part of an issue of new equity of a business, they have no particular thoughts of the business ever repaying that investment. However, an average investor would be

reluctant to take up equities unless it was clear that there would be opportunity to liquidate the investment in some other way.

- iv. ***Degree of Control:*** Ordinary shares typically carry voting rights. This tends not to be too important to the typical shareholders but it does put him or her in a position, perhaps acting together with other shareholders to apply pressure to the business's senior management on any matter of concern.



CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter discusses the research methodology. It addresses the population that was the focus of the research. This was followed by the sample (sampling, sample frame, sample size). The research instruments (questionnaire, interviews, observation) were also considered in this chapter. Issues bordering the administration of the questionnaire were addressed.

3.1 Population

The Real Estate Developers in Ghana are the target population. Especially those who are registered members of Ghana Real Estate Developers Association (GREDA). They are mostly concentrated in the Greater Accra and Ashanti Regions. They are scattered and difficult to reach or to be identified. However, the GREDA has registered the good standing ones. It therefore becomes a bit easier to deal with those recognized by GREDA. For the purpose of this study, the researcher relied on the membership of GREDA. Updated full list of members was obtained from GREDA as shown in Appendix 2.

3.2 Samples

The nature of the study was such that non-probability sampling were appropriate. The Purposive Sampling and Convenience Sampling were used to obtain respondents. It was

because; only GREDA members could provide the needed information. The snowball sampling was also used. First on the purposive, a list of GREDA members was obtained from GREDA Secretariat. Secondly, due to the scattered nature of the members, the researcher used convenience sampling to choose the members by considering proximity and availability.

Snowball:- After visiting one Real Estate Developer, the researcher asked for the closest Estate Developer from the already visited company.

3.2.1 Sample Frame

A list of good standing estate developers was obtained from a GREDA's secretariat containing one hundred and ten estate developers.

3.2.2 Sample Size

A list of Twenty-two (22) good standing Real Estate Developers were targeted for the study. The sample size targeted was 22 Real Estate Firms which was based on the formula developed by Kish found in Saunders et al (1997),

The formula indicated below:

$$n = \frac{n'}{1 + (n'/N)}$$

Where n is the minimum sample size:

$$n' = (S/V)^2$$

S = maximum standard deviation of the population sample calculated as:

$S = P(1 - P)$, P = Being the proportion belonging to the specified category (in this case $P = 50\%$ in applying the simple majority rule).

Therefore

$$S = 0.5(1 - 0.5) = 0.25$$

V = Standard error of sampling distributions

$V = 0.05$ for a confidence level of 95%

$$n' = (0.25 / 0.05)^2 = 25$$

N = The total population. In this case it is the list obtained from GREDA being 110 good standing members.

$$\begin{aligned} n &= \frac{n'}{1 + (n'/N)} \\ &= \frac{25}{1 + (25/110)} \\ &= \frac{25}{1 + 0.23} \\ &= 20.32 \\ &= \underline{20} \end{aligned}$$

Assume a non-response rate of 10%, the final sample firms to the questionnaire became 22 (i.e. $20 \times 0.1 \times 20 = 22$)

In each of the 22 firms, four Professional Human Resource Personnel, Marketing Officers and Accountants) were identified and administered questionnaire for their response. The questionnaires were sent to 88 respondents.

Sample Gap:

This is the difference between the operational population and target population. To agree, the views expressed by Simon (1994) and McKenzie (1988) that “a list of a sample frame rarely matches the target population exactly”; and that no sample frame is perfect.

3.3 Research Instrument

The under listed Instruments were used in collecting the primary data.

- (i) Questionnaires – Open and closed ended
- (ii) Interview – Unstructured
- (iii) Visits and observation

3.3.1 Questionnaire

Four categories of questionnaires were used. They were labeled Questionnaire (1), (2), (3) and (4) as shown in the table below:

Table 2.4: Table showing the distribution of Questionnaire

No.	Respondents	No. of Questionnaires	Response	Percentage (%)
1	Questionnaire (1) – Directors	22	19	86.4
2	Questionnaire (2) – Marketing Officers	22	20	90.9
3	Questionnaire (3) – Human Resource Managers	22	21	95.5
4	Questionnaire (4) – Accountants	22	20	90.9
	TOTAL	88	80	90.9

Questionnaire (1):- The questionnaire was in four parts (a), (b), (c) and (d). It was sent to the Directors of the Estate Development Companies to solicit their views. Part (a) contains Twenty-Seven (27) variables. Thirteen variables are closed ended and fourteen open ended. To assess the background of developers. Part (b) also to be answered by Director of the Estate Development Companies to assess their entrepreneurial characteristics / skills. It contains twenty (20) characteristics / skills of entrepreneurs. It was in the form of closed ended statement which is rated from one (1) to four (4). One being the least and four being the strongest. Questionnaire part (c) contained thirteen (13) closed ended rating statements were also given to directors to solicit their views on government's policies and programmes on real estate industry whether they are supportive or constraints to operators in the industry. Questionnaire part (d) was closed ended type which chronicled the standard process of acquiring land in Ghana. This is to enable the researcher ascertain if developers go through the appropriate methods of acquiring land.

Questionnaire (2):- Consist of seventeen (17) variables. Seven (7) were closed ended and ten (10) were open ended type which was administered to the marketing officers in the forty real estate establishments to solicit their ways they market their products to enable the researcher assess their creativity in the uncompromising marketing conditions.

Questionnaire (3):- Contained fifteen (15) closed ended statements distributed to Human Resource Managers in the selected companies. This is to aid the researcher assess the human resource practices in the organization.

Finally Questionnaire (4):- Fourteen (14) closed ended statements to assess how the developers source for capital (funding) for their operations.

3.3.2 Interview

Unstructured interviews were conducted on other workers at the various offices and sites to gather any other information the questionnaires were unable to obtain.

3.3.3 Visits and Observations

The offices and sites of the selected developers were visited and observations were made and pictures taken. This offered the researcher the opportunity to note what was actually happening in the various establishments to compliment the information gathered through the questionnaire.

3.3.4 Literature (Secondary Data)

The researcher scouted for relevant information from internet, books, periodicals and reports from various libraries such as KNUST main library, KNUST school of Business Library, KNUST College of Architecture and Planning Library, BRRI, Kumasi Polytechnic, Sunyani Polytechnic, Ghana Institute of Management and Public Administration (GIMPA) and GREDA Libraries.

3.3.4.1 Validity of the Questionnaire

The designed questionnaire was given out to two classmates who are also on the MSc. Construction Management programme to vet them. After that the questionnaire was developed and given to the researcher's Supervisor to critique. After the necessary corrections were done, the questionnaire was photocopied and sent to twenty (20) HND 2 Building Technology students from the Sunyani Polytechnic to answer. They were collected back and assessed. The desired responses were given. Few other problems detected were addressed to remove seemingly ambiguity in the wording in some of the questions/variables.

3.3.4.2 Reliability of the Questionnaire

The final questionnaire was given to twenty (20) HND 1 Building Technology students of Sunyani Polytechnic and another set of twenty (20) were given out to HND 3 B.T. students of Sunyani Polytechnic. The results proved to be the same. These were done before the questionnaire was sent out to the field to collect the primary data. This was done to ensure the reliability of the questionnaire.

3.3.4.3 Response Rate

The response rate was 90.9. See table 2.4 on Pg 71.

This was achieved as a result of constant phone calls to remind respondents and regular visits. Also respondents were assured of confidentiality of views or opinions expressed and their secrets shared with the researcher.

3.4 Administration of Instrument (Data Collection Procedure)

The researcher personally sent out the questionnaire to the Directors, Marketing Officers, Human Resource Managers and Accountants of the Estate Developers and collected them personally. Again, the researcher personally interviewed the auxiliary staff. The questionnaires were sent to the personalities concern in their offices during the working hours between 8.00 am and 5.00 pm. The interviews were also conducted within the same time (8:00 am to 5:00 pm) face to face and one on one basis. After distributing the questionnaires, the researcher did constant follow-ups coupled up with regular telephone calls to remind respondents. It was very difficult to get the directors respond to the questionnaires. Some of them were afraid that they were revealing their organizations secrets. Some of them were so busy that they hardly sit down to attend to the questionnaire. Some left the questionnaires and even traveled outside Ghana. Some even refused to pick the researchers telephone call. The researcher personally collected the responded questionnaire back.

3.5 Analysis of Data

The data collected was collated. The Statistical Package for Social Scientist version 15 (SPSS Version 15) and Microsoft excel were used to analyze the data. Frequency tables, percentages bar charts, pie charts and descriptive were used to analyze the results from these analyses provided the basis for finding the common trends through the responses with respect to the research objectives.

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF DATA

4.1 Introduction

This chapter consists of the presentation of the field (primary) data, interpretation and analysis of the study. The findings of the study are then compared with the data collected from secondary sources to enable meaningful conclusions to be drawn and appropriate recommendations made. The first item dealt with the background of the Directors of Real Estate Development. The next sought the views of the Directors on land acquisition for estate development, their views on Government Policies and to solicit from them their strengths and weakness in some entrepreneurial characteristics. The marketing officer's views were also sought on how the Developers market their estate.

Human Resource Managers' views were also solicited on labour. Views were again sought from the Accountants on finances of the various firms.

4.1.1 Sex Distribution of the sampled Population

According to Green (2006), entrepreneurs come from all types of backgrounds and create all kinds of businesses. Though the real estate industry is a robust one, female entrepreneurs are not left out. The research revealed that the real estate development industry in Ghana is dominated by males thus, 89% males and 11% females. The interview conducted revealed that the female estate developers are well educated and

have had previous experience in the real estate industry. They entered into other business before venturing. That made them bolder to take higher risks.

4.1.2 Qualification of the Real Estate Developers sampled.

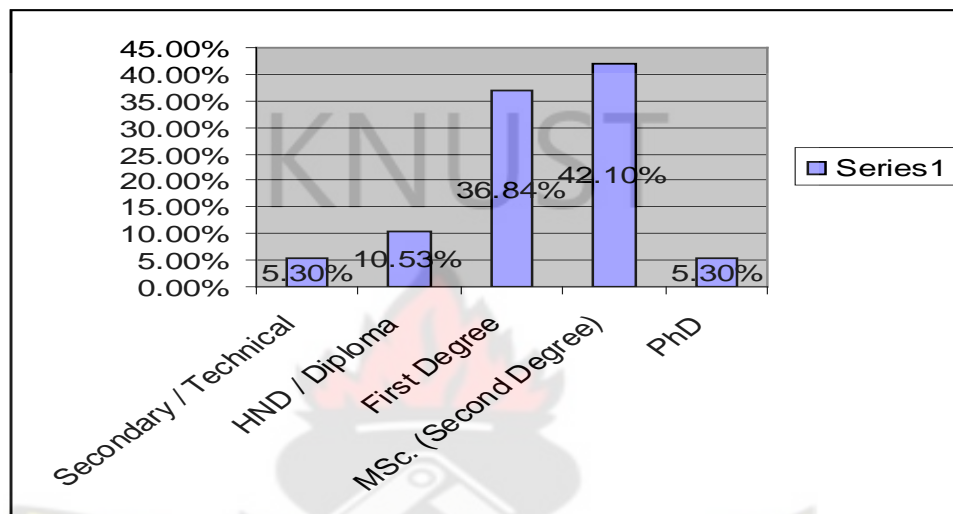


Figure 4.1: The Bar Chart is showing the qualification of Real Estate Developers

Source: Field Survey – 2009

From the chart it reveals that developers with Masters Degree or its equivalent degree dominate the real estate industry. Only 5.30% of the respondents are PhD holders in the industry. 36.84% are first degree holders, 10.53% are holders of Diploma / HND and Secondary/Technical were 5.30%. Amponsah (2003), and Kuratko and Hodgett (1999), asserted that entrepreneurs who are better educated are more successful than less educated ones. This study confirms that assertion. This stem from the fact that, the highly educated developers are more careful, they take a well calculated risk. They prudently handle their finances. Besides, they have high level of networking. They use their characteristics as entrepreneurs very well to their advantages by sourcing capital.

The education helps them to polish the entrepreneurial characteristics they have. They have the ability of adapting to emerging occurrences.

4.1.3 Areas of Specialization

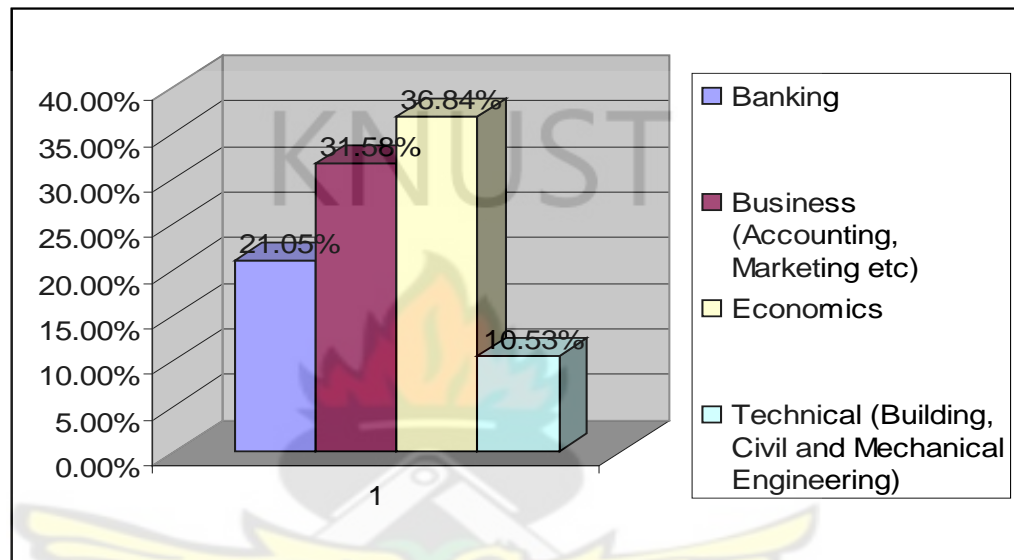


Figure 4.2: Areas of Specialization Real Estate Developers

Source: Field Survey – 2009

The research revealed that 36.84% of the respondent have specialized in Economics, 21.05% and 31.58% have also specialized in Banking and Business respectively only 10.53% have specialized in Technical (Building, Civil and Mechanical Engineering). These results indicate that those who read economics were exposed to some aspect of entrepreneurship during their training. Those who also specialized in banking and business also had some opportunity to study entrepreneurship. Especially when they were vetting other people's Business Plans or were asked to prepare the business plans to enable them access capital (for details concerning capital, see page 114 and 115). It

further reveals that if students are exposed to entrepreneurship training, it better equips them. Though those with Technical Training associated with the built environment hardly enter into the real estate industry.

4.1.4 Previous Experience in Real Estate Development

The research revealed that 68.42% of the Real Estate Developers had exposure to the business before venturing into it. Some by financing, being business advisers, preparing business proposals for developers, they are attracted into the real estate industry. Others also had the opportunity of working in a real estate establishment. The experience gained in the industry motivated them to enter into the industry.

4.1.5 Marriage Divorced

The study showed that 21.10% of the Real Estate Developers have suffered divorce. As Stroke (2006), claimed that entrepreneurs turn to suffer marriage problems. It was explained that as they struggle thick and thin conditions to achieve their desires, they turn to have marriage problems. They end up having broken marriages and this in turn affects the family. This study proves Strokes claim hence, having 21% of respondents having suffered devoiced.

4.1.6 Professional training after school

The research indicates that about 73.68% developers had training after school.

4.1.7 Occupations of developers Parents / Guardians

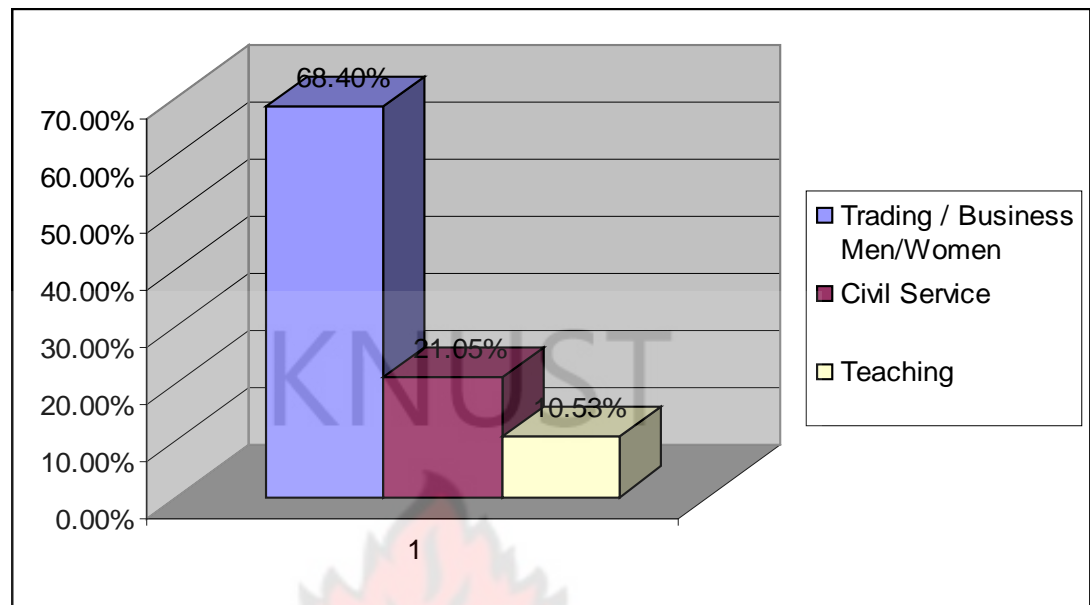


Figure 4.3: Bar chart showing the occupation of parents / guardians of respondents

Source: Field Survey – 2009

The research revealed that 68.40% of the parents of respondents were engaged in all manner of business, 21.05% were Civil Servants and 10.53% were Teachers. The study confirms the assertion of other researchers that the occupation of parents/guidance influences their wards thinking and direction of life. Specifically parents who engage in commercial activities are likely to have their wards becoming entrepreneurs. By 68% of the respondents of this study having the parents / guidance in business is ample indication.

4.1.8 Training in Entrepreneurship

From data collected, it shows that 68.42% had training in entrepreneurship. It therefore proves that entrepreneurship arms individuals to take up businesses even where other people see it to be a problem. 31.58% have not had any entrepreneurship training. These results seem to confirm the notion that some entrepreneurs are born and others can be made. But as Green (2006), put it many company started by entrepreneurs go out of business. This is often caused by poor planning, lack of business knowledge or choose the wrong business. Born entrepreneur are often the victims. This study revealed that most of the real estate developers had some sort of entrepreneurship training. Though they were not exposed to entrepreneurship training while in school about 68% of them had short courses on entrepreneurship and that has actually propelled them into the real estate industry. Though the industry is a tougher one, the training armed them enough to be able to dare challenges in the business world. They are doing better than their counterparts who did not have the opportunity of going through entrepreneurial training.

From the analysis, it is clear that if Ghana wish to have an army of entrepreneurs, it must start training entrepreneurs through to the high institutions. The 68% who had the entrepreneurship training are having great impact on the real estate industry. If the entrepreneurship training will have positive impact on the real estate industry, there will be a boom in the industry which will go a long way to minimize the housing problems in Ghana. Wealth and employment can also be created.

4.1.9 Average age at which respondents entered into the business world

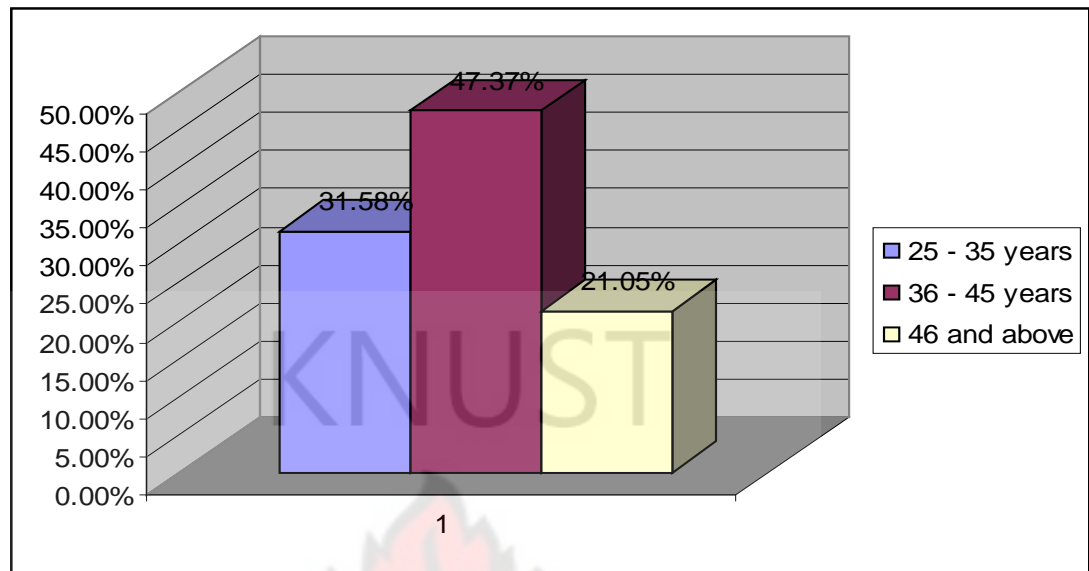


Figure 4.4: Bar chart indicating the average age respondents entered into business.

Source: Field Survey – 2009

The research reveals that 31.58% of the respondents started their own businesses between the ages of 25 – 35, 47.37% were in the ages between 36 – 45, then 46 and above were 21.05%. The data further revealed that over 68.42% of the respondents entered into the real estate development industry after age 35. This attests to the fact that they became bolder and courageous to take calculated risk at that time. It also explains that by that time they have had enough education, training and experience in the business world. Green (2006) was vindicated when she posited that all ages of people choose to become entrepreneurs, some owns tiny craft shop, other own huge construction companies.

4.1.10 Motivation to start own businesses

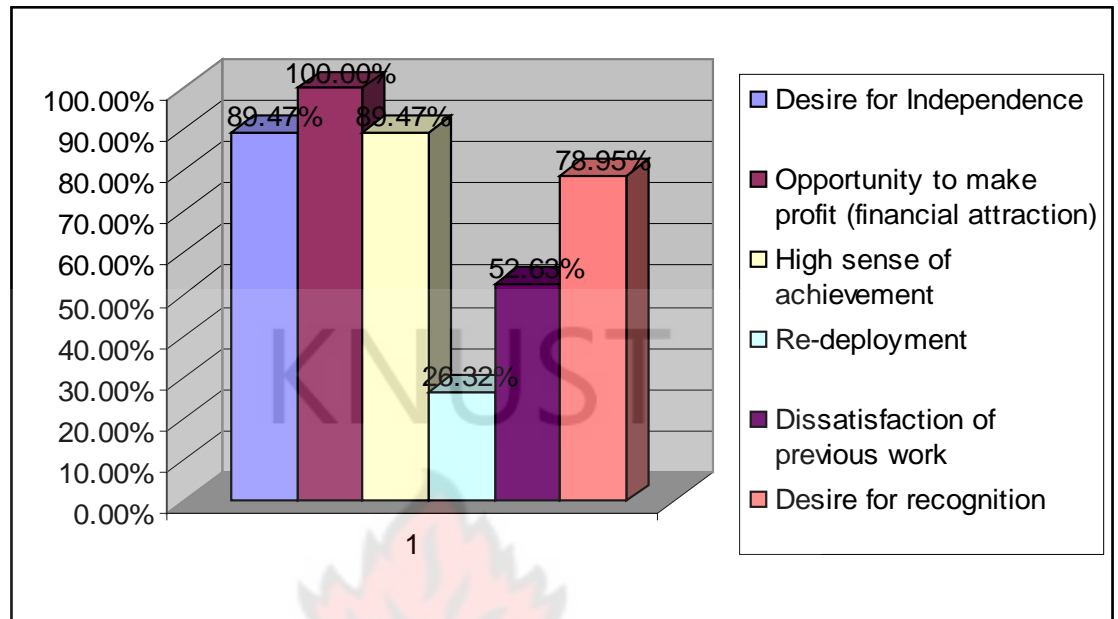


Figure 4.5: Shows motivation to respondents to start own businesses.

Source: Field Survey – 2009

Figure 4.5 indicated that 89.47% of the respondents were motivated by desire for independence to start their business. All the respondents saw the profit or financial attraction as the motivation to start their businesses because they have high sense of achievement. The respondents who started their business as a result of redeployment in their previous workplace were 26.32%. 52.63% of the respondents started their own business due to job dissatisfaction in their previous jobs. 78.95% of the respondents postulated that they started their own businesses because of their desire for recognition. This revelation is in line with the claim by Mengginso et al (1997), that people start their own business because they want to be free from outside control, they enjoy their freedom from “doing their own things” and making their own decisions for better or for worse. Hisrich et al (2002) also contended that, independence, personal satisfaction and

financial attraction are the motivating factors for entrepreneurs to start their own business.

4.1.11 Motivating factors which influence Real Estate Developers

The study reveal that 31.58% entered into real estate industry to principally solve the housing problems in the country. But 68.42% invested in the real estate industry for profit motive. This is to help them create wealth for themselves and this is one of the characteristics of entrepreneurs. This study agreed with the claim by Hisrich and Peter (2002), that entrepreneur organizes and operate an enterprise for personal gains.

4.1.12 Legal form of Business

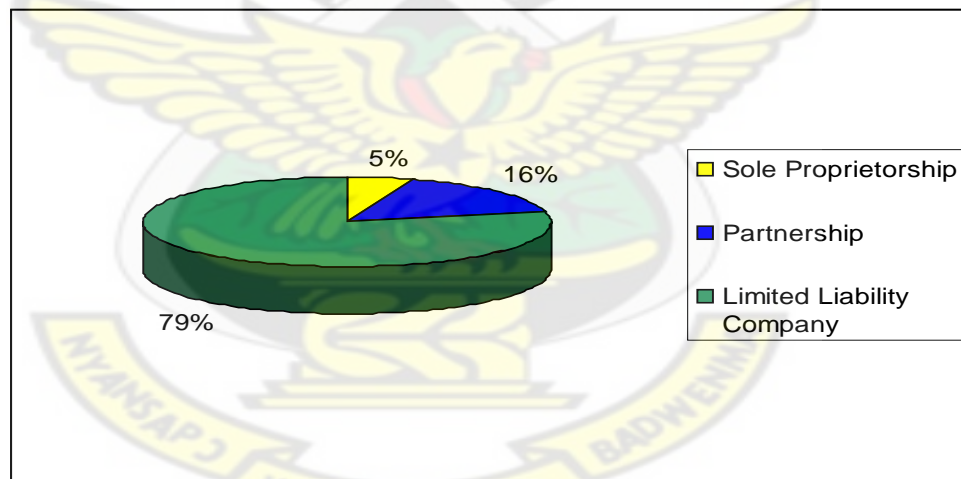


Figure 4.6: Pie chart showing legal form of Business of Respondents

Source: Field Survey – 2009

The study revealed that 79% of the real estate firms are limited liability companies and 16% are in partnership. 5% are sole proprietorship. The low percentage of the sole proprietorship is as a result of high capital required to be able to survive in the real

estate market. The firms operating with the sole proprietorship and partnership are struggling to survive. They find it extremely difficult to raise the needed working capital for their operations. These firms are new in the industry.

4.1.13 Is the Real Estate Industry Meeting the Housing Needs?

The research shows that the real estate industry is not meeting the housing needs. This is as a result of high population increases, high cost of production, rural-urban migration, workers low income which is unable to meet the cost of building. The study confirms the report of Draft National Shelter Policy, (2007), which estimated that there is an excess of 500,000 housing unit deficit in Ghana. Despite the fact that the general desire for housing unit is high, effective demand is relatively low due mainly to low income levels. According to an International Finance Corporation (IFC) sponsored study in (June 2005) on housing finance in Ghana, only five percent (5%) of Ghanaians who want to own a house can do so from their own resources, (Ankomah 2007). A BRRI study on annual housing output for (2005) indicates a total of a 40,000 housing unit for a country that requires 110,000 units per annum. Out of these 40,000, about 38,200 units representing 95.5% of the estimated annual output was supplied by individuals, (Ankomah 2007). The largest contributor was GREDA with 750 units representing 1.9% while District Assemblies followed with 470 housing units representing 1.2% (Property Express Local, 12th November 2007 page 5).

4.1.14 Is the Government assisting the Real Estate Developers in Ghana?

73.68% of the respondents were of the view that government assistance is inadequate. 26.32% believed that government assistance is enough support for the real estate industry. They saw government policies on land reforms, public – private partnership policies as tremendous assistance. Government intervention to assist Home Finance Bank Ltd to provide mortgage finance to enable Ghanaians buy houses is another contribution. The many incentives such as tax holidays, zero rating of all equipment and machinery brought in, now exist within the Ghana's investment code for those wishing to invest in housing are significant assistance. 73.63% were of the view that government can do more than that to entice investors to the real estate industry by providing long-term loan facilities with minimum interest rate. They viewed the present tendency of depending on short-term borrowing to finance long-term assets can lead to serious cash flow problems. The relatively high commercial lending rates have unduly raised the cost of borrowing. This makes housing finance unaffordable to low and medium income groups.

4.1.15 Characteristics of Entrepreneurs

Table 4.1: A table showing Characteristics of Entrepreneur

	CHARACTERISTICS OF ENTREPRENEURS	Rating				WTD SUM	N	U
		4	3	2	1	76		
1	Self-Confidence (SC)	4	15	0	0	61	19	3.210526
2	Cherish Independence (CI)	14	4	1	0	70	19	3.684211
3	Drive to achieve and grow (Achievement) (DAG)	14	4	1	0	70	19	3.684211
4	Creativity (Innovation or Initiative) (C)	12	7	0	0	69	19	3.631579
5	Risk-taking (RT)	7	11	1	0	63	19	3.315789
6	Opportunity seeking (OS)	5	14	0	0	62	19	3.263158
7	Diligence (Perfectionist) (D)	5	12	2	0	60	19	3.157895
8	Positive response to challenges (PRC)	7	12	0	0	64	19	3.368421
9	Visionary leader (VL)	11	5	3	0	65	19	3.421053
10	Hard work (H)	12	7	0	0	69	19	3.631579
11	Aggressiveness towards Achieving your Goal (AAG)	13	5	1	0	69	19	3.631579
12	Quick reaction to events (QRE)	10	7	2	0	65	19	3.421053
13	Negotiation (N)	7	10	2	0	62	19	3.263158
14	Demand for Efficiency and quality (DEQ)	14	4	1	0	70	19	3.684211
15	Financial Prudence (FP)	12	5	2	0	67	19	3.526316
16	Planning and Goal setting (PG)	5	10	4	0	58	19	3.052632
17	Good Interpersonal Relationship (GIR)	12	7	0	0	69	19	3.631579
18	Courageous (Bold to take decisions)	13	6	0	0	70	19	3.684211
19	Network Building and Persuasion (NBP)	10	5	4	0	63	19	3.315789
20	Ability to Organize (AO)	10	9	0	0	67	19	3.526316

Source: Field Survey – 2009

Key

4: I am very strong in this characteristic

3: I have much of this characteristic

2: I have a little of this characteristic

1: I do not have this characteristic

WTD SUM: Total weight / rate

N: Total number of respondents

U: Mean (average)

The table above presented twenty (20) well researched and established entrepreneurial characteristics. These characteristics are sent out to the Directors of Real Estate Developers to make objective assessment of themselves as to whether they have these characteristics and their strengths in the various variables.

The results as indicated by the field survey revealed that the characteristics are very important for entrepreneurship. Respondents have the average characteristics from the range of 3.052632 to 3.684211. This clearly shows that the Directors of the Estate Developers have these characteristics.

They are very strong in characteristics such as Cherish Independence, Drive to Achieve and Grow, Demand for Efficiency and Courageous; thus bold to take decisions. The characteristic they have their least strength is Planning and Goal Setting.

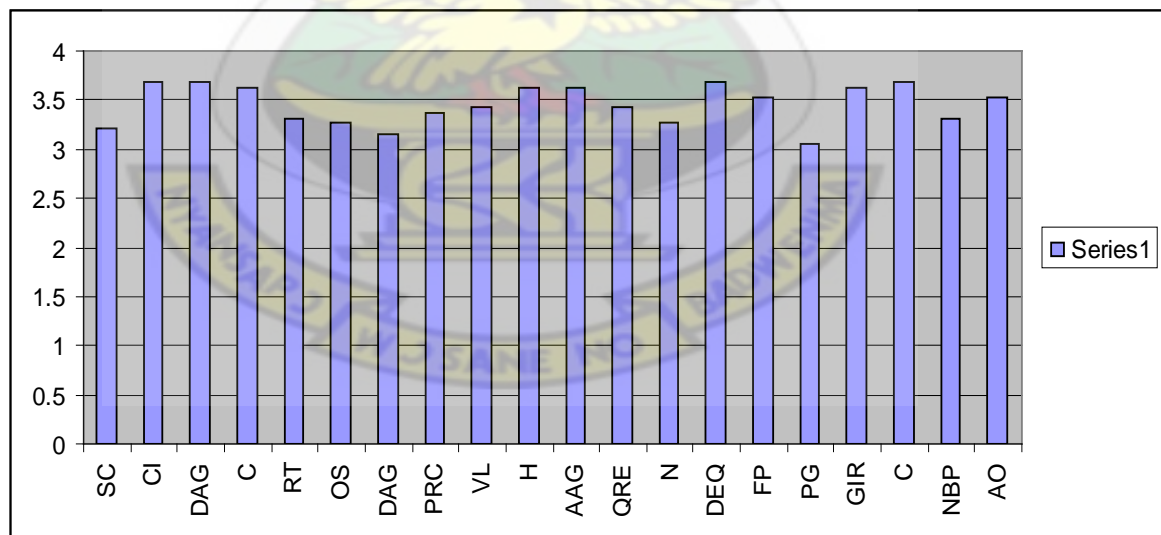


Figure 4.1: The bar chart above shows the result of characteristics of entrepreneurs

Source: Field Survey – 2009

Table 4.2: Showing ranking result of characteristics/skills of entrepreneurs

Variable	Characteristics of Entrepreneurs	Ranking
2	Cherish Independence	1
3	Drive to Achieve and Grow (Achievement)	1
14	Demand for Efficiency and Quality	1
18	Courageous (Bold to take decisions)	1
4	Creativity (Innovation and Initiative)	2
10	Hard Work	2
11	Aggressiveness towards Achieving your goal	2
17	Good Interpersonal Relationship	2
15	Financial Prudence	3
20	Ability to Organize	3
9	Visionary Leader	4
12	Quick reaction to Events	4
8	Positive Response to Challenges	5
5	Risk-Taking	6
19	Network Building and Persuasion	6
6	Opportunity Seeking	7
13	Negotiation	7
1	Self-Confidence	8
7	Diligence (Perfectionist)	9
16	Planning and Goal Setting	10

Source: Field Survey – 2009

Table 4.2 classically provide the needed explanation of why there is but minimal impact by the Real Estate Developers (RED) as entrepreneurs as far as contributing the solution of the housing problems are concerned. A critical look at the rankings of the characteristics reveals that the RED in Ghana are strong in those characteristics that are required to start a business and succeed in the short-term but very weak in those

characteristics that are required to sustain them in the long-term and to indicate their intention to stay in business. As it stands the first 8 most common characteristics occupy the best two positions. The first positions being *cherish independence, drive to achieve and grow and demand for efficiency and quality*. These are fundamental and essential characteristics required for any entrepreneur without which they would not exist as such. The next group of characteristics which occupies the second position includes creativity, *hard work, aggressiveness towards achieving your goal and good interpersonal relationship*. These are characteristics which are required for surviving the competition and excelling. In effect, the first 8 prominent characteristics points more to the fact that most of our RED are predominantly working towards the short-term business success with little long-term risk taking. On the other hand, the characteristics which occupy the last 12 positions are those which influence long-term planning. Surprisingly, the last on the list is *Planning-and goal setting*. The third group includes *financial prudence, ability to organize*.

In addition to such characteristics as *visionary leader, quick reaction to events, and positive response to challenges, risk-taking, and network building and persuasion*, they form the main ones necessary for sustaining a business in the long-term. These are the core ones which needed to have been ranked high among entrepreneurs. *Opportunity seeking, negotiation, self-confidence and diligence* which occupy the 7th, 8th and 9th position, are necessary for all the stages, though. The above situation relates very much with the areas of specialization or background of RED. In Figure 4, the results showed that only 10.53% of them have the requisite technical background, i.e. training in

building and building related professions. This leaves up to about 89% of them having background in other professions such as accounting, marketing, banking economics etc. When people of such background enters into a business line other than their own, and especially, a very different one like construction, chances are that they took a decision to invest excess capital and not necessarily to roll on investment for the long-term. They often have the tendency to do it one-off and return to their comfort zone. In such a circumstance, the trend revealed in Table 4.2 is exactly what is to be expected. On the other hand, RED with building or building related training enter because that is their comfort zone and are most likely to be in to stay, all things being equal. Thus the trend is likely to change if we have the largest majority of RED as entrepreneurs having background training in building or its related professions.

The argument is that, solving the housing problem of a country is undoubtedly dependent heavily on long-term strategies. This has been the most effective approach recommended and adopted by governments in advanced countries (Masse, 2002). It involves investment whose return is in the long-term and hence requires such characteristics as planning and goal setting, vision, financial prudence, sharp reflexes to challenges and organizational ability. If the RED in Ghana are to play their roles as complementing government efforts, it will require that they exhibit these long-term characteristics. These will reflect in their strategies and commitments. More RED will be in business in the long-term to contribute to the solution.

4.2 Type of land ownership often acquired

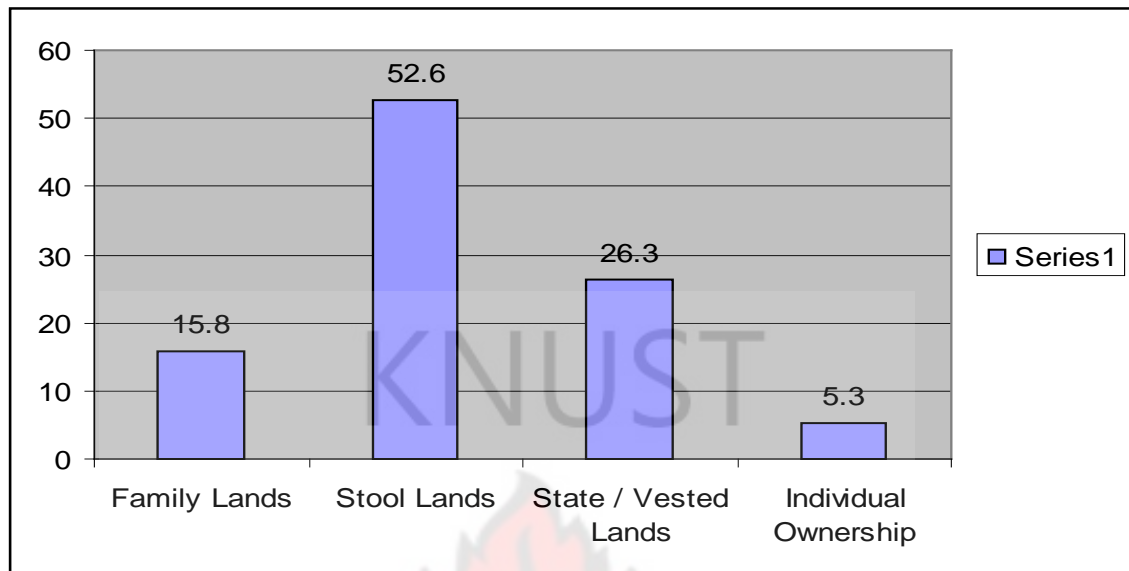


Figure 4.2: Bar chart showing type of land ownership often acquired by Real Estate Developers

Source: Field Survey – 2009

From the chart, the research thus indicates that 73.7% of land acquired for real estate development comes from individuals (5.3%), family heads (15.8%) and chiefs (52.6%). Usually, lands acquired from the lands departments follow laid down procedures and thus offer little room for litigation. However, those acquired through individuals, family heads and chiefs constitute the main source of litigation and indiscipline associated with land acquisition. This explains why there are so many indiscipline in the land market. It is therefore prudent for the government to fast-track the legislative and institutional reforms aimed at reviving the legal framework to streamline the acquisition processes so that developers will find it a bit easier in acquiring problems free lands. This will make the land administration and management system more flexible and reduce land litigation.

4.2.1 Appropriate procedure / processes in acquiring land for real estate development

Table 4.3: Shows appropriate procedure / processes in acquiring land for real estate development

Item	Appropriate / processes used	Yes	No	Percentage Applied (%)
1	Investigate the validity of the ownership of the land	19		100
2	Look for all stakeholders of land	18	1	94.7
3	Check the suitability of the land for the intended structure by involving professionals	10	9	52.6
4	Check other people who have interest on the land (squatters) to help ascertain the compensation needed	12	7	63.2
5	Consider the marketability of the area before choosing site	13	6	68.4
6	Do research at lands commission	19	0	100.0
7	Prepare cadastral plan as govern by law	19	0	100.0
8	Apply to town and country planning for clearance	19	0	100.0
9	Engage legal counsel to prepare the agreement for a lease	17	2	89.5
10	Presentation of documents for processing and registration	19	0	100.0
11	Ensuring that the conveyance decree of 1971 NRCD 175 is conformed to	18	1	94,7
12	Document sent to chairman of lands commission for concurrence	19	0	100.0
13	Document sent to land valuation board for stamping	19	0	100.0
	MEAN			89.5

Source: Field Survey – 2009

From table 4.3, 89.5% of the estate developers have used the appropriate procedure for acquiring land from chiefs, individuals and family heads. They however saw the process to be cumbersome. All those who acquire state and vested lands went through the laid down process but complained of the bureaucratic and complex administrative systems.

These hindrances cause undue delays in their operation. Due to the cumbersomeness of the process sometime Developers are compelled to take higher risk by starting their operations before they finally go through the process. By ensuring that the necessary procedures of lands acquisition are followed indicates that real estate developers do due diligence which is an important characteristic of entrepreneurs.

4.2.2 Government Policies

The social and economic environment within which a business operates has a significant impact on the efficiency and the success of the operation. At the same time, business activities also have an impact on their socio-economic environment. It means that the business and socio-economic environments are interdependent. The business environment is largely determined by government policies. The researcher sought to identify policies of the government which are both supportive and constrain to the Real Estate Industry in Ghana.

Below are some of the government policies which were identified, sent out to real estate developers to assess its significance, impact and otherwise to the real estate industry.

Table 4.4: A table showing assessment of Government Policies

	Assessment of Government Policies and Programmes, Supportive measures and Constrains							
	What impact do Government Policies and Programmes have on Real Estate Development in Ghana	Rating				WTD SUM	N	U
		4	3	2	1			
1	Labour market and labour protection	11	7	0	1	66	19	3.47368
2	Education, human resource development	15	4	0	0	72	19	3.78947
3	Market organization, competition and market performance	2	15	2	0	57	19	3.00
4	Estate housing	2	4	10	3	35	19	1.84
5	Regional Development	0	5	9	5	38	19	2.00
6	Development of innovative capacities (R&D)	5	12	2	0	60	19	3.15789
7	Taxation and Subsidies	0	1	5	13	26	19	1.368421
8	Foreign Exchange Administration	4	3	12	0	49	19	2.57895
9	Banking Sector (Credit availability)	1	6	4	8	34	19	1.789473
10	Trade and Customs	0	1	6	12	27	19	1.421052
11	Environmental Impacts	4	10	5	0	56	19	2.94737

Source: Field Survey – 2009

Key

- 4: High supportive, essential for Real Estate Developers
3: Favourable for Real Estate Developers
2: Constraints, obstacles to Real Estate developers
1: No impact (serve constraints, making Real Estate Business very difficult)
WTD SUM: Total weight / rated
N: Total number of respondents
U: Mean (average)

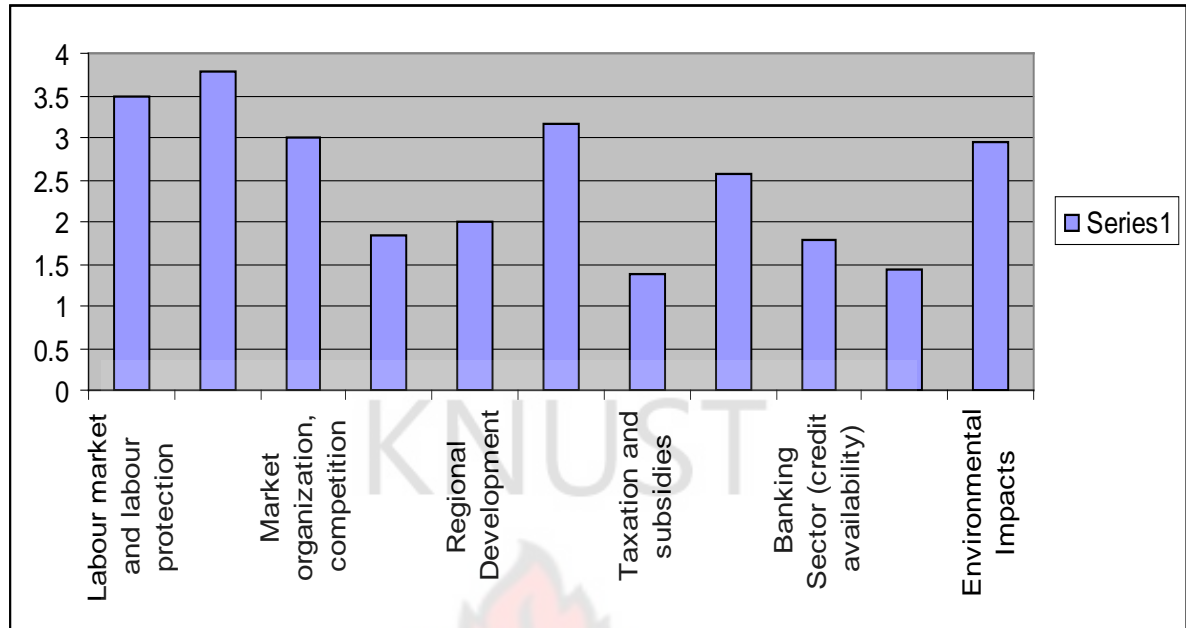


Figure 4.3: A bar char showing Government Policies

Source: Field Survey – 2009

From the result above, it is indicative that the Government Policies on human capital is favourable and supportive of the real estate industry. They scored the mean value of 3.78947 and 3.47368. Policies on Trade Customs, Taxation and Subsidies are constraints and obstacles to the success of the real estate industry. It was further revealed that most of the business policies were formulated without the participation of the private sector.

There is often a wide gap between policies announced by the government which are seen to be supportive of the real estate industry and those that are implemented. Most good policies remain just words on paper.

4.3 Marketing

The study reveals that all the respondents recognize the importance of marketing in their operations as real estate developers. Most of the developers have established marketing department in the organization. A few however, rely on part-time services of marketers.

4.3.1 Roles Played by Marketing Department

The research found the following roles being played by the marketing departments in the real estate industry:

- i. Carry out market research and identify clients needs and advise management. Management then assembly the various sectors such as the design department, the construction department and the Accounts department to come out with a product that will satisfy the needs of the clients.
- ii. Due to the complex and dynamic nature of Globalization, the marketing department also anticipates the needs of the client and help package a product to meet that anticipation. In this direction, they add air conditioning, DSTV and providing E-Commerce facilities in some of the estate building. It is therefore referred to as (INNOVATIVE)

By this major role being play, the marketing department's functions conform to the definition given by Institute of Charted Marketing UK that, "Marketing is the management process which identifies, anticipates and supplies customer requirements

efficiently and profitably”. They also ensure the building of mutually beneficial relationship

4.3.2 Segmentation of the Market

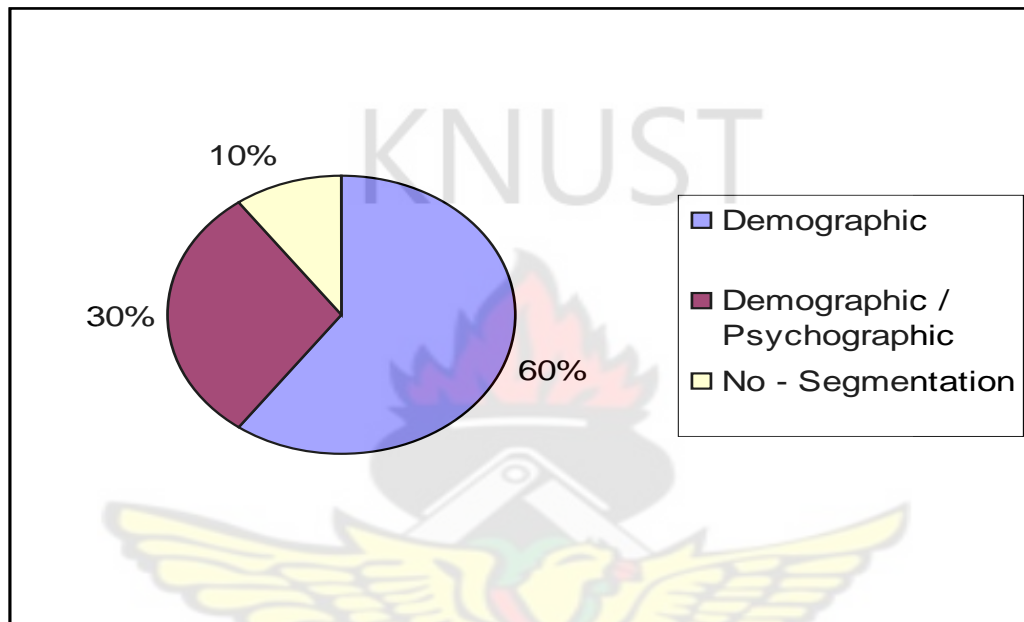


Figure 4.4: The pie chart show how the real estate market has been segmented

Source: Field Survey – 2009

60% of the real estate developers segmented the market on Demographic basis, thus, high income level and low level income customers. Some of the estates are meant for high level income earners and others are low level income earners, then family size. They have products for young graduate who have just started working life and those with large families, e.g. a young graduate needs one-bedroom flat to start, while the worker with 10 – 15 years service demands a larger facility and would have either saved enough or income levels would have gone high. 30% of the respondents also segment the market on income levels and life style. That is why they include leisure areas with

swimming pools. This is meant to attract businessmen, footballers, Ghanaians living in Europe etc. 10% serve the market without any segmentation.

4.3.3 Positioning Strategy

All the respondents use Michael Porters positioning strategy.

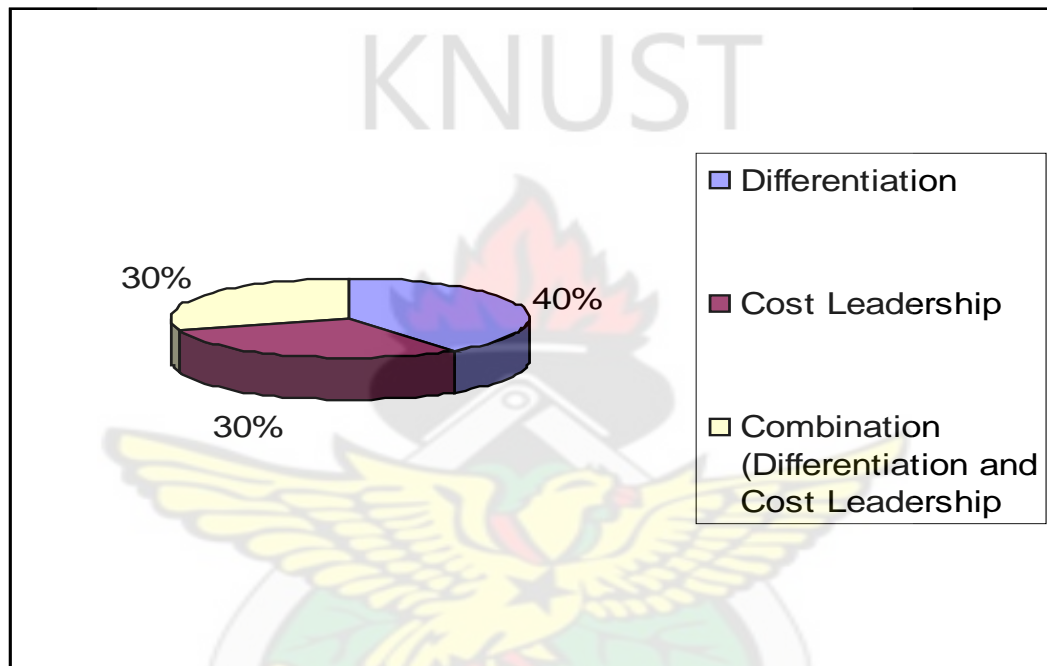


Figure 4.5: Pie chart showing positioning strategies

Source: Field Survey – 2009

The pie chart indicates that 40% of the respondent use differentiation and 30% use cost-leadership. 30% also blend differentiation and cost-leadership strategies. The study also revealed that those using the differentiation strategy are those who are the market challengers in the real estate market. The established and resourceful developers use the cost-leadership strategy. They are able to do this because they are the market leaders.

i. ***Focus***

A few of the respondents have expressed their interest to use the Nich Focus strategy, but at the time of the study, none of the respondents have used the focus strategy.

ii. ***Differentiation Strategy***

With the differentiation strategy, they do after sales services, i.e. repair electrical fittings, plumbing fittings, solve drainage problems etc.

iii. ***Cost-Leadership Strategy***

This is an area that is yet to be researched considering the rate of increase in housing prices. It is yet to be determined whether there is cost leadership in the Real Estate Development in Ghana.

iv. ***Combination***

About 30% of the developers use both differentiation and cost-leadership strategy. Thus they offer after sales services, such as repairing electrical and plumbing fittings, attend to drainage problems and at the same time offer comparably cheaper prices for their estates to their clients.

4.3.4 7Ps of Marketing

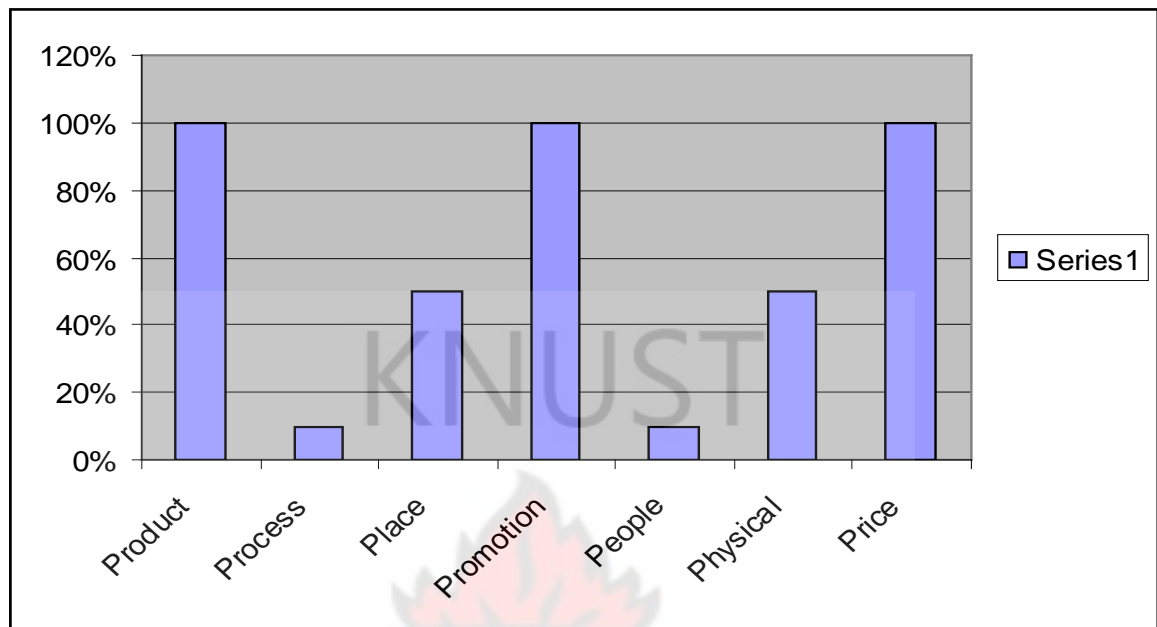


Figure 4.6: A bar chart showing the 7Ps of Marketing Mix

Source: Field Survey – 2009

From the diagram above, it is very clear that product, price and promotion are deemed very important, followed by place, and physical evidence. The least important of the 7Ps in the real estate industry are the people and process. The research reveals that in the real estate industry, product involves the Architecture design, number of rooms, which includes, bedrooms, halls, kitchens, baths, sizes of the rooms, finishes and other things such as air conditions, DSTVs, size of plot, space around it, etc.

❖ *Price*

Price was also seen as very important because the real estate industry is a complex one, if care is not taken and the products is over priced, it scares potential buyers and drive them away. On the other hand it must also be priced taking into

consideration inflation and the ever increasing currency exchange rate so that the company can also make reasonable profit. The pricing is done to enable clients get value for money and reasonably affordable estate.

❖ *Place*

Place is seen as important, because estate in certain part of Accra especially on Spintex road and Accra – Tema highway are better patronized than other estates in other areas. The location of the estate should be the prime importance to the company's management.

❖ *Promotion*

This was also seen to be very important since the competition in the real estate industry is very keen, the promotion is key to attract potential client. They use:

- i. Advertising both above the line advertising such as radio, television, print media etc
- ii. Below the line adverts such as posters, calendars, magazines, brochures etc.
- iii. Personal selling: sending their agents outside the country to advertise their products in an established, programmes such as Independence Day celebrations, “Mma Nkomo”, etc by Ghanaians in Europe, American etc. They also maintain agents strategically in areas they anticipate potential customers. They also use their workers as agents on commission, thus if any agent is able to bring a potential customer to buy an estate, a commission is given to that worker.
- iv. E-Commerce – use the internet.

❖ *Past Clients*

Maintain good relationship with past clients and use them to advertise the firm's products to their friends and family or relations outside and inside Ghana. Telephone numbers of past clients are collected and regular calls are made to remind the relations of the estate products. Visits are sometimes made to ascertain any problems with the facilities to enable developers amend their designs or carry out after sales services.

Process, Physical and People are not considered much.

4.4 Human Resources

Human resource is one of the major factors for development of any organization. The real estate development industry is no exception. Entrepreneurs are expected to take keen interest in handling their human resource. Harrison and Macaffer (2005), and Drucker (1996), agreed that management is a function, which involves getting things done through other people.

The table 4.5 below was designed to solicit the views of respondents the level of importance of the various variables for the success of their operations as Real Estate Developers.

Table 4.5: A table showing Assessment of Entrepreneurial Self Image and Staff Relations

	Assessment Of Entrepreneurial Self-Image And Staff Relation (HRM / Labour)							
	How important are the following in the Real Estate Development Industry in Ghana?	Rating				WTD SUM	N	U
	Staff Development	4	3	2	1			
1	Staff Development (Training)	14	6	1	0	76	21	3.61905
2	Recruitment: (Employment of staff according to talents and skills)	14	6	1	0	76	21	3.61905
3	Motivation of staff	11	10	0	0	74	21	3.52381
4	Staff information and Communication	12	8	1	0	74	21	3.52381
5	Readiness and ability to delegate	12	8	1	0	74	21	3.52381
6	Readiness and ability to coordinate and supervise	11	10	0	0	74	21	3.52381
7	Fair staff assessment, recognition and critique	10	8	3	0	70	21	3.33333
8	Good staff relations and co-operation	15	6	0	0	78	21	3.71429

Source: Field Survey

Key

4: Very High

3: High

2: Low

1: Very Low

WTD SUM: Total Weight / Rated

N: Total Number of Respondents

U: Mean (Average)

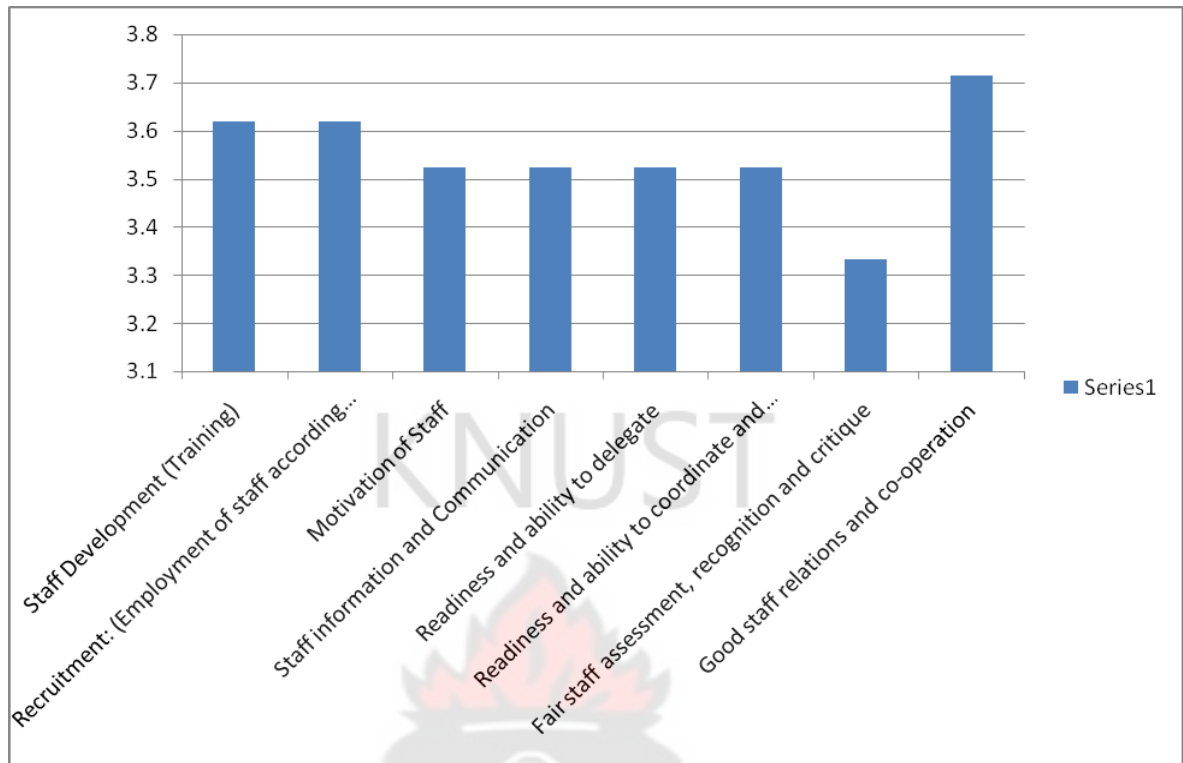


Figure 4.7: Bar chart showing Assessment of Entrepreneurial Self-Image and Staff Relation

Source: Field Survey – 2009

Table 4.5 and Figure 4.13 indicated that the Real Estate Developers in Ghana have recognized the assertion by Dei-Tumi (2003), that to become wealthy, one needs to use “5 Ops”. The “5 Ops” are:

Other People’s Knowledge

Other People’s Skills

Other People’s Strength

Other People’s Money

Other People’s Talent

4.4.1 Staff Development

i. Recruitment

The research revealed that, the Real Estate Developers in Ghana consider the recruitment of labour according to their talents and skills as very important. From the field survey, the respondents gave a mean of 3.61905, this means that as entrepreneurs they employ staff with the required talents and skills so as they can make judicious use of labour employed. They make optimum use of resources and to maximize their profits. This confirms that they are strong in being financial prudence as indicated in table 4.5

ii. Staff Development (Training)

The results established that, the respondents recognize that training of staff is highly important if their businesses are to succeed. The mean of 3.61905 of the computed results acknowledge and train their staff so as they can perform excellently. The respondents concurred Barrow et al (2005), claim that training is a sure-fire way to improve the performance by reducing mistakes, getting cost down and increasing job satisfaction. As entrepreneurs, they also believe that training can also play an important role in retaining and motivating staff. It makes the staff feel the sense of belongingness and also show that the employer is committed to invest in them.

iii. Motivation of Staff

From the table 4.5 respondents believe that motivation of staff is highly important in the Real Estate Industry. They rated it to have the mean as 3.52381. Interview conducted

revealed that they use different strategies to motivate their staff. They use both monetary and non-monetary ways to motivate their staff. Some of the non-monetary ways are:

- Involving them in decision making, that they are always consulted on policies of the firms.
- Organize informal social meetings.
- Staff are given the opportunity of owning some of the estates depending on the years they serve in the firm.
- Staff are used as marketing agents. If through any staff, an estate is purchased, they are given commission.

iv. Information and Communication

The study affirmed that, information flow and communication is very important in the Real Estate Industry. The 3.52381 mean recorded from the study is ample indication that the respondents agreed with Barrow et al (2005), that communication and information flow ensures that everyone understands where the business is now, where it is heading and how they can contribute to the success of the firm.

During the interview, one respondent linked communication in a firm and the role it plays for the success of the firm to a fuel in a moving engine.

v. Readiness and Ability to Delegate

The field survey as indicated in the table 4.5 shows that the respondents recognize the importance of delegation and apply it in their operations. The results of the responses rated information and communication 3.52381 out of 4.0

An interview conducted after the questionnaire revealed the benefits which respondents derive from delegating. Some of which are: to reduce the pressure of work on them, it also motivate staff to face challenges and help enhance their innovative abilities.

vi. Readiness and Ability to Coordinate

The respondents scaled coordination 3.52381 indicating highly important for business success. The study agreed with Kuratko and Hodget (1998), who compared entrepreneurs to symphony orchestra conductor who balance the different skills and sound into cohesive whole.

The respondents believed they play the role of orchestra conductor; thus they have to balance technical skills, management team, professionals and to be able to come out with their products (estates).

vii. Fair Assessment, Recognition and Critique

The study shows that respondents believe in appraisal system. They appraise their staff, they recognize and reward hardworking staff and rebuke non-performing staff. Interview conducted revealed that the respondents use it as a motivation strategy.

Sixteen (16) out of twenty-one (21) respondents interviewed were of the conviction that the government establishments lack behind the private sector because while the private sector attaché high importance to the appraisal system, the government sector establishments are lackadaisical towards appraisal.

viii. Good Staff Relations and Co-operation

From table 4.5, it is unambiguously clear that, it scored the highest mean of 3.71429. The results of the study show that good staff relation and co-operation is the most important strategy which makes the Real Estate Industry thrive. The respondents were unanimous that for any entrepreneur to succeed, he / she needs to practice good staff relations and co-operation. At the interview stage, some respondents were of the view that good staff relation is like the energy to power the turbine to produce electricity. It motivates staff to enhance their performance.

Table 4.6: A table showing ranking results of entrepreneurial self-image and staff relations

Variables	Assessment of entrepreneurial self-image and staff relations (HRM)	Ranking
	Staff Development	
8	Good staff relations and co-operation	1
1	Staff development (training)	2
2	Recruitment: (employment of staff according to talents and skills)	2
3	Motivation of staff	3
4	Staff Information and Communication	3
5	Readiness and ability to delegate	3
6	Readiness and ability to coordinate and supervise	3
7	Fair staff assessment, recognition and critique	4

Source: Field Survey – 2009

When the result was compiled and ranked, the above table shows the order of significance. This table was sent back to three respondents to discuss the result and why this order.

They re-affirmed the order and position. They were unanimous that variable eight (8), Good Staff Relations and Co-operation is the best and it must come first.

They were not surprised that “Recruitment and Staff Development” came second. They believe that training sharpen their knowledge and skills when staff are up to their task and perform excellently, it help enhance the relationship and co-operation and productivity increase leading to profit maximization.

4.4.2 Expectation of Employers from Employees

Table 4.7: A table showing Expectation from Employees

	Expectation from Employees	Rating				WTD SUM	N	U
		4	3	2	1			
1	Carefulness of employees	16	4	1	0	78	21	3.71429
2	Responsibilities of employees	17	4	0	0	80	21	3.80952
3	Diligence of employees	15	5	1	0	77	21	3.66667
4	Loyalty of employees	17	4	0	0	80	21	3.80952
5	Job discipline of employees	14	7	0	0	77	21	3.66667
6	Punctuality of employees	14	7	0	0	77	21	3.66667
7	Reliability of employees (turn-over)	13	7	1	0	75	21	3.57143

Source: Field Survey – 2009

The table sought to know from Real Estate Developers as entrepreneurs how important they consider labour related activities. The results as indicated in the table 4.7 revealed that Real Estate Developers consider employee's loyalty and responsibility as paramount importance. As can be seen in the table 4.7 these items had a mean score of 3.80952. Carefulness of employees came second of a mean score of 3.71429.

Respondents considered diligence of employees, job discipline of employees and punctuality of employees as equally highly important having an average score of 3.66667. The respondents view reliability of employees as highly importance the table indicated 3.57143 mean score indicating a range between high and very high importance.

Respondents believed that work force of these qualities are paramount for business success.

Table 4.8: A table showing Ranking Results of Expectation from Employees

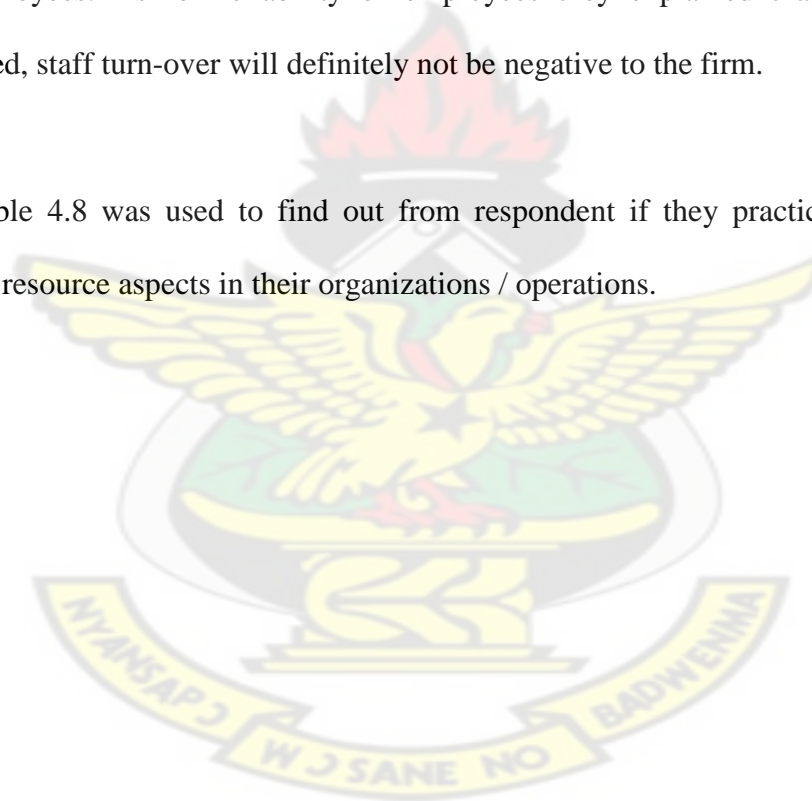
Variables	Expectation from Employees	Ranking
10	Responsibilities of employees	1
12	Loyalty of employees	1
9	Carefulness of employees	2
11	Diligence of employees	3
13	Job discipline of employees	3
14	Punctuality of employees	3
15	Reliability of employees (turn-over)	4

Source: Field Survey – 2009

After compiling the results the researcher went back to three of the respondents to discuss the results and the relevance of the positions / ranks of the various variables. The three respondents unanimously agreed that loyalty and responsibility of the employees. They however, think that diligence should have joined carefulness in the second position.

They had no problem with the position of job discipline of employees and punctuality of employees. As for reliability of employees they explained that once loyalty is achieved, staff turn-over will definitely not be negative to the firm.

The table 4.8 was used to find out from respondent if they practice or apply these human resource aspects in their organizations / operations.



4.4.3 Assessment of Entrepreneur Self-Image and Staff Relations

Table 4.9: Assessment of Entrepreneurs self-image staff relations

No.	Assessment of entrepreneurial self-image and staff relations (HRM) (LABOUR)	Total Number of HRM = 21		
		Yes	No	Percentage (%)
1	Staff Development (Training)	19	2	90.5
2	Employment of staff according to talents and skills	21	0	100
3	Motivation of staff (Awards and rewards)	18	3	85.7
4	Staff information and communication (free flow)	16	5	76.2
5	Readiness and ability to delegate staff	14	7	66.6
6	Make faire staff assessment, recognition and critique	14	7	66.7
7	Good staff relations and cooperation	16	5	76.2
8	Good communication among staff and management clearly communicate the vision and mission of the firm to employees	15	6	71.4
9	Handling employees carefully	16	5	76.2
10	Recognition of employees loyalty	17	4	81
11	Good working conditions	19	2	90.5
12	Organize staff forum quarterly	12	9	57.1
13	Make the employees and management aware of the company's achievements and challenges	10	11	47.6
14	Accept some employees inputs in the firm's policies and decisions	12	9	57.1
	MEAN			74.5

Source: Field Survey – 2009

Table 4.9, indicates that real estate developers apply good human resource practice. 90.5 of developers train their staff members and give them good working conditions. Barrow et al (2005), agrees that training is a sure – fire way to improve the performance by reducing mistakes getting cost down and increasing job satisfaction. All of them

recruit according to talents and skills. 85.7% motivate and rewards their staff. Megginson et al (1997), posited that employees performance is a product of employees ability to do the job and application of positive motivation. 76.2% handle their staff carefully and have good staff relationship and communication. 66.7% make fair assessment of their staff, recognize their contributions and they are prepared to delegate some of their staff members for some assignments. 71.4% clearly communicate the vision and mission to the staff. 81.0% recognize the loyalty of their staff and reward them accordingly. 57.1% organize regular staff forum and accept employees input in the firms policies and decisions. However, 47.6% make their employees and management aware of the company's achievements and challenges.

4.5 Source of Funds (Capital)

Every entrepreneur needs capital to start the business and operate. Source of funds is a problem to many entrepreneurs. The study, as is indicated by the figure below shows, the source of funds for real estate developers.

4.5.1 Source of funds (Capital) for Estate Developers

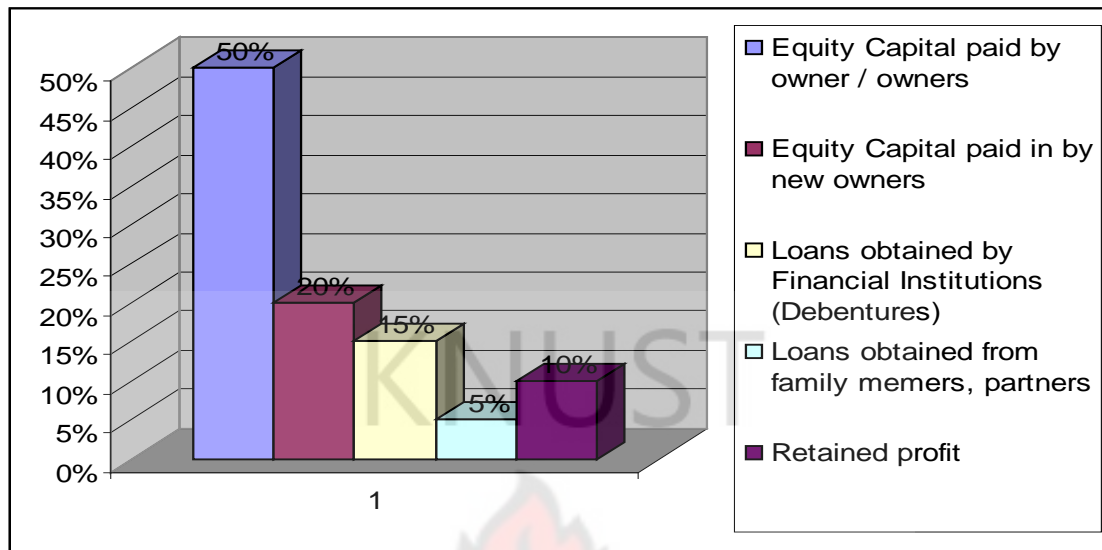


Figure 4.14: A bar chart showing the source of capital for Real Estate Developers.

Source: Field Survey – 2009

From the figure above, real estate developers source of funds is 50% from equity by owners. 20% capital from new owners and 15% loans (debenture), from financial institutions, 5% loans from family members, friends and partners. 10% of their source of capital is also from retained profit. From the study it was established that the risk on the equity capital is not as high as the risk on loans from financial institutions. In dealing with real estate which is a long term sort of business, it is better to consider **low capital gearing**. Thus the ratio of equity to debt should be about (2:1) – 2 equity, 1 debt.

- i. **Equity Financing:** As identified by McInaney E (2006), that equity financing is overwhelmingly the most important in the corporate, private sector. It is in order that the study revealed that real estate developers mostly use the equity capital paid in by owners. This has the advantages of being owners, maintain their

voting rights, hire and fire auditors, call for shareholders voluntary liquidation etc.

- ii. ***Equity paid by new owners:*** This is as a result of issuing shares to increase the capital base.
- iii. ***Loans:*** Many businesses borrow by issuing securities with fixed interest rate payable on the nominal of face value of the security known as coupon rate and a pre-stated redemption date. Such securities are known as loan stocks debentures or bonds. (McLaney 2006).

Loans, good as they are, to help developers increase their capital, also have adverse effects on the business. Some of the problems are:

- Lenders imposing conditions or covenants on the business. Failure to meet these covenants could give the lender right to immediate repayment of loan.
- They attract fixed interest at an agreed time.

It is upon these reasons why estate developers go in for 15% loan in order to have appropriate **capital gearing** (the relationship between debt and equity financing).

4.5.2 Assessment of Source of Funds

Table 4.10: A table showing assessment of source of fund (long term)

ASSESSMENT OF SOURCE OF FUNDS (LT/MT)								
How important are the following source of funds for business success in the Real Estate Industry in Ghana		Rating				WTD SUM	N	U
		4	3	2	1			
1	Equity capital paid in by owner / owners	20	0	0	0	80	20	4
2	Equity capital paid in by new partners	13	7	0	0	73	20	3.65
3	Loans obtained from Financial Institution	0	2	10	8	34	20	1.7
4	Loans obtained from family members	0	1	19	0	41	20	2.05
5	Loans obtained from partners	10	10	0	0	70	20	3.5
6	Grants	5	15	0	0	65	20	3.25
7	Retained profit	16	4	0	0	76	20	3.8

Source: Field Survey – 2009

Key

4: very important

3: important

2: little important

1: not important

WTD SUM: weight / rated

N: total number of respondents

U: mean (average)

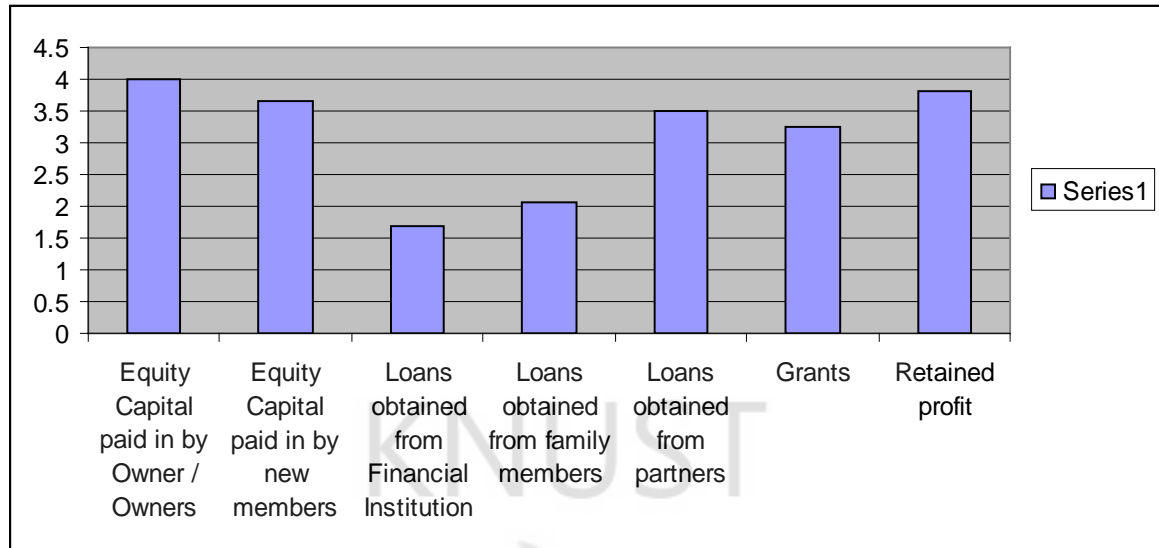


Figure 4.8: Bar chart showing Assessment of Source of Funds (long term)

Source: Field Survey – 2009

4.5.3 Importance of Source of Funds

i. Equity Capital paid by Owners

From table 4.10 as well as shown in figure 4.15 Equity fund from owner / owners financing in the Real Estate Industry is the best. The study revealed that respondents were unanimous; hence it scored the total average score of 4.0. It is recognized as very imported source of funding.

ii. Equity Capital paid in by New Partners

Respondents saw this type of funding as high importance. This reflects on the rating average score of 3.65.

iii. Loans obtained from Financial Institutions

The study revealed as can be seen from table 4.10 and chart 4.15 that this aspect of financing in the Real Estate Industry is of no importance especially when obtained for

long term financing. This can be seen in the average score of 1.7. It means most Real Estate Developers will not dare go for such funding.

iv. Loans obtained from Family Members

Respondents considered this aspect of funding of little importance as shown from table 4.10 The mean score was 2.05, they contended that if family members have idle funds, it is better than taking bank loan. The interest on the family loans is considerably reasonable than that of the loan from the financial institutions.

v. Loans obtained from Partners

Respondents acknowledged this source of funding as important. The mean score was 3.50 which is shown in table 4.10. They believe that since partners are part of the business they turn to be more considerate and flexible when business is facing challenges.

vi. Grants

Grants are important source of funding but hardly do respondents get grants. From table 4.10 respondents revealed that its mean score is 3.25 which indicate that it is slightly above importance.

vii. Retained Profit

From the table respondents judged this type of funding as very important. This underscores the fact that it scored a mean of 3.80. During interview conducted, respondents were unanimous that retained profit is a safe and reliable capital to use. The risk on the retained profit is as minimal as equity capital paid in by owners. It does not put unnecessary pressure on the business as compared to loans from financial institutions. The problem with retained profit is that, due to inflation and due to low rate

at which estates are sold, the chance of the profit margin are dissipated by the high inflation rate.

Short Term Financing

Table 4.11: A table showing assessment of funds (short term financing)

		Rating				WTD SUM	N	U
		4	3	2	1			
	Short Term Financing							
8	Bank credit and overdraft	3	1	8	8	39	20	1.95
9	Bills of exchange	2	5	1	12	37	20	1.85
10	Creditors	2	14	4	0	58	20	2.9
11	Advance payments by customers	20	0	0	0	80	20	4
12	Private loans	1	3	12	4	41	20	2.05

Source: Field Survey – 2009

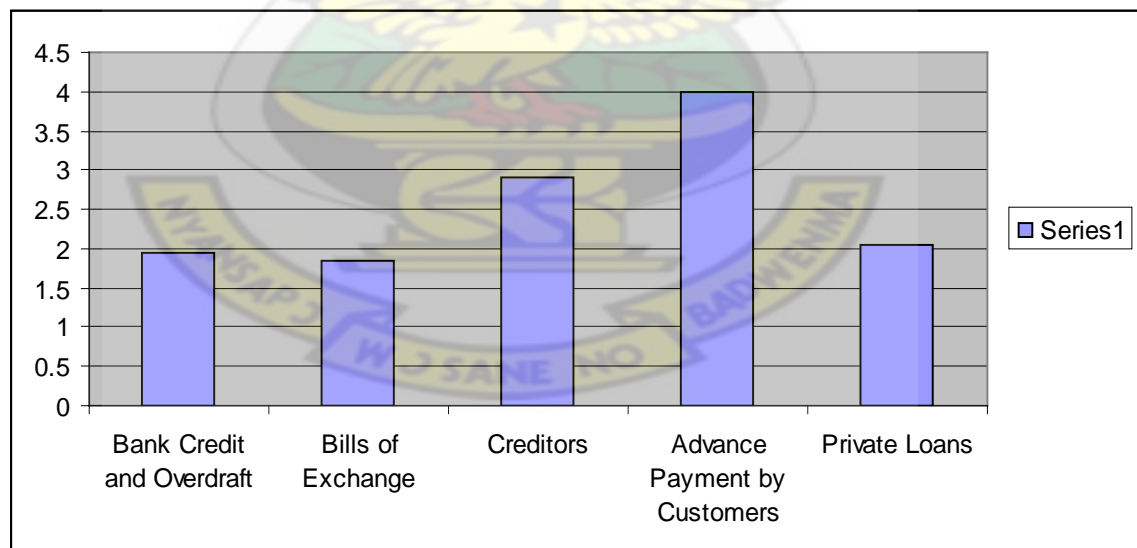


Figure 4.16: Bar Chart showing Assessment of Source of Funds (short term)

Source: Field Survey – 2009

viii. Bank Credit and Overdraft

From table 4.11 it is evident that respondents consider bank credit and overdraft as not important source of funds. It had 1.95 mean score. It was also established that due to the astronomical increase in the interest rate, it is not important to use such source for funding Real Estate. During the interview it was explained that overdraft can be used as a working capital, or can be acquired and use for final work when prospective buyer is ready to move into the estate and it needs minor works to be done to put the place in good order.

ix. Creditors

From table 4.11 and chart 4.16, respondents view using credit facility as important. The average score of the field work was 2.9. Just as the overdraft, credit facility can also be use for final works on the estate when a buyer has shown interest and arrangements are advanced for the part payment or full payment. Materials which could be credited are wall and floor tiles, paints plumbing final fixing, electrical final fixing, glazing, cement for external works etc.

x. Advance Payments by Customers

The field survey as revealed by table 4.11, the respondents with one accord admitted that advance payment by customers is very important source of funding to Real Estate Developers. This is as a result that, no interest rate is charged on that amount and it helps the respondents improve upon their cash flow. It can be seen from table 4.11 that

it has scored the highest mean of 4.0. Advance payments from the beginning of a particular estate and during the completion stage are all very important.

Table 4.12: A table showing ranking results of Assessment of Source of Funds

Variable	Assessment of Source of Funds (Long Term & Medium Term)	Rank
1	Equity capital paid in by owner / owners	1
7	Retained profit	2
2	Equity capital paid in by new members	3
5	Loans obtained from partners	4
6	Grants	5
4	Loans obtained from family members	6
3	Loans obtained from financial institution	7
	Short Term Financing	
11	Advance payment by customers	1
10	Creditors	2
12	Private loans	3
8	Bank credit and overdraft	4
9	Bills of exchange	5

Source: Field Survey – 2009

When table 4.12 was compiled, it was sent back to three of the respondents to discuss the results and the ranking. They believe the reasons behind the positions of the various variables are:

a. Equity Capital paid in by Owner / Owners

- ❖ Opportunity for competitive advantages
- ❖ Bargaining power

- ❖ Revaluation realization advantage
- ❖ Maximum control over assets and effective supervision
- ❖ Easing of pressure during execution of projects
- ❖ Owners are not compelled to pay interest on the capital
- ❖ 100% ownership of assets
- ❖ Capital is securely reserved
- ❖ Sustainability of the firm

b. Retained Profit

- ❖ To increase working capital
- ❖ Advantage of not borrowing from money market
- ❖ To avoid the high risk of borrowing from the capital market
- ❖ Ownership of liquid cash

c. Equity Capital paid in by new Owners

- ❖ To increase working capital on affordable rate but will affect group profit earnings
- ❖ To avoid debt and equity security interest rates
- ❖ New owners may institute their conditions of investment

d. Loan obtained from Partners

- ❖ Advantage to negotiate interest rates
- ❖ Flexible terms of payments

- ❖ Partners will contribute effectively to output of work
- ❖ The possibility that partners may convert loans into capital to increase their share of profit.

e. Grant

- ❖ The consequences of grants failure
- ❖ Donors mandatory conditions may not be suitable for the project
- ❖ Proposed budget may not be met by donors
- ❖ Terms of conditions may not be favourable (interest rate)
- ❖ Political insecurity may be impediments

f. Loans from Family Members

- ❖ The business may be turned into family liability company
- ❖ Family members may over influence decisions on the business
- ❖ The consequences of retrieval of loans in an ad-hock manner
- ❖ Terms of repayments and interest rates can be flexibly negotiated

g. Loans obtained from Financial Institution

- ❖ Flexibility of the execution of project is likely to be limited
- ❖ Customers may have advantage over bargaining due to repayments pressure
- ❖ Owner / owners may turn to be fiduciary for the financial institutions

- ❖ Financial institutions may control the future directions of the company due to its absolute control in financing
- ❖ Excessive interest rates in the capital market
- ❖ Inability to meet loan maturity date

The likelihood of liquidation in terms of loan default



CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter summarises the findings from the research and analysis. This includes the salient points in the operations of the real estate developers, the entrepreneurial skills, the challenges facing developers, and the impact of entrepreneurial skills to their operations. Base on these, the appropriate recommendations are outlined and finally conclusion is drawn.

5.1.1 Experience in the Business World

The study revealed that many real estate developers established and run other businesses before they entered into the real estate industry. Those who could not start any business before entering into the real estate were those who migrated from the banking sector. They got exposed to the real estate business as a result of the assistance and funding they provided to some operators in the real estate industry. It was revealed that some of them were selling building materials.

5.1.2 Meeting Market / Housing Needs

The study restated that the real estate industry contribution to the annual delivery about 2%. This is as a result of high population increases, high cost of production – thus cost of building materials, rural-urban migration, low levels of incomes, high rate of inflation. The study confirm the deficit analysis made by Draft National Shelter Policy

(2007) which put the current annual production at about 40,000 units instead of 110,000 and therefore concluded that Ghana is facing an acute housing problem. The real estate industry contributing only 2% percent.

5.1.3 Characteristics of Real Estate Developers as Entrepreneurs

The results show that twenty (20) established characteristics / skills of entrepreneurs are predominantly being practiced by real estate developers in Ghana. The real estate developers have strong desire to achieve higher goals which they always dream about. They always yearn with commitment to a goal and a competitive desire to excel and win. They are not deterred by challenges or problems that beset their businesses. They work very hard to accomplish the goals of their businesses and take repeated actions or switch to an alternative strategy to overcome difficulties. They have personal (in-born) and business management skills. They hire labour according to skills and give them training to sharpen their professional skills. The real estate developers are quick to see opportunities where others see chaos, contradiction and confusion. They like to be their own independence and like to be responsible for their own decisions. They have self-confidence, negotiation skills, they have good interpersonal relationship they are visionary leaders and risk-taking. All these are entrepreneurial qualities. In short, the real estate developers are entrepreneurs.

5.1.4 Entrepreneurial Training

The real estate developers in Ghana are entrepreneurs though a few of them have not gone through any entrepreneurial training (workshops). The characteristics discovered

in 5.1.3 are ample indication that they are entrepreneurs. The entrepreneurial skills have underpinned the real estate developers and have also propelled them to achieve their set goals irrespective of the obstacles that comes their way during their operations. It was also established that those who had the entrepreneurship training are performing better in the real estate industry than their counterparts who did not have the entrepreneurship training. Education or General Technical knowledge alone is not enough to make somebody an entrepreneur.

5.1.5 Entrepreneurs Characteristics / Skills expected of Real Estate Developers

Considering the robust nature of the real estate industry, developers require entrepreneurial characteristics / skills as shown in the table below.

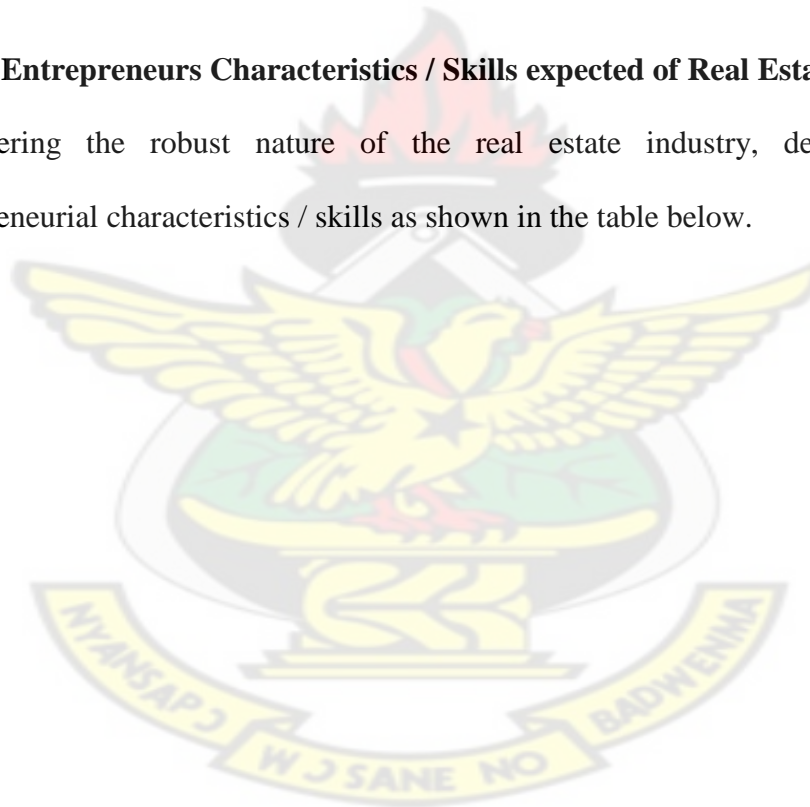


Table 5.1: Entrepreneurial characteristics/skills expected of Real Estate Developers

Personal (in-born or learnt)	Technical	Business management
<ul style="list-style-type: none">• Cherish independence• Drive to achieve goals• Dynamism, leadership• Determination and perseverance• Creativity (initiative)• Strong self-confidence• Positive response to challenges• Quick reactions to events• Take calculated-risk• Change oriented• Courageous• Hard work• Profit orientation• Diligent• Accept criticism• Opportunity seeking	<ul style="list-style-type: none">• Ability to organize• Being a team player• Abreast with Technology• Good Interpersonal relationship• Monitoring environment• Good oral and written communication	<ul style="list-style-type: none">• Planning and setting of goals• Decision making• Human relations• Marketing• Negotiations• Managing growth• Prudence finance

5.1.6 Impact of Entrepreneurial Training on the Real Estate Industry

Entrepreneurs have inherent characteristics which drive them finding way to do things faster, better and cheaper. They pursue actions that make them excel beyond standards. Though born-entrepreneurs have these qualities and can perform, the study revealed that those who had the entrepreneurship training are performing better in the real estate industry than their counter-parts who did not have any training in entrepreneurship. It

was further established that if entrepreneurial training is vigorously pursued in our high institution it will have positive impact on the real estate industry by:

- Making the youth better prepared players to enter into the business world including the real estate industry and to face the challenges in the industry.
- Promoting effectiveness and efficiency in the real estate industry. That is their managerial and marketing skills will be sharpened to dare difficulties.
- Improving the output as against demands.
- Shaping the target group for the market. They would have understood the market dynamics before entering into it.
- Wealth creation, contribute positively to the socio-economics of the nation.
- Solving the nations housing problem.

5.1.7 Professional Training

It was established that most of the real estate developers have no professional training in Real Estate Development except in their own professions. Only 10% of them have been trained in the built environment as shown in page 79.

5.1.8 Challenges facing Real Estate Developers

The study has established the following challenges facing real estate developers. The challenges as established are:

- **Finance:** Difficult to access long-term capital for the real estate developers.

- **Land Acquisition:** The land market has been bedeviled with indiscipline, litigations, double sales of lands, difficulty in identifying the right owners of parcel of lands. The traditional rules on land acquisition are rigid.
- Bureaucratic systems in the land administration.
- Difficulty in getting freehold and lease from land owners.

Others

- Problems of marketing the products.
- The high cost of construction as against low income levels of the majority of the population, and
- High inflation rate.

5.2 Conclusion

The study has clearly shown that the real estate developers in Ghana are entrepreneurs. They have the required skills of entrepreneurs. Though not all of them had the opportunity to be exposed to entrepreneurship training, they operate as entrepreneurs. Kuratko and Hodgett (1998), and Amponsah (2003), viewed entrepreneurs in two perspectives which were termed personal or in-born and environmental. They agreed that the personal (in-born) has entrepreneurial traits such as need to achieve, risk taking propensity, self-esteem and internal locus of control, creativity and innovative behaviour and need for independence. The environmental perception was seen as the factors which contribute to supply of entrepreneurs such as, inheritance, family position, social status educational background and level of education. This study confirms the

claim by Kuratko and Hodgett (1998), and Amponsah (2003), that entrepreneurs who are better educated are more successful than the less educated ones.

The study focused on four major areas in the real estate development. These are land acquisition procedures, source of capital or funding, marketing and human resources. It was established that there is indiscipline in the land market, cumbersome procedures in getting lease. Capital or source of funding is difficult as the financial institutions are reluctant to lend long-term loans and provide mortgage services. Marketing of the estates are difficult because income levels are lower and are unable to meet the cost of the real estates. Real estate developers face little or no problem in terms of human capital. All these make the real estate industry exciting and robust. Recommendations were given to enable Real Estate Developers to increase the housing supply. Improving the real estate industry will deliver significant social and economic benefits to individuals and the nation as a whole.

5.3 Recommendation

The research has unearthed certain challenges / difficulties in the real estate industry which account for its poor performance in the housing delivery in Ghana. If these difficulties / challenges are addressed, it will go a long way to increase the quantum of housing delivery by estate developers from the current 1.9% to about 5%. It is in the light of the above that the following recommendations are made.

5.3.1 Entrepreneurship Training in our Educational Institutions

As revealed by the study, most of the estate developers in Ghana had Entrepreneurial Training and that is the bases for their success in the real estate industry despite the daunting challenges.

It is therefore recommended that entrepreneurship training is taken seriously in Ghana and even start it from the Senior High School level through to the training colleges, Polytechnics and Universities. This will indeed make our students better prepared for the business world before they come out of school. This will help reduce the rural-urban migration. It will also reduce the unemployment rate since graduates will be prepared to take advantage of any business opportunities in their localities, run the business, employ others and create wealth for themselves. By creating wealth, they can afford to patronize the real estate products.

It is also recommended that Government helps to eliminate the challenges facing the small and medium enterprises in the country. For that is where our young graduate will start their entrepreneurial activities before they venture into bigger businesses like real estate as revealed by this study. Most of the estate developers were engaged in other businesses before entering into the real estate industry. When training is given to our youth in the Schools, Colleges, Polytechnics and the Universities they will enhance or acquire the personal characteristics of entrepreneurs, their Technical and Business Skills will be sharpened to prepare them adequately for the business world.

Finally, more graduates in building, civil engineering (built environment) etc should be encouraged and supported (Financially) to venture into Real Estate Development.

5.3.2 Real Estate Industry not meeting the Housing Needs

The study revealed that the real estate industry is not meeting the housing demands. It provides very low contribution of about 2%. This is as a result of numerous challenges facing the real estate industry. Some of the challenges are identified as:

i. Finance

The study found that, it is difficult to source long-term finance for the real estate business. Apart from Ghana Home Loan (GHL), Home Finance Company (HFC), Fidelity and Ecobank etc which provide mortgage locally and Barclays Bank which also provide mortgage to Ghanaians in the Diaspora to acquire homes in Ghana, the rest of the financial institutions are lackadaisical towards mortgage system.

It is recommended that Government be more proactive to assist estate developers by seeking financial assistance from International Financial Institutions – facilitate the acquisition of long-term loans for GREDA and its members. It is also recommended that measures or strategies must be put in place to entice the local financial institution into the real estate business. GREDA and Government must make efforts to invite major player in the international housing system such as UN Habitat to come to the aid of GREDA. It is also recommended that Government:

- Establish a revolving fund for housing or for estate developers.

- Increase the incentives to the real estate developers to attract investors into the housing sector.
- Promote savings and investment in housing by developing suitable saving instrument in housing by developing suitable saving instruments and providing appropriate fiscal incentives as stated in the Draft National Shelter Policy (2007).

ii. ***Land Acquisition***

The study identified land acquisition as one of the nagging issues worrying real estate developers. There exist a cumbersome, complex and bureaucratic system which makes land acquisition risky, difficult and costly. It is recommended that:

- Government fast-tracked the on-going Land Administration Project (LAP) to provide more flexible and improving system for land administration and management. The outdated laws should be reformed to meet the global challenges.
- Government should consider the merger of land sector agencies such as, Land Commission, Land Valuation Board, Land Title Registry, Office of the Stool Lands and Survey Department. With theses sectors under one roof will make the process of land acquisition more effective and efficient.
- Fast-track court be established to dispense off land litigations judiciously and to avoid undue delays.
- The process of getting lease from land owners shortened
- Rigid traditional rules on land acquisition must be streamlined.

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APPENDICES

APPENDIX 1

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY - KUMASI
COLLEGE OF ARCHITECTURE AND PLANNING
FACULTY OF ARCHITECTURE AND BUILDING
DEPARTMENT OF BUILDING TECHNOLOGY

INSTRUCTION

This Questionnaire is designed to elicit information to aid the researcher who is an Msc. Construction Management students, to assess the entrepreneurial skills characteristic of Real Estate Developers in Ghana. It is highly appreciated that you are assisting in this exercise by responding to this questionnaire.

Please answer the questions as candidly as possible. Your response will be treated with the utmost confidentiality it deserves.

Thanks for your co-operation.

APPENDIX 1.1a

SECTION A – BACKGROUND INFORMATION

Please tick (✓) in the appropriate box and provide answers where spaces are provided

1. Gender Male ☐ Female ☐

2. Qualification:

Ph.D ()

M.Sc (Second Degree) ()

First Degree ()

HND / Diploma ()

Technician ()

Secondary School ()

Others, state:

3. Area of specialization:
- ❖ Technical (Building, Civil, Mechanical Engineering)..... ☐
 - ❖ Business (Accounting, Marketing, Administration)..... ☐
 - ❖ Banking ☐
 - ❖ Economics ☐
4. What is your position in your establishment?
5. Any previous experience in Real Estate Development? Yes () No ()
6. Have you suffered devoured in your marriage life? Yes () No ()
7. Have you had any other professional training after school? Yes () No ()
8. What were the occupations of your Parents/Guardians?
- ❖ Business (Trading and Commercial Activities)..... ☐
 - ❖ Civil Servant ☐
 - ❖ Teaching ☐
9. Have you had training in entrepreneurship? Yes () No ()
10. At what age did you start business on your own?
- 25 – 35 ☐ 36 – 45 ☐ 46 and Above ☐
11. Is your present business your first business? Yes () No ()
12. What motivated you to start your own business?
- Desire for Independence () Financial Attraction ()
- High sense of Achievement () Desire for recognition ()
- Dissatisfaction at the previous work () Redeployment ()
13. What motivated you to enter into the Real Estate Industry?
- Solving Housing Problem () Financial Attraction ()

14. Have you ever worked in any establishment? Yes () No ()
15. Where
* Government Sector () Private Company ()
16. State type of job you were doing
17. What compelled you to leave your working place to start your own business?
.....
18. Do you have a Mentor? Yes () No ()
19. Who is your mentor?
20. Why did you choose him/her as your mentor?
21. What Legal Form of Business is your Real Estate Firm operating?
a. Sole Proprietorship () b. Partnership ()
c. Limited Liability Company () d. State any other
22. Is the Real Estate Industry meeting the housing needs in Ghana? Yes () No ()
23. If No, why?
24. Is the Government assisting the Real Estate Developers in Ghana? Yes () No ()
25. If Yes to Question 3, in what form(s)?
26. What impact will entrepreneurship training / skills have on the Real Estate Industry in Ghana?

27. What advice will you give to young Graduates/Entrepreneurs who intend entering into the Estate Real Estate Development Industry?

.....

28. What are the challenges facing Estate Developers in Ghana?

.....

.....

KNUST



APPENDIX 1.1b

SECTION B

Please read each of the following statements/questions carefully and choose with a tick (✓) the answer that most accurately represents your thinking and feeling.

ENTREPRENEURIAL ASSESSMENT

This assessment is designed to find out if you have the characteristics frequently associated with highly successful entrepreneurs. Rate each of the following characteristics using the following scale:

- 1 - I do not have this characteristic.
- 2 - I have this characteristic a little bit.
- 3 - I have much of this characteristic.
- 4 - I am very strong in this characteristic.

CHARACTERISTICS OF ENTREPRENEURS		RESPONSES			
		4	3	2	1
1.	Self-confidence				
2.	Cherish Independence				
3.	Drive to achieve and grow (Achievement)				
4.	Creativity (Innovation or Initiative)				
5.	Risk-taking				
6.	Opportunity seeking				
7.	Diligence (Perfectionist)				
8.	Positive response to challenges				
9.	Visionary leader				
10.	Hard work (workaholic)				
11.	Aggressiveness towards achieving your goal				
12.	Quick reaction to events				
13.	Negotiation				
14.	Demand for efficiency and quality				
15.	Financial Prudence				
16.	Planning and goal setting				
17.	Good interpersonal relationship				
18.	Courage				
19.	Network building and persuasion				
20.	Ability to organize				

APPENDIX 1.1c

PART C

QUESTIONNAIRE ON LAND ACQUISITION FOR ESTATE

In acquiring land for Real Estate Development, which of these procedures did you go through? Tick appropriately.

1. Which of these land ownerships do you acquire for Estate Development? (Please tick the one applicable)
 - a. Family lands/clan lands ☐ b. Stool lands ☐
 - c. Individual Ownership ☐ d. Government vested lands ☐
 - e. Government acquired lands ☐ f. Amalgamated lands ☐
2. Which of these procedures/processes have you gone through to acquire land for Estate Development?
 - a. Investigate the validity of the ownership of the land i.e those who are holding it in trust. Yes ☐ No ☐
 - b. Look for all stakeholders of the land Yes ☐ No ☐
 - c. Check the suitability of the land for the intended structures by involving professionals. Yes ☐ No ☐
 - d. Which of these professionals do you engage? Engineers ☐ Architects ☐
Land Valuers ☐ Land economists ☐
 - e. Check other people who have interest on the land (squatters) to help you ascertain the compensation needed Yes ☐ No ☐
 - f. Do you consider the marketability of the area before choosing site?
Yes ☐ No ☐
 - g. Do a search at Lands Commission? Yes ☐ No ☐
 - h. Prepare Cadastral Plan as governed by Legislative Instrument 1444 of 1989.
Yes ☐ No ☐

- i. Apply to Town and Country Planning for clearance. Yes () No ()
- j. Engage legal counsel to prepare the agreement for a Lease. Yes () No ()
- k. Presentation of documents at Lands for processing and registration
Yes () No ()
- l. Ensure that lease conform to conveyance decree of 1971 NRCD 175.
Yes () No ()
- m. Document sent to chairman of land Commission for concurrence.
Yes () No ()
- n. Document sent to Land Valuation Board for stamping. Yes () No ()

Acquisition of Vested and Government Lands

- o. Fill statue land application form Yes () No ()
- p. Execution of the lease Yes () No ()
- q. What other problems do you encounter in acquiring land for estate development?

.....

.....

Any other information?.....

**ASSESSMENT OF GOVERNMENT POLICIES AND PROGRAMMES,
SUPPORTIVE MEASURES AND CONSTRAINTS**

What Impact do Government Policies and Programmes have on Real Estate Development in Ghana?	4	3	2	1
Labour market and labour protection				
Education, Human resources development				
Client Protection				
Market Organization, competition and market performance				
Estate Housing				
Regional Development				
Development of innovative capacities R&D				
Taxation and Subsidies				
Foreign Exchange Administration				
Banking Sector (Credit availability)				
Trade & Customs				
Environmental Impacts				
Remarks:				

1- No impact

2- Constraints, obstacle to Real Estate Development Operations.

3- Favorable for Real Estate Development

4- High supportive, essential for Estate Development

APPENDIX 1.2

QUESTIONNAIRE TWO (2)

MARKETING OFFICERS

QUESTIONNAIRE ON MARKETING

1. Do you consider marketing as an integral part of your business strategies?
a. Yes b. No
2. How many marketers work in your marketing department?
3. What would you say are the two major roles played by your marketing department?
4. Which segment of the estate development market do you serve?
.....
5. Could you please tell me what your positioning strategy is ?
6. What aspects of marketing do you undertake in your estate development activities?
.....
.....
7. How do you determine the needs or products and services for your target market?
8. How do you differentiate yourself from competitors?
9. Do you practice coordinated marketing in your organisation?
a. Yes b. No

If yes, how?

And if no, why?

10. How would you rate the level of your customers' satisfaction?
- a. not satisfied b. satisfied c. very satisfied

11. How do you consider marketing intelligence in your organisation?
a. not important b. important c. very important
12. Do you have an after sales service and feedback system in place?
a. Yes b. No if yes, please give detail
13. Which of the 7p's of the marketing mix do you use to influence your target market?
.....
14. Could you please tick as applicable the level of importance of the following marketing mixes (N/A means, not applicable)

	very important	Important	less important	N/A
Product				
Price				
Place				
Promotion				
People				
Physical evidence				
Process				

15. Do you consider relationship marketing very important in your marketing strategies?
a. Yes b. No
16. How do you make your products accessible to your target market?
17. What promotional strategies if applicable do you use to promote your products?

APPENDIX 1.3

QUESTIONNAIRE THREE (3)

HUMAN RESOURCE MANAGERS

No.	Assessment of entrepreneurial self-image and staff relations (HRM) (LABOUR)	4	3	2	1
	How Important are the following in the Real Estate Development Industry in Ghana				
1	Staff Development (Training)				
2	Employment of staff according to talents and skills				
3	Motivation of staff (Awards and Rewards)				
4	Staff Information and Communication (Free Flow)				
5	Readiness and ability to delegate (staff)				
6	Make fair staff Assessment, Recognition and Critique				
7	Good Staff Relations and Co-operation				
8	Clearly communicate the vision and mission of the firm to employees				
9	Handle employees carefully				
10	Recognition of employees loyalty				
11	Good working conditions				
12	Organize staff forum quarterly				
13	Make the employees and management aware of the company's achievement and challenges				
14	Accept some employees inputs in the firm's policies and decisions				

4 - Very High

3 - High

2 - Low

1 - Very Low

No.	Assessment of entrepreneurial self-image and staff relations (HRM) (LABOUR)	YES	NO
	Do you practice the following in your Real Estate Development firm?		
1	Staff Development (Training)		
2	Employment of staff according to talents and skills		
3	Motivation of staff (Awards and Rewards)		
4	Staff Information and Communication (Free Flow)		
5	Readiness and ability to delegate (staff)		
6	Make fair staff Assessment, Recognition and Critique		
7	Good Staff Relations and Co-operation		
8	Clearly communicate the vision and mission of the firm to employees		
9	Handle employees carefully		
10	Recognition of employees loyalty		
11	Good working conditions		
12	Organize staff forum quarterly		
13	Make the employees and management aware of the company's achievement and challenges		
14	Accept some employees inputs in the firm's policies and decisions		

APPENDIX 1.4

QUESTIONNAIRE FOUR (4)

ACCOUNTANTS

ASSESSMENT OF SOURCE OF FUNDS [CAPITAL]

How important are the following source of funds for business success in the Real Estate Development in Ghana?				
❖ Long- and Medium Term Finance	4	3	2	1
1. Equity capital paid in by owner/owners				
2. Equity capital paid in by new partners				
3. Loans obtained from Financing Institutions				
4. Loans obtained from family members				
5. Loans obtained from partners				
6. Retained profit				
❖ <u>Short- term Financing</u>				
7. Bank credit and over draft				
8. Bills of Exchange				
9. Creditors				
10. Advance payments by customers				
11. Private Loans				
Remarks				

Key:

- 4 Very Important
- 3 Important
- 2 Little Importance
- 1 Not Important