

-KWAME NKURUMAH UNNIVERSITY OF SCIENCE AND TECHNOLOGY

COLLEGE OF ARTS AND SOCIAL SCIENCES

BUSINESS SCHOOL

KNUST

**THE EFFECT OF SOCIO-CULTURAL PRACTICES ON THE GROWTH
OF FAMILY BUSINESS.**

THE CASE OF THE ASHANTIS IN GHANA.

BY

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ENTREPRENUERSHIP AND SMALL ENTERPRISE MANAGEMENT OPTION.

**JULY, 2012.
DECLARATION**

I hereby declare that this submission is my own work towards Masters of Business Administration (MBA) Degree and that it contains no materials previously published by another person or material which has been accepted for the award of any degree of the University, except for reference to other people's works which I have duly acknowledged.

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ABSTRACT

Family firms are widely recognized as a major source of technological innovation and economic progress. Family business as have become conservative and unwilling to take risk to elicit entrepreneurial spirit, the study show how the family ownership and management could promote entrepreneurship. The paper aims to increase the understanding of family business and its contribution to the growth and development of the economy. The effect of socio-cultural practices on the growth of family business which is the backbone of the private sector in the economy. It is through the family businesses that innovations, creativity and entrepreneurship are unveiled for growth and development. Although there has been considerable research based on the psychological and economic approaches to family business, the influence of socio-cultural practices on family business development remains understudy. Therefore, the aim of this research is to integrate the various stakeholders from a theoretical perspective and elicit the various socio-cultural practices that affect the operations of family business. Also brief overviews of the challenges facing the family business have been highlighted for further considerations and research. The study also brings to light the problems associated with family firms such as family conflict over money, nepotism leading to poor management and infighting over succession of power from one generation to the next.



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DEDICATION

This work is dedicated to GOD, the almighty for His protection, my wife Mrs. Gladys Amponsah and my children Eugene Omane Amponsah, Esmond Kwame Amponsah, Isreal amaning Amponsah and Benard Adjei Amponsah. And to all those who gave me their moral and spiritual support and encouragement while pursuing the course.



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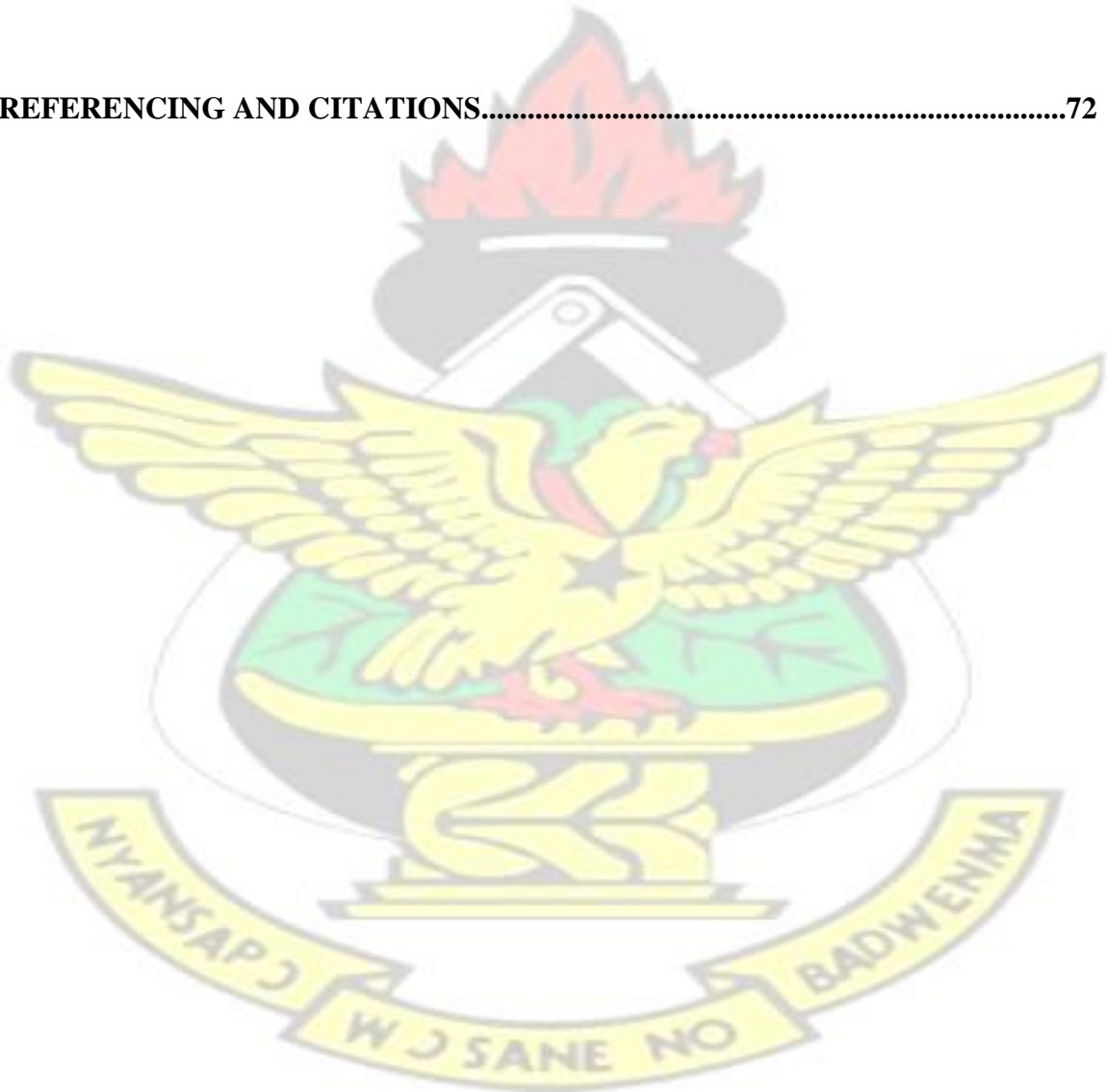
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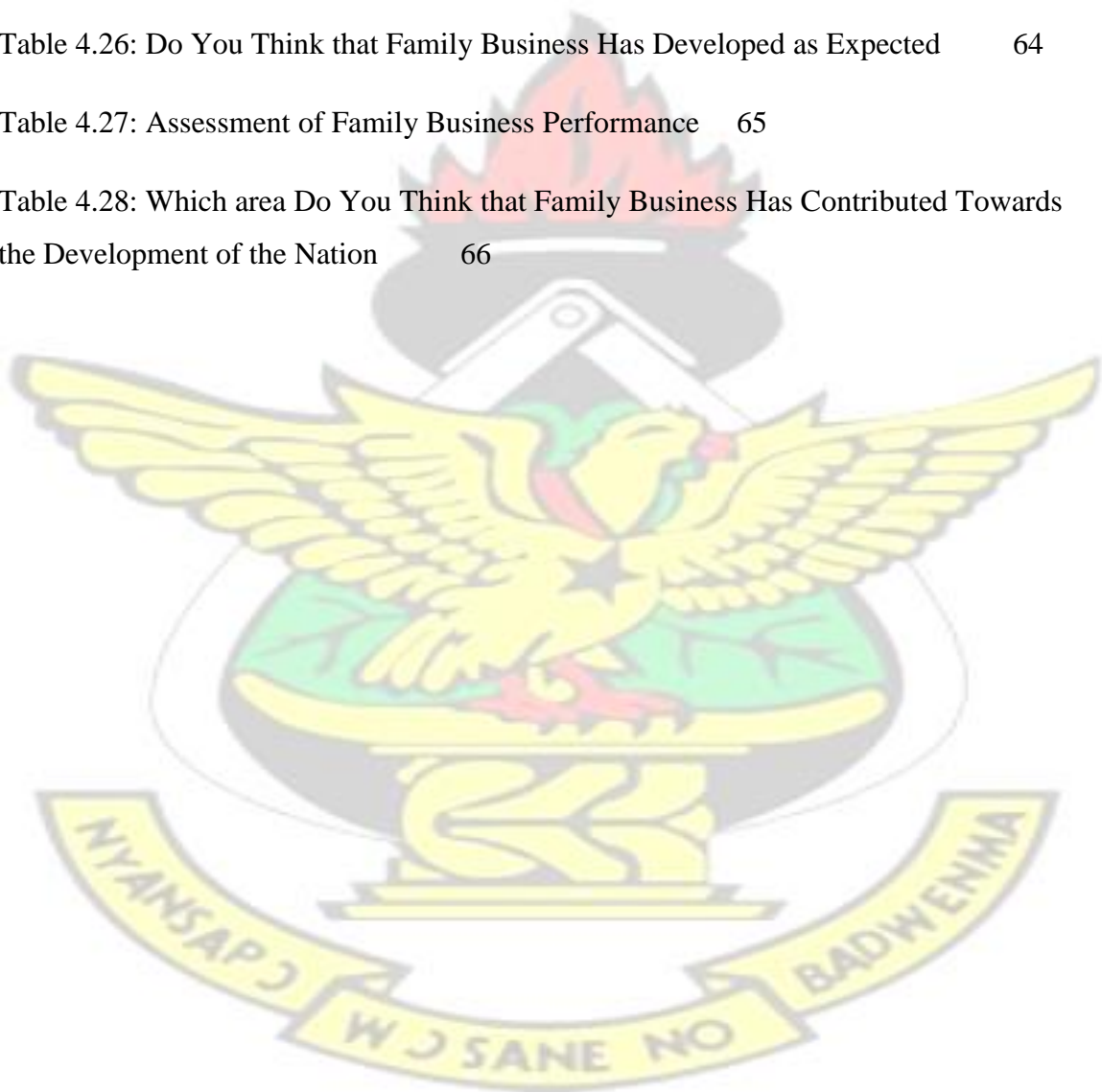
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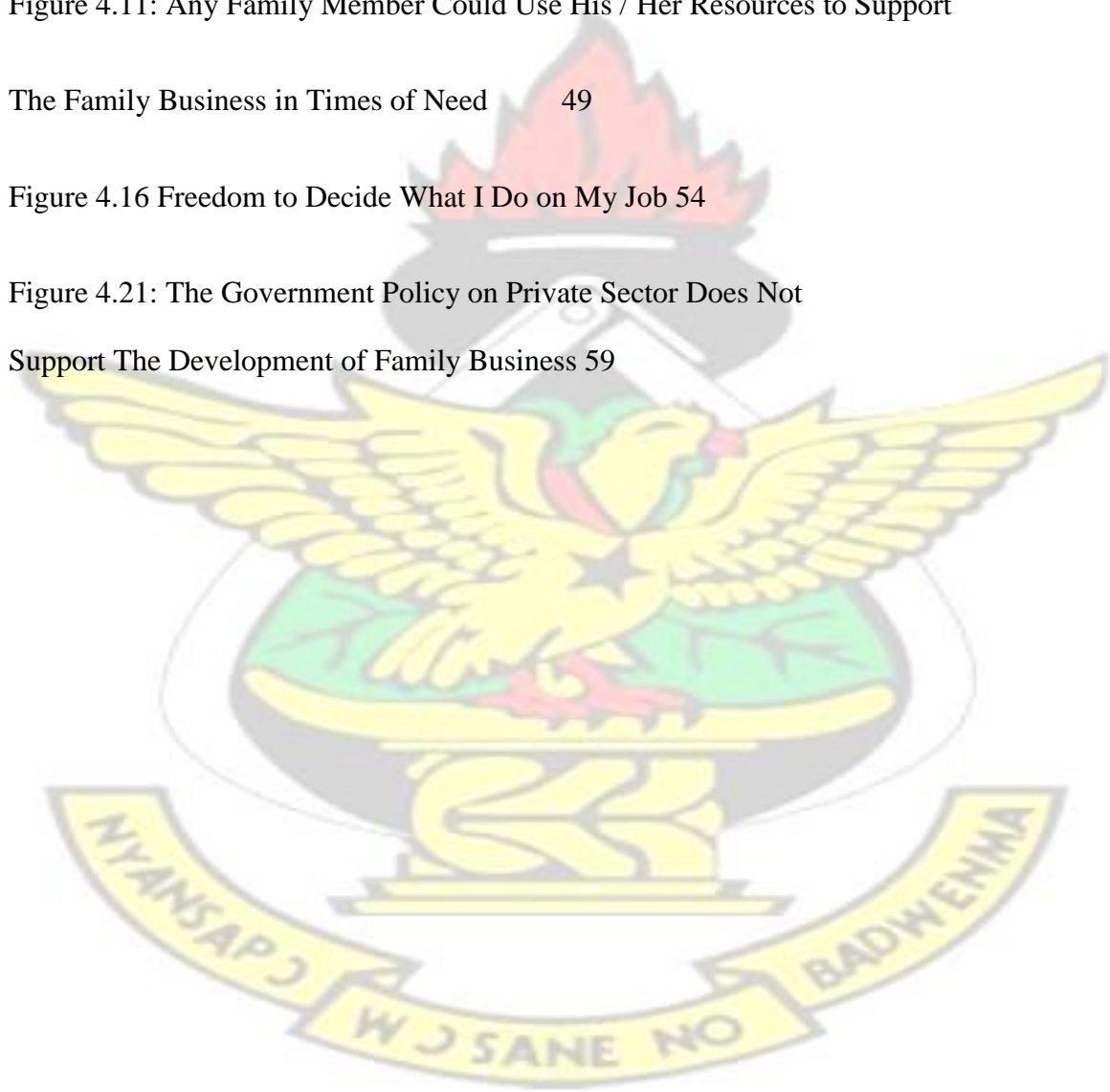
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CHAPTER ONE

GENERAL INTRODUCTION

1.1 Background to the study

Since societies are endowed by nature with different physical environments, members of society must adopt environmentally relevant patterns behaviour to achieve success. These environmentally relevant patterns of behaviour lead to the formation of different cultural values in different societies, some of which influence to create new businesses. Thus, culture as distinct from political, social, technological or economic contexts has relevance for economic behaviour and entrepreneurship (Shrane (1993), Shapero and Sokol (1982).

One of the difficulties in examining the cultural effects in relation to entrepreneurial activity is the lack of precise and commonly understood definition of culture McGrath (1992). anthropologist suggest that culture is related the ways in which societies organize social behaviour and knowledge Krober and Parsons (1958). Cultural values are defined as the collective programming of the mind which distinguishes the members of human group from another and their respective responses to their environments Hofstede (1980).

Several studies have stressed the influence of cultural factors on entrepreneurship from different perspectives Hayton (2002). In their literature review, link culture and entrepreneurship to broad streams of research. The first focuses on the impact of national culture and the characteristics of individual entrepreneurs; the third explores the impact of national culture on corporate entrepreneurship.

Accordingly, when an individual creates a business in a specific cultural environment, this business reflects that cultural environment, for example characteristics such strategic orientation and growth expectation for the business.

Much of the research in entrepreneurship that considers cultural variables has followed Hofstede's (2001) seminal work showing how cultural values at individuals or societal levels are influenced by national culture. According to this view, culture differences across societies can be reduced to four quantifiable dimensions; uncertainty avoidance, individualism, masculinity and power distance for preference for acting in the interest of one's self and immediate family, as distinct from dimension of collectivism, which stand for acting in the acceptance of inequality of position. The dimensions of uncertainty avoidance represent preference for certainty and discomfort with unstructured or ambiguous situations. Individualism stands for acting in the interest of one's self and immediate family, as distinct from dimensions of collectivism, which stands for acting in the interest of larger groups in exchange for their loyalty and support. Power distance represents the acceptance of inequality in position and between people. Masculinity stands for beliefs in nationalism and decisiveness rather than service and intuition. Using Hofstede's (1980) concept of culture, researchers have in general hypothesized that entrepreneurship is facilitated by cultures that are high in individualism, low in uncertainty avoidance, low in power distance and high in masculinity Hayton (2002). Anthropologists view entrepreneurship as well as other social processes as cultural processes Greenfield and Strickon (1986) Stewart 1991]. In particular the important role of norms and traditions has been demonstrated which although they generally do not inhibit entrepreneurship can do so Stewart (1991). From an anthropology perspective, attention to social and cultural related to the creation of new

business has provided interesting contributions to the understanding entrepreneurship especially through the study of social constraint Garlick (1971) Kennedy (1988) Wiewel and Hurter (1985) and collective approaches family business community-central business, ethnic organizational entrepreneurship]to business formation and growth Benedict (1968) Dawis and Ward (1998) Kleinberg(1983)Parker (1983) among others.

John Ward (2008) and Chrisman (2005) who have done extensive work on family values in family- owned businesses explore the differences and similarities of family values and their impact on organizational culture and performance.

Family participation as managers and/or owners of a business can present unique problems because the dynamics of the family system and the dynamics of the business systems are often not in balance. In a family business, one or more members within the management team are drawn from the owning family Burns (2007).

Value is a concept that describes the beliefs of an individual or culture. A set of values may be placed into the notion of a value system. Values are considered subjective and vary across people and cultures. Types of values include ethical/moral values, doctrinal (political, religious) values, and social values. Family values are political and social beliefs that hold nuclear family to be the essential, ethical and moral unit of society.

Familialism is the ideology that promotes the family and its values as an institution. Revillard (2006) values inspire people to do things that are sometimes difficult, to make commitments that require discipline and stick to plans for the long haul. An enduring commitment to the values is the greatest strength and competitive advantage family

ownership can bring to a company to have the following characteristics such as generosity, creativity, respect, teamwork, integrity and honesty are imbibed in family-owned businesses have to be critically analyzed for efficient management and growth of family businesses *Lansberg (1986.)*

Family values that have been holding most family businesses together both in Africa and in the World. *Harvard (2005)*. The study contributes to the literature by enabling a deeper understanding of the differences and similarities of corporate values at the foundation of most business as against family-owned businesses. According to the study findings, the values of integrity, respect, forgiveness, teamwork, and generosity, responsibility, honesty flexibility and traditions are the top most-mentioned values in all the (50) family-owned firms visited.

“One of the potentially great strengths of family-owned business is that they are influenced by the family’s values in ways that are good for the business, the family and the society at large” *Neubauer and Lank (1998.)*

Family values reflect common commitment among the members to get or keep house rules, traditions occupation selection, family secrets and loyalty which are the basis for family success. *family Hilbert (1992)*. A well developed family business based on family core values leads to sustainability which helps business to migrate risk and position it to leverage opportunities for value creation. Sustainability is particularly relevant for family controlled businesses which are strongly connected to their communities and are oriented toward preserving with and ensuring for future generations. The family businesses are considered by many scholars to be the cutting edge of corporate performance, job creation, return on

investment, quality of product and service, customization capability, and speed to market. Family Business POZA(2010).

The family values tend to be more people oriented, emphasize collectively and more than individuality, and support a long term perspective and sense of stewardship and responsibility toward the future of the family-owned business and assess the impact on productivity. *Kottler (2003)*.

The family businesses serve as the brain behind innovation, the heart behind local philanthropy and the nerve system of our entire free enterprise. Over 90% of all US firms are family owned. They employ 62% of the country's workforce and create 78% of the new jobs. They contribute some 64% the total GDP. A recent US Connecticut study shows that 79% of family owned businesses incorporate socially responsible practices into their business. *Astrachan (2003)*

Family-owned businesses have many challenges including family conflicts over money, nepotism leading to poor management, and infighting over succession of power from one generation to the next. Regulating the family roles as shareholders, board members and managers is essential because it helps avoid these pitfalls Greg McCann (2000).

The family values tend to be more people oriented, emphasize collectivity more than individuality, and support a long term perspective and sense of stewardship and responsibility toward the future of the family-owned businesses and assess the impact on productivity.

1.2 Statement of the problem

Family businesses play very important role in creating employment, generating innovative technology, improving quality of life and entrepreneurship. The elements of socio-culture such as religion, beliefs, succession, conflicts, ethnicity, respect, etc affects all dimensions in decisions to run business, therefore the need to critically assess the relationship between socio-culture, growth and development of family businesses becomes paramount.

Entrepreneurs who are the architects of most family businesses must possess high qualities such as integrating social systems, decent attitudes towards life for effectual industrial patterns and As most of the large companies in Ghana started as small family businesses with certain core values for sustainability and continuity for economic growth and expansion, there has been the need to formalize these socio-cultural values for effective management and growth in family business. The secret of success of most of the family businesses has been the socio-cultural values such as respect for the family head; collectivity and belongingness, we-feeling, sustainability of family assets, family succession and above all protection of family dignity must be research into *Koiranen, (2002)*. Nevertheless, the need to formalize socio-cultural values will help effective management and growth of family business.

There have been dramatic increase and growth in family business in Ashanti region or Ghana for that matter but their emergence and success are based on socio-cultural values which have to be formalized and restructured for effective management and growth. The family businesses have great impact on the Ghanaian domestic economy in terms of production and provision of employment hence these firms face internal and external

problems which have to be addressed through formalization of socio-cultural values which are the basis of family businesses. *Schein (2011)*.

1.3 Research objectives

1. To identify various socio-cultural values existing in Ashanti Region.
2. Examining the growth pattern of family Business.
3. To assess challenges in managing family business in Ashanti region.
4. To examine the perceptions about family business in Ashanti Region.
5. To examine the effects of socio-cultural values on the growth of family business` in Ashanti region.

1.4 Research questions of this study include the following;

- a. What are the socio-cultural values existing in Ashanti region?
- b. What has been the growth pattern of family businesses in Ashanti Region?
- c. What are the effects of socio-cultural practices on the growth family business in Ashanti Region?
- d. What are the challenges in managing family Businesses in Ashanti Region?
- e. What are the perceptions about the family Business in Ashanti Region?

1.5. Justification of the study.

Family businesses play very important role in creating employment, generating innovative technology, improving quality of life and entrepreneurship. The elements of socio-culture

such as religion, beliefs, succession, conflicts, ethnicity, respect, etc affects all dimensions in decisions to run business, therefore the need to critically assess the relationship between socio-culture, growth and development of family businesses becomes paramount.

Entrepreneurs who are the architects of most family businesses must possess high qualities such as integrating social systems, decent attitudes towards life for effectual industrial patterns and economic growth and this cannot be attained outside socio-culture which regulates the behaviour of people.

The relationship between socio-culture and the development of family businesses exposes a lot challenges that have to be looked out for with empirical evidence hence the need for further research into the effects of socio-culture on the growth and development of family business.

1.6 scope of the research

This research work covers the entire spectrum of socio-culture and its impact on managing family business. A family business is any business set that one or more of its senior top managers come from a particular family. The business was started by a family member and has been handed over to a successive generation for management and continuity. The research covers the core family values and the need for them in managing the family businesses. The research was conducted in ten (10) family companies in the Ashanti region, Ghana. It seeks to investigate into the challenges of family businesses. The research collates data on the recommendations of business experts both academia and the successful

entrepreneurs for decision- making. This research reaches the extent to make suggestion to sustaining family businesses since most businesses now were family businesses.

1.7 Limitations of the study.

The research is limited in scope and in depth since only ten family owned businesses was targeted and also Ashanti region was selected out of the ten regions of Ghana.

Nevertheless ,important questions regarding the place of family values and what has been described as familiness are raised .The interview data are used to identify common themes relating to family values .These are compared with the questionnaire, responses and further question are identified around the loose framework of values consistently featuring in the interviewees’

1.8 Organization of the study

The study is organized in chapters and in subtopics

Chapter one- introduction

It talks about the background to the study, statement of the problem, research objectives, research questions, the scope of the research, limitations of the study and the overall origination of the study.

Chapter two-Literature review

In reviewing the literature of the study the following are going to be discussed. The three approaches such as the theoretical underpinnings of the topic, empirical findings, and both theoretical and empirical works in all the related areas.

Chapter three-Methodology

This chapter discusses the research design and the methods being used to do the research work. It outlines the research process which is done in stages; stage one-problem definition, stage two-research design, stage three-data collection methods, stage four sampling, stage five-field work, stage six-analysis of data and stage seven- presentation of the results. The unit of analysis includes population sample and sampling techniques, data collection methods, analysis of the data and the profile of the case.

Chapter four- presentation of the findings

The quantitative studies, tables or figures, the content of the tables in frequencies and percentages.

Chapter five- summary of findings, conclusions and recommendations.

Referencing and citations.



CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

Reviewing extensive work on socio-culture in family owned firms by Chrisman et al. (2005), Ward (2008), Neubauer and Lank(1998), they explore the differences and similarities of the formally stated values being communicated by family-owned and nonfamily-owned corporations, and the impact of these values on organizational culture and company performance.

This research work takes a closer look at some rich Ghanaian family values and how to transfer and practices such values in family owned business. Also to identify other values in non-family firms which are beneficial to family business. This paper focuses only on the top three most mentioned values from the sample chosen. The rest will be looked at in the subsequent publication(s).

2.1 Definition of Family

United Nation defined the family as the natural and fundamental group unit of society and is entitled to protection by society and the State United Nations (1948).

The United State of America population census bureau in 2005 defined family to consists of two or more people, one of whom is the householder, related by birth, marriage, or adoption and residing in the same housing unit. A household consists of all people who occupy a housing unit regardless of relationship A household may consist of a person living

alone or multiple unrelated individuals. According to Dr. Murray Bowen, a specialist in human behavior, families are complex units that are bonded by strong emotional connections. The ways in which members of a family interact with each other and in relation to the group as a whole are often referred to as family individuals or families living together” U.S. Census Bureau (2005).

Accordingly, traditions, communication styles, behavioral patterns and emotional interdependence all influence the dynamics between family members. In the recent time society’s definition of a family has expanded to include single parents, biracial couples, blended families, unrelated individuals living cooperatively, and homosexual couples, among others” Crawford (1999).

In Ghanaian context, family is more of extended type rather than nucleus one as exist in more advanced nations like America and the United Kingdom. Looking carefully into the various definitions of family by different authorities reveals some basic similarities, these are special bond, respect for authority, and ones.

In Ghana, the family structure put the older and more responsible member of the family as the head, but in recent times due to the complex nature of jobs where people are scattered all over the globe, family heads are select from those members living at the ancestral home, hence age may not necessary be a factor in the selection of a family head.

As soon as a family head is chosen, irrespective of the age, all family members are oblige to accord him with the necessary respect and he also commands authority.

2.2 Socio-Cultural

It is the process by which structural recognition is affected through time, eventually producing a form or structure which is qualitatively different from the ancestral form. An emerging theory that looks at the important contribution that society makes to individual development. This theory actually stresses on the interaction between people and the culture which they live Vygotsky (2010).

2.3 Family Business

Definition: *A business actively owned and/or managed by more than one member of the same family.*

In a family business, one or more members within the management team are drawn from the owning family. Family businesses can have owners who are not family members. Family businesses may also be managed by individuals who are not members of the family.

Family businesses are often overlooked form of ownership. Yet they are all around us from neighborhood mom-pop stores and the millions of the small and medium size companies that under [pin many economies including Ghana to household names such as BMW, Samsung, SC Johnson, Poku Pharma, ASPEE Pharmaceutical company etc. One third of the companies in France Germany are defined as family businesses meaning that a family owns significant share and can influence important decisions, particularly the election of the chairman and the CEO. *Cabrera-Saurez (2009)*

As family businesses expand from their entrepreneurial beginnings, they face unique performance and governance challenges. The generations that follow that founder, for example, may insist on running the company even though they are not suited for the job. And as the number of family shareholders increases exponentially generation by generation with few actually working in the business, the commitment to carry on as owners can't be taken for granted. Indeed less than 30 percent of family businesses survive into the third generation of family ownership. *Harvard (1999)*.

Those that do however; tend to perform well over time compared with their corporate peers, according to recent McKinsey research. Their performance suggests they have a story of interest not only to family businesses around the world, of various stages of development, but also to companies with other forms of ownerships.

To be successful as both the company and the family grow, a family business must meet two intertwined challenges; achieving strong business performance and keeping the family committed to and capable of carrying on as the owner. Five dimensions of activity must work well and in synchrony, harmonious relations within the family and understanding of how it should be involved with the business, an ownership structure that provides sufficient capital for growth while allowing the family control key parts of the business, strong governance of the company and a dynamic business portfolio, professional management of the family's wealth, charitable foundations to promote family values across generations (Exhibit 1) *Schein, (1992)*.

Family business can go under for many reasons, including family conflicts over money, nepotism leading to poor management, and infighting over succession of power from

generation to the next. Regulating the family roles as shareholders, board members, and managers is essential because it can help avoid these pitfalls. *Cadbury,(2009)*

Large family businesses that survive for many generations make sure permit their ethos of ownership with strong sense of purpose, over decades they develop oral and written agreements that addresses issues such as the composition and election of company's board, the key board decisions require a consensus approach or qualified majority appointment of CEO, the conditions in which family members can (and can't) work in the business and some of the boundaries for corporate and financial strategy. *Handler (2010)*

However, family members are often involved in the operations of their family business in some capacity and, in smaller companies, usually one or more family members are the senior officers and managers. Many businesses that are now public companies were family businesses.

Family participation as managers and/or owners of a business can strengthen the company because family members are often loyal and dedicated to the family enterprise. However, family participation as managers and/or owners of a business can present unique problems because the dynamics of the family system and the dynamics of the business systems are often not in balance. In a family business, one or more members within the management team are drawn from the owning family. *Burns (2007)*

2.3.1 Relationship between socio-cultural practice and family business.

It is clearly seen that Small Medium Entreprises (SMEs) perform a strategic role in developing economies in countries like Ghana and others. The (SMEs) in Ghana are at high

percentage when compared with other “industrial and business” establishments in developing countries. But the crucial question has been risen in the process of advanced industrialization how and what Ghanaian SMEs adopt to run parallel to the changing economic environment to maintain their higher productivity and competitiveness in global markets.

Entrepreneurs must possess high qualities such as integrity, social systems, decent attitudes towards life for effectual industrial patterns and economic growth of the country as key figures in the development process.

Therefore, to create a healthy business environment what is needed is an active social and cultural behaviour of the population, an efficient economy, and meaningful policies and principles that motivates a friendly and fruitful environment by the government. Market and political conditions should be given priority for entrepreneurial development.

Hosfted (1980).

2.3.2 Ethnicity and family business.

The cultural background of entrepreneurs influence their business decisions. The business success with strategies heavily depends on the nature of ties among co-ethnics and on the shape of social networks Roger Waldinger (1990).

Simon (1995) studied the enterprise culture and how entrepreneur influence to act in such not to encourage ethnicity and conflicts. Shapero (1995). Argues that ethnic groups that have produced high number of entrepreneurship are also displaced groups. It is clear that

especially among minority businessmen ethnic feeling play an important role in determining the type of business, location of the business and business links Edna (1980).

2.2.4 Impact of education on family business

As the culture is a learned behaviour, formal and non-formal education plays an important role transferring cultural values from one generation to another. However, Hagen E, (1962) said that education plays a subsidiary role in promoting entrepreneurship, because entrepreneurs are born. It should also be noted that some researchers emphasized that, “the concept of mind” which stresses that education is important in terms of results and behaviour of enterprise business. It is often articulated that the supply of entrepreneurs who are the engineers of family business will ultimately be increased more if awareness of the feasibility of starting a business is established at a young age Ranasinghe (1996).

2.2.4 Impact of religion

The cultural practices in any society basically develop due to religion. It provides the philosophical foundation for beliefs and values “there are two primary reasons for the study of religions in the world economy. One is the religion as a major element of the cultural environment. The second reason is that religion is a mainspring of culture, an inner determination of many of the external manifestation of culture Vern terpstra (1996).

2.2.5 Impact of age on business practice

It is observed that young people are very aggressive, impatient and ready to take risk. Hence this factor may influence on business practices of entrepreneurs. The individuals are socialized to behave in ways that meet with the approval of their roles set. To take an

example, a young person with a business owning parent may well be expected to join the family business and not to do so would create a vacuum in the business.

If we accept that entrepreneurs require skills, ideas, opportunities, resources and motivation for success, then the social structures and situations to which they are exposed will impact on the choice process Longenecker M. (1991).

Simon (1998). Found that actual and perceived entrepreneurial skills are acquired overtime and consequently age has an impact on entrepreneurship. It has been suggested that many people age thirty or less may not have acquired enough sufficient organizational experience while those age forty-five or more may no longer poses the required energy. However, there are no hard and fast rules concerning the right age for starting a business.

2.2.6 Culture and work ethics

Work ethics in a society is largely influenced by its culture and it has a direct relationship to its value systems. Every society has a set of values and this differentiate people from one another. And the involvement of protestant in whatever they were engaged. Weber stressed two factors. Firstly, the religious belief was that man's primary responsibility was to do his best in whatever his role is. God has assigned in life rather than to redraw from society and devote himself entirely to God which was to be the highest deal as thought by Catholic Church. Secondly the Protestants have believed that God determined in advance which souls should enter heaven hence the belief that a man might feel assumed that could be one of those elected souls if he made a consistent effort to do his duty in the world not simply by good deeds Swami Prabha (1994).

Some values are required to be optimized such as controlled greed, stock dignity, pursuit pleasure, righteousness in envy, pride, anger and violence, efficiency and work ethics, camaraderic and fraternity, trust and cooperation, transparency and honesty, piety, harmony with self destiny Thirakurel (1994).

2.2.7 Entrepreneur culture

Rao and Abraham (1986) said the value based entrepreneurial culture refers to the sum total of dynamic and innovative ways and means in which an organization responses to changes in the environment. The value base refers to the spirit of openness, conformity, trust, authenticity, proactively, creativity, innovation, collaboration, experimentation and confrontation. These values form a corporate culture where everyone works as a member of an effective organizational team so as to contribute to the achievement of organizational goals.

Gibb .A .A (1987) suggested that an enterprise culture is the set of values, attitudes and beliefs supporting the exercise in the community of independent entrepreneurial in a business context.

The implication of this approach is that enterprising individuals differ from others at least some of their values and beliefs and in their goals and ambitions, although these are not necessary directly observable characteristics. And he describes enterprise as the exercise of its attributes in and the entrepreneur, he suggests, is someone who demonstrates a more use of these attributes in a particular task context, usually in business or commerce Ridding (1986).

Hofstede (1994) defines culture as mental programming. Every person carries within himself or herself patterns of thinking feelings and potential acting which were learnt throughout their lifetime. It is the collective programming of mind, which distinguishes the members of one's group or category of people from another.

2.2.3 Patient Financial Capital

The family firm typically has patient financial capital in the form of both equity and debt financing from family members. The family relationship between the investors and the managers reduces the threat of liquidation. Zara A (2005).

2.2.4 Survivability Capital.

The family company must manage its survivability capital-family members' willingness to provide free labor or emergency loans so the venture doesn't fail. Amoako-Adu (1999).

2.2.5 Lower Costs Of Governance.

The family business must manage its ability to hold down the costs of governance. In non-family firms, these include costs for things such as special accounting systems, security systems, policy manuals, legal documents and other mechanisms to reduce theft and monitor employees' work habits. The family firm can minimize or eliminate these costs because employees and managers are related and trust each other. Osei-Twumasi

(1997)

2.3 Family Values

Value is a concept that describes the beliefs of an individual or culture. A set of values may be placed into the notion of a value system. Values are considered subjective and vary across people and cultures. Types of values include ethical/moral values, doctrinal/ideological (political, religious) values, social value.

Family values are political and social beliefs that hold the nuclear family to be the essential ethical and moral unit of society. Familism (2006) is the ideology that promotes the family and its values as an institution. Values inspire people to do things that are sometimes difficult, to make commitments that require discipline and to stick to plans for the long haul. An enduring commitment to values is the greatest strength and competitive advantage family ownership can bring to any company.

According to Matt Koiranen, in everyday language Value refers to describe, importance, usefulness, or monetary worth” and Values mean moral principles, standards, ethical and behavioural norms” Koiranen (2002). The term was defined as a “relative worth utility, or importance” or something (as a principle or quality) intrinsically valuable or desirable” among other meanings.

Other definitions of the term made by different scholars are;

- “A value is a conception, explicit or implicit, of the desirable which influences selection from available modes, means and ends of action” (Kluckhohn, 1951 cited in Rokeach, 1973, and in Koiranen, 2002 p. 176).

- Values are the cornerstone of human achievements and commitment. Values inspire people to do things that are difficult to make commitment that require discipline, to stick to plans for the haul” Aronoff and War,(2000)
- Values are driving independent variables shaping every dimension of family business management” Ward (2008).
- Values answer the question of what is important to us “and “core values are the deep seated pervasive standards that influence almost every aspect of our lives; our moral judgments, our responses to others, our commitments to personal and organizational goals (Dumas and Blodgett (2010)

2.4 Generosity

Generosity is the habit of giving freely without expecting anything in return.

In Ghanaian context generosity is part of the cultural set up and this transcends into their family businesses because they family set up covers the niece, aunties, nephews, brothers, sisters, uncles, mother and father. Assistance of any kind could be given by any of the members that make up the family. The help to the family business could be financial, material, building or labour. It should not also be forgotten that the members of the family keep close monitoring in the activities of the family firm and this sometimes has both positive and negative consequences on survival of the business. *Songsore-* (2009).

2.5 Creativity

“Creativity” refers to the phenomenon which by a person creates something new (a product, a solution, a work of art, a novel a joke etc.) that has some kind of value, what counts as

“new” may be in reference to the individual creator, or to the society or domain within which the novelty occurs. What usually count as “Valuable”. The relationship between creativity and economic development or where creativity can drive growth of range of sectors and enhance prospects for specific places and attract high skilled and culturally active citizens TBM Fleming (2011).

Entrepreneurs who start business from scratch must a unique mindset and set of skills. Among the attributes that are necessary are passion, humility, honesty, a willingness to take calculated risk, an ability to execute the idea, modifying the original idea as necessary Amabile (2008).

A change in the economy has identified recently, moving from knowledge based activities to activity, innovation, entrepreneurship and imagination Beroeck (2008) . Increasing globalization and technology effects have resulted in more business opportunities but marketplace has become crowded and competition has increased (Mcmullan and Shepherd (2006). Creativity enables the entrepreneur to act on these opportunities in ways which can result in competitive advantage for the organization. It can provide the basis for innovation and business growth as well as impacting positively on the society generally Bulton (2007). Entrepreneurship occurs in all types and sizes of organizations, from the domestic micro enterprise to the global corporation. Entrepreneurship can be defined as the process of creating value for business and social communities by bringing together unique combinations of public and private resources to exploit economic social or cultural opportunities. Creativity has been viewed as the construction of ideas or products which are

new and potentially useful Amabile (1998), although in entrepreneurial sense there should also be a subsequent link to innovation and profitability monetary and social terms.

Creativity allows the organization to take advantage of opportunities which develop as a result changing environmental conditions Shalley (2004).

2.6 Definitions and theoretical foundation of family firms.

The institution for the emergence of the field of family firm research lays in the assumption that family and non-family businesses are different. Recent empirical studies such as one amongst S&P 500 firms Anderson (2003) shows that firms being under the in thence of founding families out perform their counterparts. Especially in terms of performance (such as size, growth, profitability etc.). Significant differences between family and non family businesses could be identified (Gallo (1995), McConaughy (1999), Westhead (1998).

Nevertheless, there is no universal definition of what a family business is yet. Westhead (1998) have reviewed and analysed existing definitions of family firms that have been used in previous research. It seems that the problem is less differentiating between a business that is clearly a family business and one that is clearly not ; the problem is rather the “grey area” in between. The author found for example that the ratio of family businesses varies dramatically depending on the definition used in the study. Accordingly, there are numerous definitions of what a family business is out there.

For instance, researchers define a family business operationally by the components of a family's involvement in the business ownership, management or business successor Chrisman (2003b). Regrettably, they have enormous problems in making a precise definition. Definitions reach from one hundred percent ownership over the majority of control Chus (1999)/or they deal with the question whether governance by family is enough or management of the firm would be necessary.

Due to their satisfaction with existing definitions, several authors have recently shifted their approach to identify the "essence" of a family firm, eg. Through the question of the family's influence in strategic decision-making Davis (1989).Handler(1989), Shanker (1996).The idea behind is that the family could be the critical variable in family firm research (Astrachan,2003,Dyer Jr.2003;Zahra,2003). Litz 1997 for instance advocates that the essence of family business is the family's purpose of retaining control over the company for more than the present generation. Habbershon et al., 2003 introduced a new perspective called "familiness" which describes unique, inseparable and synergistic resources and capabilities emerging from family involvement and interactions.

Accordingly, an integrated definition of a family business could eg. include:

1. familiness as described before
2. control over the business for contract
3. next generations Chrisman (2003a) Habbershon (2003b).

Concluding, both theoretical and empirical attempts to define "family business" are still open for discussion and the development of objective methods for separating family from non family firms is still in its infancy Chrisman (2003b)

2.7 Uniqueness of family firms.

In a comprehensive study of family businesses, Chrisman, Chua, and Sharma found 21 different definitions of family business in their review of 250 research articles.

Family businesses come in many forms: Sole proprietorships, Partnerships, Limited liability companies, S corporations, holding companies, and even publicly traded, albeit family-controlled companies. That is why estimates of the number of family businesses operating in U.S.economy range between 17 million and 22 million. Worldwide, estimates of all enterprises considered to be family businesses range between 80percent and 98percent. Poza (2010).

- Many due to facts like long CEO tenures (typically more than 15 years)and concern for subsequent generations of the family ,family firms are more likely to take a long-term orientation in making strategic investments Breton(2006).
- Family firms tend towards sustaining strategy over longer period of time Ensley (2006)
- Family firms have to deal with additional namely family issues Paisener,(1999) which might be resource- consuming
- Family firms often experience slower growth as well as slower decision-making process Meyer (1989).
- Family firms are more restraint in risk project Cabrera-Suarez (2001) and thus could miss opportunities.

2.8 The resource-based view as theoretical foundation for family firm research The resource-based view (RBV) of the firm argues that firms are able to outperform others if they can develop valuable resources or capabilities which cannot be easily imitated or substituted by its competitors Barney (1991), Teece (1997). In that respect, one of the major considerations in family firm research is the question whether family involvement can lead to a competitive advantage accordingly. Several scholars suggest that the connection between family and business may lead to unique advantages in the acquisition of resources, Haynes (1999) Aldrich (2000) Stewart (2003). The RBV can contribute to investigating how family firms identify and develop unique capabilities, and how those might be transferred (Eg during business succession) to new owners and structures (Habbershon et al, 1999) Barney et al...,2002 suggest that family ties may provide an advantage in opportunity identification due to a higher wiliness to share information with each other between members of the same family.

Simon et al; 2005 apply the RBV to family firms and distinguish between five source of so-called “family firm capital”: human, racial, survivability, patience and governance structures. The author argues that family firms acquire, bundle and leverage their resources differently to non family firms. However, not all firms do have unique resources and it is possible to survive without them. It can also be argued that not all family firms have such a “familiness” capability which is a unique and inseparable, and lead to a competitive advantage Nordquist (2005)

2.9 Entrepreneurship and family firm research

As Aldrich (2003) state “very little attention has been paid to how family dynamics at entrepreneurial process It seems surprising that there is a need to signal the theoretical link

between entrepreneurship and family business research since there are various relationships between these two areas Fletcher(2005) Firstly most firms are SMEs .Second founders of family firms are obviously entrepreneurs having perceived and opportunity through the creativity of new firm Aldrich (2003) .Through the extent of entrepreneurize behavior within the organization tends to change over time Kellermanns (2006).The founders often become more conservative and risk-averse decision-makers because they fear loosing family wealth Sharma (1997).The entrepreneurial practices become subsumed by other concerns Fletcher (2005).Here cooperate entrepreneurship eg. through the hiring of external managers sets in Kellermanns (2006).

Today, family businesses are considered by many scholars to be on the cutting edge of corporate performance, job creation, return on investment, quality of product and service, flexibility, customization, capability, and speed to market. They are also well known for their vulnerability to decline after the retirement or demise of the founding entrepreneurial generation. Pazo (2010).

2.10 Goals and performance of family business

The majority of mainstream theories within business research consider economic reasoning i.e wealth creation, as the major goal for any business organization. In family firms, the situation could be different and also non-economic goals play a major role in the decision-making process of the firm Stafford (1999), Olson (2003).The success of a family firm would accordingly depend on effective management of the intersection between the family business Sharma (2004)

Recognizing the family businesses almost always include family as well as business directions Mitchell (2003). Understanding how influence of a family might affect a business and its performance opens up interesting new avenues of research as Chrisman (2006) state. If family firms do have economic as well as non-economic goals. The measurement of the overall performance may be particularly difficult Hienerth (2006). Besides, it is not said that there is heterogeneity within the group of family firms.

Results of previous empirical studies indicates that family goals are often more important to the owners of family firms than to the owners of non-family firms or in other words financial goals might be traded in account of (non-financially)family goals Lee (1996) the driving forces behind these goals is still in its infancy. Astruism, fairness ,justice and generosity have been investigated as some of these drivers for non-economic goals Schulze (2001), Eaton (2002),Lubatkin (2002). Nevertheless, goals are different and vary over time ,ie an individual s life cycle as Hoy, 2006 calls it which might also result in differences in power and status of family members.

2.13 Business succession

Since the inception of academic research in family firms in the early 1980 the leading topic has been business succession Dyer (1998)

In the next decades, about one third of all SMEs in European union are expected to be engaged in a business transfer .For Germany, it is estimated around 700,000 enterprises providing 2.8 million jobs will have to be transferred to new owners every

year(commission 2006;Scholer et al 1999).

Within this context European commission tends to see business succession as a threat to the survival of small and medium firms, and as a threat to overall employment and economic growth (commission 2006) Due to the importance of successful transfer of management within family firms ,these has been much written about succession issues Harvey (1995) As is apparent from previous research ,only a limited number of family firm survive the transition to second generation and more than two thirds cease or pass to new owners Beckhard (1983); Shanker (1996).The transfer of top management from one generation to the next represents a crucial strategic issue of the firm Branch (1995)Business succession can be considered as part of entrepreneurship , since the latter does not necessarily require persons to found new ventures.

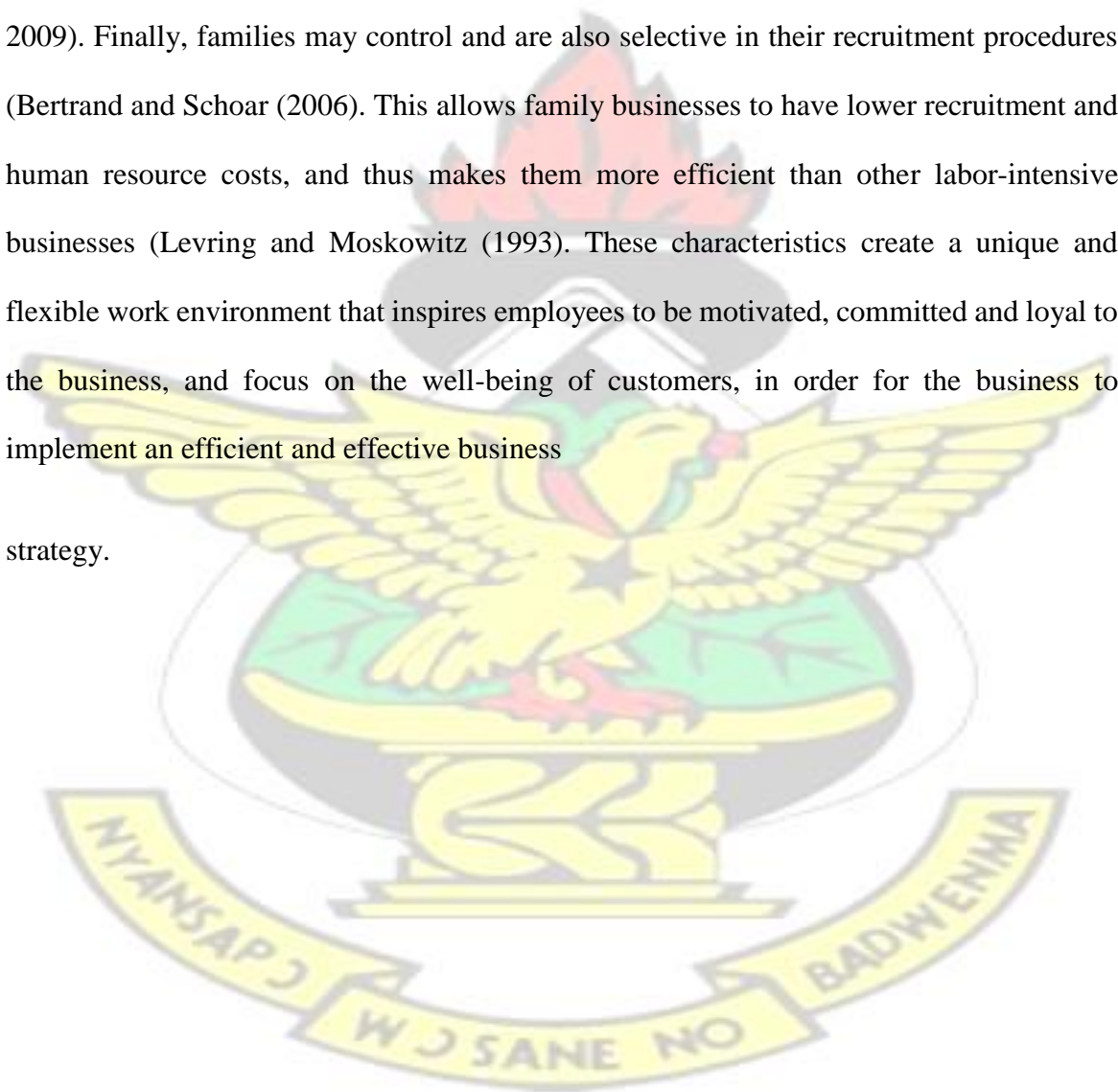
2.14 Family Businesses and Business Strategy

Family business researchers point to several unique characteristics of family businesses that allow them to strategically organize their business activities efficiently and effectively. According to Hoffman, Hoelscher and Sorensen (2006), the unique characteristic that distinguishes a family business from other businesses is the influence of the family relationships on the business. These relationships are revealed in the following characteristics. First, in family businesses there is a paternalistic relationship between the owners/managers and employees (Bertrand and Schoar, 2006), have cohesive clan cultures in which employees are hired for the long-run and treated generously (Miller and Le Breton-Miller, 2005). Second, family businesses have unique capabilities which engender trust, inspiration, motivation, and commitment among the workforce. Moreover, there is a strong desire to develop customer relationships and the demonstration of flexibility in decision-

making (Tokarczyk et al., 2007). Third, the reputation of family businesses are more trustworthy and experience a lower overall transactions cost (Tagiuri and Davis, 1996).

A Family businesses are apt to build social relationships and connections, and are known to have the their businesses by giving priority to family members in top management and other sensitive positions, integrity and commitment to keep those relationships Miller (2009). Finally, families may control and are also selective in their recruitment procedures (Bertrand and Schoar (2006). This allows family businesses to have lower recruitment and human resource costs, and thus makes them more efficient than other labor-intensive businesses (Levring and Moskowitz (1993). These characteristics create a unique and flexible work environment that inspires employees to be motivated, committed and loyal to the business, and focus on the well-being of customers, in order for the business to implement an efficient and effective business

strategy.



CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.0 Research Design

Research design is a logical task undertaken to ensure that the evidence collected enables us to answer questions or to test theories as unambiguously as possible. Obtaining relevant evidence entails specifying the type of evidence to answer the research questions, to test a theory, to evaluate a programme or to accurately describe some phenomenon. In other words when designing research we need to ask, given this research question(theory) what type of evidence is needed to answer the question(or to test the theory) in a convincing way.

When designing research it is essential that we identify the type of evidence required to answer the research question in a convincing way.

It is the strategy, structure or plan for conducting research project as stated by Mark S. (2007) the classification of the research methods literature is the threefold which include exploratory, descriptive, and explanatory.

An exploratory study is a valuable means of finding out ‘what is happening; to seek new insights; to ask questions and to assess phenomena in a new light’ Robson (2002). It is very useful if you want to clarify your understanding of a problem, such as if you are unsure of the precise nature of the problem.

This is consistent with the view of ‘Quick MBA. Com. (2010) that exploratory research has the goal of formulating problems more precisely, clarifying concepts, gathering

explanations, gaining insights, eliminating impractical ideals and formulating hypothesis. According to Sunders et al. (2009) exploratory research can be performed using literature search, interviewing experts in the subject, focus groups and case studies. Exploratory does not seek to test them as indicated by Quick MBA. Com (2010). Brink and wood (1998) on the other hand are of the view that exploratory research studies what has not previously been studied and attempt to identify new knowledge, new insights, new understandings and new meanings and to explore factors related to the topic. Results of exploratory studies are not necessarily generalizable to a larger population but provide a better understanding of the sampling being examined Burns and Groove, (1999).

Descriptive research is more rigid than the exploratory research and seeks to define questions, people surveyed or interviewed and the method analysis prior to beginning data collection as stated by Quick MBA.com (2010). In other words, the 'who' what' where' when' why and how aspects of the research should be defined, such preparation allows one the opportunity to make any required changes before the costly process of data collection has begun.

Robson (2002) also believes that the object of description research is to portray an accurate profile of persons, events or situations. This is the view Sunders et al.(200) may be an extension of, or a forerunner to piece of exploratory research. Good description provides the why questions of exploratory research Burns and Groove (1993), description can degenerate into mindless fact gathering. There are plenty of examples of unfocused surveys and case studies that report trivial information and fail to provide any 'why questions or provide any basis for generalization. This is however, a function of inconsequential

descriptions rather than an indictment of descriptive research itself. In descriptive research design, data are collected through interviews, observations, questionnaires etc.

Explanatory research seeks to find cause and effect relationship between variables. It accomplishes this goal through laboratory and field experiment as stipulated by Quick MBA.com. (2010). The emphasis here according to Sanders et al..(2007) is in studying a situation or a problem in order to explain the relationships between variable. Explanatory research focuses on why questions. For examples, there is one thing to describe the crime rate in a country and a different thing to develop explanations about why the rate is high or low.

A descriptive design was however, adopted for this study because according to Waltz and Bausell(1981), a descriptive design may be used for the purpose of developing theory, identifying problems with current practice, justifying practice, making judgments' or determining what others in similar situations are doing. Again the purpose of a descriptive design is to provide the perceptions and views of respondents about the phenomenon studied as indicated by Burns and Grove (1993). This study attempts to evaluate the socio-culture and its impact on the growth and development of family businesses. The impact of socio-culture on the development of the economy of Ghana. The various challenges that confront the family businesses in Ghana and how these challenges could be solved.

Also Bickman and Rog, (1986) state that descriptive design is appropriate when the researcher attempting to answer 'what is' questions which are precisely the type of questions the researcher attempts to answer. More so, Bickman and Rog (1986) are of the

view that descriptive design is less costly, relatively easy to implement and able to yield results in a fairly short period of time.

3.1 Study Population

In any research study, it is important to have any precise description of the population of elements (persons, organization, objects etc.) that is to form the focus of the study, as viewed by Ross (1991). In most studies, this population will be a finite one that consists of elements which conform to some designated set of specification. According to Ross (1991) specifications provide clear guidance as to which elements are to be included in the population and which are to be excluded. This is consistent with the definition given by Cooper and Shindler (2003) about the term population which according to them is the complete set of individual (subjects), objects or events having observable characteristics is interested in studying. Polit and Hungler, (1999) also define population as the totality of all the subjects that conform to a set of specification, comprising the entire group of persons that is of interest to the researcher and to whom the research results can be generalized.

The research population for this study comprise family business owners within Ashanti region who number approximately 400 as stated in the Ashanti region small and medium enterprises report (SMEs Ashanti region 2010)

3.2 Sampling Size and Sampling Techniques

A sample size of 400 respondents was chosen for the research. This is because it would have been difficult to collect data from the entire family business population. However, 120

actually responded to the questionnaire. The researcher used convenience sampling and purposive sampling techniques for the study.

Convenience sampling techniques was used to sample respondents from the family business owners. De Vos 1998 states that convenience sampling is the rational choice in cases where it is impossible to identify all the members of a population.

A purposive sampling technique was used to select respondents from management of Family businesses. According to Sunder et al.(2007) purposive sampling enables the researcher to use his or her judgment to select cases that will best answer his or her research question(s) and to achieve his or her objective. Neuman (2000) also states that purposive sampling helps the researcher to select case that is particularly informative. The researcher therefore purposefully selected the head of family business exclusive interview.

3.3 Data Collection Instruments and Design

The researcher used both primary and secondary data sources as part of the data collection instrument. The primary data was in the form of question that was used to elicit views from the respondents. Interview which is also a primary data source was used to elicit information from the family business owners chosen.

Secondary data used in the study were in the form of scholarly materials obtained from text books, the internet, other presented thesis as well as Ghana Small- Medium Enterprises (SMEs) directory (2010).

As part of the procedure for collecting data, questionnaires were distributed to the respondents to express their views freely while close questions were provided so as to allow the respondents to express their views freely while close questions were used in restricting the respondents to some specific areas that would provide the researcher with a reliable and valid data for analysis.

An indepth interview was conducted with eight managers from family owned businesses. The questions were centered on achievements and the challenges of family owned businesses.

3.4 Data Analysis and Presentation

The analysis was based on the demographic characteristics of respondents, research questions and objectives as well as related literature. Descriptive statistics including frequency and percentages, bar graphs and pie charts were used to analyze the quantitative information gathered from respondents to ensure essay and quick interpretation of data. Qualitative data were also analyzed for information emerged from interviews with the family business owners in Ashanti region.

Cross tabulation was done on the demographics. Relationships between the family business owners and the management and the quality of management style applied in the various organizations.

As most of the large companies in Ghana started as small family business with certain core values for sustainability and continuity for economic growth and expansion, there has been

the need to formalize the family values for effective management and growth in the family business.

The secret of success of most of the family businesses has been the family values such as respect for family head, collectivity and belongingness, we- feeling, sustainability of family assets, succession and above all protection of family dignity be researched into;

Nevertheless, the need to formalize family values will help effective management and growth of family. There have been dramatic increase and growth in family values which have to be formalized and restructured for effective management and growth.

The family business have great impact on the Ghanaian domestic economy in terms of production and provision of employment hence firms face internal and external problems which have to be addressed through formalization of family values which are the basis of family business.

The context of this thesis will focus on family-owned enterprises in general. Although family businesses from different countries and ethics have different culture and values which can contribute different outcomes, the thesis does not strictly focus on this aspect in detail. However, the study focuses on family values their impacts on the growth and development of family businesses.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.0 Introduction

This chapter presents the analysis and discussion of the results of the study. It covers: the socio-economic characteristics of family business in Ashanti region; the elements in socio-cultural values existing in Ashanti region; the effects of socio-cultural values on family business; challenges in the practice of family business; and finally perception on family business.

4.1 Socio-Economic Characteristics of Respondents

This section presents the characteristics of the respondents. This is done by analysing the sex, age, educational background, service length of the respondents. The purpose of the information is to put the study into context. In all one hundred and twenty family business operators were selected and their responses to the questions are as follows.

4.1.1 Gender Distribution

Table 4.1: Gender Distribution

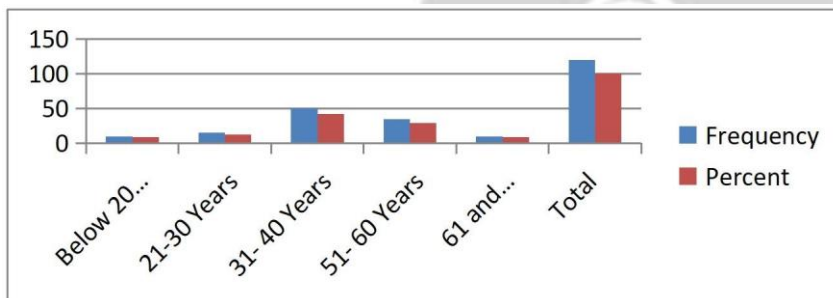
Variable	Frequency	Percent
Male	69	57.5
Female	51	42.5
Total	120	100.0

Source: Fieldwork, 2012

Table 4.1 shows the sex level of family business operators in Ashanti region, it may be seen that majority of respondents were males, namely 57.5 percent, while female respondents represented 42.5 percent. This clearly shows that there were more male participants than female in the survey and it may be as a result of sampling technique used in selecting respondents.

4.1.2 Age Distribution of Respondents

Figure 4.2: Age Distribution of Respondents



Source: Fieldwork, 2012

From the figure 4.2, the result indicates that 41.7 percent of the respondents are within the age group of 31-40. This followed by those in 51-60 age group (29.2 %) with the least (8.3 %) in the below 20 and above 61 categories. From the findings it is clear that the majority, (54.2 %) of the family business operators in the Ashanti region were between the ages of 21 and 40. This means that the workforces are relatively young and can work effectively to promote productivity.

4.1.3 Type of Professional Qualification

Table 4.3: Level of Education

Variable	Frequency	Percent
Elementary	35	29.2
Secondary	25	20.8
Polytechnic	30	25.0
University	20	16.7
Others	10	8.3
Total	120	100.0

Source: Fieldwork, 2012

From Table 4.2, it is clear that the level of education of respondents ranged from the elementary to the post graduate qualification. The majority (29.2 %) had elementary qualification. This means that family business operators in Ashanti region has inexperienced workforce, which can easily affect productivity to enhance organisational growth.

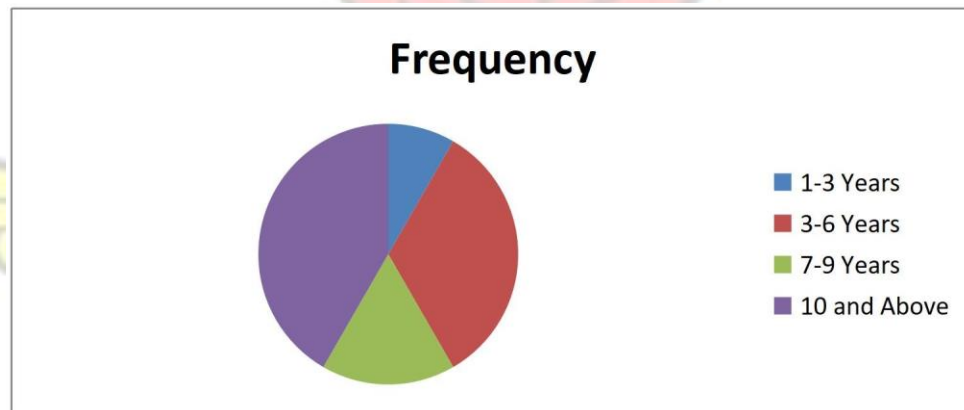
Human capital is strongly associated with the concept of intellectual enhancement of workers. This is defined as the stocks and flows of knowledge available to an organisation (Armstrong, 2006). These are intangible resources associated with people who, together

with tangible resources (money and physical assets), comprise the market or the total value of a business.

This study shows that family business operators need as a matter of urgency upgrade their skills and knowledge level to acquire new ideas to enhance productivity.

4.1.4 Number of Years Spent

Figure 4.4: Number of Years Spent



Source: Fieldwork, 2012

This table shows that 91.7 percent of the respondents have been working for the company between three and more than ten years. From these 41.7 percent have been working for than ten years for the family business. This certainly creates an impression that these are loyal people working for the company. In addition, Eight percent of the respondents have worked for less than three years for the business.

4.1.2 Number of Years Spent in the Current Position

Table 4.5: Number of Years Spent in the Current Position

Variable	Frequency	Percent
1-3 Years	40	33.3
3- 6 Years	30	25.0
7-9 Years	20	16.7
10 and above	30	25.0
Total	120	100.0

Source: Fieldwork, 2012

From the above Table 4.2, it can be seen that most of the operators have being in their current positions for more than three years. They form 66.7 % while below three year recorded 33.3 %.

The study shows clearly that majority of operators had spent quite substantial years with the business. And it indicates that the operators knew all the rudiments in their area of operation. The researcher can therefore deduce that if employees spent a lot of time with an institution, it enable such institution to tap more ideas from them.

4.2 The Elements in Socio-Cultural Values Existing in Ashanti Region

4.2.1 The Major Religious Belief in the Area of Operation Affects Decision Making of the Family Business

Table 4.6: Religious Belief in the Area of Operation Affects Decision-Making of the

Family Business

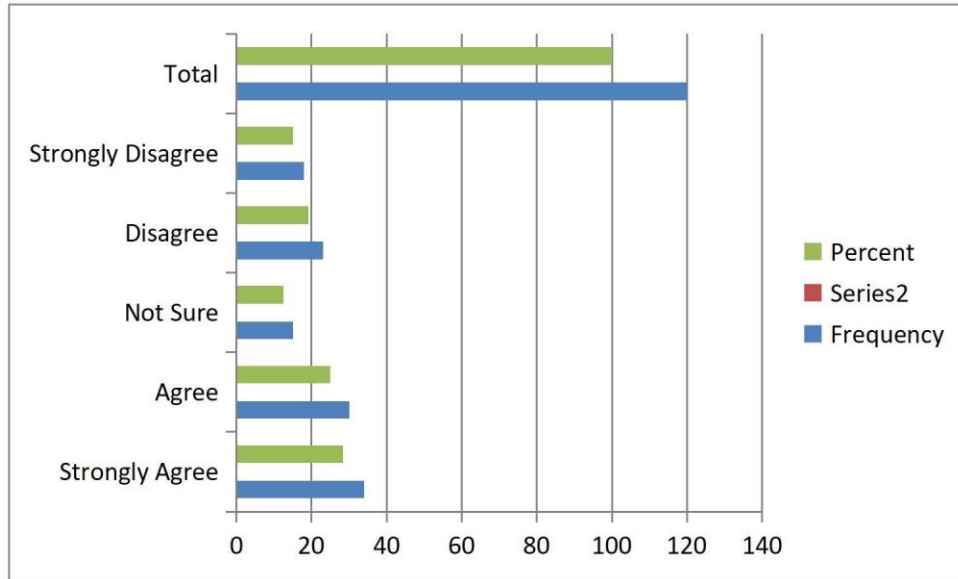
Variable	Frequency	Percent
Strongly Agree	26	21.6
Agree	47	39.2
Not Sure	17	14.2
Disagree	20	16.7
Strongly Disagree	10	8.3
Total	120	100.0

Source: Fieldwork, 2012

Table 4.6 above, reveals that 60.8 percent of the respondents agreed that religious belief in the area of operation affects decision-making of the family business, while 14.2 percent of the respondents were not sure. The remaining 25.0 percent of the respondents disagreed that the religious belief in the area of operation affects decision-making of the family business. This supports what Vern terpstra said that "religion is an inner determination of many of the external manifestation of culture and must be a core value in business planning process".

4.2.2 Family Religion Affects Recruitment Outside Blood Ties

Figure 4.7: Family Religion Affect Recruitment Outside Blood Tiles



Source: Fieldwork, 2012.

According to figure 4.7, 64 of the respondents, representing 53.3 % agreed that family religion affects recruitment outside blood ties. This is followed by 15 of the respondents representing 12.5 % who were not sure; and the remaining 41 of the respondents representing 34.2 % disagreed that family religion affect recruitment outside blood ties. This actually supports the research conducted by Edna (1990) “that religion and ethnic feelings play an important role in determining the type of business, location of the business and the business links’

4.2.3 Production Increases During Christmas and Ramadan Celebrations

Table 4.8: Production Increases During Christmas and Ramadan Celebration

Variable	Frequency	Percent
Strongly Agree	33	27.5
Agree	57	47.5

Not Sure	8	6.7
Disagree	12	10.0
Strongly Disagree	10	8.3
Total	120	100.0

Source: Fieldwork, 2012

From Table 4.8, it can be seen that 75.0 percent of the respondents agreed that production increases during Christmas and Ramadan celebrations. Seven percent of the respondents were not sure with this assertion while 18.3 percent of the respondents disagreed that production increases during Christmas and Ramadan celebration.

4.2.4 Formal Education Plays Significant Role in the Selection of the Management Team

Table 4.9: Education Plays Significant Role in the Selection of the Management Team

Variable	Frequency	Percent
Strongly Agree	32	26.7
Agree	40	33.3
Not Sure	14	11.7
Disagree	16	13.3
Strongly Disagree	18	15.0
Total	120	100.0

Source: Fieldwork, 2012.

From Table 4.9 above, a total of 60.0 percent of the respondents (including 26.7 percent strongly agree and 33.3 percent agree) agreed that education plays significant role in the selection of management team to achieve its organisational goals. Approximately twelve percent of the respondents were not sure while the remaining total of 28.3 percent (including 15.0 percent strongly agree and 13.3 percent disagree) also do not agree with the statement.

4.2.5 Creativity and Innovation

Table 4.10: Creativity and Innovation Help to Sustain My Family Business

Variable	Frequency	Percent
Strongly Agree	34	28.3
Agree	34	28.3
Not Sure	24	20.0
Disagree	14	16.7
Strongly Disagree	14	16.7
Total	120	100.0

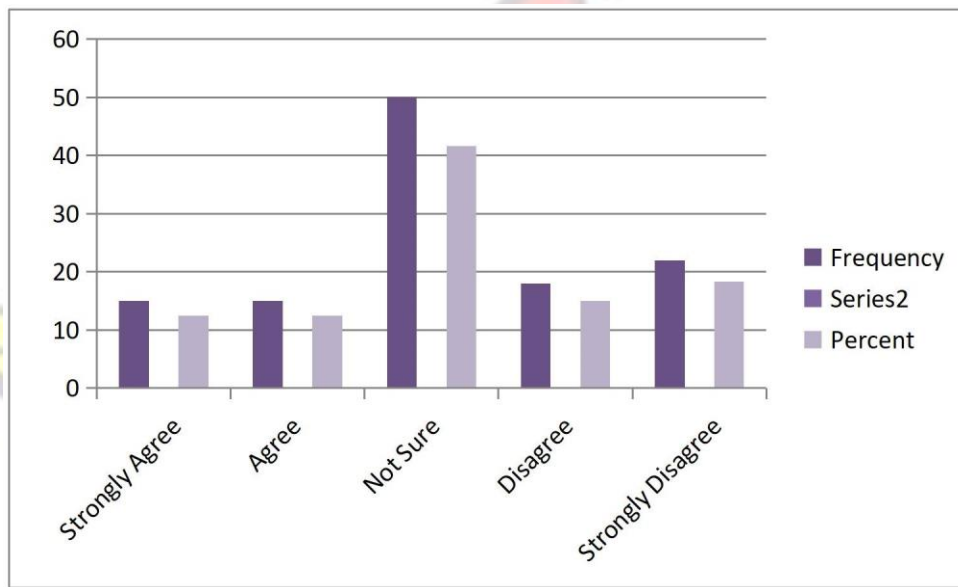
Source: Fieldwork, 2012

Table 4.10 above, illustrate that 28.3 percent of the respondents strongly agree with this statement. Twenty –eight percent of the respondents agree with the statement while 20.0 percent are not sure. Approximately 17.0 percent disagree with the statement. In this global technological environment only innovations through creativity continue to sustain family business. This actually brings to light the assertion that “increasing globalization and technology effects have resulted in more business opportunities but market has become crowded and completion has increased “McMullan and Shepherded. Creativity enables the

family business to act on the opportunities in ways which result in competitive advantage for the organization and the society at large. It provides the basis for innovation and business growth as well as impacting positively on the society at large.

4.2.6 Resources to Support The Family Business in Times of Need

Figure 4.11: Any Family Member Could Use His / Her Resources to Support The Family Business in Times of Need



Source: Fieldwork, 2012

From Table 4.7 above, fifty out of the hundred and twenty respondents which represents 41.7 percent said not sure and twenty-two respondents represent 18.3 percent disagreed completely to signify that the growth and expansion of the family businesses depends on the profits made through good management and prudent financial spending. It is through this research that was revealed that most of family businesses have collapsed due to over reliance on family resources for growth and expansion. This does not debunk the well structured processes that involve family members in developing policies and setting

direction can increase trust, a sense of unity, and commitment to goals (continuity) deemed important by family members.

4.3 Effects of Socio-Cultural Values on Family Business

4.3.1 Workers in Family Business are Family Members

Table 4.12: Most Workers in the Family Business are Family Members

Variable	Frequency	Percent
Strongly Agree	10	8.3
Agree	20	16.7
Not Sure	25	20.8
Disagree	40	33.4
Strongly Disagree	25	20.8
Total	120	100.0

Source: Fieldwork, 2012.

Table 4.11 above, illustrates that forty respondents represents 33.3 percent disagree with the assertion that most of the workers in the family business are family members. Twenty-five respondents out of the hundred and twenty respondents representing 20.8 percent of the total respondents strongly disagree with the above statement. It was clear with the respondents that apart from the top management which usually comprises of family member all other workers are recruited based on skills, knowledge and experience. This buttresses the point as Chrisman (2003) put it that family's involvement in the business ownership, management or business successor indicates complete family

business.

4.3.2 Contributions for the Expansion of the Family Business

Table 4.13: Family Members Make Contributions for the Expansion of the Family Business

Variable	Frequency	Percent
Strongly Agree	25	20.8
Agree	20	16.7
Not Sure	55	48.8
Disagree	10	8.3
Strongly Disagree	10	8.3
Total	120	100.0

Source: Fieldwork, 2012

From Table 4.12 above, it could be deduced that fifty-five out of the hundred and twenty respondents which represents 48.8 percent of the total respondents not sure the family members make contributions towards growth and expansion of the family business. But twenty five and twenty respondents which represent 20.8 and 16.7 percents respectively of the total respondents agree to the fact that family members contribute to sustain and expand family business. It could still be said that the respondents still feel that good management and prudent financial expenses help to sustain and expand family business.

4.3.3 Sustainable Family Business Depends on Good Management Table 4.14: Sustainable Family Business Depends on Good Management

Variable	Frequency	Percent
Strongly Agree	34	28.4

Agree	28	23.3
Not Sure	10	8.3
Disagree	22	18.3
Strongly Disagree	26	21.7
Total	120	100.0

Source: Fieldwork, 2012.

Table 4.14 indicates whether sustainable family business depends on good management. It could be observed that 34 out of the hundred and twenty respondents strongly which represents 28.4 percent strongly agreed that sustainable family business depends on good management. Twenty-eight respondents which also represent 23.3 percent also agreed that the survival and growth of family business depends on good management. The family ownership and the management must lease well to ensure effective and efficient management of the family business. It has to be acknowledged, the board is not only institution with significant influence on the effective governance of the owner- firm relationship but essential communication, education, and sharing of financial and strategic information at shareholder meetings and meetings of the family council.

4.3.4 Ownership is Not Clearly Detached from the Management in my Family Business

Table 4.15: Ownership is Not Clearly Detached from the Management in the Family Business

Variable	Frequency	Percent
Strongly Agree	35	29.2

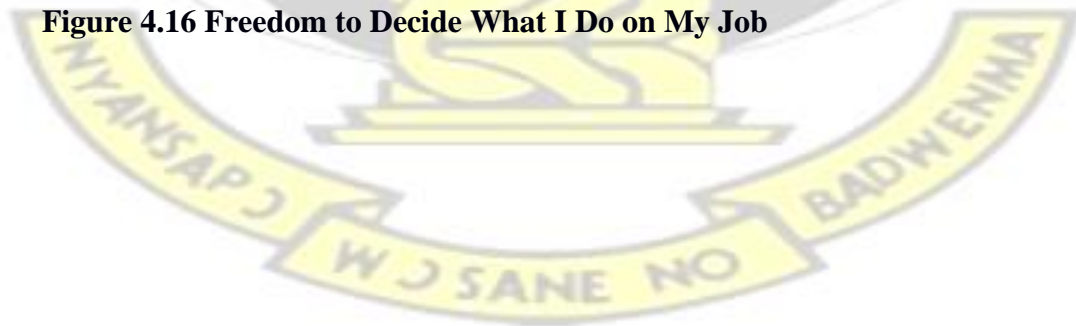
Agree	32	26.6
Not Sure	30	25.0
Disagree	20	16.6
Strongly Disagree	3	2.5
Total	120	100.0

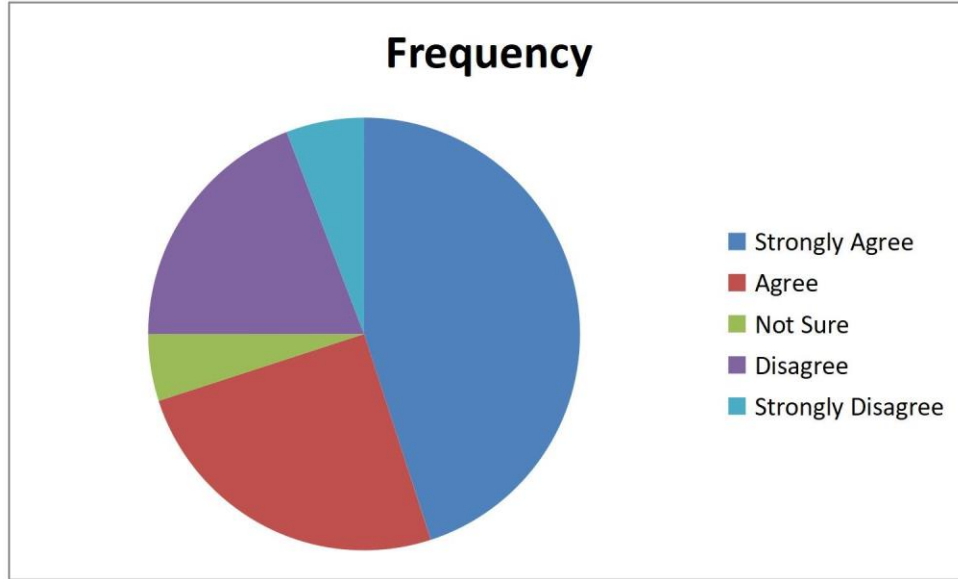
Source: Fieldwork, 2012.

Table 4.14 illustrates that, thirty-five respondents which represent 29.2 percent and thirtytwo respondents which also represent 26.6 strongly agreed and agreed respectively. This suggests that most of the management members are family members to champion the interest of the family. Well structured processes that involve family members in developing policies and setting direction can increase trust, a sense of unity, and commitment to goals which deemed important by the family members. This confirms the earlier research made by Ernesto J. Poza,(2010) that processes that involve family members in defining the nature of the desired relationship between the business and the family unity and create some of the intangible assets that allow family business to achieve competitive advantage.

4.3.5 Freedom to Decide What to Do

Figure 4.16 Freedom to Decide What I Do on My Job





Source: Fieldwork, 2012.

Figure 4.16 shows that, 70.0% of the total respondents strongly agree or agree to the perception that the workers could do whatever they like just because the members of the family and the management has little or no control over them. This actually brings about acrimony and managerial crises which invariable affects productivity and growth of family business. Skilful, knowledgeable and respected family member must be elected to the top management and other sensitive positions so that integrity and commitment can help keep family and the business relationships Miller (2000).

4.3.6 Formalise Succession Plan

Table 4.17: My Family Business Does Not Have a Formalised Succession Plan in Place

Variable	Frequency	Percent
Strongly Agree	14	11.7
Agree	48	40.0

Not Sure	14	11.7
Disagree	24	20.0
Strongly Disagree	20	16.6
Total	120	100.0

Source: Fieldwork, 2012.

From the Table 4.16 above, sixty-two respondents which represent 51.7 percent of the total number of the respondents strongly agreed or agree to fact that the family business does not formalise succession plan in place and this usually brings about conflicts and litigation in the selection of CEOs and members to the top management positions. Most of the respondents confirm that procedures and processes are not clearly spelt out to ensure to ensure smooth transition and selection of members to other sensitive positions. Plenty of evidence now exist that generation-skipping restrictive trust; ostensibly crafted to maintain business continuity and family unity, fail miserably in preventing next generation members from doing with the company what they deem fit. This brings to light what is quoted in the Family Business by Ernesto. J. Poza. that *“Trying to force people you don’t trust to do you want them to do over generations is doomed to failure no matter what you write into the trust instrument, there are no ironclad guarantees that the company won’t be sold. You have to get the people who can make or influence the decision to keep the company to buy into vision.*

---John P. C Duncan, Attorney.

4.3.7 Disciplinary Measures

Table 4.18: Disciplinary Measures are Difficult to be Implemented in Family

Business

Variable	Frequency	Percent
Strongly Agree	60	50.0
Agree	20	16.7
Not Sure	15	12.5
Disagree	20	16.7
Strongly Disagree	5	4.1
Total	120	100.0

Source: Fieldwork, 2012.

Table 4.11 above, illustrates that sixty out of the hundred and twenty respondents which represent 50.0 percent of the total respondents strongly agreed that disciplinary measures are very difficult to be implemented due to the blood ties and the belongingness of the family business. This actually makes conflicts inevitable in families and in more so in families that live, work and control assets together. What usually brings about conflict include frustration over alienation or lack of inclusion, anger over the unfairness of hiring practices, promotions, family benefits and other opportunities enjoyed by others.

Frustration over dividend policies and lack of liquidity are all causes of conflicts in the family business.

4.3.8 Motivation is Determined by Management

Table 4.19: Motivation Used to Retain Workers in my Family Business is Determined by Management

Variable	Frequency	Percent
Strongly Agree	34	28.2
Agree	44	36.7
Not Sure	14	11.7
Disagree	14	11.7
Strongly Disagree	14	11.7
Total	120	100.0

Source: Fieldwork, 2012

From Table 4.12 above, it could be observed that 78 respondents strongly agree or agree which represent 65.9 percent of the total respondents of hundred and twenty agree the motivation for the workers are usually determined by the management. The reception is this done without consulting the family council which the workers think could promote their interest in terms of welfare, wages and salaries. This usually brings about misunderstanding, mistrust, ill- feelings and unnecessary grudges which affect growth and development of family business. The family members argue that the owner-managers desire for family harmony and tendency for altruistic behaviour towards family members, couple with ineffective control authorities create inefficiencies that outweigh the positive of alignment of interest that comes with concentration of ownership and management.

**4.3.9 Profit Generated is Used for Expansion of the Family Business Table 4.20:
Profit Generated is Used for Expansion of the Family Business**

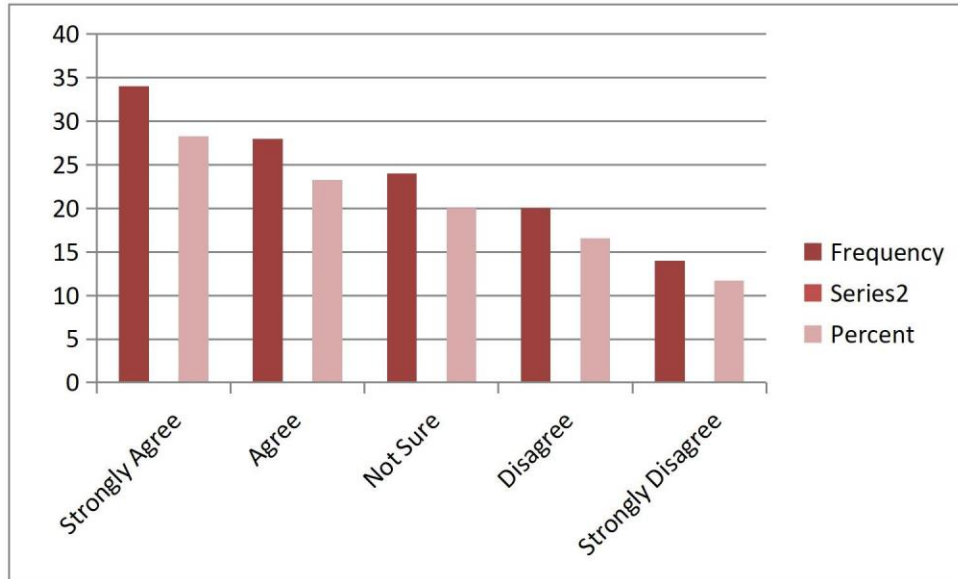
Variable	Frequency	Percent
Strongly Agree	30	25.0
Agree	24	20.0
Not Sure	6	5.0
Disagree	28	23.3
Strongly Disagree	32	26.7
Total	120	100.0

Source: Fieldwork, 2012.

Table 4.13 depicts that sixty respondents of 50 percent of the total respondent strongly disagree or disagree that the profits the profit made are used for the expansion of the family business. The family members think that the expansion and the growth of the family business is not in proportion with the profits made. This could be a perception because of lack of effective communication to the members, irregular meetings of the family council, mistrust for the CEO and the inability on the part of the management to implement the disciplinary measures to the later.

4.3.10 Government Policy on Private Sector

Figure 4.21: The Government Policy on Private Sector Does Not Support The Development of Family Business



Source: Fieldwork, 2012.

Figure 4.14 illustrates that thirty-four respondents which represent 28.3 percent of the total respondents strongly agree that government policy on private sector does not support family business. Twenty-four respondents which represent 23.3 percent of the total respondents agree that the government policy on private sector does not support family business. The respondents argued that the national policy on Small and Medium scale Enterprises (SMEs) which family business is the foundation does not support growth and development. The policy at a critical look stifles private and small scale industries because they are not exempted from certain taxes that could help the small businesses to grow. The resulting lack of conducive environment and financial support for creativity and innovations cripples the entrepreneurial skills the help to emanate family businesses in the country. This actually supports the argument of Carlson (1996) that an over expanded public sector, extra ordinarily high taxation, and the dominance of large domestic firms affects the small scale industries. Excessive taxation and regulation keep many firms small and under developed.

4.4 Assess the Challenges of Family Business

4.4.1 Government Policies and Family Business Development

Table 4.22: Does the Government Have Specific Policy for Family Business Development?

Variable	Frequency	Percent
Yes	42	35.0
No	78	65.0
Total	120	100.0

Source: Fieldwork, 2012.

Family business operators were asked to find out whether government have specific policy for family business development or not. Table 4.22 shows that majority of the respondents comprising 65.0 % (78) responded negatively. And the remaining 35.0 (42) were of the opinion that government have specific policy to their outfits. Some of the policies mentioned included Free Zones, Savannah Accelerated Development Agency (SADA), but the majority argued that these policies have become stooges and not workable to elicit what they stand for.

4.4.2 What Government Can Do to Support Family Business?

Table 4.23: What Government Can Do to Support Family Business?

Variable	Frequency	Percent
Provision of Financial Assistance	47	39.2

Giving Tax Exemptions	23	19.2
Restriction on Importation of Certain Goods	10	8.3
Provision of Infrastructure	19	15.8
Reduction on Interest Rate for Family Business	13	10.8
Co-partner to Family Business	8	6.7
Total	120	100.0

Source: Fieldwork, 2012.

Respondents were asked to identify the sort of support that they need government to provide them in order to have smooth family business operation in the country. From

Table 4.23, 39.2 % (47) opted for provision of financial assistance; 19.2 % (23) indicated that they want tax exemptions; 15.8 % (19) said that government should provide them with good infrastructures to make their work easy for them.

4.4.3 Managers and Family Business Activities

Table 4.24: Do the Managers Face Problems in Family Business?

Variable	Frequency	Percent
Yes	85	70.8
No	35	29.2

Total	120	100.0
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Source: Fieldwork, 2012.

From Table 4.24, respondents were asked whether they face problems in family business or not. Eighty five of the respondents representing 70.8 % indicated that they face problems as managers of family business. The remaining 35 respondents representing (29.2) percent of the group gave divergent view about the statement.

This study clearly indicates that managers of the family business face problems which include inco-operative attitude of the family members, succession problems, financial problems infrastructural and managerial problems.

**4.4.4 Challenges Face by Family Business Table 4.25:
Challenges Face by Family Business**

Variable	Frequency	Percent
Incorporative attitude		

of the family members.	20	16.7
Financial Problem	35	29.2
Poor Infrastructure	10	8.3
Unhealthy Competition	15	12.5
Government Policy on the private sector	22	18.3
Selection of the C.E.O	18	15.0
Total	120	100.0

Source: Fieldwork, 2012

From the Table 4.25 above, it could be noted that financial problem outweighs all the problems facing the family business because thirty-five respondents which represents 29.2 percent of the total respondents ticked financial problem as a major problem in the sector. Twenty-two respondents of 18.3 percent also admitted that government policy on private sector which family business is part of is not helping the development of the family business. The government does not have clear cut policy on private sector development and this makes the family businesses face problem on taxation, finance, access to credit facilities, succession, recruitment and general management. Incorporative attitude of the family members was also identified as a problem in the family business. Twenty respondents of hundred and twenty total respondents maintained their stand that the incorporative attitude

of the family affects the smooth running of the family business. The fifteen respondents that constitute 12.5 percent which said unhealthy competition especially by the foreign companies and their products cannot be considered as negligible because several agitations have been made by the stakeholders for government to make policy to restrict importation of certain foreign products that compete with the locally produced ones.

4.5 Perception on Family Business

4.5.1 Extent of Family Business Development

Table 4.26: Do You Think that Family Business Has Developed as Expected?

Variable	Frequency	Percent
Strongly Agree	27	22.5
Agree	10	8.3
Strongly Disagree	50	41.7
Disagree	33	27.5
Total	120	100.0

Source: Fieldwork, 2012

From table 4.26, it could be seen the majority of respondents have the perception that family business have not developed as expected because of the numerous challenges facing the sector. Fifty out of the total respondents which represents 41.7 percent of the total respondents strongly disagree that the family business has developed as expected. The respondents contended that until attempts are made by both the family and the government

to solve the problems facing the family businesses it would be difficult to see family business performing to expectation.

**4.5.2 Assessment of Family Business Performance Table 4.27:
Assessment of Family Business Performance**

Variable	Frequency	Percent
Excellent	30	25.0
Good	60	50.0
Average	20	16.7
Poor	10	8.3
Total	120	100.0

Source: Fieldwork, 2012

Table 4.8 above depicts the performance assessment of family businesses in Ashanti region. Fifty percent representing 60 respondents scored the performance of the family business as good; twenty-five percent representing 30 respondents as excellent; approximately seventeen percent, representing 20 respondents scored the performance of the family business as average and eight percent representing 10 respondents as poor.

The study shows clearly that family businesses are working hard to live up to expectation of the people.

4.5.3 Family Business and Its Contribution Towards the Development of the Nation

Table 4.28: Which area Do You Think that Family Business Has Contributed Towards the Development of the Nation?

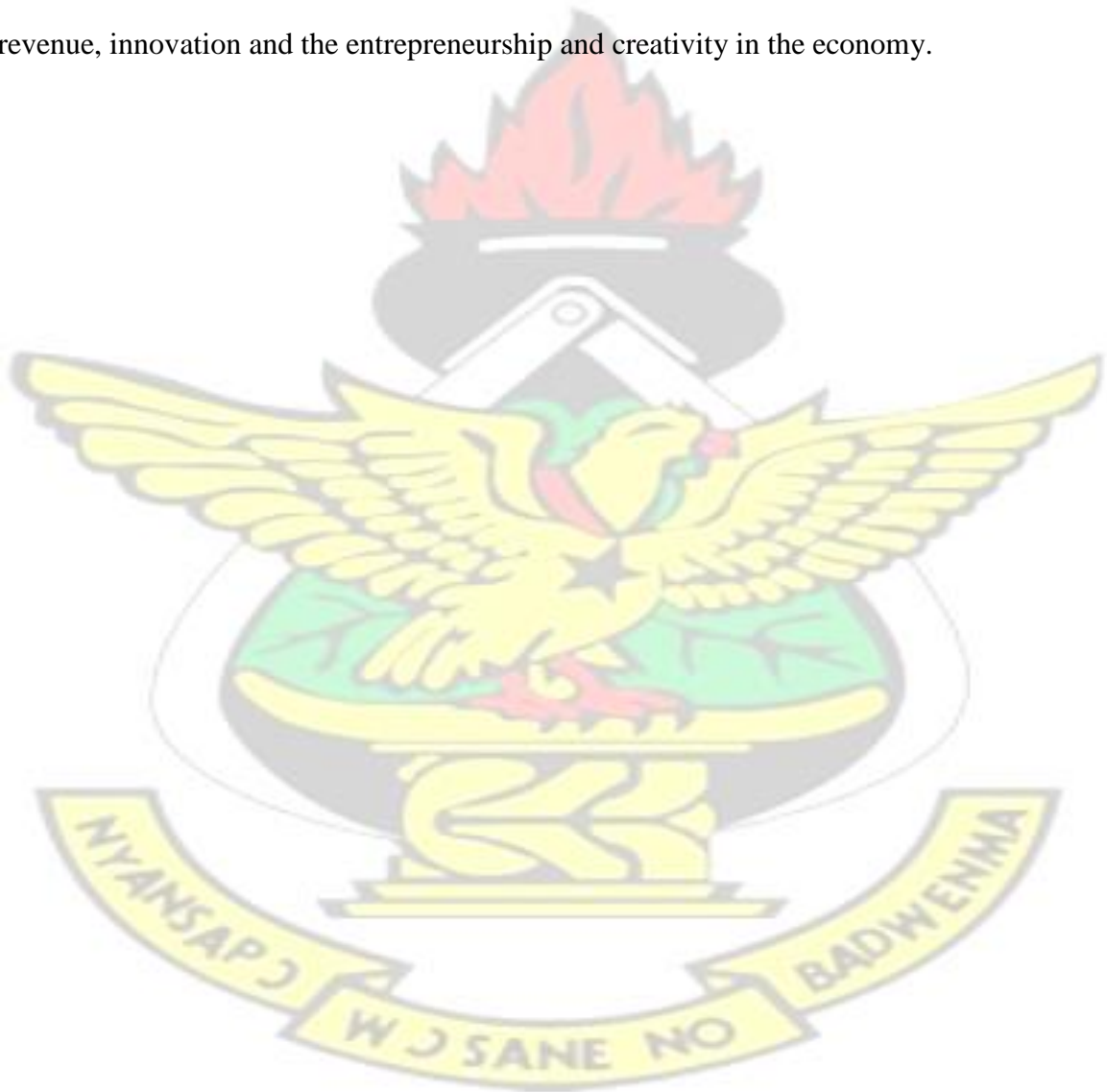
Variable	Frequency	Percent
Job Creation	39	32.5
Revenue	25	20.8
GDP	21	17.5
Social Amenities	6	5.0
Family Unity	9	7.5
Innovation	20	16.7
Total	120	100.0

Source: Fieldwork, 2012

Table 4.28 reveals that 32.5 percent of respondents said that family business has contributed towards the development of the nation through job creation. This is followed by revenue (20.8 percent); GDP (17.5 percent); Innovation (16.7 percent); family unity (7.5 percent); and social amenities (5.0 percent).

This study shows clearly that family business creates a lot of jobs for citizenry. The researcher is in the view that metropolitan/municipal/district assemblies should set a certain percentage of their common funds to help family businesses in order to expand and recruit more people to curb the problem of unemployment.

The study confirms how Carlson (1996) argues that” in spite of an over-expanded public sector, extraordinary high taxation and the dominance of large domestic firms all fostered by government policy over several decades, created a domestic economic climate that was inhospitable to growth of small business”. Notwithstanding, the numerous challenges facing the family businesses including unfavourable policies on the part of the government, family business and the Small-Medium Enterprises (SMEs) are the major creator of jobs, revenue, innovation and the entrepreneurship and creativity in the economy.



CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents a summary of the study, conclusions and recommendations to inform policies aimed at enhancing family business operations in Ashanti region.

5.1 Summary

The main objective of the study was to assess the effect of socio-cultural practices on the growth of family business. One set of questionnaire was used to collect data from management and operators of family business. Data collected from respondents was edited and coded for consistency. The results were then computed into percentages and presented in frequency tables for interpretation.

The following are the main findings of the study which seek to answer the research objectives.

- i. It is clear that there are various elements in the socio-cultural practices such as religion, culture, education, succession, psychology, creativity, innovation and generosity which have imparted on the growth and development of family business in Ashanti Region
- ii. The study reveals that the Staff or the workers are mostly recruited from the family blood tile and this has serious consequences on the management of the family business. The problems include incorporative attitude of the family members, succession plan, selection

of the CEO and management, family council meetings and transfer of power to the next generation.

iii. The analysis of the results indicates that the Small-Medium Enterprises (SMEs) which comprise family businesses is the backbone of both the private and the public sector businesses in the economy. This suggests that making favourable policies to ensure sustainable growth and development of family businesses will bring dynamism and diversity in the in the economy.

iv. Many family members have different perception about the family business especially about its management recruitment and succession. The family members who are not part of the management and do not attend family council meetings regularly have the notion that the CEO and the management make money out of their sweat and efforts and this a major challenge in the operations of the family business.

v. The result is that family contribute immensely to job creation, revenue to the state, creativity, innovation and entrepreneurship in the economy and making favorable policies to ensure its development growth cannot over-emphasized. The following challenges are found in the management of family businesses

financial problems, access to credit facilities, vi. The results of the analysis of the research concluded that family businesses in

Ashanti Region have the following problems;

a. Emotions- family problems will affect the business. Divorce, separation, health or financial problems also create difficult political situations for the family members.

- b. Informality- Absence of clear policies and business norms for the family members.
- c. Tunnel vision – lack of outside opinion and diversity on how to operate the business.
- d. Lack of written strategy-no documented plan or long-term planning.
- e. Lack of talent- hiring family members who are not qualified or lack of the skills and abilities for the organization. Inability to fire the when it is clear that they are not working.
- f. Compensation for family members- dividends, salaries, benefits and justified.
- g. High turnover of non-family members- when the employees feel that family “mafia” will always advance over outsiders and when the employees realize that management is incompetent.
- h. Succession planning- most of the family organizations do not have a plan for handing the power to the next generation.
- i. Paternalistic control is centralized and influenced by tradition instead of good management practices.

5.2 Conclusions

The results show that family business dominates the business landscape in Ashanti region and contribute significantly to business growth and development in the economy of Ghana. The study examined the effects of socio- cultural practices on the growth of family business

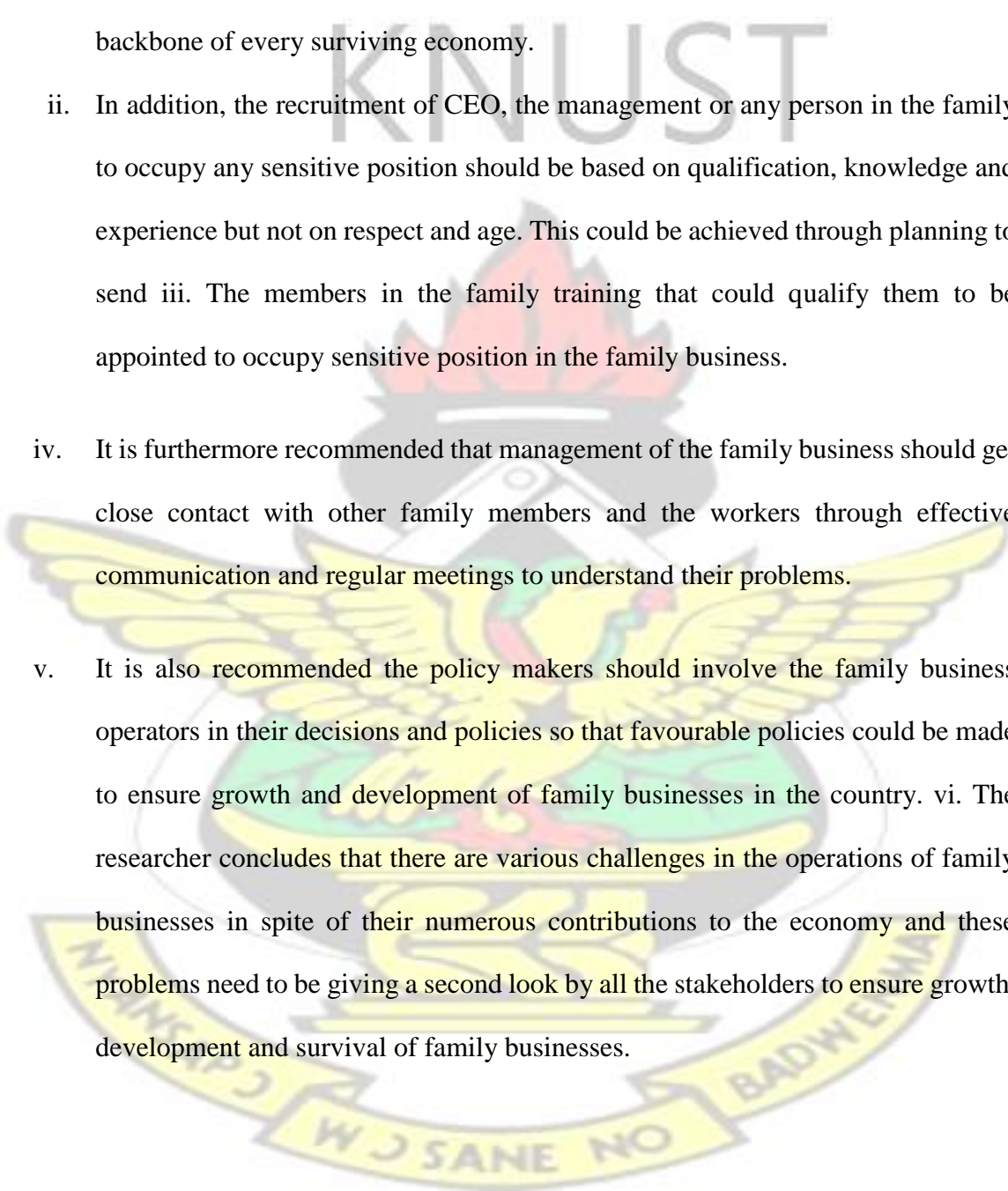
which is the backbone of Small-Medium Enterprises (SMEs). The researcher further looked at challenges of family business and the operators of family business view on the challenges. The reliance of family business on their unique characteristics of paternalism, long term employment relationships, stability and tenure of executives enable them become efficient in several areas of the business activities.

The findings reveal the perception the family members have on the performance of the family business. Family businesses leverage the advantages inherent in their unique characteristics of flexibility, paternalism, generosity, long- lasting relationships, and close emotional ties to employees to create a dedicated, motivated workforce. Business value formation is influenced by socio-cultural practices and personal background factors such as age, ethnicity, religion, education, generosity, creativity and education of the decision makers. The research reveals that regular family council meetings, competent CEO, Legally backing succession plan and favorable government policy for private sector development could help growth and development of family businesses.

The important and crucial issue is that although SMEs play an important role in Ghana, the failure rate is considerably high and the rate of their development too is slow.

5.3 Recommendations

Based on the findings and conclusions of the study, the following recommendations were made:

- 
- i. It is recommended that socio- cultural practices effect on family business and therefore needs to be considered by the policy makers or take into consideration when policies are being drawn for private sector development which is the backbone of every surviving economy.
 - ii. In addition, the recruitment of CEO, the management or any person in the family to occupy any sensitive position should be based on qualification, knowledge and experience but not on respect and age. This could be achieved through planning to send iii. The members in the family training that could qualify them to be appointed to occupy sensitive position in the family business.
 - iv. It is furthermore recommended that management of the family business should get close contact with other family members and the workers through effective communication and regular meetings to understand their problems.
 - v. It is also recommended the policy makers should involve the family business operators in their decisions and policies so that favourable policies could be made to ensure growth and development of family businesses in the country. vi. The researcher concludes that there are various challenges in the operations of family businesses in spite of their numerous contributions to the economy and these problems need to be giving a second look by all the stakeholders to ensure growth, development and survival of family businesses.

The researcher believes that it is important to implement these recommendations for the benefit of all family business operators and the nation as a whole.

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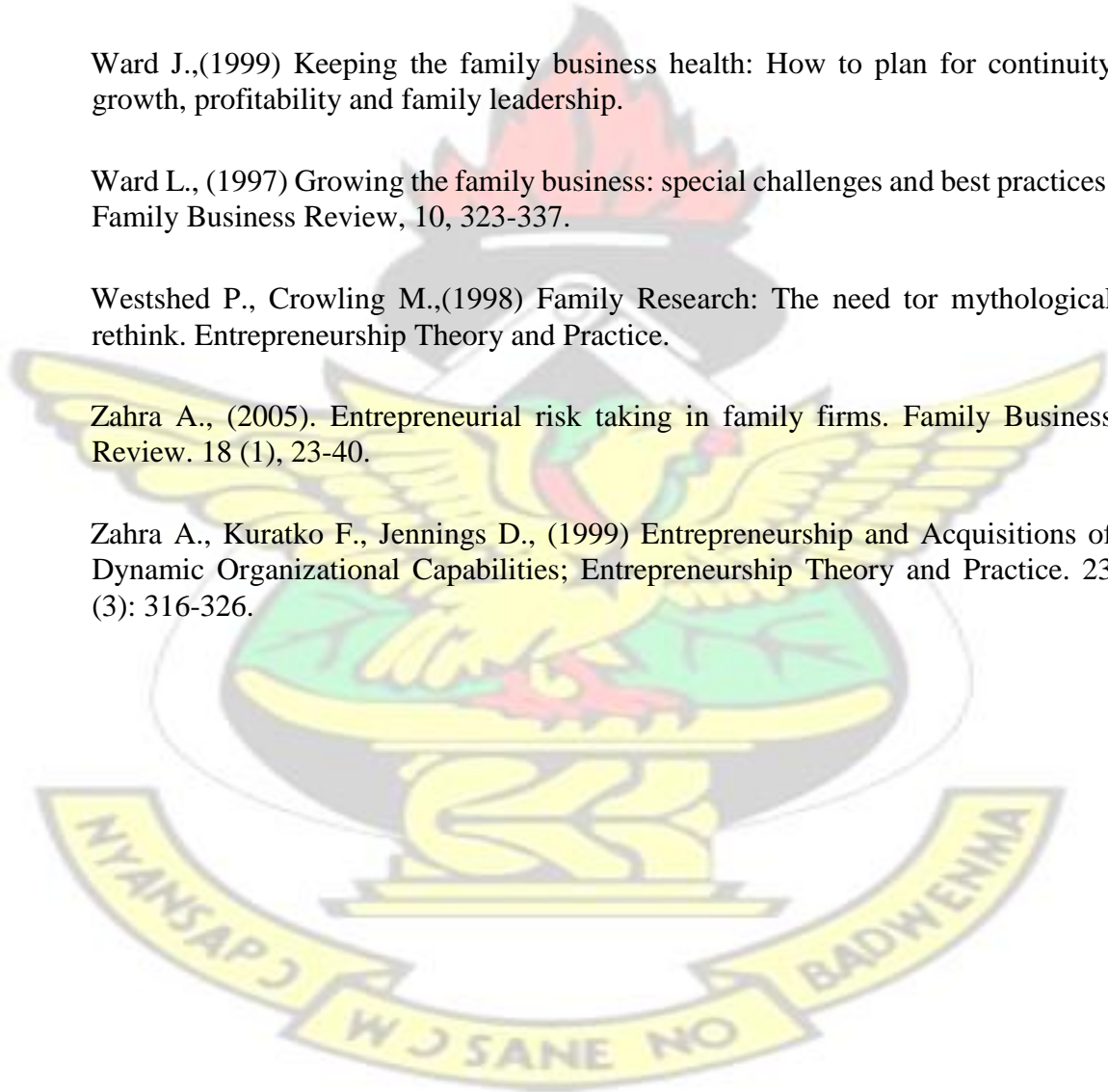
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**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY
BUSINESS SCHOOL**

THESIS TITLE: THE EFFECT OF SOCIO-CULTURAL PRACTICES ON THE GROWTH OF FAMILY BUSINESS.

Dear Sir/ Madam,

QUESTIONNAIRE FOR FAMILY BUSINESS OPERATORS

This questionnaire is designed purely for academic work; in partial fulfillment of MBA Degree in Entrepreneurship and Small Business Management. Every information shall be treated as confidential and besides, your anonymity is guaranteed.

Thanks for your co-operation.

SECTION A: **IDENTIFICATION**

1. Branch
Ia) Adum (B) Roman Hill
(C) Ejisu (D) Obuasi
(E) Kumasi (F) Knongo
2. Category (a) Senior Staff (b) Junior Staff
3. How long have you been in the operation of family business?
(a) 1-3 yrs (b) 3-6 yrs
(c) 7-9 yrs (d) 10 and above
4. How long have you been in your current position?
(a) 1-3 yrs (b) 3-6 yrs
(c) 7-9 yrs (d) 10 and above

SECTION B: **PERSONAL CHARACTERISTICS**

5. Sex (a) Male (b) Female
6. Age (a) below 20 (b) 21-30
(c) 31-40 (d) 41-50

(e) 51-60 [] (f) 41-50 []

7. Level of education (a) Elementary [] (b) secondary []
(c) Polytechnic [] (d) university []
(e) Other Specify.....

Please read the following items. Using the scale below much you agree or disagree with each of the statements. If you strongly agree write “5” if you strongly disagree write “1”. There is no right or wrong answers.

Strongly Disagree, Disagree, Not Sure, Agree, Strongly Agree

1. 2. 3. 4. 5.

SECTION C. THE ELEMENTS IN SOCIO CULTURE.

Religion, culture, generosity, education, creatively, psychology, respect, leadership, succession, Teamwork.

8-----The major religious belief in Ghana in the area of operation affects decisionmaking of the family business.

9-----family religion affects recruitment outside blood tiles.

10-----production increases during Christmas and Ramadan celebrations.

11-----formal education plays significant role in the selection of the management team.

12-----creativity and innovations help to sustain my family business.

13-----any family member could use his or her resources to support the family business in times of need.

SECTION D. EFFECTS OF SOCIO-CULTURAL VALUES ON FAMILY BUSINESS

14-----Most of the workers in the family business are family members.

15-----family members make contributions for the expansion of the family business.

17-----ownership is not clearly detached from the management in my family business.

18-----I have the freedom to decide what I do on my job.

19-----my family business does not have a formalize succession plan in place

20-----disciplinary measures are difficult to be implemented in the family business.

21-----motivation used to retain workers in my family business is determined by management.

22-----The profit generated is usually used for expansion of the family business.

23-----The government policy on private sector does not support the development of family business.

SECTION: E ASSESSES THE CHALLENGES OF FAMILY BUSINESS.

21. Does the government have specific policy for family business development?

Yes. No.

22. If no, which of the following do you think the government can do to support the development of family business? (tick as many as possible)

- a. Provision of financial assistance.
- b. Giving tax exemptions
- c. Restriction on importation of certain goods.
- d. Provision of infrastructure.
- e. Reduction on interest rate for family business
- f. Co-partner to family business

23. Do the managers face problem in family business?

Yes No

24. If yes, which of the following challenges do your outfit faces? (tick as many as possible)

- a. Incorporative attitude of the family members in the business
- b. Financial problem
- c. Poor infrastructure
- d. Unhealthy competition
- e. Government policy on the private sector
- f. Selection of the CEO.

SECTION: D EXAMINES PERCEPTION ON FAMILY BUSINESS

25. In your opinion, do you think that family business has developed as expected?

- (a) Agree (b) Disagree (c) Strongly Agree (d) Strongly Disagree.

26. How do you assess the performance of family business?

- (a) Excellent (b) Good (c) Average (d) Poor

27. In your view, which of the following do you think the family business has contributed towards the development of the nation? (tick as many as possible).

- a. Job creation
- b. Revenue
- c. GDP
- d. Social amenities
- e. Family unity
- f. innovations

