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SCHOOL OF BUSINESS

COLLEGE OF HUMANITIES

SUCCESSION PLANNING IN FAMILY-OWNED BUSINESSES: NARRATIVES FROM GHANA

BY

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THIS THESIS IS SUBMITTED TO THE UNIVERSITY OF GHANA IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF A DOCTOR OF PHILOSOPHY DEGREE IN MARKETING

DEPARTMENT OF MARKETING AND ENTREPRENEURSHIP

JUNE 2017

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DECLARATION

I, Jocelene Buckman, the author of this thesis titled *Succession Planning in Family Owned-Businesses: Narratives from Ghana*, do hereby declare that the said thesis, which I now present, has been composed in its entirety by me. I confirm that this thesis has not been accepted, in whole or in part, for any previous application for a degree. I also confirm that all sources of information utilised in this thesis have been duly acknowledged.

This thesis has been prepared in accordance with the University of Ghana's regulations for a postgraduate study.

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CERTIFICATION

I hereby certify that this thesis was supervised in accordance with the procedures laid down by the University of Ghana, Legon.

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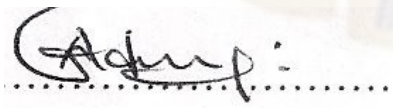
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DEDICATION

"If I have seen further, it is by standing on the shoulders of giants"

(Newton, 1675)

To the memory of my late father, Mr Anthony Etsiwa Quansah, a real giant on whose shoulders I have stood to see this far. Your legacy of a can-do spirit and life-long learning is immeasurable.

To my mother, Mrs Joana Quansah, for inspiring me to reach for greater heights. Your subtle reminders of your 80th birthday present were all too loud to ignore.

To Kingsley, Drusilla and Bonita for constantly assuring me that I can do this. Without your love and unflinching support, this quest would have been truncated too quickly.

God richly bless you all.

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ACKNOWLEDGEMENTS

I would like to thank the Almighty God for the strength to carry out this work through to the end. Just when I thought He had done enough already, He came through with another blessing.

My sincere appreciation goes to my supervisors at the University of Ghana Business School, Dr Samuel C.K. Buame, Dr Daniel Quaye and Dr Kwame Adom for the comments and suggestions to make sure this thesis meets the high standards of the University of Ghana Business School (UGBS). Their valuable feedback and encouragement have been crucial to this accomplishment.

I wish to express my deepest thanks also to all the respondents who made the effort and the time to share in-depth family and business information with me, sometimes outside working hours, to provide the needed data for this thesis. Without their commitment, this work would have been almost impossible to complete. Their experiences were an eye-opener to the amount of effort and resources that goes into an effective succession plan.

For the encouragement and support of my sisters Rosina, Marcella and Betty, I am eternally grateful.

Finally, I extend my gratitude to the faculty of the Department of Marketing and Entrepreneurship, UGBS, my friends, colleagues, acquaintances and all who have contributed in diverse ways towards the successful completion of this work.

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LIST OF ABBREVIATIONS

AGI - Association of Ghana Industries

AU – African Union

BECE - Basic Education Certificate Examination

BOG - Bank of Ghana

BOP - Bottom of the Pyramid

BSP - Business Succession Planning

CEO - Chief Executive Officer

DE - Developing Economies

ECOWAS – Economic Community of West African States

EL - Entrepreneurial Learning

EO - Entrepreneurial Orientation

ESE - Entrepreneurial Self Efficacy

EU - European Union

FOB – Family-Owned Businesses

F-PEC - Family influence on Power, Experience and Culture

GAR - Greater Accra Region

GDP - Gross Domestic Product

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GEDC - Ghana Enterprise Development Commission

GSS - Ghana Statistical Service

IMF - International Monetary Fund

ISSER - Institute of Statistical, Social, and Economic Research

IT - Information Technology

LTO - Long-Term Orientation

MBA - Master's in Business Administration Degree

MD - Managing Director

MRI - Magnetic Resonance Imaging

NBSSI - National Board for Small Scale Industries

NDC - National Democratic Congress

PBC - Perceived Behavioural Control

PTA - Parent Teacher Association

RBV - Resource Based View

SME – Small and Medium Enterprise

TPB - Theory of Planned Behaviour

UK - United Kingdom

USA - United States of America

VAT - Value Added Tax

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VRIN - Valuable, Rare, Inimitable, Non-substitutable

WHO – World Health Organisation

WIL - Work Integrated Learning

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ABSTRACT

Through a phenomenological study, this work investigates succession planning processes in family-owned businesses (FOB) in Ghana, with the objective to develop a succession model suitable for the Ghanaian context. From a constructivist perspective, six family businesses were studied, interviewing the founder, successor, family member, employee and customer of each business, and presenting the results in the form of six case studies. Existing knowledge has also been confirmed that succession is not a one-off event, but a process that takes place over time, requiring the buy-in of not just the founder and successor, but also other important stakeholders, including the successor's siblings and spouse (if any), whose support is imperative to the success of the process.

From our research, we contribute towards the understanding of the essential elements in the succession process, what appropriate measures can be put in place for effective succession outcomes, and how the key stakeholders of the business can be effectively managed as part of managing the succession process for positive organisational outcomes. This study employed a qualitative approach to comprehend how entrepreneurial learning precedes the succession processes of trans-generational firms in Ghana. In an eclectic study of the subject, this study reviewed and synthesised relevant research data into a conceptual framework, which formed the basis of the interview questions generated, and then employing a multi-case study approach, a succession model was formulated based on the responses of sample firms. In so doing, this research created a connection between entrepreneurial learning and succession planning in family-owned businesses, and how they work together to improve a firm's chances of survival beyond the founder within the Ghanaian context.

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We contribute to FOB practice, our holistic succession model spanning the founder's entry into the business, to the post-succession period, and incorporating contextual intervening variables such as polygamy, religion and systems of inheritance, while we contribute to theory by proposing a comprehensive succession process theory to enhance understanding of the process.

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CHAPTER ONE

INTRODUCTION AND STATEMENT OF PROBLEM

"Alas, in Ghana, the death of a business owner signifies the death of the business, along with all its workers." (An employee of a business threatened with liquidation)

1.0 INTRODUCTION

The opening quote was made by a disillusioned employee of a family owned business whose founder had died unexpectedly, without a clearly-communicated strategic succession arrangement. This researcher observed this employee as the latter experienced the ordeal of a long family conflict between the surviving relatives and employees, while the bank threatened to liquidate the firm's assets to offset an outstanding loan. The threat of the death of a business, along with the founder, highlights an underlying issue of the lack of a well-established business succession plan (BSP) put in place during the life of the founder (Giambatista et al., 2005). In a study conducted by Saan et al. (2013) in the Upper West Region of Ghana, they found that while many founders of Family-Owned Businesses (FOBs) preferred to hand over to family members, many do not have a written succession plan to guide the succession process.

Many economies the world over are supported by family-owned firms, such that in certain cases, FOBs occupy up to 90 per cent of the firms within that country (Mandl, 2004; Poza, 2004; Motwani et al., 2006). For the purpose of this study, a family-owned business is where a family (or families) hold(s) the ownership and day-to-day management of the business, and the said business contributes to the family's (or families') well-being and identity (Pieper et

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al., 2013). Although there are a good number of businesses in the informal sector in Ghana, we shall pay more attention to FOBs as Small and Medium Enterprises (SMEs). Within the Ghanaian context, Abor (2008) found that family businesses make up about 60 per cent of a sample of 120 SME he studied, indicating the importance of FOBs to the Ghanaian economy. Villars (2004) pegs the sector's contribution even higher, at 70 per cent of Ghana's GDP, occupying 92 per cent of Ghanaian businesses, and employing more than 80 per cent of the employable population, for which reason the sector deserves attention. Though the definition of SME in Ghana is still fluid (Abor, 2008), the sheer size and contribution of this sector to Ghana's economy warrants an interest from academic researchers. For the purpose of this research, we will adopt the SME classification used by the Ghana Statistical Service (GSS) - small-scale enterprises have fewer than 10 employees while medium enterprises have more than 10 employees.

With our focus on the SME sector, the informal sector is not necessarily one of interest to our research. However, the size of the informal sector in Ghana, coupled with its high illiteracy levels, (Ewusi, 2013) makes it difficult to quantify exactly what percentage of businesses in Ghana survive to the second and third generations, although a few (such as Mechanical Lloyd, Jandell and UniBank Ghana) are known to exist. On the other hand, tax records show that a lot more FOBs which occupied pride of space some time ago in Ghana are either no longer existing or currently unable to generate as much revenue as they used to. Examples are Mankoadze Fisheries, Pomadze Poultry, Poku Transport, Astek Juice and Boakye Mattress.

Elsewhere in the United Kingdom for instance, research indicates that less than a third of FOBs survive beyond the second generation, and an even lower figure of less than a half of second generation firms make it to the third generation (Le Breton-Miller et al., 2004). Thus,

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the importance of family businesses in terms of their contribution to the economic growth of national economies cannot be underplayed (Motwani et al., 2006). Insofar as family firms are considered to be strong contributors to their communities (Steier, 2001) it poses concern to a community when the family firm ceases to exist. Especially in Ghana, where there is a high level of poverty (Acheampong, 2013), every effort ought to be made to ensure the continuity of a firm in order to safeguard the very livelihood of the community. Hence, the urgent need for a comprehensive succession plan to guide founders of family businesses in Ghana.

Family businesses are known to be an interplay of two sub-systems, the family subsystem and the business subsystem, one impacting the other, while the fusion of both impact the organisational outcomes (Nordquist & Melin, 2010; Chrisman et al., 2005). Therefore, succession in FOBs tends to have an added dimension different from succession in non-family businesses. For instance, in cases where a successor in an FOB has the needed capabilities, he may still be considered inappropriate if his accession will cause family conflict (Le Breton-Miller et al., 2004).

Family in the Ghanaian context however deflects from the western concept of family. While the western world would focus on the nuclear family, the concept in Ghana is not even restricted to the western concept of extended family; it usually covers all the members of a common ancestry (Ogundele et al., 2009; Nukunya, 2016). The existence of polygamy within the context further complicates the notion of family, as children are born to different wives within the same marriage. The concept of family is worthy of consideration in a study on FOB succession because essential decisions in the family business are often made by the family members (Sieger et al., 2011) – whether nuclear or extended - thus causing the family unit to flow into the business operations. Business succession, for our discussion is defined by Cater III and Kidwell (2013. p.1) as:

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> *"A dynamic process involving the transfer of both the management and ownership of a family firm to the next generation."*

Succession, like the laws of human life, is inevitable and therefore must be anticipated and managed effectively before it is forced on an ill-prepared successor upon the sudden death (or incapacity) of the founder. Even if the unexpected does not happen, the average life span of one family leader is 24 years (Welles, 1995), after which the leader is likely to be old and tired and would have to give way to a successor. Succession is sometimes treated as an instantaneous event that occurs upon the handing over of the reins of management of a business (Handler, 1994). However, research indicates that this is a carefully thought out process that unfolds over a period of time (Dyck et al., 2002) where both the incumbent and successor have an active role to play (Marler et al., 2016).

Thus, this study seeks to investigate, through the lenses of an eclectic theory, how the succession planning of FOBs in Ghana can enhance a firm's chances of survival beyond the founder. It intends to make three major contributions to the extant literature on the subject of succession planning. First, to employ a phenomenological approach to the study of succession planning, as a tool for understanding the role of family dynamics in an effective leadership transition. Second, to address contextual issues in the development of a succession plan model for FOBs. Third, to tie the process of business succession planning to entrepreneurial learning.

This chapter proceeds with an overview of the background of the research, and presents a statement of the problem under review, then highlight the aim and objectives of the research which derives from the research questions posed. It then leads to a discussion on the

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identified gaps and significance of the research, followed by the chosen methodology for the study. The chapter then concludes with the expected contribution of this work to both theory and practice. That said, we consider the background within which the research is situated.

1.1 RESEARCH BACKGROUND

Recent discussions bordering on family owned enterprises have generated a lot of scholarly interest (Wang et al., 2014) as governments have come to acknowledge the importance of these firms to the survival of their economies (Mandl, 2004). Some researchers are of the view that the subject of succession planning is often not broached due to the sensitive emotions it elicits (Motwani et al., 2006). Confronting the harsh reality of the mortality of a key family member, (often the main bread winner) is a subject most families would rather avoid. This notwithstanding, other research findings (Le Breton-Miller et al., 2004; Griffeth et al., 2006; Motwani et al., 2006) identify that regardless of firm size, it is in the interest of the founder to consider a successor at an early stage if they expect their business to outlive them, in order to keep providing for the family.

Another consideration is the level of poverty in Ghana which is still a bane to the government (Ewusi, 2013). Almost 25% of Ghanaians are classified as poor, with around 10% living in extreme poverty (GSS, 2013). It is thus in the interest of Ghana's economy for family businesses to live beyond the founder, since family businesses contribute immensely to Ghana's Gross Domestic Product (GDP). According to a study conducted in the northern part of Ghana by Saan et al. (2013), it was found that 43 per cent of respondents indicated the existence of a clearly written succession plan, while 33 per cent had a form of unwritten plan, with a significant 24 per cent having neither a written nor unwritten plan. It is more of a concern that only founders with a tertiary education (i.e. Polytechnic/College or University)

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had written succession plans, as Ghana is known to have a high number of illiterates and semi-literates in the informal business sector (Nkum, 1998). A simple model developed from the context could be made available to all those founders who are interested in passing the business on to the next generation of family members.

1.1.1 Alternative Exit Options

If the intention is not to hand the firm over as a legacy to the next generation, Ogundele et al (2009) offer a few alternative exit options to transfer the business to non-family members, either by training existing employees to run the business or hiring the services of an external professional manager. The benefit here is that the founder still maintains ownership, but as long as these people are trusted and competent to keep the business as a going concern.

If the intention is not to maintain ownership, the founder still can explore other harvesting strategies to raise equity out of his business (Hisrich & Peters, 2002). For instance, the business could be made a public company by being floated on the stock market and inviting other investors. There could also be a management buy-out where managers (with or without employees) could raise equity for the founder in order to own and manage the business. Employee stock options is another way to raise equity for the founder over a period as he also releases ownership to employees. A direct sale is often discussed as an easy way out, but that option is also not without its challenges. The founder would have to consider if there would be an immediate buyer who is also willing to offer adequate compensation for the value of the business. Note also that these options have legal and tax implications (Ip & Jacobs, 2006). Lambrecht (2005) identified three reasons why founders wanted to pass the family on to the next generation of family members – the FOB forms part of the family's heritage, to preserve the family name (including the identity) and to retain the family's influence on the business.

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Another challenge with the direct sale arises when the new owners do not want to retain any of the existing employees, including family members working in the business. This current research offers the caveat that this research is not necessarily designed to cover founders who are settled upon alternative exit options, but those looking to pass it on to family members, for which reason succession planning cannot be delayed or taken for granted.

1.1.2 Myths of Succession

It has been suggested that founders of family firms often avoid the subject of succession planning for various reasons (Motwani et al., 2006). This thinking has led to many interpretations, with the popular ones being addressed as the myths of succession planning. The top five myths according to Scott (2013) are identified below.

Myth 1: There is more time

There have been business founders who have died suddenly or become permanently incapacitated. Without a plan, their businesses come under threat, as happened to the employee who made the opening statement in this work, which incidentally generated this research topic.

Myth 2: It's easier just to sell the business

A direct sale presents its own challenges as already discussed above and may not make this an easy option as one would like to think.

Myth 3: Equal is synonymous with Fair

In cases where there are multiple successors, sharing the business equally among them can be a source of conflict considering the different contributions made to the business. For instance,

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compare one child who has spent their entire working life in the business to another who went away in pursuit of their dreams and only returns when the shares are allotted.

Myth 4: When founder is ready, a successor will be ready

Shepherd and Zacharakis (2000) advocate building successor commitment by making him go through adequate training within the business as this makes him feel he has invested time and money and would be more committed to see the business succeed. Griffeth et al. (2006) mention the well-publicised instance of Lachlan Murdoch who declined to work with his father, Rupert Murdoch, in the family newspaper business. A successor cannot be made succession ready simply because the founder is ready to hand over.

Myth 5: Giving up ownership means losing control and income

Another challenge worth the attention is the founder facing his mortality. Barnes and Hershon, (1976, p. 107) report of one manager who said: *"giving up the company is like signing one's own death warrant".* The perception has been that the founder will lose all that he has worked for if he hands over to a successor. Potentially, he stands to lose more for refusing to hand over than keeping hold of the reins of the business (Ogundele et al., 2009).

Overall, the main thread spanning these myths indicates that founders of family firms prefer not to raise the subject at all, as it creates a lot of discomfort (Motwani et al., 2006). For some, the challenge rather relates to the emotions associated with having to choose one child or sibling over a pool of other potential successors (Malone, 1989). However, the literature suggests that business owners who avoid the subject end up paying dearly with the survival of their hard-earned business (Ip & Jacobs, 2006). In reality, they are often not alive to witness the result of their failure to plan for their succession. We propose that business

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founders place their businesses in a better stead when they consider succession planning long before the need for selection arises in order to have a relatively smoother transition in leadership.

Consequently, it is imperative for family firms looking to pass on the business to the next generation to develop a formal succession plan, communicate the identity of the successor, and provide training and/or mentoring to this individual ahead of when the founder intends to retire (Motwani et al., 2006; Jaskiewicz et al., 2015). A well-laid out and executed plan potentially facilitates the going-concern of a family business, and reduces the latent threats to local economies in the event of business closures, including situations where the founder purposely chose to close the business (Ip & Jacobs, 2006). This brings to the fore the urgent need for research into succession planning for family owned enterprises for the Ghanaian economy.

The concept of Business Succession Planning (BSP) originated out of the system of monarchical rule, where succession is laid down and adopted by a group of people (Ip & Jacobs, 2006). This process has come to be adopted by various businesses to ensure their continuity (Handler, 1994). Currently, the concept of succession has evolved to encompass issues relating to Human Resource and Leadership Planning, Strategic Management (Chrisman et al., 2005) and even Change Management (Ip & Jacobs, 2006) which early researchers such as Christensen (1953), Gouldner (1954), Trow (1961), and Guest (1962) probably did not envisage. Worthy of note is that succession planning in family firms tend to vary from that of publicly owned firms, as the dynamics are usually different (Chrisman et al., 2005; Ansari et al., 2014). Publicly owned firms tend to operate on a more formalised and

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task oriented BSP process, whereas family firms might approach the process from a more personal, relationship-centred perspective (Welsch, 1993; Ip & Jacobs, 2006).

A thriving business can easily be impeded if there are no laid out BSP procedures, whilst a non-thriving business is likely to be maintained as a going concern if there is a clearly communicated BSP (Chrisman et al., 2005) This will in turn safeguard local economies, communities and individuals that depend on that business (Ip & Jacobs, 2006). BSP thus requires a level of proactivity on the part of the business founder, with the view to groom leadership for the continuity of the business (Le Breton-Miller et al., 2004). Ip and Jacobs (2006) note that an effective BSP becomes a strategic tool upon which the survival of the popular food chain McDonalds, and multinational retail store Walmart, depended. This was much unlike the Nigerian story where thriving family firms died with the owner due to sibling rivalry arising out of the lack of a clearly communicated BSP (Ogundele et al., 2009). The importance of an effective BSP for family firms cannot be downplayed in Ghana, especially as the economy is essentially being carried by such firms (Agyapong, 2010).

Considering the significant role a BSP plays in the life of a business, it cannot be reduced to a mere ad hoc baton changing event that takes place upon the death of a business owner – it must be considered at an earlier stage. For Ibrahim et al. (2001) the plan should begin when descendants enter the business. This model might be insufficient as it does not acknowledge if successors are not introduced at an early enough stage (i.e. before adulthood), they may not have interest to work in the firm once they attain adulthood. The process is developed over time, right from childhood (Handler, 1994; Cater III & Kidwell, 2013).

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Jaskiewicz et al. (2015) suggest three activities: strategic education, entrepreneurial bridging, and strategic transition – that lead to an effective succession. However, the study was based on the wine industry in Germany, a highly developed industrialised economy. Due to contextual differences, a study that considers the cultural dynamics facing family firms in Ghana will be relevant and contribute to the literature. Rae (2004) proffers a contextual approach to entrepreneurial research as entrepreneurship is a social phenomenon. As a result, this work adopts an eclectic theoretical approach to the study of BSP, starting from when the founder starts running their business, thereby gathering information on their experiences that would be passed down to subsequent generations in a bid to develop an entrepreneurial legacy for them. Therefore, it is the founder's entrepreneurial orientation (EO) that leads them to be proactive enough to make arrangements for their succession will to be considered. Add to this, a look at a learning theory as a means by which knowledge is passed down to the successor, leading on to the leadership transition itself, should help by giving rise to the development of a comprehensive framework for the family firm in Ghana, taking cognisance of the cultural dynamics. The problem as it exists currently is discussed next.

1.2 STATEMENT OF THE PROBLEM

It can be identified from the literature that family firms ought to take a deliberately calculated approach to BSP rather than the ad hoc method where a successor is hurriedly appointed upon the death or incapacity of the founder (Motwani et al., 2006). Ogundele and Idris (2008) make reference to the Nigerian system where the founder is likely to stay actively involved in the business until they die, or ill health stops them from further contributing to the running of the business. It has further been noted that most firms employ the baton change method, where the founder simply hands over leadership when ready (Giambatista et al., 2005).

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Effective BSP is a process that starts way earlier than that (Handler, 1994). When the child is socialised around the business early enough, they are more likely to grow up used to the business operations and culture (Griffeth et al., 2006), and the feeling that they have invested their time and effort in the success of the business is likely to engender a level of commitment from them (Cater III & Kidwell, 2013). They can then have more responsibilities entrusted to them incrementally as their age and experience allow. This, according to Jaskiewicz et al. (2015), helps to imprint an entrepreneurial legacy upon the successor. Note that this is somewhat different from apprenticeship as imprinting can start from a tender age when the child is not even of a working age but can be brought to the company during the school holidays, evenings and weekends to generate a level of interest.

Entrepreneurs in Ghana play a critical role in the nation's economy (Acheampong & Esposito, 2014), thus creating a source of income to provide for the needs of the entrepreneur's household, while meeting the needs of other households through the products or services they provide (Saan et al., 2013). However, anecdotal studies show that FOBs in Ghana are also inhibited with ineffective succession of founders as many enterprises (e.g. Astek Juice[1], Poku Transport[2], Boakye Mattress and Pomadze Poultry) seem not to be performing as well as they did before the founder exited from the company, whether through retirement or death. Motwani et al. (2006) point out the unease of families to discuss succession as it evokes unpleasant emotions about one's mortality. Extended to the Ghanaian context, families are uncomfortable talking about succession because they do not want to tempt fate by talking about the imminent death of the key income provider. Beyond this belief, lie other contextual factors that interfere with succession processes in Ghana.

[1] http://www.ghanaweb.com/GhanaHomePage/business/Astek-s-Property-Auctioned-33528
[2] http://www.ghanatrade.gov.gh/Trading-Tips/why-most-indigenous-businesses-are-unable-to-survive-beyond-the-second-generation.html

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Researching into the phenomenon of why family businesses do not thrive beyond the founder therefore must be considered through the lens of the family since the success of the FOB depends partly on the interplay between business processes and the family relations (Olson et al., 2003). Hence the need to consider the construct of family in the Ghanaian context.

Polygamy in Ghana

Ogundele et al. (2009) have suggested that the dynamics of a polygamous home has the potential to impact family businesses in diverse ways. Children in polygamous homes, especially in cases where they live under the same roof, may perceive themselves as belonging to the same parents, hence they work towards the same goals, while at other times, they see themselves as sharing the same father but having different mothers and may treat their half siblings as such (Archampong, 2010). As potential successors from different mothers, they either strive for a piece of the family cake or simply choose to stay away from a business which has too many interested parties (Ogundele et al., 2009). This current study intends to find out to what extent succession in family businesses under polygamous circumstances are affected by these family dynamics, and how polygamous families have dealt with such a succession in such an environment.

Moreover, Archampong (2010) suggests that a woman in a polygamous marriage may be reluctant to contribute her skills to a family business and even discourage her children from being involved in it. This is because, while she remains married, her efforts must go towards supporting the children of her co-wives, and in the event of a divorce, her contribution to the family wealth is not likely to be acknowledged and compensated proportionately. Furthermore, children from different wives engaging in family squabbles have the potential to spill over into the family business. If these assertions hold true, (which this study will

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confirm or otherwise) polygamy then becomes a key variable that cannot be overlooked in the study of FOBs in Ghana.

Ghanaian Inheritance Custom

Children, in the Ghanaian custom, are seen as members of either their mother's lineage (matrilineal) or father's lineage (patrilineal), but not both. The matrilineal tribes are mainly the Akans (about 47.5 per cent of Ghana's population) and a few smaller tribes from the northern parts (Kutsoati & Morck, 2012). This custom has a bearing on succession in FOBs, because children in the matrilineal set-up are not considered a father's heir. Should the father die intestate, any property he owns (including the business he may have built with the support of his wife) would be inherited by his brother or his sister's son, not his blood children (Nukunya, 2016). In a patrilineal system, however, the property would be inherited by his son or brother, thus dispossessing the widow(s) in both inheritance systems, and in some cases, the widow is inherited along with the property.

The Ghanaian PNDC Law 111 on intestate succession was passed in 1985, which provides for the widow to receive one sixteenth of her husband's property, irrespective of however many wives he may have had (Bowan, 2013). This provision notwithstanding, customary law still seems to persist (Archampong 2010). The effect of this custom, coupled with the extended family system in Ghana, impacts on the environmental dynamism of the succession process in family businesses. Granted, that the collective communities are a source of social capital that yield some performance benefits to a firm (Chikweche & Fletcher, 2012; Boso et al., 2013), but they can also create dissentions that will interfere with the succession process and must be managed effectively by the founder (Jaskiewicz et al., 2015), hence the need for this study.

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1.3 RESEARCH AIM AND OBJECTIVES

Previous research on entrepreneurship in Africa focused more on competition, access to finance and performance (Neneh, 2012). However, contemporary research (Boso et al., 2012; Acheampong, 2013; Boso et al., 2013; Madichie et al., 2013) tend to deliberate more on the theme of entrepreneurial orientation (EO) and themes pertaining to emerging markets, but not how EO elicits a succession plan from the business founder. EO refers to that which transforms learning into knowledge to give the firm a competitive advantage (Li et al., 2009). Quaye and Acheampong (2013) also consider EO in developing economies, interrogating whether SME owners automatically qualify to be called entrepreneurs, to which the results show a negative response. Acheampong and Esposito (2014) further employ a quantitative approach to study entrepreneurship in Bottom of the Pyramid (BOP) markets and reveal, not unsurprisingly, that market characteristics have a bearing on the antecedents of entrepreneurship. These works do not necessarily discuss how the process of succession can foster firm survival.

On the other hand, Saan et al. (2013) conducted a study of BSP in Ghana, emphasising the impact of succession planning on the continuity and prosperity of businesses. They make mention of various theories such as agency cost, relay race, planned behaviour, and stakeholder theory, but they do not mention Entrepreneurial Learning – the kind of learning that occurs during the process of venture creation (Pittaway & Cope, 2007) nor do they delve into how the process of succession planning might be executed. In the wider African context, Ogundele et al. (2009) conducted a study on how challenges in succession can threaten the survival of the family firm. However, their approach was an archival study, using qualitative secondary data, with a focus on cultural issues in Nigeria, and focusing on organisational and life cycle theories.

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Little attention has been given to the succession planning process, especially learning, as a way for the successor to acquire the requisite skills (Kropp et al., 2006) in preparation towards the leadership transition. For founders who seek to pass on the baton to the next generation, a research is required in the Ghanaian context, to help the process for positive organisational outcomes. Consequently, the aim of this research is to investigate the succession arrangements made by founders of FOBs in Ghana, and discover how these arrangements work to enhance a firm's chances of survival beyond the founder. To achieve this, the set objectives are to:

a. examine how the next generation leaders of FOBs acquired the necessary competencies to make a smooth transition in leadership;
b. identify the important elements in the succession process; and
c. develop a framework that will guide family businesses in their succession planning.

This work therefore seeks to find answers to the following questions:

- What arrangements do founders of trans-generational firms make towards their imminent demise, or unforeseen inability to work, and the continuity of the firm?
- What are the important elements of succession planning within the Ghanaian context, and what processes are followed to ensure that these important elements are passed on?
- What measures of success were used, and what were the outcomes for the sample firms?

These questions arise from an identified need to develop a constructive, conceptual understanding of processes within succession, based on a phenomenological inquiry of the lived experiences of selected respondents. These questions are not driven by any theoretical preconceptions in particular; i.e. they are not intended to denounce or confirm theories surrounding succession. These questions are rather intended to provide the researcher with

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the requisite tools to design a comprehensive succession plan based on the intricacies of the context for family businesses within the context.

1.3.1 Identified Gaps for research

A preliminary literature review enhanced the researcher's knowledge on the phenomenon, and provided a justification for the research topic and the phenomenological approach to the study of business succession planning of family firms in Ghana. Research work on entrepreneurship in Ghana is still not fully exhausted, and there are a lot of research areas to be explored. Dzisi (2008) focused on women in entrepreneurship through a mixed methods approach where it emerged that Ghanaian women entrepreneurs, like their counterparts in developed markets, contributed significantly to their thriving economies. A few gaps were identified in the thematic and methodological approaches considered within the literature.

Gaps in Theme

Researchers focusing on Entrepreneurship in Ghana, such as Quaye and Acheampong (2013), Acheampong and Esposito (2014), Boso et al. (2012a, 2012b, 2013) and Madichie et al. (2013) have researched into different aspects of Entrepreneurship, although none with a focus on the concept of entrepreneurial learning. Additionally, other researchers outside Ghana, such as Rae (2004, 2005, 2010, 2012), Ramsey (2005), Zahra et al. (2006), and Rae and Woodier-Harris (2013) have done a lot of work on the various aspects of Entrepreneurial Learning (EL) and Entrepreneurial Education, but have not linked them directly with the issue of succession planning. Politis (2008) draws a comparison between novice and habitual Entrepreneurs; Cope (2005b) proposes the three elements of EL, while Breslin and Jones (2012) discuss the evolution of EL. Some works on entrepreneurial training also place more emphasis on its formal education (Rae, 2005; Oosterbeek et al., 2010; Engle et al., 2010) which then excludes potential entrepreneurs who have read subjects from other disciplines, as

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well as the illiterate/semi-literate entrepreneurs who make up a high percentage of entrepreneurs in Ghana (ISSER, 2013).

Education potentially offers some cultural awareness, skills and knowledge for entrepreneurship, but the "art" of entrepreneurial practice is acquired experientially within a business setting rather than in the educational setting (Rae, 2005). So far, these studies do not indicate how a founder passes on those entrepreneurial skills to the successor, nor how the successor also imbibes the entrepreneurial knowledge in order to carry on the legacy inherited from the founder. For this reason, this work advocates a succession plan that begins with the successor learning the entrepreneurial skills from a tender age when they are socialised within the FOB environment, which might be before they are old enough to work.

Gaps in Context

Entrepreneurship takes place within a social context, and so studying it must be considered within context (Rae, 2005). Following a preliminary literature review, Ghana is yet to produce a study on succession planning from an EL perspective. The dearth of literature on the subject in Ghana suggests that minimal work has been done in the area of succession planning (Saan et al., 2013). Jaskiewicz et al., (2015) link EL with succession, they however make no mention of relevant contextual issues such as polygamy and the matrilineal system of inheritance which is pervasive in Western Africa. Since Hamilton (2011) asserts that EL is socially situated, and learning-in-practice engenders the business continuity, it would be prudent to investigate the social context and its effect on the succession processes of FOBs in Ghana. Work on Entrepreneurial Learning and the trans-generational firm situated within the Ghanaian context - with 25% poverty level, compounded by the complex system of

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inheritance and issues arising out of the extended family system - is still not clearly explored, according to the review of literature to date.

Gaps in Methodology

This work is proposing entrepreneurial learning as one of the means through which a successor might acquire the needed skills to take over the leadership of the family business. We hasten to point out that learning takes many forms and our attention will be on all forms of learning, including how tacit knowledge is acquired since it is essential to firm performance (Wang, 2008). Several studies on EL have employed a quantitative approach to their enquiry (Sapienza et al., 2005; Ansari et al., 2014; Dempsey & Jennings, 2014) in support of the generalisability of their arguments. Cope (2005a) on the other hand, undertook a phenomenological enquiry into Entrepreneurship, linking his work to the ontological and epistemological foundations of Entrepreneurship, without focusing on EL or Business Succession Planning. Man (2006) conceptualizes EL as a competency by which the entrepreneur will exhibit certain behavioural patterns to confirm what has been learnt.

Brenes et al. (2006) considered the subject of succession in Latin America, with a focus on family cohesion and how it promotes an effective succession process. Here again, the challenges posed by polygamy and the extended family that face family firms in Ghana are not adequately addressed. This work therefore takes a qualitative look at the micro level, using case studies, which lend a chance to interrogate the contextual issues (Creswell, 2009, Yin, 2003).

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Gaps in Theory

Extensive work on EL has been about venture creation (Corbett, 2007; Dhliwayo, 2008; Engle et al., 2010; Rae 2005; Wang et al., 2014), while the role of EL in the succession process of a firm and its continuity and performance is not often researched. According to the Knowledge-Based Theory, an organisation's ability to manage knowledge helps it to develop competencies and capabilities that contribute to its survival, growth and success (Miles, 2012). This current work therefore suggests entrepreneurial learning as an awareness creation machinery (both formal and informal) through which firms may prepare the next generation of leaders and ultimately lead to the firm's transitional survival. Identifying and grooming a successor as part of an entrepreneur's regular management schedule is likely to enhance trans-generational success of family businesses in Ghana.

1.4 SCOPE OF STUDY

This study is designed to focus on succession planning in family businesses as this topic has generated a lot of scholarly research interest in the last two decades (Giambatista et al., 2005; Griffeth et al., 2006). The concentration therefore is on business succession planning (BSP) rather than other forms of succession such as the monarchy system. However, succession in family businesses often mimics the succession in the social system since the family business is often passed on as a part of the properties in a person's estate, especially so, in instances when there has not been a properly carried out succession process during the life time of the business founder (Ogundele et al, 2009). The work further places the attention on family SMEs, where the majority of ownership and control of the business lies with a family or families, and where the current leader has intentions of handing over to another family member, whether related by blood or via legal means. We choose family businesses because it is established that there are clear differences in the characteristics and nature between

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family businesses and non-family ones (Cater & Young, 2016). It has also been established that succession in family businesses is not only about the transfer of leadership, but it often includes a transfer of ownership as well (Le Breton-Miller et al., 2004; Block et al., 2011).

The research subject on succession planning in family businesses is of keen interest to researchers because it has been often reported that post succession survival rates in family businesses are relatively low (Cabrera-Suarez, 2005; Motwani et al., 2006). We thus interpret firm continuity and stakeholder satisfaction following the succession process as a successful or positive succession (Le Breton-Miller et al., 2004). Our stance for this research (as is the stance of Nordquist et al., 2013) is that studying succession in family firms is better understood through a process theory, although we hasten to point out that being a long process that spans a minimum of eighteen months (Dalton, 2006), it makes it possible for other supporting theories to be pulled in to support the process theory. We therefore resort to entrepreneurial orientation, entrepreneurial learning and the knowledge-based view theories as supporting theories (see Chapter 4 for details). The process theory then provides the opportunity to explore the phenomenon from different perspectives (Pentland, 1999) and in this instance a qualitative approach is chosen. An overview of the methodology explicates the constructivist paradigm and sampling technique adopted.

1.4.1 Overview of Methodology

Since the research methodology will be discussed in depth in Chapter 4, this section simply provides an overview of the approach and perspective espoused by this research. This study hinges on a subjective perspective, adopting the view that knowledge is a socially constructed phenomenon, and separating it from its context reflects a rejection of human contact with the external world (Wong et al., 2011). The work therefore employed a qualitative (phenomenological) approach in the form of exploratory multiple case studies (Stake, 1995;

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Yin, 2003). This approach is also supported by Rae (2005) who concluded that contextual learning occurs through participation in community, industry and other networks in which individual experiences are interlinked and compared, and where shared meaning is constructed. In order to understand the similarities and differences between different cases, analysing multiple case studies would be a more appropriate approach (Baxter & Jack, 2008).

Moreover, Spinosa et al. (1997) highlighted the need to move past positivist approaches to entrepreneurship, in order to have an understanding of the human processes involved. Guba and Lincoln (1994) also assert that reality is shaped by social, political, cultural, economic, ethnic and gender values, crystallised over time. Binks and Vale (1990) stress the limitations of economic theory in understanding the human, sociological and psychological aspects of entrepreneurial behaviour. Qualitative data provides contextual information and insight into human behaviour, whereas quantitative methods ignore the process of discovering the truth which might hold a piece of the research puzzle (Guba & Lincoln, 1994). A note of caution, though, from James and Vinnicombe (2002) is that researchers may have inherent preferences that are likely to shape their research designs, with the result that the final work will be undermined through a lack of coherence (Flowers, 2009).

Therefore, to define the boundaries, this work identified a number of FOBs in the Greater Accra Region (GAR) of Ghana that have been transferred on to the next generation for further investigation. This region is selected because the GAR is Ghana's industrial hub, with Tema being the port and industrial city, and Accra being the capital city. These two cities combined are considered the largest market area for the country's manufactured products, and together they host more than 200 major manufacturing industrial establishments employing some 22,060 persons (KPMG, 2012). These two cities combined can adequately reflect the Ghanaian context, as GAR is often considered a microcosm of the Ghanaian

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populace. Through the qualitative approach, the succession processes of the sample businesses enabled the researcher study the phenomenon within the context (Creswell, 2009).

1.5 SIGNIFICANCE OF STUDY

This study seeks to fill the gaps identified by Wang et al. (2014) for research into more suitable models for micro and small firms in a developing economy context. It will also develop a framework for an effective succession plan for FOBs. To do so, we will introduce the factors of polygamy, the extended family and system of inheritance peculiar to the context. Wang et al. (2014) recommend research into Entrepreneurial Preparedness and the processes by which individuals get themselves ready for entrepreneurial endeavours. In this regard, this work extends the call to include the processes by which successors not only get themselves ready for entrepreneurial endeavours, but also take over an existing family firm and maintain it as a going concern to the satisfaction of key stakeholders.

1.5.1 Significance to Theory

In terms of theory, this work seeks to validate the role of entrepreneurial learning in succession planning within the Ghanaian context and thereby validate the theoretical underpinnings within the context. The research findings will add to the extant literature on entrepreneurship in the areas of theory, practice and policy. Reviewing the literature in Ghana, it would be the first of its kind in Ghana which links entrepreneurial orientation, entrepreneurial learning and succession planning in one framework. It will synthesise the succession processes of family businesses in Ghana, which will help the practice of future generations. This is vital to the long-term survival of businesses, and ultimately, to the macro economy of Ghana, as the country depends on family businesses for employment and the provision of essential goods and services.

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Additionally, it will raise awareness of the importance of the succession process to the survival of FOBs, and improve the general understanding of the concept for both academics and practitioners. Should the theory be validated in the Ghanaian context, it will indicate the likelihood for it to be applicable in other developing economies with similar characteristics.

1.5.2 Significance to Practice

Concerning the issue of practice, this work will develop a comprehensive framework for effective succession of FOBs in Ghana, based on the narratives of six family firms from a cross-section of industries. There have been instances where the assets of family firms have had to be liquidated to offset outstanding debts upon the death of the business owner. Bowan (2013) states that under such circumstances, the law courts have the mandate to forestall a sale of assets if there is a clearly established succession plan. As part of best practice, family firms might indicate the presence of a well laid succession plan to its creditors, or other relevant agencies, to promote a level of trust in the relationship.

1.5.3 Significance to Policy

Finally, it is anticipated that policy makers in the financial sector will consider adopting the model for use by FOBs as part of the loan application process, in order to minimise repayment delinquency in the unlikely event of the death or incapacity of the business owner. From a financial institution perspective (see the opening quote), it was observed how family members of FOBs were suddenly faced with managing a firm they knew little about, and hence were unable to manage it effectively to pay off any outstanding debts. The results of the research would be impressed upon policy makers and industry regulators, so that they can institute measures that effectively monitor the operations of FOBs to ensure succession plans are in place to protect the firm's agencies from such unforeseen circumstances.

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It will generate essential information for policy makers on challenges confronting the smooth transition of leadership from founder to successor, considering the business dynamics evoked by the Ghanaian custom of polygamy and inheritance. A closer look at the conceptual framework will paint a clearer picture of the study.

1.5.4 Who benefits from the research

It is expected that both institutions and individuals will find the research useful, for instance, financial institutions as part of their loan application processes. Often, financial institutions dealing with FOBs find that the death or incapacity of a business owner affects the business's ability to repay loans. Others are policy makers, industry regulators, prospective investors who want to weigh their options, the academic world and the general business community.

1.6 CHAPTER DISPOSITION

The research work will be broken down into relevant chapters to allow for easy reading and critiquing. Chapter 1 sets the stage with the introduction and a statement of the problem, bringing out a justification for the study, while Chapter 2 focuses on the research background, elucidating readers on the Ghanaian context by way of situating the study in its appropriate context. Chapter 3 presents a review of the related literature, indicating the theoretical underpinnings on which the research is constructed with Chapter 4 presenting the research methodology, putting forward a justification for the perspective and approach employed. Chapter 5 presents the data collected from sample companies, in the form of six individual case studies and Chapter 6 presents a thematic analysis of the data. Chapter 7 adds to the previous chapter by presenting a comparative analysis of the data, and a succession model for the context derived out of the data collected. The eighth and final chapter discusses the results, drawing conclusions and making recommendations for the future.

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1.7 CHAPTER SUMMARY

As the dynamics for small FOBs are different from those of larger organisations, it is important for there to be a succession process aimed at helping FOBs to transition into the second and even third generations (Motwani et al., 2006). Therein lies the need for researchers, and even the family business owners themselves, to understand how the succession process unravels, and why the process for larger organizations may not apply in the smaller family firms. This research will be filling that gap that could change the way family businesses in Ghana operate, and proffer one way in which the academe might support industry.

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CHAPTER TWO

GHANA: CONTEXT OF THE STUDY

2.0 INTRODUCTION

The purpose of this chapter is to situate this study in the Ghanaian context. Context in this study is important as it shapes entrepreneurship, and even more so, family businesses as a result of its inheritance systems. The chapter is organised as follows: Section 2.1 gives an overview of the Geo-political terrain in Ghana, while Section 2.2 focuses on the socio-cultural dimension, and 2.3 is dedicated to understanding entrepreneurship in Ghana. Section 2.4 then narrows the lenses to the Bottom of the Pyramid market, and how it plays into the entrepreneurial space, and finally, Section 2.5 provides the summary of the chapter.

2.1 THE GEO-POLITICAL TERRAIN

This section places the lenses on the geo-political space in Ghana. It is considered an essential piece of the puzzle for one to understand the context, and it would be an understatement to suggest that decisions taken by political leaders permeate all aspects of the Ghanaian context. Time and again, one can observe how certain political decisions end up affecting the economic (and hence the entrepreneurial) terrain (Ogundele et al., 2009). For instance, following a study on entrepreneurship in Ghana, Buame (1996, p.135) concluded: *"it has been emphasised that government policies – both colonial and immediate post-independence have exerted a particularly tremendous retarding effect on local entrepreneurial activities."* Additionally, Reichenbach, (2002, p.67) conducted a longitudinal comparative case study into breast and cervical cancer from 1990 to 1997 and concluded that

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in Ghana, *"Politics is an important factor in the determination of priorities"*. In this case, political decisions are seen to reflect on health issues in the country.



Figure 2. 1 Map of Ghana showing the 10 regions

Ghana sits on the West African coast of the Gulf of Guinea in Africa, south of the Sahara Desert and sharing a border to the west with Cote d'Ivoire, to the east with Togo and to the north with Burkina Faso (see Fig 2.1). According to the Ghana Statistical Service (GSS), the current population is about 26.7 million (GSS, 2016)[3], spread across a land area of 238,538 km, made up of ten (10) regions and 216 districts. Although English is the official language,

[3] Source: www.statsghana.gov.gh

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there are over 100 languages spoken in Ghana (www.ghanaembassy.org), with the common ones being Akan, Ga, Ewe (in the southern part) and Dagbane, (in the northern part). About 65% of Ghana's population lives in the rural areas and despite the upgrade in 2011 to a lower middle-income economy status (KPMG, 2012), poverty is still a huge phenomenon in rural Ghana and even in the peri-urban centres. More so, in recent times, urban poverty is on the increase due to a general growth in population, coupled with rural-urban migration (Ewusi, 2013).

In addition, there is a disparity in the distribution of Ghana's population, income, and mineral resources, which are largely concentrated in the southern half of the country (Foster & Pushak, 2011) and even more so in the urban locations of the southern half. A ray of hope, though, for Ghana now is its recent oil discovery, for which reason the nation is expected to raise additional public funding from increased tax receipts. According to a World Health report (WHO, 2005), Ghana has several strong areas on which to build, and a solid economic base from which to fund incremental efforts.

2.1.1 Ghana since Independence

Following Ghana's independence in 1957 from its colonial masters the Brits, it has seen a period of dramatic change in its political, economic, social and religious outlook. Ghana became the first sub-Saharan African country to gain independence from colonial rule, and its name was changed from the Gold Coast to its current name, Ghana, by the then Prime Minister, Dr Kwame Nkrumah. At the time of its independence, the country had GBP200 million in its coffers thus being ranked a middle-income country in 1957. By 1983, the country had sunk so low economically that it had to adopt a structural adjustment program

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recommended by the International Monetary Fund (Heaton & Darkwah, 2011) as a measure to stabilise its economy. Clearly, that period indicated Ghana among the low-income economies in the world. Further measures placed Ghana on different economic levels until 2011 when it resurfaced on the radar of lower middle-income economies. Ghana is considered a suitable context for this research as subsequent discussions will indicate.

Government since independence[4]

Ghana, since independence, has had five civilian administrations and four military regimes.

1957 - Independence from British Colonial rule: Ghana becomes first black African colony to declare independence.

- First republic: 1960-1966

1966-1992 - Succession of destabilising coups, Ghana is predominantly a one-party state, or under military rule following a coup.

- Second republic: 1969-1972;
- Third republic: 1979-1981

1992 - New constitution, multi-party system is restored.

- Fourth republic: 1992 to date

2010 - Offshore oil production starts, fuelling Africa's fast-growing economy.

- Public deficit spirals.

Ghana's democracy has been praised as a model of success across the continent (Gyimah-Boadi, 2008), touting success stories such a smooth transition from military to civilian rule and a peaceful handing over of power even in closely contested elections, both of which have led to political unrests in other African countries like Kenya, Zimbabwe and Cote d'Ivoire.

[4] Source: http://www.bbc.com/news/world-africa-13433790

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However, certain political decisions have also been questioned by some international bodies, highlighting issues of human rights abuse and the mismanagement of public funds (Dartey-Baah, 2015).

Summarising the effect of the political and economic background on entrepreneurship in Ghana, Buame (1996, p.135) succinctly outlines seven key areas for consideration:

i. Constrictive colonial institutional structures
ii. Political instability and economic mismanagement
iii. Lack of consistency in economic and industrial policy
iv. Lack of a stable currency
v. A fragmented domestic market that has low purchasing power
vi. Frustrating state bureaucracy
vii. Unreliable legal institutions and control mechanisms

Although this research was conducted twenty years ago, most of the measures outlined (if not all) are still present today (Abor & Quartey, 2010). Clearly, the terrain for entrepreneurs in Ghana, as it is in other developing countries for that matter, is anything but smooth-sailing, thus making entrepreneurship in Ghana a challenging venture. Since government policies affect the stability in the economic terrain (for instance the stability of the currency), it makes the study on succession planning one of interest to scholars in Ghana as they seek to contribute to the continuity of family businesses and their contribution to the economy.

2.2 THE SOCIO-CULTURAL DIMENSION

This section sheds some light on the sociological and cultural practices of the Ghanaian community and how these might bring to bear on doing business in Ghana. It discusses issues pertaining to marriage, family, religion and other spiritual beliefs. Culture as a concept might

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be explained as the learned ways in which a category of people understands, decides and communicates with each other (Hollensen, 2011). In the literature, culture incorporates two main elements, namely: the objective (or tangible) aspects which include items such as clothing, food, architecture and other physical artefacts, and the subjective (or intangible) aspects of culture which include the norms, values, ideas, customs, and other meaningful symbols of an identifiable society (Hofstede et al., 2010).

2.2.1 Hofstede on Culture

It is necessary to discuss the dimensions of culture because the respondents to this study will be observed within their cultural settings in order to understand the reality in which they operate. Rae (2004) also advocates that entrepreneurship must be studied within its context to have a better appreciation of the experiences of the actors in the research. Following his research of 72 countries, Hofstede (2001) proffered some dimensions for comparing cultures:

- ***Individualism versus Collectivism*** - describes whether a person functions primarily as an individual or functions better within a group as a collective system.
- ***Power distance*** - describes how a society deals with the inequalities in power that exist among people. In high power-distance firms, autocratic management styles focus power at the top and grant little autonomy to lower-level employees. Income distribution in a low power society is rather even but very uneven in a high-power society. A high-power distance score was observed in countries such as Japan while Denmark and Austria scored lower ratings (Hollensen, 2011).
- ***Masculinity versus femininity*** - Refers to a society's orientation, based on traditional male and female values. Masculine cultures tend to value competitiveness, assertiveness, ambition, and the accumulation of wealth. Feminine cultures emphasize nurturing roles, interdependence among people, and taking care of less fortunate people.

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- ***Time Orientation*** – this denotes the long term versus short term perspective and considers the degree to which people and organizations defer gratification to achieve long-term success. This dimension was added in the work of Hofstede and Bond (1988).
- ***Uncertainty avoidance*** – the extent to which people can tolerate risk and uncertainty in their lives. Societies that score *low on* uncertainty avoidance socialize their members to accept and become accustomed to uncertainty.
- ***Indulgence/Restraint*** – related to the gratification versus control of basic human desires related to enjoying life. This measure was added in the 2010 study (Hofstede et al., 2010).

A Critique of Hofstede's 2001 research

A critical look at Hofstede's research indicates that the framework fails to account for the convergence of cultural values that has occurred during the last couple of decades. Hofstede did not capture all potential dimensions of culture. Aside from Hofstede's five cultural dimensions, there are other factors on which culture can be analysed and there are other levels for assessing culture, such as individual level, group level, gender level etc. These levels were not considered probably because of the nature of the construction of these levels.

In the GLOBE (Global Leadership and Organizational Behaviour Effectiveness) study, House *et al*. (2004) included the dimensions of power distance and uncertainty avoidance. They further broke down Hofstede's collectivism/individualism dimension into two dimensions: the institutional collectivism dimension (collectivism I) which measures societal emphasis on collectivism, with low scores reflecting individualistic emphasis and high scores reflecting collectivistic emphasis; and the in-group collectivism dimension (collectivism II) which measures the degree to which individuals express pride, loyalty, and cohesiveness in their organizations or families. Since Hofstede's work was done over thirty years ago and

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may not encompass a lot of prevalent issues today, other researchers have subsequently attempted to conduct a research in the field but none so detailed as to cover the about 116,000 respondents across 32 countries in Hofstede's original work. Therefore, Hofstede's work still holds relevant information for today's research work into culture.

Implications of Culture on Business

Culture is important in family business as it influences a range of interpersonal exchange as well as value-chain operations such as product and service design, marketing and sales. Business owners tend to design products and packaging with culture in mind, even regarding the use of colour as a person's response to marketing behaviour can be affected in diverse ways. It has been found that some cultures are more individualistic, while others are more collectivist; and this influences how the members of the society live, as seen in how they feed and shelter themselves, for instance. Culture further defines the beliefs and values of members and how they perceive the meaning of life. Family businesses in Ghana are therefore affected by cultural issues such as marriage and kinship.

2.2.2 Marriage and Polygamy in Ghana

The three ways to be legally married in Ghana are: under the customary law, under the *Marriage Ordinance* (Cap127) of 1884, and under the *Marriage of Mohammedans Ordinance* (Cap129) of 1844 (Bowan, 2013). Note however, that the latter form of marriage falls outside the scope of this paper as none of the respondents fall into this category. Marriage under the *Marriage Ordinance* (Cap127) was influenced by the Christian colonial masters, the provision of which requires the couple to be monogamous. This provision bars a man from marrying another woman - whether under the Ordinance or customary law.

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However, Bowan (2013) infers that many Ghanaian marriages still remain customary; and by the provisions of customary marriages - as well as those contracted under the Mohammedan Ordinance - they are potentially polygamous (Archampong, 2010). Polygamy might be explained as the marriage of one man to two or more women.

Moreover, it is not uncommon in Ghana to find customary marriages contracted in addition to a marriage under the ordinance, clearly in defiance of the provisions on monogamy. Klomegah (1997) places the figure as high as 25 per cent of Christians being in polygamous unions. He indicates that Roman Catholic and Protestant groups have silently allowed it even though it is not generally accepted in their European and American congregations. Additionally, it has been found that polygamy tends to be less common among women with higher levels of education and in urban areas (Gyimah, 2005). Of the communities studied in Ghana, it was found that polygamous unions constitute about one third to almost half of the marriages surveyed (Archampong, 2010). However, polygamy is reported to be on the decline since 2003 (Heaton & Darkwah, 2011).

Recently in Africa, there have been calls for the abolition of polygamy, which has been viewed as a rejection of the African culture in favour of western ideas (Archampong, 2010). And if polygamy is considered an important component of the African culture, it would be difficult to abolish it completely, for as long as Africa remains male-dominated (Archampong, 2010). Often, women in polygamous marriages are forced to fend for themselves and their offspring as family resources are managed by the men and often not shared equally amongst the co-wives. Of even more concern is when the marriage breaks down and the woman is faced with claiming her share of the matrimonial property.

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Archampong (2010) therefore recommends the use of the legal system to protect women under such circumstances.

Also, in Ghana, marriage is not a union between only the couple, but to their relatives as well, thus making the children of such a union, relatives to all the other relatives of their parents (Nukunya, 2016). This is probably explained by examples such as the lack of an Akan word for 'cousin' – anyone who fits into that description is referred to as *'nua'* which simply means brother/sister. Children born out of polygamous unions tend to see themselves on two levels – on one level they are children of the same parents, while on another level they are children from different mothers who share one father (Archampong, 2010) and therefore looking out for the interests of their mother and her brood.

2.2.3 Family and Kinship in Ghana

This study will pay attention to the impact of the extended family system and the matrilineal system of inheritance on family businesses in general and on succession in particular. The extended family in Ghana refers to a family situation where the family group is made up of a series of close relatives, along either the male or female line depending on the line of descent (Nukunya, 2016). The patrilineal system builds the family through the descent of the father. The largest tribal group in Ghana is the Akan-speaking people, who constitute about 47.5 per cent of the entire population.[5] The Akan people practice the matrilineal system of inheritance where an individual's descent is traced through the mother's lineage (Nukunya, 2016). As a result, their inheritance and succession also follow this path; and a man's possessions will be passed on to his brother and then further passed on to his sister's children. In effect, when a

[5] Ghanaembassy.org

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business owner within the matrilineal system dies, his sister's children, rather than his own, stand to benefit from his hard-earned business and properties, irrespective of the contribution made to the growth of the business by his wife and children.

Ogundele et al. (2009) mention the son of Chief M.K.O Abiola, who possessed the capabilities to continue running the business but refused for fear of family feuds that might arise, and the Bobby Benson Hotel where members of the extended family swooped in and removed items from the hotel and run it insolvent upon the death of the founder. Consequently, inheritance in family business has often been the source of many a conflict in family businesses. The matrilineal arrangements then make the mother's brother responsible for the duties that are ordinarily performed by the father in a patrilineal family, especially with regarding issues pertaining to discipline and authority (Nukunya, 2016).

Moreover, the traditional practice of the extended family projects the precedence of parental, filial and sibling bonds over marital bonds, and parental roles are shared by other members in the extended family, even to the extent that when a mother's milk is not sufficient when she gives birth, other mothers in the family may breastfeed the child (Nukunya, 2016). This system also encourages the practice of widow inheritance by the successor of the deceased to ensure that a widow and her offspring are provided for. The family therefore becomes an economic unit where members contribute to make a living for all (Nukunya, 2016). Here again, the collective system flows into the business terrain. When a business owner dies within such a system, the successor inherits the estate in addition to the widow, and if the widow refuses to be a part of the marital arrangements, she loses her rights to the business as well as any family property.

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2.2.4 Religion and Belief Systems

The belief system of a group of people may affect the family relations and invariably affect the working relations in family businesses (Palliam et al., 2011). Religion has been described as *"the beliefs and practices associated with the supernatural […] which embraces many aspects of man's relations with the supernatural including magic, witchcraft, as well as practices associated with the dead and the ancestors"* (Nukunya, 2016, p.69). The major religious groupings currently in Ghana are broken down as follows: Christianity - 71.2% (comprising Pentecostal/Charismatic 28.3%, Protestant 18.4%, Catholic 13.1%, other 11.4%), Muslim - 17.6%, traditional religion - 5.2%, other faiths - 0.8%, and no religion - 5.2%.[6] There are a further variety of subgroups within each of these broad categories, bringing to bear its peculiar nuances on members.

It has also been found that religion underpins all aspects of the Ghanaian culture, identity, business and politics (Busia, 1967; Yirenkyi, 2000) and the concept of the High God (or the Supreme Being) existed in the Ghanaian society even before the introduction of Christianity and Islam. The permeation of religion in the Ghanaian society led Omenyo (2002, p.24) to refer to the Ghanaian as '*homo religious'*. It has further been found that religious identity somehow constrains family trends, as seen in Ghanaian women delaying the age at which they get married or have children (Heaton & Darkwah, 2011). Further, incidences of marital disruption, informal unions and polygamy are on the decline – a clear indication of the impact of religion, as found in the afore-mentioned study. By implication, family businesses are also impacted by religion, with a number of businesses organising regular prayer sessions in the workplace.

[6] Ghanaembassy.org

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Deflecting away from the formalised religion lies the traditional worshippers who believe in ancestral worship. Arguably, this form of worship is seen to serve as a form of social control while people in the society strive to be numbered among the revered dead, whose names would be called upon during the performance of ancestral rites (Nukunya, 2016). This form of worship believes in the operations of witchcraft. The phenomenon of witchcraft cannot be proven, and according to Nukunya (2016), the interest of the anthropologist is not to prove the truth or efficacy of witchcraft, but to acknowledge that the belief affects the behaviour of people who believe in it. He further argues that witchcraft accusations usually arise out of envy, jealousy, hatred and fear, which is used to explain away unexpected or undeserved misfortunes that cannot be attributed to natural forces. Being unable to understand or prove this phenomenon does not necessarily invalidate its existence. The phenomenon of witchcraft is further seen to serve as a means of social control; for instance, the fear of being bewitched compels people to curb any excesses that might incur the displeasure of the witches and cause them to strike. In this study, there will be attention paid to the belief in witchcraft and its possible impact on succession processes in family business.

On a positive note, Nukunya (2016) admits that formal education brought about social change and urbanisation, which in turn affected the institution of family, thus causing a gradual departure from inheritance and succession practices. The institution of marriage has also been strengthened at the expense of kinship.

2.2.5 Culture and Business in Ghana

From Hofstede's (2001) study as discussed already, power distance index shows very high scores for Latin American and Asian countries, African areas and the Arab world, whereas

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Anglo and Germanic countries have a lower power distance. Ghana as an African country has a high-power distance that can be linked with the unequal distribution of income, unlike in low power areas where scandals have been known to end political careers. A study by Fosu and Aryeetey (2008) projects that 75 per cent of Ghanaians are concerned about the menace of corruption which is a major problem for entrepreneurs in Ghana. Aside that, in 2009, the World Bank ranked Ghana in the 60th percentile according to their corruption criteria (Kaufmann et al., 2010).

Further, Africa is known to have strong values for collective living, although as Ghana becomes richer, its culture is gradually becoming more individualistic. With the attainment of a middle-income status in Ghana, some of the social values are seen to be experiencing a paradigm shift. A typical example is the landmark case of *Mensah v Mensah* (2012) where the court portrayed its considerations towards the plight of a wife who would have ordinarily been denied an inheritance in a divorce case. Prior to this ruling, instances where a widow whose husband had died intestate (without a will) being kicked out of their matrimonial home were quite rampant, especially in matrilineal societies where the principal beneficiaries are the man's extended family (Nukunya, 2016). Previously, the wife and children, along with any acquired property, were considered the individual property of the man, upon whose death intestate the property would be distributed in accordance with customary law (Bowan, 2013).

Against this backdrop, the PNDC Law 111 (1985) on intestate succession was passed to protect widows and their children under such circumstances. The law provided that houses and chattels go to the spouse and children, while the residue of the estate is shared as follows:

i. Three-sixteenth to the surviving spouse;

ii. Nine-sixteenth to the surviving child;

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iii. One-eighth to the surviving parent;

iv. One-eighth in accordance with customary law.

This law was hailed to break bounds as it seemed to support nuclear family units while still making provision for customary law. Note that this applies only to personal property, not to lineage property (belonging to the extended family). These discussions situate Ghana in its culture, but also undergoing gradual stretches of socio-cultural change as its people interact with the outside world. In fact, culture has been seen as a hindrance to development and modernity, as well as to the human rights of people in the society (Tauli-Corpuz, 2008).

2.3 ENTREPRENEURSHIP IN GHANA

Entrepreneurship is said to be a cultural movement, created and reproduced as a cultural ideology (Rae, 2010). Entrepreneurship in Ghana is therefore seen as one that takes on a different hue from what is generally known in the literature. Acheampong and Esposito (2014, p.440) describe entrepreneurship in Ghana thus:

> *"Specific institutional challenges include poor security, weak currency, poor infrastructure, difficulty in accessing funds, corruption, high taxes, weak educational systems and high levels of bureaucracy. The net effect of all this is a very large informal sector. In this environment, true Schumpeterian entrepreneurship is very difficult to engage in"*

This is the kind of entrepreneurial environment our respondents have to operate in. Therefore, applying the succession plans developed for the western world may not be effective. Gibb (1993) contends that while formal education brings cultural awareness, knowledge and skills for entrepreneurship, entrepreneurial practice itself is learned experientially in business rather

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than in an educational environment. Many enterprises in Ghana were started by entrepreneurs with little (if any) formal education, and have managed to build their businesses to an appreciable level. It is not uncommon to find unpaid family members in family businesses with its consequent implications, both negative and positive, to the family business. Sometimes, labour relations are often based on casual employment, kinship or social relations without recourse to due contractual arrangements. These social and family ties have been found to be potentially detrimental to entrepreneurial activity (Buame, 1996).

The Greater Accra Region, which hosts the capital city and the nation's biggest harbour, is saddled with a high urban population of around 90.5 per cent (Anuwa-Amarh, 2015), although a lot of businesses in the region are still operating in the informal economy. Anuwa-Amarh (2015) further makes a direct link between rapid urbanisation and the upsurge in the informal sector in Ghana. Indeed, government action, as depicted in its policies and regulations, directly affect entrepreneurial activity (Bruton et al., 2010).

Despite the relative ease with which entrepreneurs are able to set up in the informal economy, there is also a high mortality rate among these business spring-ups with most of them going bust before their second anniversary (Okpara, 2011) or upon the death of the founder. This high mortality has been attributed to causes such as insufficient profits, lack of training, poor management and low demand of the product offering (Okpara, 2011). Businesses in the informal sector face hurdles in accessing financial resources or schemes, thus hampering the growth of the business. Informal sources of finance such as family and friends, as well as costly micro-credit schemes are often what is left available to businesses in this economy.

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Aside that, there is little evidence that entrepreneurs in the informal economy continue to pursue learning programs with the growth in their businesses over time, although learning is a continuous process. Currently there is little research on how entrepreneurs in Ghana learn to take advantage of new opportunities. Granted that small businesses play a key role in Ghana's economy, it then behoves on researchers to direct scientific efforts towards understanding the psychological factors that encourage the continuity of family businesses (Unger et al., 2009).

If entrepreneurs, irrespective of their formal educational background, are able to find, absorb and exploit new knowledge from both their internal and external environment, they stand to perform better (Miles, 2012). Learning to recognise and take advantage of opportunities, and interacting socially to initiate, organise and manage ventures (Rae, 2005) is also likely to enhance enterprise continuity in Ghana.

2.3.1 The SME Sector

Another aspect of the Ghanaian economy that is worthy of mention is the Small and Medium Enterprises (SME) sector. This sector contributes 70 per cent of Ghana's GDP, occupies 92 per cent of Ghanaian businesses, and employs more than 80 per cent of the employable population (Villars, 2004), for which reason it deserves attention. However, there is currently no uniform definition of this term globally, or indeed, in Ghana. The USA uses the employment measure of 500 staff strength for medium enterprises and up to 100 workers for small enterprises (SBA, 2009)[7]. The European Union (EU), uses the employment measure, with a threshold of 250 workers (micro 1-9; small 10-49, medium 50-249), in addition to an

[7] http://www.sba.gov/advo/research/sb_econ2009.pdf

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annual turnover of up to 50 million Euros, and/or an annual balance sheet total of up to 43 million Euros (EU, 2005)[8].

The definition in Ghana reinforces the arbitrariness of the definition as depicted by official sources in different countries. From the perspective of the Ghana Statistical Service (GSS), small-scale enterprises have fewer than 10 employees while medium and large-scale enterprises have more than 10 employees. However, the definition for the National Board for Small Scale Industries (NBSSI) in Ghana fuses the measures of both fixed assets and number of employees. It therefore considers a firm with not more than 9 workers, and has plant and machinery (excluding land, buildings and vehicles) under 10 million Ghana cedis. Further, the Ghana Enterprise Development Commission (GEDC), has an upper limit value of 10 million Ghana cedis in plant and machinery. Applying the second and third definitions in Ghana poses a problem, in that valuing fixed assets can sometimes by debatable. Also, as the value of the Ghana cedi notoriously depreciates against major trading currencies over time (Kayanula & Quartey, 2000), the value of assets may vary if measured against major currencies such as the US dollar, Pound Sterling and Euro.

Another characteristic of Ghana's SME sector is the heavy presence of indigenous women (McDade & Spring, 2005). Studies show that most of the enterprises run by women entrepreneurs range from micro to small-scale enterprises, focusing on general trading and services, and operating from home (McDade & Spring, 2005). Typically, women traders in Ghana can be seen dealing in textiles and food supply. It is important to note that through these petty trading activities, these women have more control over their lives as they are able to provide for their families. Their confidence level also increases as they cherish the respect

[8] http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index_en.htm

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and financial security it brings to their family, both nuclear and extended. The definition of success to the Ghanaian woman entrepreneur may not be a formal measure; but as long as their business is profitable, with a good turnover, as they take on more shop outlets and employees, they are proud of their success (Dzisi, 2008).

Another important feature of the SME sector in Ghana is the categorization into rural and urban enterprises. Family groups, individual artisans and women engaged in food production from local crops tend to constitute the rural enterprise category (Abor & Quartey, 2010). Major identifiable activities found in this sector are agro/food processing, sale of beverages, bakeries, wood furniture making, electronic assembly and repairs, chemical-based products, production of soap and detergents, sale of fabrics, clothing and tailoring, textile and leather, village blacksmiths, tin-smiths, mechanics, ceramic makers, timber and mining, brick making as well as the sale of cement (Kayanula & Quartey, 2000). The urban category can also be classified into organized and unorganized enterprises. The organized enterprises are formalised, have paid employees and a registered office from where they operate. With regard to the unorganized category, artisans can be seen to be working in open spaces, by the road side, in temporary wooden structures, or working from home, and employing minimal or no salaried workers (Kayanula & Quartey, 2000). Family members (often unpaid) or apprentices may be the main employees available to them.

The final significant feature to be mentioned is the growth constraint posed by the type of workforce available. More than half of the SMEs are run by one person; that makes owner/managers the largest employment category in this sector, with the rest being split between hired workers and trainees/apprentices (Abor & Quartey, 2010). This drawback in individual businesses further constrains the growth in the entire economy as it is difficult to

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scale up a one-person business in sectors such as manufacturing, distribution and agriculture. In a survey of 120 SMEs by Abor (2008), it was found that 80 per cent of total shareholding was held by managerial shareholders, with family-owned businesses occupying about 60 per cent of the sample. This challenge is additionally buttressed by surveys to indicate that many SMEs in Ghana are plagued with low levels of management capacity in skills such as financial management, planning, strategy, human resource development, quality standards and international awareness (Abor & Quartey, 2010).

Indeed, Ghana's economy is also plagued with many challenges arising from the SME sector, compounded by challenges from the peculiar traits of a group of consumers popularly known as the bottom of the economic pyramid market. This group of consumers are discussed next.

2.3.2 Characteristics of Ghana's Economy

Poverty remains a challenge in Ghana although the proportion of the population categorised as poor reduced significantly from 51.7 per cent in 1991/1992 to 39.5 per cent in 1998/1999 and dropped further to 28.5 per cent in 2005/2006 (Ewusi, 2013). Currently, about 26 per cent of the working population lives on less than US$1.25 a day, and 48 per cent on survive on US$2 a day, with the minimum labour wage pegged at around US$2 (GHS6) a day (Ulandssekretariatet, 2013). People in this economic category are generally classified as Bottom of the Pyramid (BOP) consumers (Prahalad & Hart, 2002), who are concentrated in four main regional areas, namely Africa, Asia, Eastern Europe and Latin America and the Caribbean, with 12.3 per cent of them found in Africa (Hammond et al., 2007). Buyers at the BOP behave differently not only from their counterparts in developed country markets but also from the upper and middle-income customers within their own societies (Prahalad & Hart, 2002).

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Despite Ghana's attainment of middle income status in 2011, there is still a good percentage of its population in this category with unemployment and underemployment rising steadily (ISSER, 2013), especially among the youth. Among the 15-24 age group, the rate of unemployment was estimated at 25.6 per cent in 2010. This was twice that of the population in the 25-44 age group and three times that of those in the 45-64 age group (Ewusi, 2013). Undoubtedly, this requires government to initiate policies that promote inclusive and sustainable growth.

Acknowledging that Ghana's businesses are plagued with the challenges identified, a conscious effort has to be made to ensure a smooth and effective transition in leadership for the continuity of the businesses that are currently a going concern. The high rates of unemployment and poverty make it imperative for existing businesses to survive into the next generation as a way of minimising the high unemployment rates. From the information on BOP markets, it comes to light that the challenges businesses face in Ghana are different, and hence attempting to apply succession models from developed economies may not yield positive outcomes for family businesses.

On a positive note, all is not completely bleak in the country; similar to many developing countries, Ghana is beginning to concentrate efforts on improving its economic plight, and not necessarily waiting on donor funds to better its lot (Fosu, 2015). Income growth in diverse endeavours has been instrumental in reducing poverty, although many believe that low-income African countries require some form of income-generating assistance (Fosu, 2015). Despite the world recession in 2008/2009, Ghana recorded rapid growth in 2011, which is attributed to revenues from the oil find and the strong export performance of cocoa and gold.

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It becomes apparent that certain adjustments ought to be made to allow for a social enquiry rooted in scholarly traditions from different cultural contexts to be revised to suit the Ghanaian context (Grix, 2002). This work seeks to undertake a social enquiry into the succession processes of family businesses in Ghana, in an attempt to close the gap between research work in developing contexts and the more developed contexts.

2.5 CHAPTER SUMMARY

This chapter has provided a description of the Ghanaian context within which the research is situated. Some light was shed on the geo-political terrain and the socio-cultural facet of the country. The role of culture in Ghanaian businesses was also introduced, followed by a brief overview of the BOP market and its impact on doing business in Ghana. The characteristics of the informal economy and the SME sector was discussed, highlighting the criteria used to classify enterprises in the SME sector, which outlined some differences in the classification in comparison to other countries.

This chapter is important because qualitative research requires that phenomena be studied in their natural settings, to help make sense of the meanings people assign to a social or human problem (Denzin & Lincoln, 2005; Creswell, 2009). A contextual study of the dynamics in Ghana helps to bridge the gap in the existing literature, and provides relevant information to help existing and future family businesses achieve their goal of passing on the business to the next generation; and therein lies the import of this current research. The next chapter focuses attention on a review of the related literature.

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CHAPTER THREE

A REVIEW OF LITERATURE

3.0 INTRODUCTION

This chapter reviews the extant literature on entrepreneurship, to unearth how succession has been conceptualised, and how family businesses plan towards their continuity beyond the founder. Section 3.1 discusses the search methodology; Section 3.2 discusses the key themes in the literature; Section 3.3 takes a look at the salient methodologies; while Section 3.4 considers the main theories identified in the literature. The chapter continues with Section 3.5, outlining the research direction, and ends with a summary of the chapter in Section 3.6.

It has already been established that small businesses play a key role in the wealth creation of individuals, and consequently lead to growth in the economy of any nation (Autio, 2005). This has resulted in a keen research focus on entrepreneurial activity, gradually attaining a critical status in a nation's long-term economic growth strategies (Engle et al., 2010). A similar study by Certo, Moss and Short (2009) suggests that entrepreneurial activity is instrumental in dealing with today's ever-changing business terrain, which underscores the growing research interest in the field, probably beyond what Schumpeter (a reputable authority in entrepreneurship) indicated in his 1934 discussion of the subject. A review of the related literature highlights what well-acclaimed researchers have said about the different aspects of the subject of entrepreneurship, including succession in business.

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3.1 SEARCH METHODOLOGY

Throughout the month of May, 2014, a search was made for articles relating to the subject of entrepreneurial learning through the Google Scholar search engine, using different keyword combinations. The majority of the articles were picked from the Emerald database, with others from Science Direct, Taylor and Francis, Wiley, and Sage Publications. With a target of one hundred articles in mind, abstracts of the first fifty articles that came up for each keyword combination were read, looking for relevant material. The results were as follows: Entrepreneurship (15), Entrepreneurship in Africa (11), Entrepreneurship in developing economies (12), Entrepreneurial Learning (16), Family owned businesses (21), Succession planning (17), and entrepreneurial orientation (13). Altogether 105 articles were selected for the review.

When the first fifty articles on EL in Africa were seen to be mainly on South Africa, the search was extended to the eightieth article: looking for others in Ghana or Nigeria, which is closer in demographics to Ghana. Two articles situated in Nigeria that stood out were by Oyelaran-Oyeyinka (2004) which focuses on a number of African countries, and Oyelaran-Oyeyinka and Lal (2006), based solely on the Nigerian context. As a result, the net was further widened by searching for entrepreneurial learning in developing economies. With that, a few more publications were retrieved from Nigeria, but the search results also included more from other developing countries such as Peru, Costa Rica, Philippines and India. There was also other useful research on Entrepreneurship by Engle et al. (2010), Quaye and Acheampong (2013) and Boso et al, 2013. Although not exclusive to Ghana, the study by Engle et al. (2010) was included because it was a twelve-country research, with Ghana being one of the twelve research contexts.

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Following that, there was a search for a combination of entrepreneurial learning and family businesses, and succession planning in family businesses, from which relevant articles were selected out of the first fifty results. Finally, to increase the search results, entrepreneurial orientation and entrepreneurial learning were considered in one combination, and relevant selections were made out of the first fifty results. Having selected 105 articles for review in 2014, more selected papers were studied from 2015 to 2017 to enrich the review, which brought the current number to 127.

i. Geographical Distribution

The publications were then grouped in accordance with the 10 regional groups of House et al. (2004) to give an indication of the geographical coverage of the relevant articles. All regions were represented, indicating a fair coverage of the different contexts, in addition to articles that have been labelled trans-regional, either because they covered more than one region, or the context was not clearly stated. The results are outlined in Table 3.1 below.

Following this, a selection was made for only the studies done with a focus on Africa for a comprehensive review on their methodology, themes and theory to provide a better justified direction for this research.

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Table 3. 1 geographical distribution of reviewed articles

Region	Country	No. of Publications	Total per Region
1. Germanic	Netherlands	2	9
	Switzerland	2	
	Germany	4	
	Belgium	1	
2. Anglo	Canada	4	46
	USA	22	
	New Zealand	1	
	UK	19	
3. Nordic	Norway	1	5
	Finland	1	
	Sweden	2	
	Denmark	1	
4. African	Nigeria	3	24
	Ghana	11	
	South Africa	10	
5. Confucian	China	2	3
	Hong Kong	1	
6. Southeast Asian	Indonesia	1	3
	India	2	
7. Latin Europe	Spain	4	4
8. Eastern European	Romania	1	1
9. Latin America	Costa Rica	1	1
10. Middle Eastern	UAE	1	2
	Kuwait	1	
11. Trans-Regional	(2 or more regions)	15	15
12. Silent on Region	(mainly conceptual	14	14
TOTAL		**127**	**127**

Source: author's own conceptualisation

ii. Distribution according to Methodology

The breakdown of methodology is shown in Table 3.2, highlighting the gaps in methodology in the selected articles from Africa. Note here that the focus now shifts to only studies relating to issues on the African continent. The micro level research is at the organisational or firm level, the meso level goes beyond the firm level to the industry level, the macro level

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focuses on the national level while the meta level goes beyond the country level to regional or even global levels of analysis (Boateng, 2014).

Table 3. 2 methodological distributions of selected articles

Res. Meth. Analysis Lev.	Conceptual/Descriptive	Empirical Qualitative	Empirical Mixed	Empirical Quantitative
Macro	18. Dhliwayo, (2008) 102. Ogundele et al 2009		43. Dzisi, 2008	94. Urban (2011) 46. Kropp (2008)
Meso		12. Cloete & Ballard (2011) 62. Neneh (2012)		82. Acheampong 2013 93. Unger et al (2009) 71. Quaye & Acheampong (2013) 77. Boso et al, 2012 91. Boso et al, 2013 98. Acheampong & Esposito, 2014
Micro		81. Saan et al 2013 83. Madichie et al 2013 92. Abban et al 2013	46. Unger et al, 2009	17. Darroch & Clover 2005 69. Neneh, 2012 106. Venter et al, 2005 126. Venter et al, 2006 127. Venter & Boshoff, (2006)
Meta	66. Abor & Quartey, (2010)	64.Oyeleran-Oyeyinka (2004)	44. Krauss et al (2005)	70. De Villiers-Scheepers (2012) 45. Kropp (2006), 66. Abor & Quartey, 2010

Source: author's own conceptualisation

iii. Thematic Distribution

Five broad areas of research were considered in the publications, namely, entrepreneurial learning (EL), business succession planning (BSP) in family-owned businesses (FOB), entrepreneurial orientation (EO) and Entrepreneurship in Developing Economies (DE). These themes were chosen because it is believed that one's entrepreneurial identity is framed by their proclivity for learning (Pittaway & Cope, 2007) and their social networks which stems from the context in which they operate (Rae, 2005). Previous research also indicates that firms with an EO mind-set tend to have a higher rate of continuity (Lee & Paterson, 2000). And all these three together underlie a firm's chances for success and ultimate longevity,

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although the EO-Performance nexus has the tendency to vary amongst different communities (Wiklund & Shepherd, 2005). The ensuing outcome is summarised in Table 3.3.

Table 3. 3 Thematic distribution of reviewed articles

Year	EO	EL	FOB	BSP	DE
2004		64. Oyeleran-Oyeyinka			
2005	44. Krauss et al.	44. Krauss et al.		44. Krauss et al. 106. Venter et al.	17. Darroch & Clover
2006	45. Kropp et al.	45. Kropp et al.		126. Venter et al. 127. Venter & Boshoff	
2007					
2008	47. Kropp et al.	18. Dhliwayo			43. Dzisi
2009		46. Unger et al.		102. Ogundele et al	46. Unger et al
2010	66. Abor & Quartey				66. Abor & Quartey
2011		12. Cloete & Ballard 69. Urban	94. Urban		
2012	70. De Villiers-Scheepers 77. Boso et al.				69. Neneh
2013	58. Madichie et al. 71. Quaye & Acheampong 83. Madichie et al. 91. Boso et al.		81. Saan et al.	81. Saan et al.	82. Acheampong 83. Madichie et al. 92. Abban et al.
2014					98. Acheampong & Esposito

Source: author's own conceptualisation

3.2 KEY THEMES FROM THE LITERATURE

This section expatiates on the thematic areas outlined in Section 3.1, thus setting the scene for the research direction chosen by this study.

3.2.1 Entrepreneurship

The literature indicates that attention was drawn to the entrepreneur's role in economic development by Schumpeter in 1934, who referred to them as *"revolutionaries of the economy"* (Schumpeter, 1934; p.130). However, before Schumpeter, lived a gentleman called

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Richard Cantillon, a banker whose writings, *"Essai sur la nature du commerce en generale",* is believed to have advanced the understanding of economic theory (Murphy, 1986). These writings showed the entrepreneur as an undertaker, with an important role in the markets and the circular flow of income. Despite his contribution, Cantillon's works did not receive much attention till 1977 when the writings were published, twenty-one years after his mysterious death in a fire (Murphy, 1986). Over time, the entrepreneur's role became more recognised and prominent in the understanding of economic theory, with input from Keynes and Harvey (Murphy, 1986).

Arising out of the entrepreneur's role is the term entrepreneurship, which has been given various definitions in the literature. Shane (2003, p.4) defines it as the identification and development of *"new goods, services, ways of organising, market processes and raw materials through organising efforts that previously had not existed"*. However, this definition may be too restrictive, as entrepreneurs sometimes develop goods and services that already exist, by adding innovative aspects to make them more attractive. Mole & Mole (2010) simplified the definition of entrepreneurship with a focus on the agency status of the entrepreneur, by referring to the concept as the interplay between the structures of a society and the agents within it. Stevenson and Sahlman (1989) further looked at the concept through three main focal lenses: the *functional*, the *personality* and the *behavioural* perspectives, all of which give credence to the pliability of the concept of entrepreneurship.

In a similar study, Cope (2005) went further to build upon these existing theoretical approaches by initiating the dynamic learning perspective, which forms the basis for this paper's discussions. Entrepreneurship as a root concept is thus seen to give rise to off-shoots such as entrepreneurial orientation and entrepreneurial learning.

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3.2.2 Entrepreneurial Orientation (EO)

The concept of EO is interrogated extensively in the literature on entrepreneurship (Lumpkin & Dess, 1996), and it is seen as that which transforms knowledge into assets, thereby offering competitive advantage to a firm and enabling it to stay ahead of its competitors (Li et al., 2009). Research has illustrated that EO sits at the very core of entrepreneurial decision making, and informs what and how actions are carried out in businesses across different contexts (Tan & Tan, 2005), thus providing a useful framework for studying family business (Zahra, 2005). EO gained ground in the literature because research shows that EO equips firms with the capabilities to discover and hone in the benefits of new market opportunities that ultimately helps to respond to the challenges of an ever-dynamic market environment (Wiklund & Shepherd, 2005). The literature points out the five dimensions of entrepreneurial orientation, namely: innovativeness, risk-taking, proactiveness, competitive aggressiveness, and autonomy, (Lumpkin & Dess, 1996; Li et al., 2009; Lumpkin, Brigham & Moss, 2010) all of which work together to create competitive advantage for firms.

Still, there are divergent views on how these five dimensions work. One view stipulates that the EO dimensions are synchronised, rather than any one dimension working individually; whilst the other espouses the view that these dimensions are deployed, depending on both the internal and external peculiarities of a firm. Either way, it is mutually accepted that all the dimensions culminate in a firm's ability to act in an entrepreneurial manner. Moreover, different firms encounter different dynamics, hence the need to combine the EO dimensions in different ways to meet particular demands of a firm's market environment (Li et al., 2009).

In addition, an entrepreneurial orientation is the key trait that motivates the founder of a family business to initiate a succession process at an appropriate time to ensure the survival

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of the business (Chrisman, Chua & Steier, 2003; Memili et al., 2010; Lumpkin et al., 2010). For succession planning to become a matter of practice, founders ought to move from being mere business owners to entrepreneurs by exercising an entrepreneurial orientation, a prerequisite for building a transgenerational firm (Chrisman, et al., 2014). An EO mind-set is depicted through an entrepreneur's concern for future generations, and the drive to create jobs for family members (Le Breton-Miller et al., 2004; Miller & Le Breton-Miller, 2005). This then becomes a source of competitive advantage for the firm. Other studies indicate that entrepreneurial risk-taking enhances firm performance (Zahra, 2005), which creates value for transgenerational sustainability (Zellweger & Sieger, in the STEP Global Booklet, 2011).

Long-Term Orientation (LTO) of Family Firms

Miller and Le Breton-Miller (2005) assert that the sustainability of firm performance requires a long-term view of the interests of the firm and its stakeholders, just as Lumpkin et al. (2010) underscore the impact of a firm's LTO on its entrepreneurial outcomes. LTO refers to an entrepreneur's propensity to prioritize the future implications and impact of their decisions and actions, with the view to reap the desired results after an extended time period (Lumpkin et al., 2010). Ansari et al. (2013) argue that founders of FOBs have a long-term view of their firm as they work towards its continuity and survival. It takes an entrepreneurial founder to make the necessary arrangements for succession to ensure that their hard work does not go to waste. With a long-term view in mind, the founder builds up a store of social capital for future use.

The founder's ability to accumulate social capital from the relationships built with both internal and external stakeholders over time (Chrisman et al., 2005) can progress the successor's accession significantly as the network of contacts serve as mentors for the

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successor. A long-term view of the firm also impacts the founder's choices relating to risk taking, proactiveness and innovativeness as they seek to pass the business on to the next generation. Having discussed that, this work now considers the theory on which this work is hinged.

3.2.3 Entrepreneurial Learning

One cannot effectively discuss the concept of entrepreneurship without raising the issue of learning as an integral part of entrepreneurship, as Minniti and Bygrave (2001, p.7) assert that *"entrepreneurship is a process of learning, and a theory of entrepreneurship requires a theory of learning"*. This section interrogates entrepreneurial learning (EL) as a tool for firm continuity, leading to trans-generational firms. The attention is then drawn to entrepreneurial learning in developing economies, focusing on Africa, for an insight into how the concept has been researched, including the various methodologies employed.

Although Pittaway and Cope (2007) admit the narrowness in their definition of EL, the fundamental role of learning in opportunity identification and new venture creation cannot be overlooked. The entrepreneur grows by going through diverse forms of learning - whether through experience and discovery (Rae & Carswell, 2000) or as they go about their daily activities. These include learning by copying, experimenting, problem solving, opportunity taking, and even from their mistakes (Pittaway & Cope, 2007). Effectively, learning forms part of an entrepreneur's identity, and Cope (2005) stresses the importance of exploring how learning transforms an entrepreneur rather than merely focusing on the identity of an entrepreneur. By that, the essence of learning in the entrepreneur's performance (as much as the successor's performance) is established. In a similar light is entrepreneurship education,

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but with a slightly different focus. It has a more formalised approach, with two facets to it - learning about entrepreneurship as a phenomenon, or learning useful skills geared towards becoming an entrepreneur (Rasmussen & Sorheim, 2006). Furthermore, it has a focus on the personal development and career planning of the entrepreneur, rather than merely acting upon an intention to create new ventures (Rae & Woodier-Harris, 2013). Such a career plan has in this "new era" become a very attractive option to young people, following the 2008 global financial meltdown which affected even giant economies, and drastically reduced job prospects for young job seekers (Rae, 2010).

In ensuring that the framework for entrepreneurship education and learning is strengthened, it becomes pertinent for one to understand that issues such as culture, personal entrepreneurial exposure, motives, expected family support, entrepreneurial disposition and perceptions of barriers greatly impact upon a person's entrepreneurial intensions (Pruett et al., 2009). This lends credence to Rae's (2005) triadic model of entrepreneurial learning, which indicates that one's likelihood of self-employment is increased because they have learnt from a family member or close relative.

In addition, Harrison and Leitch (2005) made a clear distinction that knowledge is what is already known, whereas learning refers to the actual process of generating knowledge. Indeed, learning has become the critical currency for businesses in the new Era (Dixon, 1994) which empowers a firm to survive; even more crucial than the knowledge itself, because knowledge is fleeting, and learning is that which will continuously bring about new knowledge (Cope, 2005). Entrepreneurial learning then becomes the revolutionary change required in the growth and continuity of firms. This has been classified into two stages – learning prior to start-up (e.g. market conditions, opportunities, technologies and/or new

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business ideas) and learning during the entrepreneurial process on how to be an entrepreneur (Cope, 2005). The two together are cleverly called the unobserved productivity by Parker (2006). In effect, learning is generally done unconsciously, thus making it even more difficult to conceptualise. If learning is the process that generates knowledge, and knowledge within an organisation is a source of competitive advantage (Fotea et al., 2012), then a good BSP will ensure that the knowledge that creates a competitive advantage is passed on to the next generation, thus enhancing the firm's transgenerational survival.

Entrepreneurial Learning and Opportunity Recognition

An aspect of EL in the literature has been the link to an entrepreneur's ability to recognise and take advantage of a good opportunity that has the potential to generate revenue (Lumpkin & Lichtenstein, 2005). They further identify five stages of opportunity recognition as: Preparation, Incubation, Insight, Evaluation and Elaboration. It is argued that the interaction between an entrepreneur and his structure sets the pace for opportunity recognition (Mole & Mole, 2010) and so the varied forms of their prior knowledge all culminate in their ability to identify opportunities. For instance, what an entrepreneur knows about their market has an impact on the opportunities they identify. Accordingly, as learning is increased, the possibility for opportunity recognition is also increased (Lumpkin & Lichtenstein, 2005).

However, Corbett (2007) indicates that the ability to recognise opportunities calls for some prior knowledge, in addition to the cognitive abilities for exploiting that knowledge. This is supported by Unger et al. (2009) albeit from the narrow perspective that education is what brings about the knowledge and skills that help entrepreneurs to become successful. Should this be the case, then the uneducated entrepreneur has no chance of success in business. By implication, learning in its broader terms transcends educational frameworks because the

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different forms of learning may not always be taught formally. Perhaps, it was for this reason that Mole and Mole (2010) disprove the interpretivist epistemological study by Sarason et al. (2006). They believe the nexus of opportunity recognition and entrepreneurship is better handled from a critical realist perspective. Clearly, learning plays a key role in an entrepreneur's ability to recognise and take advantage of business opportunities.

Entrepreneurial Learning in developing economies

It is believed that developing economies generally have a greater percentage of their population at the bottom of the economic pyramid who are a group of consumers (about 4 million of them in the world) with an annual income on a purchasing power parity basis of less than US$1,500 per year (Prahalad, 2001). This group is also referred to in some literature as the "subsistence marketplaces" (Viswanathan & Rosa, 2007), and recent research is unearthing the economic potential of this low-income group to firms (Sridharan & Viswanathan, 2008). A sizeable portion of Ghana's population bears the characteristics of this group which makes it worthy of mention. Throughout the review, it was observed that although there was not much literature on entrepreneurial learning in Ghana, some research has been done in other developing economies (Asia, Africa, Latin America, and the Caribbean) where this group is generally known to reside.

Peculiar to BOPs is not just their meagre spending power, but all its attendant implications such as poor distribution channels, illiteracy, media darkness, etc. In serving this group, the challenge therefore is not just in relation to the sheer size of this market, but it also takes cognisance of their peculiar requirements (Prahalad & Hart, 2002). This notwithstanding, the literature suggests that companies can engage profitably with this group even if social entrepreneurship is not their goal (Nielsen & Samia, 2008) as long as they are able to develop

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strategies suited to the peculiar requirements of this group (Khanna et al., 2005). Prahalad (2005) points out that there are both BOP consumers and BOP entrepreneurs who tend to exhibit similar characteristics; and somehow, both roles contribute to their learning (Sridharan & Viswanathan, 2008).

Although there is currently not a comprehensive framework by which the concept might be adequately understood (Cope, 2005), enough evidence has been shown that there is a positive relationship between learning and firm success (Unger et al., 2009) as entrepreneurial learning enhances entrepreneurs' capabilities (Jiao, Ogilvie & Cui, 2010). That said, a number of research gaps have been identified in the literature for future consideration.

In another study (Iakovleva, Kolvereid & Stephan, 2011), it came out that respondents from developing countries have stronger entrepreneurial intentions than those from developed countries. Apparently, the impact of social networks in these economies predisposes people to business start-ups, as they are likely to be inspired by someone in their close network who would have started their own business. It was also found in the literature that countries with BOP populations are usually more prone to turbulent change (political, natural, economic, etc.) over which they have practically little (if any) control (Chikweche & Fletcher, 2012). This reinforces the need for entrepreneurial learning to help equip entrepreneurs for firm continuity beyond the founder. Further, the increasing need for ICT knowledge in firms in developing countries requires non-formal learning (Oyeleran-Oyeyinka & Lal, 2006). It can be summarised from the literature that entrepreneurs in developing economies require learning in numerous aspects of business activity in order to groom trans-generational firms.

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The observation of De Villiers-Scheepers, (2012) is that entrepreneurship theories tend to be more focused on developed economies; but it is widely acknowledged that entrepreneurship is a social phenomenon, (being predisposed to its context). As a result, applying these western tested theories directly on a developing economy such as those in Africa may yield skewed results. Additionally, Khanna et al. (2005) argue that firms which develop strategies that take into account the unique conditions in BOP markets and do not stereotype them based on western approaches are more likely to succeed in tapping the potential that lies in these emerging markets. This calls for more in-depth research into how firms may steer away from stereotypical western theories, towards a more context-based theory.

Despite the emphasis placed on learning in the literature, research on how business owners learn and accumulate relevant knowledge is still rare in Africa (Unger et al., 2009) and even more so in Ghana. Learning for entrepreneurs in Ghana is often done on the job, focusing more on knowledge acquired through experiences. Dhliwayo (2008) further advocates for a different approach to entrepreneurship education in Africa, proposing a move away from the traditional lecture centred passive learning to Work Integrated Learning (WIL) - a more interactive hands-on approach, comprising both classroom and field experiences to feed into the African-specific context. Some of the relevant topics that would be useful to entrepreneurs in this context include management succession and the hurdles that hinder growth (Cope, 2005b).

Entrepreneurial Learning and Succession

This study strongly argues that EL should not be restricted to new venture creation, but should also be extended to existing businesses where the successor is taken through EL to be equipped with the requisite entrepreneurial skills to take over the reins of the business.

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Howsoever fundamental the learning might be, it is an essential part of the entrepreneurial process, where human and social aspects, as well as economic factors, all play a key role in preparing one for the entrepreneurial venture (Rae, 2005; Ettl & Welter, 2010). It is recommended that the successor is introduced to the business early, even from as early as five years, with the entire process taking as long as up to twenty years (Schulman, 1991), to give the successor adequate time to acquire the necessary knowledge and interest to run the business. As the successor works alongside the incumbent for a longer period, it gives both the incumbent and other family members the confidence that the successor can manage the business, and it minimises the likelihood of succession failure (Palliam et al., 2011).

It has further been observed that successors tend to be more successful in their role if they have spent a good number of years in the family business, starting at the bottom and working their way up to the top (Ip & Jacobs, 2006). And if the early stages of EL are not achieved by the successor, it is likely that the other stages such as entering the venture will also not be achieved (Rae, 2000). Furthermore, Palliam et al. (2011) include the dimension that the educational background of the successor (i.e. higher education) also reduces the successor's willingness to work in the family firm. However, this notion is yet to be proven in Ghana, as there are a good number of necessity entrepreneurs who may have become entrepreneurs out of their need. The EL theory will therefore be used as an advocacy lens (Creswell, 2009) with the intention of being verified, based on the stories of the respondents.

3.2.4 Family-Owned Businesses

Family in the Ghanaian context varies from the western concept of family. Whereas the western world would focus on the nuclear family, the concept in Ghana is not even restricted

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to the western concept of extended family; it might cover all the members of a common ancestry (Ogundele et al, 2009). The existence of polygamy within the context works to further complicate the notion of family, as children are born to different wives within the same marriage. The concept of family is worthy of consideration in in this study because essential decisions in the family business are often made by the members (Sieger et al., 2011), thus causing the family unit to flow into the way the business is run.

'Familiness' in the literature, is projected as a strategic resource that is generated by the level of family relationships (Sarathy et al., 2010), with the ability to offer competitive advantage to a family business. Familiness is thus conceptualized in three dimensions: the networks it offers, the trust, norms and obligations among the members, as well as the vision and language they share (Pearson et al., 2008). Chrisman et al. (2005) further conceptualise it to reflect the family's influence on the daily operations and decision-making of the business. Some other literature (Venter & Kruger, 2004; Kansikas et al., 2012) differentiate the founder capital as a resource from the family capital.

Jasckiewicz et al. (2015) strongly advocate that the successor is a resource that needs protection from other interested parties, including his/her own spouse. However, this predisposes the predecessor to manipulation in his/her bid to protect the successor. It therefore behoves family businesses to guard against such manipulations while working hard to maintain healthy family ties in order to strengthen their human resource base. More emphatically, Basco and Rodriguez (2009) point out the importance of paying due attention to family ties which in turn yields positive results for the business, as family conflicts have the potential to negatively impact the performance of the business (Eddleston & Kellermanns, 2007; Pieper et al., 2013).

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There has often been a challenge for family firms to hand over the baton from the founder/incumbent to a successor. The trend is usually to keep the business ownership within the family and thereby appoint a child as a successor. This approach is referred to as dynastic thinking by Bertrand and Schoar (2006) where relatives of the business owner are given an unfair advantage to occupy most of the senior management positions even if there might be more experienced non-family employees. Of course, this decision is not without its own attendant problems for the business owner to deal with (Ansari et al., 2014), and some of such challenges also arise out of the cultural setting in which the business finds itself.

Various definitions have been proffered for the concept of FOB, but perhaps the converging point is the family ownership and control as well as the involvement of family members in the decision making of the firm (Motwani et al., 2006; Saan et al., 2013). To distinguish between a family business and their non-FOB counterparts, one might simply consider the presence of both the family and business dimensions of the enterprise. (Chua et al., 1999) extend the definition to include the control of not just one family but also a small number of families, and further highlight the tendency for the firm's characteristics to be a reflection of the vision and values of the controlling family or families. For the Ghanaian context, one would hasten to add that the family unit is often a polygamous or even an extended one (Ogundele et al., 2009) and must be considered in that light.

Family businesses have become a subject of interest for many researchers as they are seen to play a pivotal role in the national economies of many countries (Mandl, 2004; Fotea et al., 2012) and they contribute to the growth of the macro economy by being a source of income to the family members and providing employment to communities (Moyo & Ozgur, 2015). FOBs will be interested in passing on the baton to the next generation. Ironically, Moyo and

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Ozgur (2015) noted that although the founders did not impose the family business on their children, they had all hoped that the next generation would choose to stay in the family business. This elicits research into the concept of family entrepreneurship, and the literature highlights some pertinent issues for consideration. For the sake of this work, the terms 'family firms' and 'family-owned businesses' (FOBs) are used interchangeably.

The Family as a Resource

Family businesses, by virtue of the family members' interaction, are distinct from non-family businesses (Zellweger et al., 2010). This interaction, if developed appropriately, becomes a resource with the potential to provide competitive advantage to the firm. In much the same way, if it is not handled effectively, it may end up as a liability and impact upon profitability for the firm (Zellweger et al., 2010). Chrisman et al. (2005) identified that family members ought to influence the firm in such a way as to create a sustainable difference in the firm's resources. Family members often provide support in various forms: financial, emotional, educational and instrumental, in the form of human capital (Zellweger et al., 2010). Therefore, Lumpkin et al. (2010) advocate the use of the F-PEC model (Family Influence on Power, Experience, and Culture) to assess family business involvement on the firm.

The family plays a key role in shaping the identity of the actors within the FOB (Rae, 2005) including the successor, who becomes the key actor when they take over the leadership of the family business. The future of the FOB rests on the founder's capabilities, especially in tactfully handling the business challenges as they seek to preserve the family ties across generations (Griffeth et al., 2006). In line with the resource-based view (Barney, 1991), these capabilities become resources that yield competitive advantages to the firm (Chrisman et al., 2005). Indeed, Jaskiewicz et al. (2015) refer to the successor as a resource that must be

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managed effectively, along with other resources, in order to obtain the desired results; and that includes shielding them from other family members who might seek to disrupt their accession to the steering role. This is even more relevant in a context such as Ghana where extended family systems and polygamy (both with their attendant problems) prevail (Ogundele et al., 2009). This leads us to the discussion on culture in the family business.

The Cultural Dimension of Family Business

Another facet of the family business that is worth consideration is how culture plays into the workings of the family business. Culture, as discussed in detail in Chapter 2, is seen to affect the way business is done, thus attaining a prominent place in entrepreneurship. Hofstede differentiates societal culture from organizational culture - societal culture arises out of social values, whereas organizational culture is a by-product of organisational practices (Hofstede, 2001). Hence, entrepreneurship is better understood when situated in a social context (Rae, 2004; 2005). For instance, in Nigeria (and in Ghana by extension) Ogbonna (2010) outlines cultural values such as the values pertaining to community life, the value for family unity, the value for the Sacred and of religion, the value for old age and authority and the value for acceptance and hospitality. Often, these cultural values somehow find their way into the business setting (Hofstede, 2001), especially in family businesses, and impact the way business unfolds (Ogundele et al., 2009). Also, research has found that in certain contexts, sons are preferred over daughters as successors (Palliam et al., 2011) which affects the succession processes of these businesses.

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3.2.5 Business Succession Planning

Succession planning in family businesses has been given a simplified definition by Griffeth et al. (2006, p.492) as *"a continuous process where leadership and power is transferred from one family member to the next (usually from one generation to the next), while maintaining positive family relationships, and enabling the business to continue to expand and prosper financially"*. This definition suggests then that succession goes beyond merely identifying a replacement at the top (Rothwell, 2010). Business succession planning (BSP) is now considered a key requirement for family businesses (Sieger et al., 2011) and for this study, succession in family businesses is where both the incumbent and the successor are family members; whether they are related by blood or by law (De Massis et al., 2008). An *incumbent* occupies the top management position in a family business and would have to relinquish it to a successor (another family member) who would take over the reins of the business when the incumbent exits (De Massis et al., 2008).

The concept gained a lot of attention in the sixties with researchers such as Grusky (1964) being credited as a major contributor to the subject (Giambatista et al., 2005). The BSP concept originated from anthropology and how the study of kinship could be extrapolated into a business setting (Ip & Jacobs, 2006). The literature from that time is seen to be concerned with different aspects of the subject, such as managing the process effectively, and how firms might use their succession as a source of competitive advantage (Giambatista et al., 2005). A firm's BSP is considered successful if it resulted in the continuity of the business over the ensuing period following the exit of the incumbent, with positive examples such as Ford and Disney (Ip & Jacobs, 2006). Other researchers discussed how the successor's traits might serve as an antecedent to the process; and from their review,

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Giambatista et al. (2005) indicated the dearth of formal succession plans in family businesses across the globe.

It is imperative for FOBs to have a succession plan that reflects the family dynamics, since it is perceived to differ from publicly traded firms. Palliam et al. (2011) suggest that an entrepreneur who exits a firm is usually succeeded by a family member (the often-favoured option) or an employee, or the business is sold on for want of an appropriate successor (often the least preferred option). Too often, the opportunity of this favoured option is missed because the founder did not make adequate preparations towards his exit. Christensen, in 1953, proffered the solution of early succession planning, where the family identifies a pool of potential successors and from a set of measures, selects the most closely matched successor. This must then be communicated early to stakeholders to garner their support.

In addition to the need for a well-laid out post succession business strategy and training for the successor, Palliam et al. (2011) advocate the need for a clearly defined role and ownership stake for the incumbent. Much of the malaise characterising succession processes will be eased as a result. Jaskiewicz et al. (2015) go further to add the importance of clarifying the ownership stake of other family members, whether they work in or outside the firm, which they refer to as managing the firm's resources after the succession (including managing the successor himself as a resource). In essence, succession ought to be considered in its entirety – as a process, rather than a one-off event.

Another point to consider under BSP is the training afforded to the successor as part of the succession process. As it has been established that succession is a process rather than a one-off event, Jaskiewicz et al. (2015) stress the need for the successor to be given training outside the FOB (but in a similar industry) to help him/her build the needed experience in

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another organisational culture, having outside mentors, and learning new ways of doing business which would eventually be brought to bear in the family business when he/she takes over. Mentoring for the successor has also been found to facilitate the succession process. Whereas some researchers (Jaskiewicz et al., 2015; Ip & Jacobs, 2006) recommend mentoring by the predecessor, others (such as Griffeth et al., 2006) recommend mentoring by a mentor outside the succession process who offers independent advice to help the successor make a smooth transition into power.

Moreover, is that the successor should be afforded outside work experience, relevant training and the opportunity to pursue other interests outside the family firm, which boosts the successor's confidence to work in the family firm (Griffeth et al., 2006). Jaskiewicz et al. (2015) aptly term it the "strategic education" of the successor. A growing body of research is focused on the ability of an FOB to live beyond the founder and still achieve its organisational goals (Handler, 1994; Le Breton-Miller et al., 2004; Mandl, 2004). The arrangements put in place by a founding entrepreneur to ensure the continued performance of the family business they founded is crucial to the survival of the business after their exit, whether through retirement, ill health or even death (Ogundele et al., 2009).

Le Breton-Miller et al., (2004) identify two main areas to assess the effectiveness of a succession plan, being (a) the ensuing positive performance and ultimate viability of the enterprise and (b) stakeholders' satisfaction with the succession process. Similarly, Mussolino and Calabro (2014) adopt a two-pronged measure. First is the "quality" of the experience as experienced by the incumbent and other family members within the firm. Note, however, that this is a subjective assessment and must be considered and measured as such. Second is the "effectiveness" of the process as seen in how the succession affects the

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subsequent performance of the firm. This is the objective side which must also be considered, taking into consideration the objective performance measures of the firm.

Lauterbach and Weisberg (1999) put the average life span of a family-owned business at approximately 24 years, whilst Le Breton-Miller et al. (2004) indicate that only a third of FOBs are able to survive into the second generation, and only about 10 to 15 per cent successfully transition into the third. With poor succession planning often blamed for this plight (Le Breton-Miller et al., 2004), the situation in Ghana is possibly worse, as second and third generation businesses are rare (Saan et al., 2013). The success of the process depends heavily on the incumbent's ability to set the future direction of the firm, identify a suitable successor and formulate a developmental plan to ensure that the core competencies required to achieve the organisational goals are developed in the successor (Giambatista et al., 2005).

Putting in place a succession plan acknowledges the mortality of life in general, be it of the human being, of the organisation, or of the position. The carefully planned handing over also fosters the transfer of social capital from the founder to the successor, where the business will continue the benefits of the relationships built during the active days of the founder (Chrisman et al., 2005). Moreover, starting early, where the successor is taken through a systematic succession process, is expected to yield positive results for the business and its stakeholders as a good plan influences post-succession performance (Jaskiewicz et al., 2015).

This research will consider the validity of this proposition through a multi-case study approach. Researching into FOBs that have weathered the storms of transition thus becomes an item of interest on the Ghanaian scene, especially one that hinges on EL and EO, two key elements of successful trans-generational transitions (Sieger et al., 2011). This work will

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follow the second research stream put forward by Motwani et al. (2006) to develop a conceptual framework for FOBs in Ghana.

Inside or Outside Successor

From the perspective of Dalton (2006), a firm's board of directors plays a major role in ensuring that a succession plan is drawn, which must also reflect the strategic direction the firm wants to take. For this reason, the timing and intricate details of the succession must be carefully considered. A company looking for a change agent might consider looking outside the firm for a successor whereas a well-positioned firm looking for continuity might choose from within (Dalton, 2006). However, since Kaslow and Kaslow (1992) stated that a good number of family business owners prefer to hand over to their children, this work will dwell mainly on the successor being an insider. The level of one's "insiderness" then comes into question. Giambatista et al., (2005) suggest indicators such as the person's time with the firm as well as the industry; how they match up to other candidates, and even the chemistry between them and the incumbent CEO. Under such a definition, a child or family member may still not be considered an insider if they have not worked in the firm long enough or if there is not a good chemistry between them and their parent, the business owner.

Family Cohesion

Jaskiewicz et al. (2015) mention family cohesion (also referred to as family harmony by Le Breton-Miller et al., 2004) as the tie that binds the successor to the organisation, which in turn consolidates the succession process. To them, family cohesion, in addition to the size of the family and childhood involvement in the family business imprint an entrepreneurial legacy on the next generation. This cohesion fosters a certain level of trust and mutual understanding among the key players of the succession process, and is also responsible for

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rallying the key players around a shared vision (Sharma et al., 2001). The role played by the business owner at this point assumes a greater significance – ranging from being a parent to a supervisor. The ability to juggle this role effectively then helps build the level of trust required to firm up the succession process. It has been suggested by Griffeth et al. (2006) that when the predecessor creates more opportunities for the successor to take on key decision-making roles, the successor will be more confident and willing to take over the reins of the business.

Le Breton-Miller et al. (2004) in their review of the literature on business succession, found out that creating a shared vision that captures the interests of both the senior and junior generations, reinforced over time, will prompt the successor's motivation to work in the family firm. Allied to the family harmony that should exist between the predecessor and successor, are sibling and spousal relationships, all of which can affect the successor's decision to enter the family business (Griffeth et al., 2006). With multiple successors to choose from, a prospective successor may turn down the offer, especially in instances of intense sibling rivalry. This can become more intensified in contexts where sons are given preference over daughters (Ip & Jacobs, 2006). Further, one's spouse may influence a prospective successor's decision to stay in the family firm. Hence Jasckiewicz et al. (2015) recommend that the predecessor works to protect the successor from all distraction, including distractions from the spouse, where the spouse is also integrated into the family firm as part of the strategic transition that enhances the succession process. One cannot also overlook the level of respect and understanding between the incumbent and the successor to foster an effective succession (Wang & Poutziouris, 2003).

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In building family cohesion, it is recommended that the business should create an atmosphere that gives the family a reason to stay (Miller & Le Breton-Miller, 2005). In so doing, the family members are better able to resolve conflicts as they arise and to create a conducive atmosphere, where sensitive topics such as succession may be discussed (Pieper et al., 2009). This is essential to the family business because the existence of discord can potentially spill over into the business and even affect non-family employees. To build family cohesion, Pieper et al. (2009) suggest activities such as regular family meetings, the celebration of milestones and important accomplishments for family members and the family business, in addition to plant tours and philanthropic activities among others. A combination of these helps the family build the needed atmosphere of harmony in which the business can thrive.

Successor traits

In a study by Venter et al. (2005) it came out that successor-related factors can sometimes have an impact on the succession process in family businesses. These include the successor's personality traits such as aggressiveness, creativity, independence, integrity, intelligence, self-confidence, and a willingness to take risk, as well as their relationship with the incumbent and other family members. Quite often, the succession process unravels over a period of time, requiring an adjustment period to ease the successor into the role for full productivity. It is still unclear how long a period is enough for the adjustment. Dalton (2006) states that 40 percent of new CEOs fail in their first 18 months in their new role, which might even be exacerbated if the successor is an outsider. Although Ogundele et al. (2009) suggest a period of three to five years, this study posits that this period may still be inadequate if the training and preparation of the successor is considered, as this might take much longer. Prior research has established that the succession cycle actually begins in adolescence (Jaskiewicz

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et al., 2015), while the successor is still impressionable and making decisions about career options.

If, at that stage of development, the successor's experience with the family business is negative, it is likely that experience will influence their decision to accept or reject the successor role later in life (Griffeth et al., 2006). The traits will underpin how these experiences are perceived, and how the knowledge acquired during the period will be translated into productivity. The relay race model by Dyck et al. (2002) indicates that the four main factors of succession are sequence, timing, baton-passing technique, and communication. This order is also applied so that some of the potential challenges arising out of personality traits may well be curtailed.

Culture in Business Succession

Family businesses tend to be embedded in the culture in which they are situated. Culture is defined as the *"collective programming of the mind that distinguishes the members of one group or category of people from others."* (Hofstede et al., 2010, p.6). This encompasses aspects of the society such as its values, ideas and customs. These values also tend to play out in how businesses are run in any given society. The literature has shown that many societies show a preference for sons as successors (Griffeth et al., 2006; Palliam et al., 2011). Similar studies by García-Álvarez et al. (2002) point to the role of hegemony in the selection of successors. Daughters are usually chosen as successors when the daughter is the first born, or when all descendants are female. There is a further indication that in cases where there is a choice from sons, the daughters are often placed in restricted positions (García-Álvarez et al., 2002).

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Even so, in some societies such as Korea (Giambatista et al., 2005) and Arab families (Palliam et al., 2011) the selection would be extended to members of the extended family. There again, the choice is likely to be male, especially in Arab societies which are usually male dominated. The law of succession as laid out in the Qur'an gives it a spiritual undertone, and places some restrictions on how a testator might distribute his business (Palliam et al., 2011). Therefore, the incidence of employee succession is practically absent in Arab family businesses.

The scenario is not much different in the African context. Although some business founders belong to a nuclear family, a good number can be found in polygamous families with many legitimate children. Beside these, one can also find members of the extended family, as well as unacknowledged wives, concubines and their children, who can be eligible successors if the founder so chooses (Ogundele et al., 2009). In much the same manner, the Ghanaian extended family system often opens up to the founder, a number of prospective successors from which he might choose. Any of these family members may be employed in the business, adding to the incidence of conflict and discontent, especially with the choice of heir upon the death of the founder. Irrespective of the widow's role in the business, the custom in certain parts of Africa prevents her from inheriting the business since she is considered an item of property to be inherited by the successor on the death of the incumbent; often the brother or eldest son (Ogundele et al., 2009).

On a positive note, the collective lifestyle of African societies (Chikweche & Fletcher, 2010) affords business founders/owners the opportunity to build a wide base of social capital which is often passed on to the successor to aid them during the transition. Also, collective cultures have the proclivity to value family ties, and have a sense of obligation towards both the family members and the family business (Mussolino & Calabro, 2014).

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Defining a Successful Succession

In considering the subject of succession, another question has been how the success or otherwise of the succession process can be determined. The jury is still out on the measures to use for a successful succession of family firms. Beyond the financial indicators of success lie the family relationship that must be maintained as part of the succession process. This may not necessarily be present in professionally managed firms (Wang et al., 2004). It is generally acknowledged that a good succession plan is one that leads to a positive impact on the business, and the ultimate continuity of the business (Le Breton-Miller et al., 2004; Giambatista et al., 2005; Griffeth et al., 2006). By this, one might measure the success or otherwise of the succession interventions put in place.

A BSP, no matter how brilliant it looks on paper, can only be as good as the results it yields, since there is no other way to measure the effectiveness of its alternatives without actually implementing them. The litmus test for a succession plan is often twofold – from a subjective perspective, which considers the satisfaction level of key stakeholders, and an objective view which focuses on the positive performance of the business following the exit of the founder (Le Breton-Miller et al., 2004). However, Ip and Jacobs (2006) identified four common measures in their review of the literature namely: customer satisfaction following the transition, the performance of the organisation, employee placement and the progress of the succession program as it unfolded. There is a focus here on only the employees and customers as the main stakeholders, thus ignoring family members who might even have a bigger stake in the business than the employees. Ultimately then, the impact should be measured from the perspective of all key players, including family members, employees and even extended to suppliers, who depend on the family business for their own businesses to thrive in return.

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Other researchers (Sharma, 1997; Mussolini & Calabro, 2014) have also pointed to the satisfaction of the predecessor, successor and other family members with the succession process. Accordingly, one would ask about the perception of other key stakeholders such as employees whose livelihood depends on the family firm. If the transition works effectively, a successor's positive performance stands to protect loyal non-family employees of the firm and also ensure the comfortable retirement of the founder (Griffeth et al., 2006). Where financial performance is being considered, Dyson (1997) suggests using the measure of four main ratios: liquidity ratio, profitability ratio, efficiency ratio and growth ratio. While Wang et al. (2004) considered the relationship between succession factors and the performance of the business, Venter et al. (2006) considered the harmonious relationship between the family members, especially between the incumbent and the successor. Indeed, there are a myriad of definitions in the literature; but the definition by Griffeth et al. (2006, p.492) probably captures the concept more aptly that a successful succession is

> *"a continuous process where leadership and power is transferred from one family member to the next (usually from one generation to the next), while maintaining positive family relationships, and enabling the business to continue to expand and prosper financially."*

Frequently, the succession process is riddled with challenges that if not handled effectively, might lead to the folding up of the business. Some of the challenges outlined in the literature include the onerous task for the successor to align him/herself with the family firm's past, present, and future direction (Miller et al., 2003) as well as the unwillingness of the incumbent to let go of the baton, conflict and a lack of trust among family members following the succession, and the successor's unwillingness to work in the family firm (Ogundele et al., 2009). Other challenges identified are the lack of a clearly outlined

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succession plan (Wang et al., 2004), the successor's aspiration to pursue a vision different from what has been laid out by the incumbent, and a feeling of inferiority in comparison to the incumbent (Dyer, 1986). Some suggestions proffered to help curtail these challenges include setting clear communication lines between the successor, the predecessor and other key stakeholders (Venter et al., 2006), allowing the successor to take part in key decisions (Handler, 1992), as well as creating a shared vision that encompasses the aspirations of both the incumbent and the successor (Griffeth et al., 2006).

Altogether, the dearth of consensus on the subject cannot be denied. The lack of a time-honoured and reliable methodology for prosecuting the succession agenda gives credence to the argument that succession is a continuous process that requires the investment of time, resources, and support by the family firm as a whole. Even so, this might not be adequate, as the input from financial and legal experts to yield a more desirable outcome is often required (Ip & Jacobs, 2006). Wang et al. (2004) found a positive relationship between successor development and their productivity, and concluded that a well-trained successor is better able to run the family business for a positive outcome.

They however indicated that succession planning did not bear any relationship with performance, although successor development had a positive impact on growth and efficiency ratios. This raises a contention of why the need to separate the two if successor development forms a key part of succession planning. This study argues that successor development should form a key component of the succession planning process; succession is not just the handing over of the responsibility of management from the incumbent to the successor, but an entire process implemented over time. Succession in family firms does not occur when leadership changes hands: it starts when the successor is introduced to the company to learn and get

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acquainted with the organisational processes, to develop the necessary tacit knowledge (Wang et al., 2004) as part of the strategic education for when the baton is finally handed over. This is what is likely to deliver the desired outcomes.

If the succession process does not yield the expected outcome, it might be termed as a failed succession. The extant literature seeks to understand why succession processes might fail, where failure may be deduced from the dismissal/resignation of the successor, or the firm becoming bankrupt (Sharma, 2004; Mussolino & Calabro, 2014). Nonetheless, this study extends the definition of failure to include the consistent decline in performance over a sustained period, while success is reflected in the continuity of the firm - a sustained growth and continued profitability alongside a cohesive family relationship.

3.2.6 Some succession models in the literature

The literature has a plethora of succession models being proposed by researchers in furtherance of the knowledge on the subject. Admittedly, some have adequately expatiated on the subject, providing insights for theory, practice and further research, while others have focused on contextual nuances to enrich the debate. Below is a discussion on a few models that have attracted attention in the studies.

Mutual role adjustment model – Handler (1994)

This study was not included in the initial selection of studies to be reviewed, as it falls outside the range of the dates of the review, from 2004 to date. It however featured in a number of the studies being reviewed (Wang et al., 2004; Griffeth et al., 2006; Ip & Jacobs, 2006; Cater III & Justis, 2009; Cater III & Kidwell, 2013) so it had to be considered for a clearer

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understanding of the model. The study projected succession as a process where predecessor and successor adjust to different roles at various stages along the succession process.

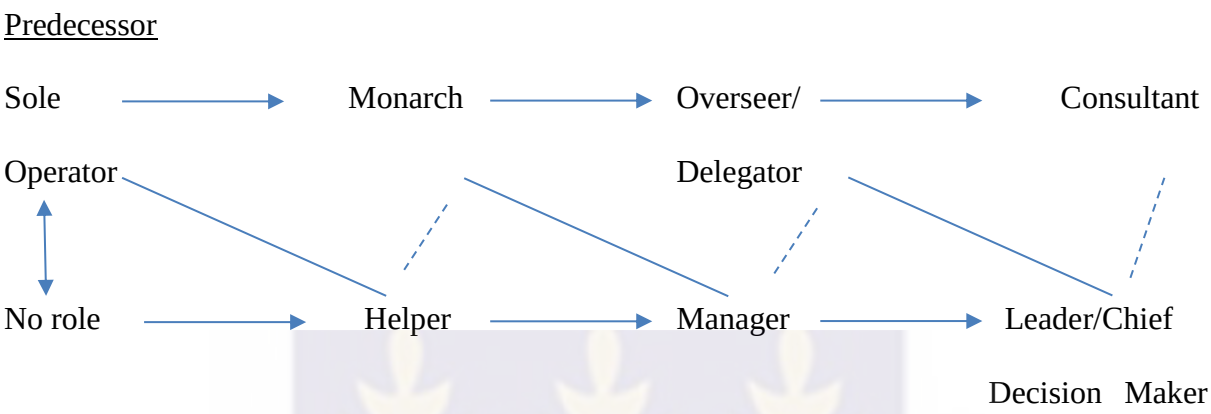


Figure 3. 1 Mutual role adjustment model *(*Source: Handler, 1994, p.136)

Handler advocates a multiple stage process of succession whereby the predecessor's role is gradually decreased to allow the successor take over the management of the firm. The model is simplified to indicate that the founder starts off as a sole operator where the successor plays no role in the firm; then moves on to become a monarch as the successor plays the role of a helper. Over time the founder becomes overseer/delegator as the successor becomes a manager, and finally the founder becomes consultant, allowing the successor to take key decisions as the leader/key decision maker (Handler, 1994, p.136).

In her study, the main focus has been on the father as the founder, which is acceptable for semantic purposes. However, the increasing number of mothers - as well as other family members - since it is a family firm - who would still play the role of the predecessor and choose someone from the next generation as a successor cannot be ignored. A family firm is a replica/repository of diverse systems such as value systems relating to individual,

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interpersonal and group relations, parent/child and sibling relations, not to mention the organisational and environmental dynamics which would be different or non-existent in a non-family firm.

Since the role of the predecessor shifts and travels over time, a good relationship with the successor is vital to the success of the succession process. Handler's model suggests that it takes at least two years to work through the intricacies of the process. However, it is possible that this will take much longer, depending on the individuals involved and the dynamics they face, especially as pertains to family conflict and other dysfunctionalities. To help move Handler's process along smoothly, she suggests that communication lines are open to allow for open discussions on points of disagreement and resolution of conflict.

There is a further suggestion for successors to seek work outside the family business to develop the required expertise and also find experienced mentors who will offer the needed guidance. The model looks effective as long as both the predecessor and successor play their roles. However, if the predecessor fails to perform the duties as the various roles indicate at the set times, challenges are bound to occur that will slow or halt the succession process. The role of a Board of Directors/Advisors would be useful to facilitate the planned process.

Finally, Handler identified a few gaps for future research to help advance knowledge in the subject of succession planning in family firms. She makes a call for a study on how different contexts handle the process, drawing upon the interplay between contextual issues and the succession process. She further makes a call for research into how successors are socialised as children into family firms and the impact on the succession process, as well as the role of other gender issues on the succession process.

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Successor Retention model – Griffeth et al. (2006)

Through the lenses of the turnover and life cycle models, Griffeth et al. (2006) create a link between a failed intergenerational transfer and voluntary turnover. Focusing on the factors that will influence the prospective successor's decision to accept the successor role, they put forward a three-stage model that guides the process. Stage I is the Anticipatory socialization stage (Griffeth et al., 2006, p.502) where the prospective successor is socialised into the family firm from childhood through early adulthood. Occupying lower levels of job roles while pursuing their education, the prospective successor then works their way up and, in the process, develops a commitment towards the family firm. If, on the other hand, the experience is negative, the prospective successor might withdraw from the family firm and pursue other interests.

Stage II is the Full-time employment stage (Griffeth et al., 2006, p.503) where the prospective successor is in a position to take up more responsibilities in the family firm, or alternatively seek employment elsewhere. Again, a positive experience at this stage will propel the prospective successor to the next stage, towards taking up the successor's role. Stage III is the Management (Griffeth et al., 2006, p.503), where the prospective successor, if willing, takes up the successor's position, or if they moved out in Stage II, returns and takes over the management of the family firm.

This model presupposes that the experiences at one stage will inform the prospective successor's decision to move to the next stage. However, these stages need not be mutually exclusive, since it is possible for family members to decide, for various reasons, to join the family firm at a later date, or perhaps the firm was established when the heir apparent was past that age. Other factors, such as family influence or the non-availability of alternative jobs

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outside the family firm, might also move them to the next stage without them being necessarily satisfied with the previous stage.

Additionally, the model places a heavy burden on the prospective successor and the choices they make in order to become (or not) successors based on their experiences. Once they take over the management role, the role of the predecessor seems to be of little consequence. However, other studies (such as Jaskiewicz et al., 2015) emphasise the advocacy role of the predecessor even after the successor takes over the management of the firm, mediating between the successor and other family members, and protecting the general interest of the successor and the firm. Incidentally, Handler (1994) also highlights the role of the predecessor as a consultant, providing guidance after the succession.

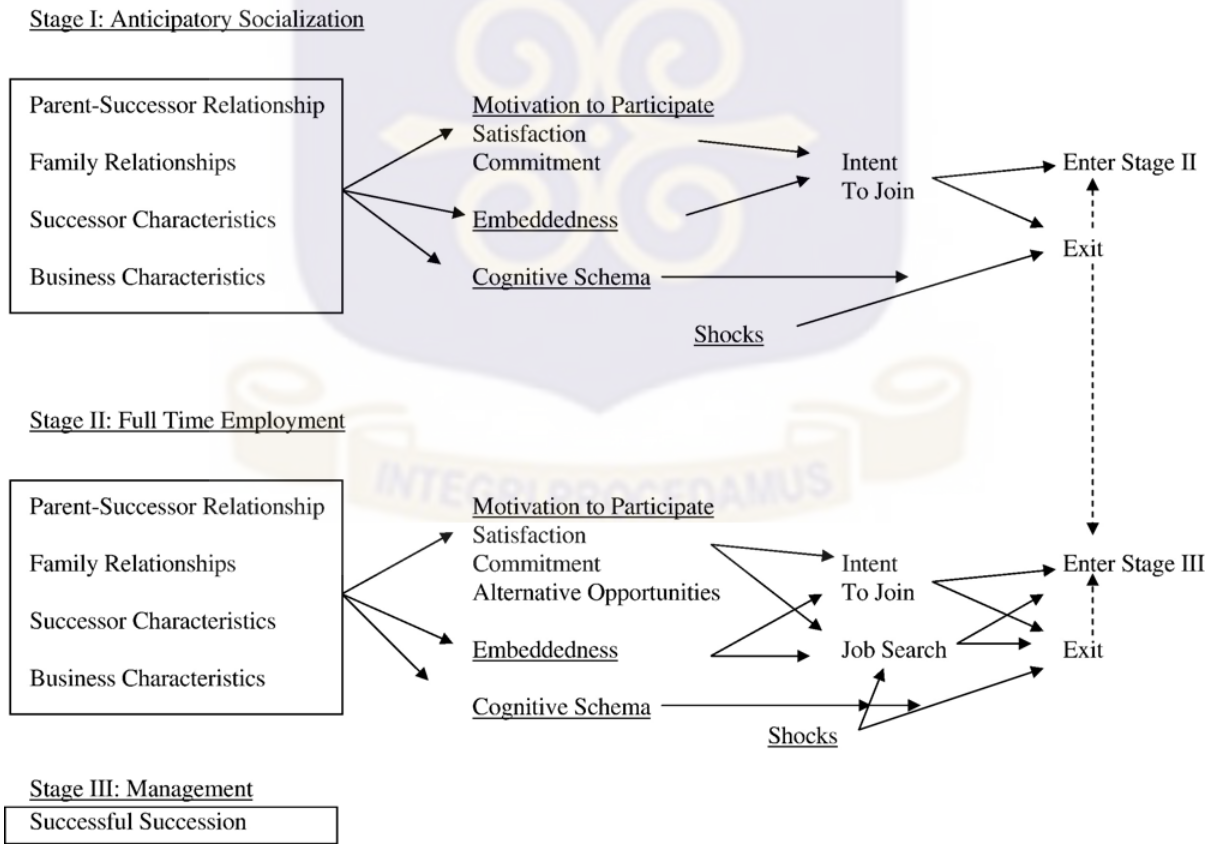


Figure 3. 2 Successor Retention model *(*Source: Griffeth et al., 2006, p.502)

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Entrepreneurial Legacy Model

The Entrepreneurial Legacy model, propounded by Jaskiewicz et al. (2015) places the emphasis on the incumbent's ability to imprint their legacy on the next generation, and subsequently impact the future continuity of the family firm. Through a micro-level approach, a study was undertaken on 21 German wineries that had successfully transferred the management position to the next generation, with some family firms going as far as the eleventh generation. Imprinting simply refers to a period of open mindedness about learning or acquiring new knowledge. Jaskiewicz et al. (2015) therefore constructed a model based on the narratives the family members told, and how the stories told by their predecessors shaped their thinking and motivation about the family firm. Through imprinting, the entrepreneurial legacy of preceding generations is passed on to subsequent generations which motivate the latter to pursue entrepreneurial opportunities.

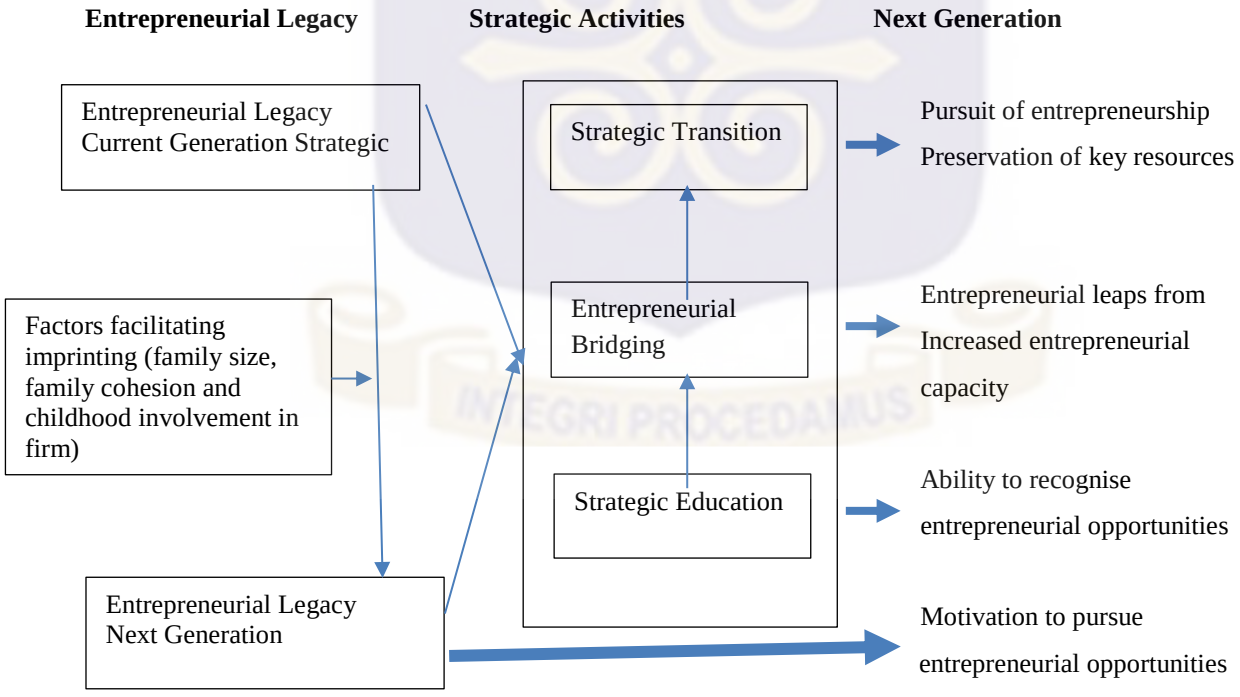


Figure 3. 3 Entrepreneurial Legacy Model (Source: Jaskiewicz et al., 2015, p.37)

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Along the same theme of Handler (1994) and Griffeth et al. (2006) discussed, it is essential that prospective successors are introduced to the family firm early - more appropriately in their formative years – and the positive experiences at that stage would generate an interest when they come of age and are able to make a choice between working in the family firm and seeking employment elsewhere. Jaskiewicz et al. (2015) take the discussion further by underscoring the importance of family cohesion in addition to an early introduction to the family business as they both imprint a legacy upon the prospective successor.

Stepping stone model - Lambrecht (2005)

From 10 case studies, Lambrecht (2005) highlights a six-step approach to succession, and stresses the need for the prospective successor to have external working experience. Also, worthy of note is the need for an expressly written plan and agreement that forms part of the six steps, although admittedly, a written plan does not necessarily guarantee the success of a succession process. Here again, there is mention of allowing the prospective successor to start from the bottom with increasing responsibilities as part of the grooming process, as well as the predecessor's willingness to release the reins of management to the prospective successor. Lambrecht calls it the art of letting go:

> *"Transferors who are masters in the art of letting go significantly increase the chance of a successful transfer. […] Successors indicated that by receiving room to move, they in turn learned to give room, which already smooths the path to a following successful transfer."* (p.278-279)

Arguably, when a successor has enjoyed a free rein from the predecessor, he/she is also motivated to learn and practise the art of letting go when the time comes for him/her to let go. Lambrecht further projects the wife/mother as a binding agent between the family members and a custodian of the family values. This symbolic role of the wife/mother draws out another

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debate, especially in the Ghanaian context. In a polygamous home where every mother takes care or her own interests, this role is likely to experience a paradigm shift when a conflict of interest arises.

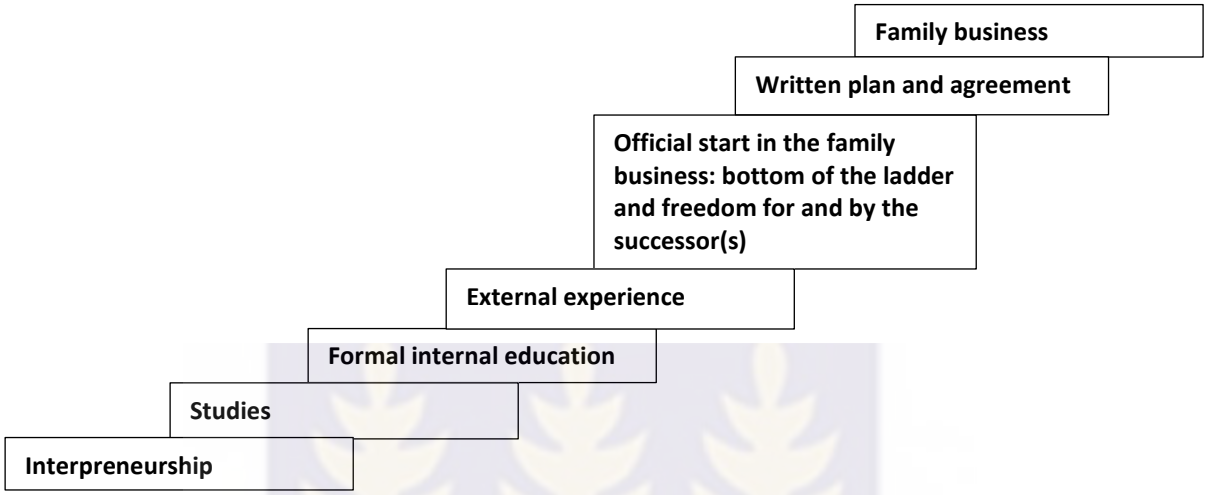


Figure 3. 4 Stepping stone model (Source: Lambrecht, 2005, p.276)

However, giving ample room for the successor to operate without creating a shared vision that encompasses the expectations of both parties has the propensity to cause conflict when the predecessor has concerns about decisions made by the prospective successor. Lambrecht thus concludes (as other researchers on the subject have) that succession planning is a lifelong process which incorporates the financial and legal issues of the transfer.

2.3 SALIENT METHODOLOGIES

This section is a review of methodology in the literature, focusing on the literature on succession planning, but also considering the literature in the subject areas of other keywords in this study. It takes a look at the research design, context and validity of the constructs employed to study the relevant subjects.

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3.3.1 Design

In the review of the selected literature, the methodological approaches employed are diverse, ranging from conceptual to empirical, with the empirical considering qualitative, quantitative and mixed methods. Although a greater number focused on the micro level, a few researchers paid attention to the macro level of research, and the details are synthesised in this section. The choice of methodological approach, as the literature indicates, is often based on the researcher's view of reality. Each researcher came up with reasons for their choice of ideological leanings which underpin their research. Whether it was viewed through the lenses of objectivism or subjectivism, this adds to the debate on the subject under discussion. Tranfield and Starkey (1998, p.343) refer to it as "*a broad church of ideologies and values*" where *"there is a high tolerance of a wide range of ontological and epistemological views leading to vigorous and ongoing debate within the research community."* Indeed, if management research is a 'church', then it would be acceptable to say that the only place of consensus is that management research operates on an array of ontological and epistemological paradigms, coloured to an extent by the researcher's beliefs.

The literature on succession planning indicated that the most predominantly used research design is the archival study (Giambatista et al., 2005). Logically, this is because an archival study puts the required historic information at the disposal of the researcher, especially information regarding antecedents and outcomes of succession, and the impact of the succession on firm performance. Since case studies allow the researcher to answer the how and why questions (Yin, 2009) it would be quite useful to employ case studies in understanding the processes and outcomes of succession planning. However, Giambatista et al. (2005) in their survey of the literature on succession from 1994 to 2004, found an overwhelming number of studies employing a quantitative approach, hence a low usage of

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interview methods. This current review, focusing on the literature from 2004 to date also found that quantitative methods featured quite prominently in the literature on succession in general.

Moreover, the other key words (entrepreneurial orientation and entrepreneurial learning) have been studied from different ontological perspectives. This is so because Entrepreneurship is a social phenomenon, and variations in social norms will reflect on the social realities of various entrepreneurs. Fayolle and Gailly (2008) recommend a study into entrepreneurship education from both the ontological and pedagogical point of view, since there is a lack of consensus on the subject. Goedhuys and Sleuwaegen, (2010) also advance the research call for a more detailed approach by suggesting a longitudinal study into measuring firm growth over the period attributed to learning, whilst Wang (2008) suggests a focus on micro and small firms to help develop more suitable models for a developing economy context.

3.3.2 Setting

Another aspect that was considered in the literature review relates to the setting/context (whether geographical location or cultural demarcation) of the study, and the bearing it brings to the respective studies. A number of researchers delve into context-specific issues in their study in order to shed more light on how contextual differences potentially colour research outcomes. In a study of three family firms in Latin America, Brenes et al. (2006) put forward the premise that continuity in family firms is preceded by setting out a clear management succession process, control, and structures to minimise conflict and business disruption. Aside from the context being Latin America, the study did not bring an entirely new perspective to the debate, in that, the findings of the research were consistent with existing knowledge of succession practices in many parts of the world.

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In a similar light, Palliam et al. (2011) studied succession practices in family firms in the Gulf region, and the findings were consistent with findings in similar studies in the West. However, they also found that the patriarchal Arab society had a leaning towards primogeniture in terms of successor selection, where the eldest son was a primary choice and *"[t]he more powerful the position, the more likely it is that a male will hold that position."* (Palliam et al., 2011, p.26). They further claim that cultural and religious values in the region preclude one from transferring a debt to a successor, and this extends to entrepreneurs in family businesses. There is little likelihood that the predecessor will transfer a high debt to his/her successor, although this may not necessarily be context specific.

Along the same theme, Saan et al. (2013) undertook an exploratory study on succession planning and the continuity of family businesses in Wa, Ghana. Here, the findings showed that in as much as business owners saw the need for succession planning, the greater percentage did not have a clearly articulated formal or written plan. Although this study set out to explore contextual issues, there was not much information on contextual dynamics and the points of dissimilarity from other research findings. Again, the conceptual framework did not holistically capture the points of variation such as the effect of socialisation and grooming on the successor. The framework only puts forward two main variables that affect a successor's performance on the job – personal interest and competence/experience. Researchers without number (Handler, 1994; Le Breton-Miller et al., 2004; Wang et al., 2004; Giambatista et al., 2005; Griffeth et al., 2006) have always emphasised that the preparation/grooming of a successor is key to his/her success in the new role.

Moreover, the framework had two measures of a successful succession – stakeholder satisfaction with the succession process, and stakeholder happiness with the choice of successor. Needless to mention the huge overlap between the two constructs, as well as the

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succession process being only represented by two constructs – communication and consultation, and training/mentorship. Note however that this study was included in the review because the context is in Ghana (although it is in the northern part of the country) and it is necessary to review existing literature in a similar context in order to justify this research.

From a different perspective, Engle et al. (2010) responded to calls to conduct a study into the potential international use of Ajzen's model to predict entrepreneurial intent. Their response was to test Ajzen's Theory of Planned Behaviour (TPB) in 12 countries drawn from all the 10 global regional clusters outlined in the GLOBE project. In order to build a robust case, two additional countries were added to the 10 to make 12, as they were unsure whether there would be enough respondents from the Nordic cluster. Eventually, both Sweden and Finland were chosen, and justifiably so, as Sweden turned up only 70 respondents. And they conclude that Ajzen's model supports the prediction of entrepreneurial intent in the sample countries, although there are varying degrees according to country, and social norms play a significant role in one's entrepreneurial intent.

Worthy of note in this research is the finding that the desire for wealth was a predictor of entrepreneurial intent only in Ghana – the context of this current study. The findings in the study by Engle et al. (2010) holds useful knowledge upon which this research builds a case for research into the impact of contextual nuances on entrepreneurship, not just in Ghana, but in all cultural clusters around the world.

Consistent with the debate regarding contextual studies on entrepreneurship is Dhliwayo's 2008 urgent call for empirical research specifically on Work Integrated Learning (WIL), in entrepreneurship education within the African context. The study was a conceptual paper on an entrepreneurial training model for South Africa. WIL focuses on the application of theory in a work-based context with the intention of developing in participants the requisite

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entrepreneurial skills. Dhliwayo's research interest focuses on how the key players within the South African WIL model interact to build the requisite entrepreneurial skills in young entrepreneurs, but within the academic space of higher education. Of interest to this current research is the potential for prospective successors to be trained to become entrepreneurs. Dhliwayo (2008, p.331) proposes that, *"it is possible for entrepreneurial education to train and produce entrepreneurs in the same way a nursing school produces nurses"* and that *"higher education institutions can produce entrepreneurs instead of just entrepreneurship "graduates"."* This current researcher espouses this perspective of entrepreneurship training and successor grooming.

3.3.3 Construct validity

Studying the literature revealed varied constructs that have been formulated to represent the various themes under discussion. While the use of some constructs is widely accepted, others lend themselves to a gamut of interpretations. One such case is the construct for performance which is often captured through different methodologies, depending on the perspective of the researcher. Market related measures have been the norm in many research projects in the literature (Giambatista et al., 2005), although others expand the parameters to include measures such as physical assets and the core competences of a firm's human and social capital (Abban et al., 2013); and even a firm's impact on the planet and people (Deegan et al., 2002).

Financial performance has been interpreted with different ratios such as growth, profitability, efficiency and liquidity (Wang et al., 2004). Other conflicting constructs are definitions of what qualifies a firm to be an SME and/or a family business. In the literature on family

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business, the construct of familiness is seen as generating both economic outcomes (such as wealth or competitive advantage) and non-economic performance outcomes (strengthening of family ties and preservation of tradition, Sieger et al., 2011).

On the other hand, one construct seems to enjoy a consensus as a dependent variable, that is the succession event or the handing over of power (Giambatista et al., 2005; Venter et al., 2006) depending on factors such as family harmony (Wang et al., 2004), incumbent's willingness to let go of power (Venter et al., 2006), successor traits, successor training/education, mentoring (Jaskiewicz et al., 2015) and the timing of the handing over (Ansari et al., 2013). Corroboratively, the literature on succession in family businesses points to two main areas to ascertain the success of the handing over event, namely the satisfaction of stakeholders and sustained profitability of the business (Le Bretton-Miller et al., 2004; Wang et al., 2004; Giambatista et al., 2005; Venter et al., 2006).

Add to this is that business size has been found to impact the views held about succession outcomes (Wang et al., 2004) while Lambrecht (2005) draws in other measures such as the fiscal, physical, financial and legal aspects as factors that impact the transition process. Moreover, a number of antecedents to succession have been outlined, such as the incumbent's traits/actions, successor traits/actions, firm performance and demographics (Venter et al., 2006; Ansari et al., 2013) while succession outcomes have included firm performance, family relations and stakeholder response.

Corbett (2007), and Lumpkin and Lichtenstein (2005) call for empirical studies into incorporating learning methods in the venture creation and growth processes. This current research extends the call to include learning methods into succession processes. Giambatista

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et al. (2005) also lament the dearth of mediation models in the literature on succession. Giambatista et al. (2005) further call for research into the succession processes of alternative industries, especially those industries that are not prevalent in the current literature. Hence, this current research seeks to conduct a multi-industry approach, including the less researched industries such as farming. Having discussed the research methodologies in the literature, we turn our attention to the theoretical underpinnings of the reviewed literature to inform the theory underlying this current proposed research.

3.4 THEORIES IN THE LITERATURE

A number of theories were lauded as appropriate for researching into both entrepreneurial learning and succession planning. Starting off the debate on theoretical underpinnings to succession research is the work by Giambatista et al. (2005) which identified a few theories used to support the succession process. In particular, they mention the theory of Learning by (Zhang & Rajagopalan, 2004), Change Theory (Romanelli & Tushman, 1994), Organizational behaviour (Zahra et al., 2004) and agency theory (Chrisman et al., 2005). Giambatista et al. (2005) further argue that it is needless for an all-encompassing theoretical framework insofar as other theoretical approaches can be applied.

On the other hand, some researchers consider succession planning through a combination of theories, such as the life cycle theory which merges learning, change and inertia theories (Griffeth et al., 2006), while others simply consider succession as a strategic move by businesses (Chrisman et al., 2005). Other specific theories that underpinned the review are discussed below to shed more light on the review.

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3.4.1 Dynamic capabilities Theory

Dynamic Capabilities examines how firms adapt their internal and external competencies to suit the demands of a turbulent business environment (Teece et al., 1997). Dynamic capabilities are *"learned and stable patterns of behaviour through which a firm systematically generates and modifies its way of doing things in order to become more effective"* (Miles, 2012, p.90). The theory hinges on the belief that a firm can thrive in a dynamic market as a result of its ability to constantly develop organizational capabilities as part of its new product development. In so doing, the firm's competitive advantage is continuously being renewed (Madichie et al., 2013). While Miles (2012) traces the theory of Dynamic Capabilities (DC) to Schumpeter's (1934) premise that an entrepreneur stands to make profits (rents) from its innovations (strategies) as long as other entrepreneurs cannot imitate those innovations, Zahra et al. (2006) traces it to Alchian (1950), and March and Simon (1993). A typical example is Zahra et al. (2006) who postulate that contemporary discursions are replete with inconsistences, and in some cases, outright contradictions.

Through the entrepreneurial learning of the successor, a family firm can continuously renew its capabilities and maintain a competitive edge even after the exit of the predecessor. According to Teece (1998, p. 64), *"Knowledge assets underpin competencies. [...] The firm's capacity to sense and seize opportunities, to reconfigure its knowledge assets, competencies, and complementary assets […] all constitute its dynamic capabilities."* The theory considers knowledge (and by extension, learning) as a resource by which a firm may generate competitive advantage. There is a general consensus on the subject that learning is a source of competitive advantage, but another dimension raised by Harrison and Leith (2005) is the lack of consensus on the definitions and mechanisms by which the competitive advantage is

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gained. The interest is therefore on learning as an antecedent of developing dynamic capabilities that ultimately enhance a firm's chances of survival beyond the predecessor.

Note however, that merely acquiring the dynamic capabilities does not guarantee firm continuity. The capabilities must be channelled towards the achievement of the shared goals between the predecessor and successor. When Zahra et al. (2006) place their emphasis on the dynamism of the capability itself (and not on the environment) an opportunity is created for researchers to indicate that the capability to thrive in a dynamic environment should be underpinned by learning to ensure that prospective successors acquire the skill of utilizing dynamic capabilities for the continuity of the firm.

3.4.2 Resource-based Theory

Similar to the dynamic capabilities theory that surfaced in the literature is the resource-based view (RBV) of firm performance. RBV suggests that organisations may differ in their resources, and these efficiency-based resources (including employee knowledge, skills and capabilities) offer competitive advantages to the firm (Barney, 1991). The caveat though is that resources ought to be valuable, rare, inimitable and non-substitutable (VRIN) in order to yield the expected benefits. RBV is grounded in the perspective that firms achieve sustainable competitive advantage by continuously developing existing resources and capabilities, alongside creating new ones in response to rapidly changing market conditions.

Recently, RBV has been extended to also include the cognitive abilities of entrepreneurs, as their expanding knowledge base holds a potential competitive advantage for their firms (Unger et al., 2009). The said entrepreneurial capabilities are summarised into four main

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elements: conceptual, interpersonal, leading capability, and entrepreneurial capabilities (Jiao, Ogilvie & Cui, 2010). This assertion, of course, requires further research, and Jiao et al. (2010) further call for research into the moderating effect of certain identifiable variables on entrepreneurial learning. Here again, Schumpeter's contribution surfaces in the discussion as his process of ''creative destruction'' comes under the close scrutiny.

For Certo, Moss and Short (2009), acquiring new skills is needed for a firm to nurture its competitive advantage. But the process is not the same for every firm, and even for the same firm under different circumstances. Consequently, Chrisman et al. (2005) purport that family firms leverage their resources differently from non-family firms, and family businesses have been found to have the ability to create VRIN resources that yield competitive advantage (Sieger et al., 2011). Social capital, as well as specialised knowledge, in family firms are key assets; and successors stand to benefit from the network ties and expertise of their predecessors that in themselves can create competitive advantage for the firm (Sieger et al., 2011). However, the RBV theory has been criticised for being restricted to the firm level of analysis, which may not be able to accommodate a study at the macro level. It would suffice though, in studies on succession planning in family firms if the study is restricted to the firm level.

3.4.3 Knowledge-based Theory

The knowledge-based theory, seen as an extension of the RBV theory, adds another dimension to the discussion. It was previously indicated that knowledge management helps firms to develop competencies and capabilities that enhance their chances of survival, growth and success (Miles, 2012). The fundamentals of this theory propose knowledge (whatever form in which it is created, stored and used) as the most strategically important of a firm's

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resources (Grant, 1996b). It is therefore prudent to include this in the discussion on the successor's entrepreneurial learning and succession processes. Of particular importance is that knowledge resources offer competitive advantages that lead to firm sustainability and continuity, since they are difficult to imitate (Wiklund & Shepherd, 2005).

According to Li et al. (2010), entrepreneurial orientation, knowledge creation and firm performance are all positively related; and it has been argued that an organisation's ability to manage knowledge helps to develop competencies and capabilities that contribute to its survival, growth and success (Miles, 2012). In much the same way, a successor's ability to manage the knowledge acquired would form the foundation on which to build his/her competencies and capabilities to run the family firm beyond the exit of the predecessor. Similar discussions by Cabrera-Suárez et al. (2001) highlight, from the lenses of the knowledge-based theory, how the transfer of tacit knowledge features prominently in the succession process. Tacit knowledge is acquired from one's experiences and actions, which distinctly differs from explicit knowledge which is acquired through codified facts and theories (Grant, 1996b). Social capital, for instance, holds a form of tacit knowledge that can be passed on from the predecessor to the successor during the transition of power (Cabrera-Suárez et al., 2001), and this in turn has a bearing on the firm's performance following the transfer of leadership.

3.4.4 Theory of planned behaviour (TPB)

Another theory that came up in the literature was Ajzen's theory of planned behaviour (Ajzen, 1991). The theory propounds that people are likely to behave rationally, and to systematically make informed decisions, depending on the information that is available to them when taking decisions (Miles, 2012). These actions (or inactions) are informed largely

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by conscious, rather than unconscious motives, and the person's level of confidence (perceived behavioural control). This theory has been used to predict the behavioural intentions of entrepreneurs. Generally, TPB has been applied to the study of a range of behaviours, one of which is the prediction of entrepreneurial intent (Iakovleva, Kolvereid & Stephan, 2011).

Arguably, TPB formed the underlying basis for a number of action research, a popular tool in entrepreneurial learning studies in the 1970s and 80s (Harrison & Leitch, 2005). Researchers on the subject of entrepreneurial learning were also found to employ TPB to study the link between entrepreneurial theory and practice (Rae, 2012). For instance, Krueger (2007) argues that TPB easily fits into the entrepreneurial learning theoretical framework, thus affording us the chance to understand (and even predict) entrepreneurial intent by taking into account both personal and social factors. If a person has a strong intention to perform a desired behaviour, there is a high probability that it will be performed. Another behaviour where TPB has been used is the prediction of succession in family businesses (Zellweger et al., 2011; Mussolini & Calabro, 2014). The action of the initiator (the person exhibiting the behaviour) is dependent on three main premises: the anticipated outcomes, the acceptability of these outcomes by a reference group and the perception that the said behaviour will yield the desired outcomes (Sharma et al., 2003b). In effect, succession can be a planned behaviour if the initiator holds this perception (Mussolini & Calabro, 2014).

3.4.5 Experiential Learning

Experiential learning was defined by Kolb (1984, p. 41) as *"the process whereby knowledge is created through the transformation of experience*". For Politis (2005, p. 407) however, this goes beyond experience; he asserts that it is "*an experiential process in which knowledge*

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develops through experiencing, reflecting, thinking and acting". By implication, any circumstance in business that a person experiences, reflects upon, thinks about or acts upon, has the potential to provide the knowledge required to run a successful business. Thus, this form of learning can come in diverse forms, not following a particular laid out form, and it cannot be anticipated (Deakins & Freel, 1998). Indeed, some studies (Timmons & Spinelli, 2004; Dhliwayo, 2008) highlight the essence of experiential learning to the making of an entrepreneur. It is not always about what is taught, but what the person learns from their experiences.

Jiao et al. (2010) emphasise that experiential learning is more appropriate for new ventures rather than existing businesses, contending that the experiences such as customer feedback, learning from trial and error, problem finding, and problem solving bring about the experiences that develop entrepreneurial knowledge. Likewise, Tranfield and Starkey (1998) go further to proffer a two-pronged approach of combining both theory and practice in order to attain the desired results. By inference, entrepreneurial education, although aimed at business start-ups, should ultimately evolve into an entrepreneurial career. However, other studies (Jaskiewicz et al., 2015) including this current study, espouse the notion that experiential learning is as vital to a prospective successor as it is to a business founder, in order to acquire the skills required to run the business (whether inherited or built from scratch).

Paradoxically, Kolb (1984) rebuts the oversimplified notion that learning takes place on a clean slate of the mind. He argues that people rather re-learn, as they would already have some level of knowledge before they acquire new ones. He therefore outlines three stages of knowledge: prior knowledge, the process of acquiring new knowledge and transforming the

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new experiences and information into knowledge. Indeed, the subject of entrepreneurial learning is usually not adequately addressed if experiential learning is overlooked. Harrison and Leitch (2005) admit that learning is experiential and that it alters one's behaviour. For Fayolle and Gailly (2008) learning is an evolving process, failure of which a firm is likely to die. Corbett (2007) underscores the importance of the learning processes (which is incidentally grounded in Psychology) to opportunity identification and ultimate firm survival. As a result, Cope (2005) proposes that learning goes through various stages, starting from learning about oneself, about the business, the environment and entrepreneurial networks, to learning about small business management, and finally to learning about the nature and management of relationships.

Other discussions were made on this theory as a necessary tool for studying succession processes. Harrison and Leitch (2005) call for more research into the mutually interrelated domains of knowledge and its acquisition process (i.e. learning). What then comes to light is the need for a study into the process dynamics of learning in order for a firm to develop its survival techniques that lead to firm continuity.

3.4.6 Perceived Self-Efficacy and Social Learning

From another perspective, Ajzen (1991) argues that perceived behavioural control (PBC) and self-efficacy theories are interchangeable, but some researchers refute that claim (Miles, 2012). Entrepreneurial self-efficacy (ESE) refers to an individual's confidence in himself to successfully start a business (Zhao et al., 2005). Sometimes, the theory of self-efficacy is considered independently, without deferring to the TPB with the simple reason that knowledge can be gained from one's social networks as they go about their daily routines.

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Foxcroft et al. (2002) contend that the higher a person's level of education, the greater their tendency to pursue entrepreneurial activities. Additionally, Pruett et al. (2009) address the issue of ESE, referring to psychological self-efficacy (a person's disposition) as a key predictor of entrepreneurial intent, even above cultural and social influences. For them, social persuasion is considered only as an antecedent to self-efficacy.

Drnovsek et al. (2010) also discuss how the cognitive, motivational and affective processes steer people into entrepreneurship, but they further lament the lack of consensus on ESE, which hinders the advancement of research into the subject. A high self-efficacy from the prospective successor would determine whether they choose to stay with the challenges that come with taking over the running of the family business.

However, the situation is likely to be different in Ghana, as Acheampong (2013) makes reference to the Ghanaian situation where a lot of entrepreneurs are made through social learning (with little or no formal education). This view is also supported by Rae (2005) whose study indicates that entrepreneurs learn from their social networks. Social learning focuses on acquiring skills through one's social group, and includes emotional and practical skills, as well as relating to others. This current research sees the expediency in studying how prospective successors develop the different dimensions of self-efficacy and how it eventually translates into firm continuity beyond the predecessor.

3.5 TOWARDS THE CREATION OF A SUCCESSION THEORY

The literature on succession in family firms is a minefield of theories, albeit mainstream theories have been applied to prove that the dynamics in family firms are different from non-family firms. It is also fragmented and variable, so Giambatista et al. (2005) call for an urgent

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development of a dominant theory to back the succession process. Without a designated theory, research on succession stands to lack the rigour that allows researchers to investigate the phenomenon thoroughly. That acknowledged, Creswell (2009, p.64) also strongly argues that:

> *"One sees qualitative studies that contain no explicit theoretical orientation, such as in phenomenology, in which inquirers attempt to build the essence of experience from participants".*

This current study has reviewed a number of theories that have been found in the literature. Being a phenomenological study, the intention is to be quite objective about what theory would be more apt. The study is using entrepreneurial learning and the knowledge-based theory as an advocacy lens to explore how successors imbibe the requisite knowledge to take over from the incumbent, and how as a resource, the knowledge acquired contributes towards the competitive advantage of the business. In creating an entrepreneurial legacy for subsequent generations, experiential learning creates opportunities for the successor to imbibe the entrepreneurial orientation of the founder over the years of exposure to the firm for the future, when they take over the leadership baton. A third theory, entrepreneurial orientation, with a focus mainly on proactiveness, innovativeness and risk taking is also considered to explain the actions of the founder in arranging for his exit from the business.

Indeed, the concept of succession planning in family businesses in Ghana needs to be investigated bearing in mind that the succession process is as complex as the number of theories that have been employed in its study. It is anticipated that at the end of the study a more appropriate theory would emerge that would be a more adequate fit for the future study of the concept. The figure below explains how the succession process is viewed through the proposed theories. Since the process takes place over time, and often involves a number of

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key actors, it becomes quite limiting to select one single existing theory to explain the entire phenomenon that often takes place over a period spanning anywhere beyond eighteen months (Dalton, 2006).

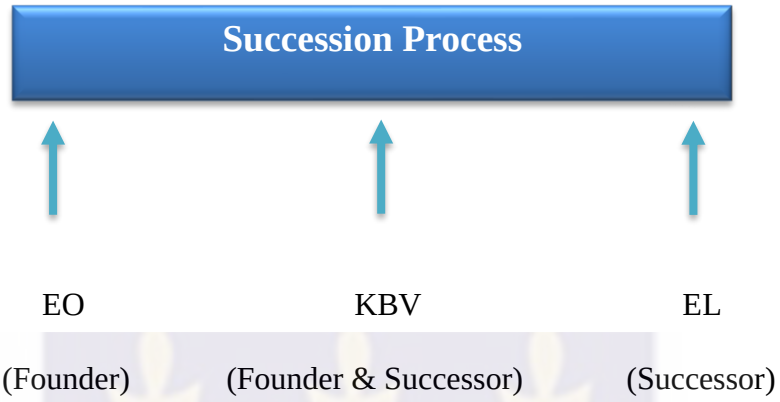


Figure 3. 5 Theoretical Framework (authors own conceptualisation)

Timmons and Spinelli (2004) highlight the essence of experiential learning to the making of an entrepreneur. It is not always about what is taught, but what the person learns from their experiences – both successes and failures. Although it has still not been clearly established whether family-based resources (such as knowledge and social capital) can be easily transferred across generations (Zellweger et al., 2010), a strategic succession process can implement a transition that supports the transfer of these resources.

According to the Knowledge-Based Theory, an organisation's ability to manage knowledge helps it to develop competencies and capabilities that contribute to its survival, growth and success (Miles, 2012). This theory advances the argument that knowledge (as it is created, stored and used) is the most strategically important of a firm's resources (Grant, 1996b). Discussing entrepreneurial learning (EL) as part of the succession process without considering KBV theory is almost incongruous.

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3.5.1 Research Direction

Following the review, a research direction has become clearer as twelve articles found to be more relevant to the study have been selected to inform the research direction of this work based on their thematic and methodological leanings. This work therefore seeks to develop an eclectic approach to succession planning drawing upon the knowledge borrowed from the studies listed in Table 3.4. The studies have been chosen for their contribution in the broader areas of theory, context, methodology and/or the succession process as a whole.

Table 3. 4 focus of selected studies on current research

Title	Focus Area	Title	Focus Area
Rae (2004)	- EL - Theory	**Quaye & Acheampong (2013)**	- EO - Context
Rae (2005)	- EL - Theory	**Ogundele et al., (2009)**	- Succession - Context
Politis (2005)	- EO	**Ansari et al (2013)**	- Succession
Cope (2005)	- EO	**Ip and Jacobs (2006)**	- Succession
Giambatista et al (2005)	- Succession - Theory - Methodology	**Saan et al (2013)**	- Succession - Context - Methodology
Chrisman et al (2005)	- Theory - Succession	**Jaskiewicz (2015)**	- EL - Succession

Source: Author's own conceptualisation

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3.5.2 Preliminary Interview Guide

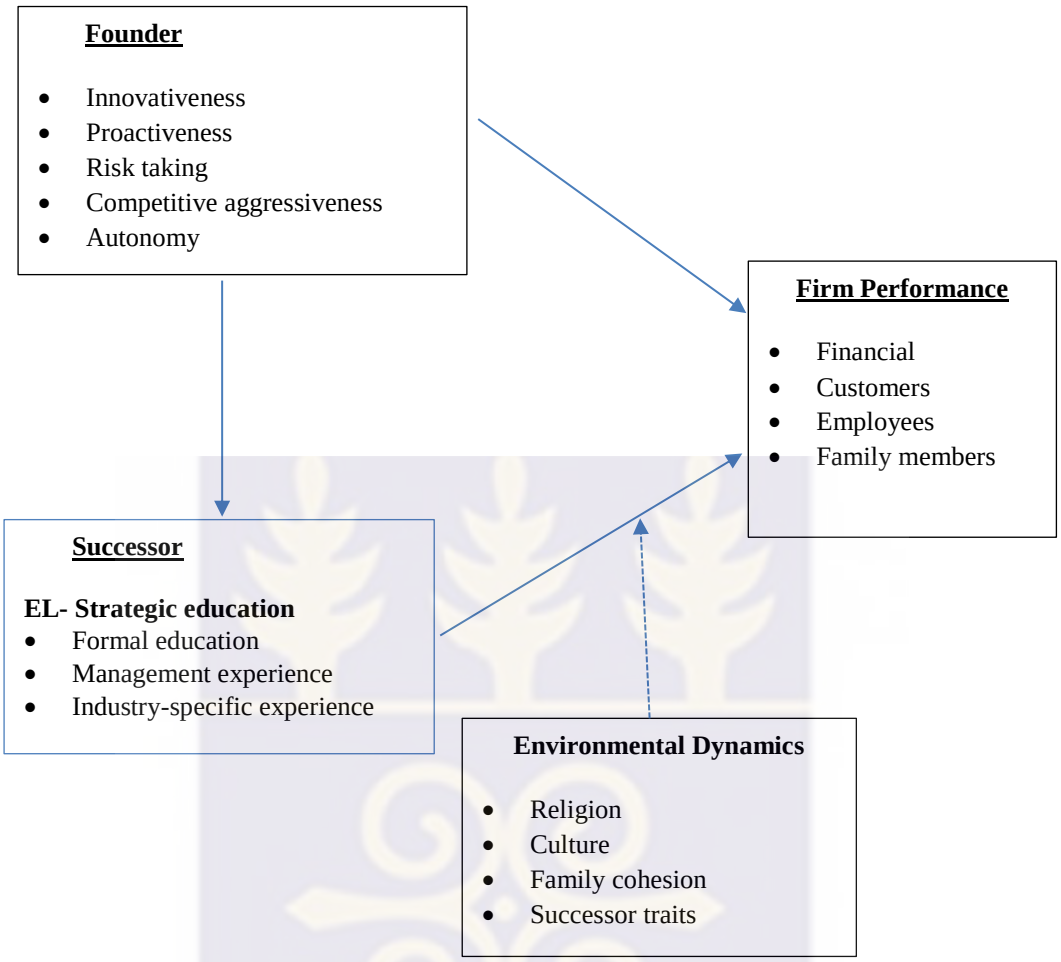


Figure 3. 6 Preliminary Interview guide to aid in data collection (Author's conceptualisation)

The model in Figure 3.6 is synthesised from the literature, and it illustrates that the Entrepreneurial Orientation, EO (Lumpkin & Dess, 1996) of the founder of a family business fosters business growth and improved performance as seen in financial performance and stakeholder satisfaction measures. In passing on the baton of leadership, the founder takes the successor through a strategic process of entrepreneurial learning (Jiao et al., 2010) in order to impart an entrepreneurial orientation mind-set which in turn helps the successor improve their capabilities, leading to firm performance, as seen in the financial and stakeholder satisfaction (Le Breton-Miller et al., 2014). The key informants for this study will be limited to the

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customers, employees, Board of Directors and/or advisory board members, and other family members. However, the successor's performance is often moderated by the environmental dynamics (Casillas et al., 2011) and his or her personal characteristics.

The Five-stage Succession Plan

The model in Figure 3.6 will further be augmented by the five-stage succession process, which is for now only an aid for data collection (see Chapter 4 for further details on data collection) and is built out of the literature to construct meaningful narratives. Following the analysis of data, a robust succession model will be developed to support family businesses in Ghana and similar contexts in the transition of leadership.

Stage 1 will pay attention to the consolidation of lessons from trail blazing, where the founder's career experiences and knowledge acquired therefrom, would be captured in the narrative. This will be done with a focus on the dimensions of Entrepreneurial Orientation (Lumpkin & Dess, 1996).

Stage 2 will be concerned with the identification of a successor (Ansari et al., 2014), with a consideration for the founder's own child, relative, employee, friend or associate.

Stage 3 is the strategic education of the successor, and the founder creates a training plan for the successor and the successor pursues a strategic education, both formal and experiential training (Wang et al., 2014).

Stage 4 is the strategic bridging period, where the founder and successor work alongside each other to ensure that the knowledge acquired is put to practice, with the founder providing guidance within an environment of trust (Jaskiewicz et al., 2015).

Stage 5 is the strategic transition period, where the successor is allowed to operate and take key decisions while the founder works to protect the firm's resources, including the successor

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himself as a resource (Jaskiewicz et al., 2015). That said, a detailed research methodology is designed in Chapter 4 to inform the data collection process.

3.6 CHAPTER SUMMARY

This chapter has studied the literature on relevant subjects and developed a clear direction for this current research. There have been discussions in broad themes under entrepreneurial orientation, entrepreneurial learning, business succession planning and family businesses. We found through the literature that knowledge (including the process of acquiring it) is closely related to family firm continuity as successors need to acquire a certain level of knowledge in order to function effectively when the predecessor exits the firm. How information is collected and churned into knowledge is integral to the continuity of the firm, and this includes knowledge on managing stakeholder relationships effectively, creating a shared vision, and resolving tensions and conflicts in family relationships (Le Breton-Miller et al., 2004). Ultimately, most business founders seek to pass on their business as a legacy to the next generation.

The next chapter discusses in detail reasons for the choice of qualitative methodology to understand the phenomenon being investigated.

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CHAPTER FOUR

RESEARCH METHODOLOGY

4.0 INTRODUCTION

This chapter addresses how the research was designed, encompassing the research questions guiding the philosophy upon which the research is hinged. The chapter further outlines the strategies adopted on the field through which primary data was collected and discusses how the data collected was analysed and interpreted. This information will explain the approaches chosen and how it would impact on the anticipated outcome (Creswell, 2009). Within the social Science domain, the field of entrepreneurship can be quite complex to study (Bruyat & Julien, 2000), and it sometimes becomes essential to borrow from other fields such as Psychology, Sociology and Anthropology (Bhattacherjee, 2012). For this reason, some researchers have resorted to methodologies such as exploring entrepreneurs' narratives (Johansson, 2004) and metaphors (Hill & Levenhagen, 1995) to help understand or explain the phenomenon under inquiry. Thus, this chapter is dedicated to justifying the choices made in order to undertake the study of succession planning processes in family-owned businesses in Ghana.

4.1 RESEARCH PHILOSOPHY

Research is generally hinged on a particular view of reality espoused by the researcher. Hence, the philosophy adopted by this researcher reflects the key assumptions made by the researcher regarding such views as the way in which the world works (Saunders et al., 2009). These assumptions will in turn influence the research strategy and methods chosen to

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investigate the phenomenon (Saunders et al., 2009). This view of reality is referred to as the "Worldview", which simply refers to the belief systems that guide one's action (Guba & Lincoln, 1994; Creswell, 2009). This worldview, often referred to as ontology in research, poses assumptions "*about what exists, what it looks like, what units make it up and how these units interact with each other'* (Flowers, 2009, p.1); and Bhattacherjee (2012, p.17) calls it the *"colored glasses"* through which one views the world. Some of the commonly accepted worldviews one encounters in the literature include Positivism, Interpretivism and Social Constructivism, with variants in between.

4.1.1 The Positivist Worldview

In line with the tradition of natural science research (Saunders et al., 2009), Positivism was the dominant worldview for research in all fields, including social sciences. This was drawn out of the works of the renowned French philosopher, Auguste Comte (1798-1857). Up until the mid-20th century, this scientific view of reality restricted knowledge to what can be observed and measured, and therefore ignored facts such as human thoughts and emotions that could not be scientifically measured (Bhattacherjee, 2012). Quantitative research methods were therefore associated with Positivism. Binks and Vale (1990) highlighted the limitations of economic theory in understanding the human, sociological and psychological aspects of entrepreneurial behaviour, while Spinosa et al. (1997) observed that there is a need to move beyond positivist approaches to entrepreneurship in order to create an understanding of the human processes involved.

With time, researchers begun to question the dominant use of positivist methodologies in research as it lacked a general use of qualitative triangulation. It was found that *"while the*

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problems may have been adequately quantified, there is little real understanding of their context and nature, or of the underlying issues that need to be addressed" (Styles & Seymour, 2006, p. 103). Positivism blatantly ignores all forms of meanings and purposes behind the behaviour of the human actors, even ignoring the context within which the behaviour is exhibited. Such frustrations with the positivist worldview resulted in what is generally referred to as **post-positivism** (or postmodernism) towards the mid-20th century (Bhattacherjee, 2012). The Post-positivism worldview, such as Realism, allowed researchers to investigate a phenomenon through a combination of quantitative methods and logical reasoning (Bhattacherjee, 2012).

4.1.2 Realism

Realism is another philosophical position that comes up in the literature. Subscribers of this view perceive the world to be real, existing independent of the researcher's mind (Sobh & Perry, 2006; Saunders et al., 2009). Irrespective of how the researcher feels, or knows about the world, objects have their existence outside the human mind, and therein lies the truth. In other words, reality is the truth and the truth lies outside the human mind, for which reason our senses could possibly deceive us if we were to rely solely on our senses for the truth (Saunders et al., 2009). This view has further been captured in two main sub-views for further distinction – namely Direct and Critical Realism (Saunders et al., 2009, p.114-115).

> *"**Direct realism** says that what you see is what you get: what we experience through our senses portrays the world accurately. The second kind of realism is called **critical realism**. Critical realists argue that what we experience are sensations, the images of the things in the real world, not the things directly."*

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Critical realists therefore asseverate that there are limitations on using one research approach since it is difficult to understand reality through only one approach. Hence, they recommend a triangulated research (Creswell, 2009) and tend to employ a mixed methods approach (i.e. combining both qualitative and quantitative approaches) in their bid to uphold objectivity in their work (Sobh & Perry, 2006). This approach seeks to generate theory, rather than proposing a generalisability of their research to other populations (Yin, 2009).

A note-worthy argument ensued between Mole and Mole (2010) on one hand, who studied entrepreneurship from a critical realist perspective, and Sarason et al. (2010) on the other who espoused the structuration theory. Sarason et al. (2010) refer to the entrepreneur as a dancer and the entrepreneurial opportunity as the dance; invariably, the two cannot be divorced of each other if a meaningful research is to be conducted. Before this argument, Shane and Venkataraman (2000) had recommended a combination of both subjective and objective approaches to entrepreneurship research since entrepreneurial actions (the subjective view) move in tandem with the interpretation of emerging opportunities (the objective view).

Eventually, other worldviews emerged, introducing what is now known as anti-positivism. Other worldviews employed by researchers today include functionalism, pragmatism, interpretivism and social constructivism (Guba & Lincoln, 1994; Patton, 2002; Creswell, 2009; Saunders et al., 2009; Bhattacherjee, 2012) some of which are discussed below.

4.1.3 The Interpretivist Worldview

In response to some of the frustrations outlined above, Hatch and Cunliffe (2006) referred to some worldviews as anti-positivist. Social scientists needed to understand the social actions of their research subjects through interpretive means - considering the meaning and purpose

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they place on their actions (Bhattacherjee, 2012). Researchers in support of this philosophical position argue that certain rich insights into this complex world is lost through the adoption of the positivist worldview. Interpretivism therefore provides an understanding of differences between the human actors (Saunders et al., 2009; Bryman, 2001). This places upon the researcher, the onus to enter the social world of their research subjects in order to comprehend their perspective of the world because "*what an action means can be grasped only in terms of the system of meanings to which it belongs*" (Schwandt, 2007, p.191). Hence, the main focus of an interpretivist worldview in research is not about generalisability, because life is ever so dynamic (Saunders et al., 2009), and how people interpret life issues depends on their perspective. Rather, as researchers try to interpret what they see, hear, and understand (Creswell, 2009), they are working towards theory building through interpretive methods such as action research and ethnography (Bhattacherjee, 2012).

4.1.4 The Social Constructivist Worldview

Whereas Interpretivism focuses on the meanings the social actors ascribe to their experiences, social constructivism, which is often combined with interpretivism (Creswell, 2009) moves further from understanding to a reconstruction of the constructions that the social actors hold, *"aiming toward consensus but still open to new interpretations as information and sophistication improve"* (Guba & Lincoln 1994, p.113). Social constructivism was propounded by researchers such as Berger and Lukeman (1967) and Lincoln and Guba (1985). By developing subjective meanings of their multiple and varied experiences, people seek understanding of the world in which they live, thus requiring of the researcher to rely on the participants views of the situation being studied and to take cognisance of the complexity of these views (Creswell, 2009). Hence the need to focus on the specific contexts of the

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participants, drawing upon the historical and cultural settings, including their interaction processes. Schwandt (2007, p.197) elaborates this further:

> *"Constructivism means that human beings do not find or discover knowledge so much as we construct or make it. […] We do not construct our interpretations in isolation, but against a backdrop of shared understandings, practices, language and so forth."*

As a result, this work is hinged on the Social Constructivist philosophical position as it enables the researcher to adequately interrogate the succession processes of family-owned businesses in Ghana. Yin (2003) for instance, advocates the utilisation of a constructivist paradigm in case studies, as this paradigm acknowledges the pluralism of reality – from the perspective of the various participants under observation who are able to tell their stories as they experienced them. The close collaboration between the researcher and the participant thus affords the researcher the opportunity to better understand the certain actions taken by the participants (Baxter & Jack, 2008).

Moreover, Spinosa et al. (1997) underscored the need to move past positivist approaches to entrepreneurship in order to have an understanding of the human processes involved. Binks and Vale (1990) outlined the limitations of economic theory in understanding the human, sociological and psychological aspects of entrepreneurial behaviour. It is therefore important to make reference to the subject of succession planning in family-owned businesses within the Ghanaian context according to the lived experiences of the participants. The experiential and social theories of learning that underlie the successor's learning process in order to acquire the requisite skills are a combination of action, conceptualisation and social practice. Rae, (2005) advocates that learning must be explored as a contextual and active process, rather than a purely educational one.

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Finally, this work draws upon the social constructivist worldview because this paradigm is well known for research work that requires the researcher to understand a phenomenon, where there is a possibility of multiple participant meanings, where social and historical construction is aimed at, or perhaps the researcher is seeking to generate new theory (Creswell, 2009, p.6). This work aims at achieving the first three reasons outlined, hence the adoption of the social constructivist worldview.

4.2 INQUIRY STRATEGY

Consequently, the researcher would have to indicate the strategy being used to measure the reality being inquired into. Flowers (2009) indicates an inter-dependency between ontology and epistemology, where one plays the dual role of both informing and depending upon the other. This leads to the epistemological question of how knowledge can be produced and argued for. Epistemology may be explained as the most appropriate ways of enquiring into the nature of the world (Easterby-Smith et al., 2008) or that which is acceptable knowledge in any particular field of study (Saunders et al., 2009), and what the sources and limits of this accepted knowledge are (Eriksson & Kovalainen, 2008). It includes the assumptions made by the researcher in order to study the world (Bhattacherjee, 2012).

In trying to understand what the acceptable knowledge might be, a researcher would adopt either an objectivist or subjectivist stance. While the objectivist researcher considers the independent existence of social actors from their social entities, the subjectivist seeks to understand how the social actors give meaning to the social phenomena they encounter (Saunders et al., 2009). It is difficult to refer to one approach as better than the other, because the choice of an objectivist or a subjectivist stance would stem from the research question(s) the researcher seeks to answer (Saunders et al., 2009). The objectivist stance tends to lean

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towards a quantitative approach while a subjectivist stance would lean towards a qualitative approach. The intent of the qualitative research is to explore the complex set of factors around which the main issues unfold and present the varied perspectives or meanings of the participants (Creswell, 2009). This supports Blaikie's (2000) argument that the humanistic element of social science introduces a component of complexity that goes beyond that which is seen in the natural sciences.

Being an investigative process, the qualitative research paradigm (which originated from anthropology and sociology (Kirk & Miller, 1986)) requires of the researcher to enter the informants' world in order to understand their meanings and perspectives (Creswell, 2009). The researcher therefore plays the role of a reporter, reporting on the multiple realties of the participants. As already indicated, this work espouses the social constructivist paradigm, which tends to favour the qualitative approach to research.

4.2.1 Adopting a Qualitative Stance

The decision then is that, a purely quantitative approach will mask the underlying issues of the succession process, especially where contextual issues such as polygamy and the extended family system are concerned. Speaking in favour of qualitative data, Guba and Lincoln (1994) show that it provides contextual information and insight into human behaviour. Additionally, grand theories may not always be applicable to local contexts, and quantitative methods ignore the process of discovering the truth which might hold a piece of the research puzzle (Guba & Lincoln, 1994). Since objectivism has been increasingly criticised as an inappropriate approach to the study of social sciences due to the complex nature of the social actors in social science research (human beings), this work takes a

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subjectivist stance in researching the phenomenon of succession planning within the Ghanaian context. This stance is based on the fact that certain models have been tried within developed markets such as works by Jaskiewicz et al. (2015), Le Breton-Miller et al. (2004) and Casillas et al. (2011), and all have managed to gain a level of trust in the field of entrepreneurship, but one cannot assume that strategies applied in other contexts are applicable in Ghana, with its contextual complexities.

Constructivists believe that knowledge is a socially constructed phenomenon and separating it from its context reflects a rejection of human contact with the external world (Wong et al., 2011). This approach has been chosen in line with Rae (2005), who conducted a survey of the learning processes of entrepreneurs as a participant observer and developed the triadic model of entrepreneurial learning. He concluded that contextual learning occurs through participation in community, industry and other networks in which individual experiences are related, compared and in which shared meaning is constructed (Rae, 2005). The importance of the negotiated enterprise lies in the notion that a business venture is not enacted by one person alone, but through negotiated relationships with others. Succession planning in family businesses affects a number of key players such as the founder/owner, the successor, other family members, employees, and even customers. Within the enterprise, a distinctive culture emerges, based on negotiated ways of working, which reflect both the founders' style, language, ambitions and ways of working, and those of the employees (Rae, 2005). Consequently, it is almost derisory to undertake a study on the entrepreneurial practices of a firm without taking into account the human (social) perspectives.

Moreover, a criticism of research done in developed countries is its bias towards individualist societies which does not address issues pertinent to highly collectivist environments like those typical to BOPs (Chikweche & Fletcher, 2012). Social networks are an intervening variable to consider when implementing a succession plan in Ghana, and these networks

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serve as a vital channel for family businesses to transfer knowledge to the next generation. This reality underpins the preference for a subjectivist approach in studying the phenomenon in the Ghanaian market. Thompson et al. (1989) make the appropriate submission that:

> *"[...] experience emerge in a contextual setting, and, therefore, cannot be located "inside" the person as a complete subjectivity nor "outside" the person as a subject-free objectivity" (p. 136).*

The decision to employ the subjectivist approach is therefore made, bearing in mind the possibility that the key informants' perspectives about experiences and events can shift over time, and according to the context (Tranfield & Starkey, 1998) because it is difficult to pin down reality across different periods.

4.2.2 Qualitative Methods

Anti-positivist researchers generally employ qualitative methods, such as unstructured interviews and participant observation (Bhattacherjee, 2012) to study social phenomena. A note of caution to the researcher is that the onus is on them to understand and report the meanings that participants give to their experiences, taking measures to limit the meaning that the researcher would have regarding the issue (Creswell, 2009). Another noteworthy issue is the emergent nature of the qualitative research process. Sometimes, the researcher's initial plan would have to be altered to suit the situation once they begin to collect data on the field (Creswell, 2009). Below are some common data collection methods used by qualitative researchers as outlined by Creswell (2009, p.130).

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Interviews

One-on-one interviews enable the researcher to work through unstructured and open-ended questioning to tease out the views and opinions of the respondents. This could be done via face-to-face meetings, telephone interviews or focus group discussions of about six to eight interviewees (Creswell, 2009).

Observation

Here, the researcher takes field notes on the behaviour and activities of individuals on the field. The researcher thus records different but relevant notes while at the research site for later use during the write-up. The notes may be either in an unstructured or semi-structured way, sometimes allowing the researcher the flexibility to play varying roles – whether a non-participant or a complete participant – as the situation demands (Creswell, 2009).

Documents

Another source of qualitative data are documents, whether public documents (such as newspapers, official reports and minutes of meetings) or private documents (such as letters, e-mails, personal journals and diaries). These can be analysed to derive deeper insights into the phenomenon under investigation (Creswell, 2009).

Audio-visual Materials

Qualitative research focuses on the perceptions and experiences of participants, and how they find meaning in their lives; and in the researcher's attempt to reconstruct this meaning, there are negotiations with human data (Creswell, 2009). As a result, the researcher enters the life of the participants, shares in their lived experiences, interacting with them and collecting rich data from the source where the action is. Analysing audio and visual materials such as

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pictures, mobile phone text, social media communications, videotapes, art objects and other forms of sound are also useful to the qualitative researcher as these potentially hold vital information through which meaning can be derived (Creswell, 2009).

Qualitative data collection methods have many advantages. Firstly, the collection of qualitative data carries a level of "*richness and holism*" (Miles & Huberman, 1994, p.10) as it sits within its own context with events unfolding naturally. Therefore, in comparison to quantitative data, qualitative data presents to the researcher, a deeper understanding of the social phenomena under investigation (Silverman, 2000). Secondly, the researcher has the opportunity to interact closely with the informants, allowing for questions to be posed, explained, rephrased or even changed, while at the same time exploring, probing and asking for clarification wherever appropriate. Thirdly, observations and non-verbal communication could be resorted to, in a bid to fill in information gaps that may be identified, and face-to-face interviews have been known to yield higher response rates than questionnaires. Finally, especially in situations where little is known, starting with qualitative methods (such as interviews, observations and focus groups) enable the researcher to generate hypotheses for testing through quantitative means (Patton, 2002).

However, critics have also attempted to discredit the relevance of qualitative data in research. Some of the disadvantages include interviewer bias and a lack of confidentiality which might compromise the information given. Easterby-Smith et al. (2008) further suggest practical ways for the researcher to minimise the negative impact of the qualitative approach, such as focusing on the meanings of experiences, in an attempt to understand them while considering them in their totality and developing new ideas from the data.

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4.3 RESEARCH DESIGN

A research design is the overall plan to help the researcher find answers to the research question(s), the researcher's roadmap to answering the research questions and objectives (Kumar, 2005). Some of the commonly-used strategies are experiments and surveys usually for quantitative studies, and case studies and ethnographies usually for qualitative studies (Saunders et al., 2009). Note however that these are not necessarily mutually exclusive, in that there have been instances where case studies have been used alongside surveys. The choice of strategy is usually determined by the research questions and objectives, and how the researcher deems fit to have them answered. The choice can also be influenced by the philosophical basis of the study as well as the availability (or the lack) of the knowledge on the subject, time and resources available to the researcher (Saunders et al., 2009). Although the list below is not exhaustive, it presents some widely used research strategies which the researcher considered before a final choice was made.

Narrative research

This strategy allows the researcher to learn about the lives of respondents and then re-tell the story in a chronological order (Creswell, 2009). Over time, the narrative research approach has become accepted as a valid approach in the interpretive study of entrepreneurship (Hjorth & Steyaert, 2004).

Ethnographies

Ethnographies are often time consuming as they take place over an extended period of time. This strategy is used to study a phenomenon of an intact cultural group within their natural setting (Creswell, 2009) through extended participant observation and interviews that allow the participants to tell their stories about the complexities of their everyday life (Saunders et

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al., 2009). This strategy also demands of the researcher, a certain level of flexibility and a degree of responsiveness to be able to respond to the ever-changing life dynamics of respondents.

Grounded theory studies

This research strategy, through a multi-stage data collection method, is often used when the researcher seeks to predict and explain the behaviour of participants with the intention to develop theory grounded in the views of participants (Creswell, 2009). Saunders et al. (2009, p.149) indicate further that:

> *"In grounded theory, data collection starts without the formation of an initial theoretical framework. Theory is developed from data generated by a series of observations. These data lead to the generation of predictions which are then tested in further observations that may confirm, or otherwise, the predictions."*

Case study

The case study strategy of inquiry is useful for studies where the researcher needs to understand not just the context of inquiry, but also the research processes being enacted (Morris & Wood 1991). Through case studies, the researcher is able to explore an event, process or activity in depth and within its context (Creswell, 2009; Yin, 2003). Though both surveys and case studies are situated within context, the latter differs from surveys in that surveys limit the number of variables for which data can be collected (Saunders et al., 2009).

Archival research

This strategy draws upon information in administrative records and documents as the main source of data, although the data is not necessarily restricted to only historical documents

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(Bryman, 2001). There is however a challenge with this strategy as the required information may not be readily available or accessible (Saunders et al., 2009).

Phenomenology

The final strategy of inquiry to be discussed is phenomenology where the researcher attempts to understand how respondents make sense of the world around them (Saunders et al., 2009). It is noteworthy that the phenomenological inquiry allows the researcher to ask questions without specific reference to the existing literature (Creswell, 2009), thus making room for the use of intuition and empathy during the interviewing process.

Having considered all these strategies, this work finally settled on the phenomenological strategy to interrogate the process of succession planning in family-owned businesses. This strategy is considered by the researcher to be the most appropriate of all the strategies mentioned above as it allows the researcher to adequately answer the research questions and to generate a rich store of data from different informants (Pentland, 1999).

4.3.1 Utilising the Phenomenological Approach

While selecting the research design this researcher considered the research problem as outlined in Chapter 1 and the audience for which the work is intended – for academics, policy makers, practitioners and financial institutions. Given the objectives of this study, the phenomenological approach offers the researcher a chance to probe further where required, explain questions if needed and to clarify responses of participants in order to gain a clear understanding of the lived experiences of participants (Creswell, 2009). This approach was carefully chosen with the aim of highlighting the lessons and challenges of Ghanaian

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founder/managers and how their experiences can be reconstructed into a framework to help other upcoming founders of family-owned businesses. Ultimately however, the framework will be tested on a wider sample group and validated in a future research.

Moreover, Bogdan and Taylor (1975) sound a note of caution to the researcher that:

> *"The phenomenologist views human behaviour - what people say and do - as a product of how people interpret their world. The task of the phenomenologist, and for us, the qualitative methodologists, is to capture this process of interpretation." (p. 14).*

This requires the researcher to attempt to view happenings from the actor's perspective. Whilst James and Vinnicombe (2002) caution that all researchers have inherent preferences that are likely to shape their research designs, Blaikie (2000) describes these aspects as part of a series of choices that the researcher must consider and he shows the link that must connect these choices back to the original research problem. If this is not achieved, methods incompatible with the researcher's stance may be adopted, with the result that the final work will be undermined through a lack of coherence (Flowers, 2009). This researcher has therefore taken appropriate steps to minimise researcher bias and points out that this study does not intend to argue for empirical generalisation. It rather seeks to propose that since entrepreneurship is situated within a social context, reality can be viewed by different people in different ways, and one's thinking and reasoning about an observed phenomenon may be constrained, therefore different actors may have different opinions on how to solve identified problems (Bhattacherjee, 2012) – the challenge of effective succession in this research.

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4.3.2 Research Issues

Previous research on entrepreneurship in Africa focused more on competition, access to finance and firm performance (Neneh, 2012). However, little attention has been given to succession planning, especially to entrepreneurial learning as a way for the successor to acquire the required skills (Kropp et al., 2006) in preparation towards the leadership transition. A phenomenological approach was used for this current study in an attempt to capture the lived experience of entrepreneurs in Ghana, and how they make arrangements for their succession.

This study aims to elicit rich, contextual and descriptive narratives of what goes into the succession process, how it is planned and implemented within the context from the entrepreneurs' perspective. Through a deductive reasoning based on the review of literature (Chapter 3) this research investigates the succession arrangements of FOB founders in Ghana, and how the firm's chances of survival beyond the founder was enhanced. To achieve this, phenomenological data collected was analysed and interpreted, in light of the extant literature, on the steps taken and the outcomes of the results on selected stakeholders of sample firms.

4.3.3 Sampling Technique and Size

This work purposefully sampled the respondents from the Greater Accra Region of Ghana, which is considered a well-positioned microcosm of the country. In the region can be located a city called Accra, Ghana's administrative capital and Tema, Ghana's biggest harbour and industrial hub. Together, Accra and Tema host more than 200 major manufacturing firms, employing some 22,060 (KPMG, 2012). The search for respondents started with

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investigations into family-owned businesses in Ghana that had gone through a handing over from the founder to a successor. This was done through the Association of Ghana Industries (AGI), the internet, news items, the researcher's social networks and speaking to various groups of people for relevant information. An initial list of nine (9) firms was drawn and opportunistically extended to fifteen (15) as interesting cases were identified for follow-up. Since the focus was to understand what pertains rather than for comparisons, a cross section of the population was used. As a result, considerations were made to select both male and female founders from varied sectors, educational background and age of both founder and successor, as well as firm size and cultural dynamics (see Table 4.1). Female entrepreneurship is a key variable in the Ghanaian context that cannot be overlooked (Dzisi, 2008), since it is affected by both social and economic phenomena, in as much as education is known to influence a person's perspective and understanding of social issues (Anuwa-Amarh, 2015).

In order to meet the criteria for the constructs in Table 4.2, an elimination process was used to prune the number down to six (6). Purposive sampling (rather than random sampling) is often used in qualitative research because respondents selected are "information rich" are able to generate useful data and are likely to be representative of the larger population (Patton, 2002). Although the literature so far does not set a limit on the number of cases to be studied, some researchers (such as Lambrecht, 2005) suggest that studying between 4 and 10 cases would be adequate. The final decision is somehow left to the researcher, so long as the phenomenon is adequately examined. The purpose, philosophy and approach of the research therefore influenced the choice of purposive sampling and the number of cases to be studied. The criterion was therefore not based on the numbers but on the opportunity to explore the similarities and differences in the different narratives.

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Following the selection of family businesses, gatekeepers were contacted in the sample firms for an initial discussion with an introductory letter explaining the nature of the research and requesting permission to carry on with the research (Appendix 4). With a draft of the respondent categories to be interviewed, the gatekeepers would then identify the relevant respondents and following a selection by the researcher, will set up meetings for interviews.

The effectiveness of the successor is assessed by interviewing the founder, the successor and other key family members working in the firm, observing the successor's behaviour at the operational level, in conjunction with evaluating the firm's performance records (Jick, 1979) from current and retrospective sources. This gives a current view of the firm while still affording us the opportunity to compare the past and the present situations. A prolonged exposure to the firm generates multiple perspectives to minimise respondents' inclination to provide socially desirable answers that might skew the results (Wang et al., 2014).

Table 4. 1 - Family business coding

Company Code	Industry	No. of employees,	Age of firm (years)	Criteria for selection
A	Education	80	27	Gender – founder a woman Multiple successors
B	Healthcare	35	35	Specialist training External experience
C	Importing pharmaceuticals	70	51	Polygamy; Second succession attempt
D	Production/Retail	48	30	Negative succession results Polygamy
E	Manufacturing	150	28	Use of Bridge successor Primogeniture
F	Farming	30	24	Extended family Diversification

Source: Author's own conceptualisation

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Key informant selection

To aid with the sampling, the recommendation on participant selection by Miles and Huberman (1994) was the standard used. The four main criteria used were the actors, events, process and setting and they are further explained below.

a. Actors

The actors refer to the person(s) being observed or interviewed. The key informants interviewed for this study are: the founder, the successor, a family member, an employee, and a customer of each sample company. The succession process is usually preceded by a period of learning on the part of the successor. In order to be equipped with the requisite skills to take over the reins of leadership, the successor would have gone through a process of learning, and Smilor (1997, p.344) posits that:

> *"Effective entrepreneurs are exceptional learners. They learn from everything. They learn from customers, suppliers, and especially competitors. They learn from employees and associates. They learn from other entrepreneurs. They learn from experience. They learn by doing. They learn from what works and, more importantly, from what doesn't work."*

Also, the role of families in shaping entrepreneurial identities and actions cannot be underestimated (Rae, 2005). The making of an effective successor (especially in a family business) includes their personal relationships with their parents, spouses, and siblings. As the individual accounts in each firm unfold, the common thread is identified to aid in the reconstruction of the firm's story. By interviewing from different sources (Fig 4.1) and reporting multiple perspectives, the researcher seeks to render a holistic account in order to build robustness into the study (Creswell, 2009).

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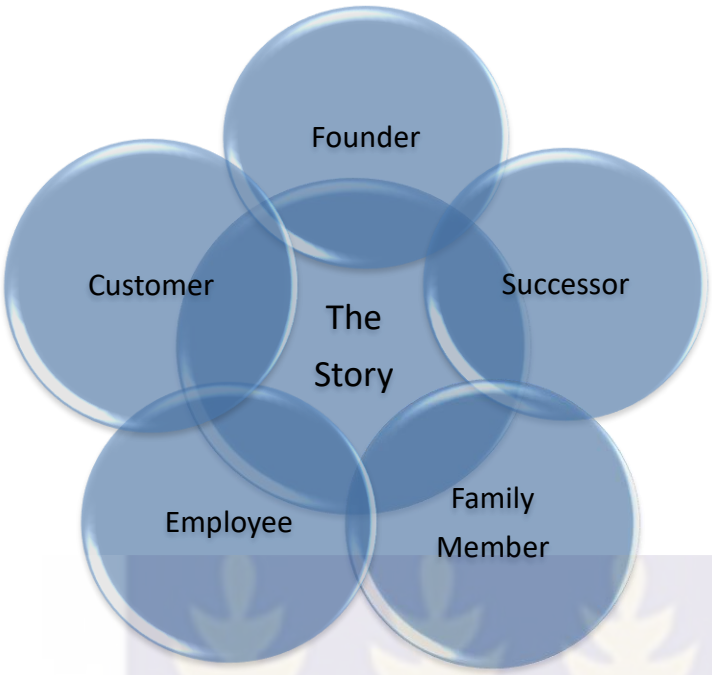


Figure 4. 1 List of Respondents; Source: Author's own conceptualisation

b. Events

The events refer to what the actors do while being observed or interviewed. Using a phenomenological research methodology, this study interviewed family owned businesses that have been through a succession process, whether with negative or positive results. The story is then re-told, making sense of any critical events, as well as the perceptions and meaning attached to those experiences as expressed by the participants. Variations in individual accounts are identified and clarified in subsequent interviews.

c. Processes

The process refers to the nature in which the events unfold within the setting. Particular attention was paid to the role of the successor and how he/she took over the baton from the founder and how the firm is performing after the succession period.

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d. Setting

The setting refers to where the research takes place. Meetings were held in the offices of the respondents to ensure minimum disruption to their routines. Interviews lasted between 45 minutes and 60 minutes, and were digitally recorded for later transcription and analysis. Considerations were made also for dates and times that were convenient for each respondent, including meeting after office hours where required. In Company B, one respondent (the family member) lives in Europe and had to be interviewed via Skype.

4.3.4 Data Collection Strategies

In collecting data, this work employed a data triangulation strategy (Creswell, 2009) for a robust outcome in the analysis. Triangulation is employing more than one approach to a research investigation with the intention to boost the level of confidence in the ensuing findings (Bryman, 2001) and to reach a comprehensive understanding of the phenomenon under investigation (Baxter & Jack, 2008; Jick, 1979). A comprehensive understanding entails bringing into convergence multiple and different information sources to form themes in a study (Creswell, 2009). As a result, data was collected from multiple sources to enhance the credibility of the data collected (Yin, 2003) and this is grouped under secondary and primary data. Secondary data was collected from April to June, 2016, whilst primary data was collected from July 2016 to January, 2017 (See Appendix 1 for the work-plan). Note however that the primary data collection went a month beyond the stipulated work plan due to respondents' non-availability.

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Secondary Data Collection

For three months, documentation on firms (both external and internal) were collected to evaluate their performance over a period (Jick, 1979; Wang et al., 2014) and to help profile the firms. Although not all the firms had easily accessible information, some archival records, including company websites, memos, financial statements, industry reports, advertisements, brochures/catalogues, newspaper and magazine publications were used to better understand the market dynamics in which firms operated, including industry and firm-specific experiences (Wang et al., 2014) and to aid with the analysis of data. Additionally, at the primary data collection stage, a request was made for copies of internal company documents such as communications from the Board of Directors and/or Advisory Board as they play a vital role in the success of the transition process (Motwani et al., 2006) but most of these were not made available. Granted that some of the physical documents were not handed over (for issues of confidentiality), some of the respondents were willing to share some information from such documents. A Board of Advisors/Directors is seen to play a vital role in the success of the transition process since it can help the successor navigate the harsh waters of the transition process (Motwani et al., 2006).

Primary Data Collection

Once the firms had been sampled, gatekeepers for each firm were identified and approached for access. An initial exploratory interview was conducted with the gatekeeper of the firm (the successor in most cases) to ascertain their willingness and compatibility for the study. If this stage was found to be satisfactory, the next steps are discussed and once an agreement is reached, the gatekeeper then led the way to the key informants and dates were set for interviews. Each respondent received a Letter of Consent at the first interview, introducing the researcher, explaining what the study is about and assuring them of confidentiality

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(Appendix 2). They are then requested to sign if in agreement before the interview starts. Also, respondents' permission was sought before any digital recording was done.

The primary data collection method comprised mainly of semi-structured qualitative interview questions that allowed the researcher to probe into the training received by the successor, the transition processes, relationship with key stakeholders and the role played by the predecessor. The interviews were supplemented by information gleaned from the secondary data (Cater III & Kidwell, 2013) and through direct but unobtrusive observation as a neutral passive external observer making sense out of their verbal and non-verbal communication (Jick, 1979; Bhattacherjee, 2012). Where necessary, the researcher made efforts to ask follow-up questions in a bid to clarify and interpret participants' words, and in the process, some additional information was sometimes volunteered (Baxter & Jack, 2008). Recording was done on two devices following the hitch during the first meeting where the sound on one device was not very audible, due to background noises from the school playground. In some instances, it was observed that turning off the recording device during the small talk allowed respondents to open up and share some sensitive information that were not captured in the recording.

As a manual back-up, structured field notes were taken to facilitate the development of a narrative to explain the various cultural aspects of the study and open-ended interviews (face-to-face, telephone, and focus groups) of key informants to help understand how the succession process was executed. Following each period in the field, attempts were made to transcribe the notes as soon as possible while the memory of the event was still quite fresh. Efforts were made not to discuss observations with others until they have been recorded in order to minimise interferences (Creswell, 2009).

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Six case studies were created to facilitate the analyses, both within and across settings, as a way of understanding the differences and similarities between the cases (Baxter & Jack, 2008). This gave an in-depth understanding of the business and social practices of the sample firms, and was ultimately used to support the validation of this framework,

4.3.5 Interview Technique

A few interviewing techniques to help the researcher collect the needed data have been suggested in the literature. Some frequently used examples include the standardised open-ended interview, informal conversational interview, the general interview guide approach and close, fixed response interview (Patton, 2002). This study employed the unstructured open-ended in-depth interviews, with questions drawn from an interview guide (Appendix 3) based on the 10 constructs being explored (Table 4.2). This allowed the researcher grasp an insight into the phenomenon as understood by the respondents. The data was later manually coded and analysed, and a case study created for each family firm (see Chapter 5), to develop a narrative that supports the analysis.

Using an interview protocol for asking questions and recording answers, the manual record of each interview was started on a fresh page, with the interviewee's code name, the date, place and time at the top for easy identification. Starting with some small talk to break the ice, the researcher would then reassure the interviewee of confidentiality, then ask for permission to turn on the recording device. Care was taken to use simple everyday language that interviewees would understand and the interviewer asked for clarification or confirmation from time to time to ensure the respondents' views were accurately captured. Without showing disapproval or personal opinions for any answers, the researcher ensured that the tone was cordial enough for the respondents to feel at ease.

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In addition, more sensitive questions such as pertains to family conflict were asked much later, after the respondents had warmed up to the researcher and had begun to open up about more private matters. Finally, when all questions were asked and answers clarified, the researcher ended by thanking the respondent, acknowledging to them how much time was spent in the interview and again reassuring them of confidentiality. Respondents were made aware that a copy of the verbatim transcriptions and written interpretations would be made available for their perusal if required. Following that, there is usually some time for small talk after the recording device is turned off. And if during the small talk more relevant information is proffered, the researcher would note that down in the handwritten notes.

4.4 DATA ANALYSIS

It has been suggested that it is useful in qualitative research to collect data simultaneously with its analysis (Creswell, 2009). So, while still at the data collection stage, this researcher tried to transcribe and analyse information that had been received within a few days of collection. And in ensuring that a good understanding is obtained, the researcher listened to the recordings a few times, followed by a reading of the handwritten field notes. This activity helped with the reconstruction of the narratives of each firm as portrayed in Chapter 5, in addition to the discussion of themes that cut across the data in Chapter 6. And if any gaps were identified, answers were sought in the meeting with the next respondent of the same firm or a follow-up interview was requested to have further clarifications. Having listened to the recordings a few times and read through the field notes, the next stage was to transcribe all the audio interviews personally, a tedious and time-consuming experience. However, it was a necessary task as it allowed the researcher to become familiar with the scripts and made the analysis more effective.

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Since the research sought to develop a framework out of what happens in practice, the data collected from multiple organizations was constructed chronologically within a firm, but comparatively between firms (Yin, 2003) in search of common strands of information towards the building of a comprehensive succession model. This helps to enhance the degree of external validity for the model, although there is a potential risk of treating multiple sources of data independently of each other. Converging the data into one analysed document has not been so simplistic (Baxter & Jack, 2008), but the necessary precautions were taken to minimise duplication and/or overlapping variances.

Coding themes

As the respondents were already coded, the next stage was to code the data to facilitate the analysis. Studies in the social sciences usually allow the codes to emerge during the analysis stage based on the information collected (Creswell, 2009). Sometimes, codes are also predetermined and then the data is allowed to fit into those codes. However, this study used a combination of both the predetermined codes, used to collect the data and emerging codes as they came up during the analysis (Creswell, 2009). To build more robustness into the study, the help of a fellow PhD colleague was solicited to cross check the coding used – to generate an inter-coder agreement (Creswell, 2009). The data was then analysed manually per firm, constructing case stories of each firm to understand their individual dynamics. This was followed by analysing the content of the data across the cases, in search of common patterns and meanings.

Setting and context codes

The responses were coded according to criteria such as the perspectives held by the respondents, which shows their way of thinking about events, people, and objects around

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them. Other codes were created for the processes, activities, strategies and relationships and social structures.

Table 4. 2 Coding of Key Informants

Code	Respondent	Age range	Gender
Company A – Tots and Teens			
A1	Founder	65 -74	Female
A2	Successor	45 – 54	Male
A3	Family Member	45 – 54	Female
A4	Employee	<35	Female
A5	Customer	35 – 44	Male
Company B – Goodlife			
B1	Founder	>74	Male
B2	Successor	45 – 54	Male
B3	Family Member	35 – 44	Female
B4	Employee	35 – 44	Female
B5	Customer	55 – 64	Female
Company C – Aduroyɛ			
C1	Founder	55 - 64	Male
C2	Successor	35 - 44	Male
C3	Family Member	35 - 44	Male
C4	Employee	>35	Female
C5	Customer	N/A	N/A
Company D – Adepa			
D1	Founder	65 – 74	Male
D2	Successor	45 – 54	Male
D3	Family Member	35 – 44	Female
D4	Employee	35 – 44	Female
D5	Customer	N/A	N/A
Company E – Nsadɛ			
E1	Founder	65 – 74	Male
E2	Successor	<35	Male
E3	Family Member	35 – 44	Female
E4	Employee	45 – 54	Male
E5	Customer	45 – 54	Female
Company F – Mefie			
F1	Founder	65 – 74	Male
F2	Successor	45 – 54	Male
F3	Family Member	45 – 54	Female
F4	Employee	45 – 54	Male
F5	Customer	N/A	N/A

Source: Author's own conceptualisation

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4.4.2 Data Interpretation

Having put together the participant-generated information, the data became a repository from which the researcher begun to draw meanings and make sense of all the data collected. Ranging from the audio recordings to the visual items such as newspaper articles, photographs, posters and observations made during the site visits, narratives were crafted to become individual case studies for each company (presented in Chapter 5). It required a meticulous reading of the transcribed interviews, in an attempt to identify common themes in the responses, as well as consistency in the narratives, both within individual cases and across the sampled group as a single unit. In the process, the transcripts were arranged and rearranged to ensure a right fit for the themes.

Verification

To embed a level of internal validity into the study, a number of steps were taken. First, data triangulation was applied (Patton, 2002; Creswell, 2009), by collecting from multiple sources, including interviewing five different respondents from each company where possible, observing the actions and operations at the research sites in search of consistency, as well as analysing documents from internal and external sources. In instances where stories were not corroborated by any two of the respondents, other sources were involved, either raising the issue with another respondent through follow up calls or visits or looking for signals in the secondary data. In addition, the risk of researcher bias was minimised by having a colleague PhD candidate look through the coding to confirm a level of accuracy in reflecting the themes under observation.

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Reporting the Findings

In keeping with the qualitative data format, the findings were reported in a descriptive narrative form, but still presented in tables for easier understanding and comparison, much unlike the scientific reports of quantitative data (Miles & Huberman, 1984). Even so, this researcher contends that the interview method used serves a good purpose as it provided adequate opportunity to explore the existing gaps in the understanding of how successors navigate the succession process spanning the entire spectrum, from the early stages (including the planning, grooming, transition phases) to the post succession stage (Giambatista et al., 2005). Despite all these efforts, this researcher is aware that a phenomenological study, by virtue of its tenets, still has inherent challenges with which a researcher is forced to grapple.

4.4.3 Ethical Considerations

Consideration for ethical issues is paramount in qualitative research design considerations and it is the responsibility of the researcher to respect the rights, needs, values and desires of respondents (Creswell, 2009 p.90). In light of this, the necessary steps were taken during the course of collecting data for this study to ensure that the rights of respondents were respected. First of all, a written permission was obtained from participants and it was articulated to them that participation was purely voluntary and they had the right to opt out of the process at any time if they chose to. Verbal permission was also sought from each participant before a digital recording was done. Respondents were further informed about the objectives of the research, and how their contributions will help other family businesses survive beyond the founder, in addition to their employees whose livelihoods depended on family businesses. A research exemption form has been filed with the Institutional Review Board.

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In line with the confidentiality pledge to interviewees, all firms in this study are identified as Company A through to Company F and respondents referred to as A1 or B1 through to F5 (refer to Table 4.2). Digitally recording and transcribing the interview information verbatim ensured that all essential information was captured and this also allowed the interviewer to pay attention to the non-verbal communication for a deeper meaning into responses. Transcription of the interviews was done within a few days to help the researcher insert the observations while it was still fresh in the memory. Since all the interviews were done in English, there was no need for translation. Finally, to maintain confidentiality, only the researcher and the three supervisors have had access to the data.

4.5 LIMITATIONS OF THE PHENOMENOLOGICAL APPROACH

Given that this study is highly contextual, it is acknowledged that there will be limited opportunity to generalise. Interpretivists place great emphasis on communication and language, therefore, this approach is particularly suited to this kind of study (Flowers, 2009). There is a limitation in that, the qualitative approach tends to be context-dependent, thus limiting its ability to generalize or test hypotheses. Another limitation is the subjectivity of the findings to the researcher's preconceptions and bias (Flyvbjerg, 2006; Madichie et al., 2013), which attracts a lot of criticism from pro-positivist researchers. Nevertheless, as earlier indicated, it is still argued that this approach is best suited to the kind of information being sought from this study. Without the interviews, for instance, it would be difficult to understand a successor's experiences at any stage of the process and the meanings they attached to them as well as the consequent effect on the succession process.

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Assessing rigour in qualitative research

In assessing the rigour in the research, a number of steps were taken to ensure that a level of robustness has been written into it (Giambatista et al., 2005). There was a consideration for the theoretical framework (see Chapter 3) which underpins the study, compelling the researcher to look at the study through the lenses of the combined theories of entrepreneurial orientation, learning, and knowledge as a resource. The research context was also clearly demarcated (see Chapter 2), giving an overview of Ghana from the geopolitical, sociocultural and economic perspectives, and their impact on entrepreneurship in Ghana. We sampled from the Greater Accra Region, a microcosm of the country's general population, with some attention paid to respondents (though not all) whose tribes support the matrilineal system of inheritance for varied views on the inheritance systems. We also built in the triangulation of data to embed a level of robustness.

4.6 CHAPTER SUMMARY

This chapter has discussed the methodology used for the research and attempted to provide a justification for the philosophical stance, by comparing the dominant worldviews. It also discussed the inquiry strategy and explained why a qualitative approach was adopted. There was a discussion on research design and why the researcher settled on the phenomenological approach. Data collection and analysis strategies were further discussed and finally the limitations of employing the phenomenological approach. Despite these limitations, this researcher is of the view that delving into the succession processes of a selected group is better understood by understanding and constructing the lived experiences of the participants, through interviews and observations. These experiences are captured in case studies in the next chapter.

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CHAPTER FIVE

NARRATIVES FROM THE FIELD

(DATA PRESENTATION)

5.0 INTRODUCTION

This chapter presents the research data as they were collected from the field, in the form of six case studies, each narrative telling a separate story of the succession process. A narrative approach was chosen to explore the succession process as it was enacted by the key players involved (Hjorth & Steyaert, 2004; Pentland, 1999). From this research emerged the recognition that the succession process is better apprised through the lenses of a narrative process theory. The narrative process theory "*is a story that describes the process, or sequence of events, that connects cause and effect"* (Pentland, 1999 p.711) where the individual stories, as told by the respondents, become the constructs used to explain the process of succession and its outcome on the continuity of the companies involved.

Five respondents were selected for each company, although some of the companies were not able to present all five respondents required. In the case of Company C for instance, the customers have changed entirely from retail customers to wholesalers and distributors. For this reason, customers were not interviewed. Again, for company F, the customers have changed from end consumers of poultry products to home owners. When approached, the successor for company D declined to comment, while the company insisted it was not necessary to interview customers since the founder has all the necessary information. Note however that, the names of companies and persons presented in this chapter have all been

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changed to preserve the privacy of respondents, and for the purpose of semantics, the words patriarch, founder and predecessor have been used interchangeably.

Each case is considered under four broad sections, and together these sections cover the themes under which this research work is studied. The 'Background' section establishes the entrepreneurial orientation of the founder (Lumpkin & Dess, 1996), how the entrepreneurial legacy was imprinted on the next generation (Jaskiewicz et al., 2015), and the family cohesion (Le Breton-Miller et al., 2004). The 'Succession Story' expatiates on how the successor was selected (Ansari et al., 2014), the entrepreneurial learning/training of the successor (Pittaway & Cope, 2007), how the selection was communicated to stakeholders (Ansari et al., 2014), the strategic bridging between the founder and the successor (Jasckiewicz et al., 2015), and the transition period when the founder finally exits the firm, leaving the successor to take full responsibility of the leadership position (Jaskiewicz et al., 2015). The section on 'the Company Today' focuses on the firm's current performance from both financial and stakeholder perspectives (Le Breton-Miller et al., 2004), and the demographic dynamics such as culture and successor traits (Casillas, 2011). Finally, the section on the 'Way Forward' considers the future direction of the firm as revealed by the founder and/or the successor.

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5.1 COMPANY A: EDUCATION (TOTS AND TEENS BASIC SCHOOL[9])

5.1.1 Background

In her teenage days, Auntie Yaa discovered her love for children which later inspired her to train as a teacher when she left secondary school.

> *"I loved children when I was very young. So, whenever I went home from secondary school, I used to gather the kids in my village those days and teach them, bathe them, dress them; I did many things for them. So, when I finished form five, I decided to go to training college."* She admits.

She had been a teacher for a number of years when she travelled to London. One day on the train she saw an advert inviting people to train for the Montessori system of teaching and saw an opportunity to equip herself with that skill to enhance her practice. Upon her return to Ghana she decided to start a school to fill the gap she had identified. Out of her savings was birthed Tots and Teens School in 1990, a private school offering the Montessori system of education at affordable fees for children of school going age. Throughout the period, she worked hard to maintain a good relationship with both parents and employees.

Being mindful of the potential encumbrances borrowing presents to business start-ups, Auntie Yaa decided to use her savings to start the school. That also gave her more freedom to make decisions concerning how the school is run. Knowing the importance of keeping clients happy, she worked hard to maintain a cordial relationship with the parents and guardians of the pupils who she sees as her children and grandchildren.

[9] Not the real names. Names of people and firms have been changed to maintain the privacy of respondents

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When the school was started, Fiifi and Effie were in secondary school, while Araba was in primary school and they all helped out after school and during the holidays. Throughout her days in the secondary school and university, Araba would help out at the Tots and Teens School, and the skills she acquired helped her in her success story. Araba especially recollects:

> *"I was firmly involved from carrying bags of cement, head pans. So basically, when she started, I was very much involved in the establishment of the school. Even after school, I would come to help her with the children, changing diapers; back then, it wasn't diapers but napkins, so she would ask me to wash them".*

The family looks convincingly harmonious, and the members attribute it to the efforts of their mother. Araba indicates that: *"We tolerate each other, we like sharing ideas and my mum has got us to know and to believe that, we are each other's backbone […] So we know that we have to agree to disagree. So, it's a cordial relationship that we have."*

To comment on this, Auntie Yaa explains how she got the children to support each other:

> *"My children are my best friends […] so everything I share with them […] whatever happens in the school I tell them".*

The founder's role in developing a family harmony and its impact on the succession process comes into focus here.

5.1.2 The Succession Story

When school reopened in 2009 Auntie Yaa, the founder of Tots and Teens Basic School, was caught in a dilemma. She had been on holidays in the USA and unable to find an available flight to return to Ghana before school reopened. She was faced with the challenge of finding someone to step in for her until she returned. That was when she realised it was time to start making arrangements for a successor. An older daughter, Effie was already working full time

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with the founder but she did not have the requisite education and skills to manage Tots and Teens on her own in Auntie Yaa's absence. Therefore, when Auntie Yaa was unable to return at the set time, Araba, the last of four children and a banker at the time, was forced to step in until Auntie Yaa returned. However, in the period, the impact she made, and the demands of the job, forced Araba to resign from her full-time job to concentrate full time on managing the school. Mansa, a staff who has worked in the school for 12 years, recollects when Araba had to stand in for her mother.

> *"We used to run a bus service for the kids and that time the driver had left. So, Araba took the car going round picking the kids and all, I think after that, before the mother came, she realized hmmm…there's more work to be done here. … So, I heard she resigned and just came to join the woman because there was work to do and that time I'm also sure madam realized that she really needed help".*

Upon her return from her trip to the USA, Auntie Yaa acknowledged the work done by Araba and decided to maintain her in the role. Although the decision to appoint a successor at the specific point in time was not planned, the children had been able to manage the reins of leadership quite well and upon her return, Auntie Yaa was satisfied with the progress made.

Araba admits resigning from her job at the bank to concentrate full time on managing Tots and Teens was not a difficult decision to make since for so many years prior to that, her mother had inculcated in them the interest in working for the family business. She says:

> *"I will say, every single moment of our lives, even before she started Tots and Teens, when she was a teacher back in [Accra], it was always in us, instilling that work ethic, telling us that one day, she was going to start her own school. It's been with us for a very long time so it wasn't too difficult for us to just step in and help her."*

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Araba then enrolled to pursue a postgraduate course in Education to gain the needed qualifications. Soon after, Fiifi, visited Ghana on holidays from the USA. Upon seeing the progress made in the school, he decided to stay and help out with the family business. Fiifi admits that was not his plan. *"I was coerced into it"*, he states; and he was left with no choice but to accept the role. He was therefore made the Manager of the Primary and Junior High Department (6 to 15 year olds) whilst Araba became the head of the Preschool (3 to 5 year olds).

Again, Mansa recalls when Fiifi was introduced to the staff of the school

> *"You would be in the class and he would just come around and ask you some one or two questions. So officially we went for a meeting and madam introduced him to us that now she would sit back for a while because Araba and Fiifi are taking over, so he was the manager then, that was the title he was given that time."*

Since the two departments were on different sites, the arrangement seem to work out well. Both Fiifi and Araba attest to the existence of a healthy family relationship which allows them to have a healthy working relationship too, and Fiifi refers it back to their upbringing. He affirms:

> *"If there is anything, she acknowledges the fact that I am the director and her senior brother so whatever I say she gives me that respect. So, I wouldn't say it was much of an issue. […] So, it's just about the way we were brought up."*

Peculiar to this case is its three successors; so far, no one has been identified as the main successor. In the eyes of parents and staff, Fiifi seems the main successor to the founder, with Araba and Effie playing a supporting role. However, Araba pointed out to this researcher that there is not a main leader:

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> *"If you say successor, then it's like he's the only one. […] We are all at the same level, even [Effie]. So [Ato] is like a dormant person. […] Not in terms of ownership but authority. We would all be on the same level because if you start putting one person above the other, that's when issues crop up. If [Fiifi] is around or not, I can easily make a decision and run it through.".*

It came out that all four children play a key role, with Effie taking decisions for the catering side of the business and Ato, an IT specialist, taking control of the IT requirements of the school even though he lives in the USA. In a pensive mood, Auntie Yaa acknowledged that this arrangement portends to be a source of conflict in the near future when she is no more. And she resolved to seek professional help in setting out a clear-cut successor who will have the final say in decision making. The challenge to her is that the two lead successors both have a master's degree relevant to the business, thus making it difficult to choose one over the other.

Fiifi, on his part, is aware of the challenges that faced him when he took over, knowing very little about running a school. He quickly devised a plan to help him cope with the stringent demands of managing a school that had a reputation to uphold. He recalls his coping strategy:

> *"I think one of the things I did which I believe everybody should adopt is just the rapport you build with the people around you because people have different ideas and everything. […] So, I stepped back and I started relating with the teachers, I mean those who have been in the system for a long time. I would sit down with them, talk to them, ask them questions and then pick some things from them."*

In as much as Fiifi worked to consolidate his position, the patriarch also devised a plan to help him acquire the needed skills within the shortest possible time – introducing a parent-teacher association. Drawn from different fields of expertise, including education, the PTA

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executive served as an advisory board, guiding the successor to acquire the needed knowledge and skills to run the school efficiently. With a termly PTA meeting, other members of the PTA, some of whom are educators themselves, are able to give feedback on the services received and also to suggest ways of improving the services. Papa Kwesi, a PTA executive who was instrumental in its set-up indicates the key role played by the PTA, especially in supporting Fiifi as the successor. *"[Fiifi] was raw when he joined"*.

Papa Kwesi (incidentally a pastor) explained that his concern stems from the Biblical story of King David[10] who made succession arrangements for his son Solomon to succeed as a young king, but the latter failed to make similar arrangements for his children, for which reason the Kingdom of Israel was eventually split into two. He concludes that the lack of a clearly laid out succession plan is very costly to a predecessor as the repercussions may not immediately be observed but eventually affects more people than expected. He suggests:

> *"Now that Fiifi also has the required qualifications, it makes the decision difficult for Auntie Yaa … but she would have to consider attitude, and it looks like Fiifi is more free with the parents than Araba"*

During the bridging period, it was decided that the founder should receive a salary agreed by the new leadership of the school. Auntie Yaa acknowledges the role of the new leaders and declares without reservation: *"things are changing […] so I'm not bothered"*. Further, Araba praises the founder's willingness to cede authority to the next generation, indicating her support for the work being done by the successors. When parents approach the founder to intervene in certain decisions being implemented by the successors, Araba indicates that her mother would refer them back to the successors:

[10] 2 Chronicles Chapters 8 to 12 (The Holy Bible)

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"She stepped back and said you handle it and so initially when it started, there were a lot of parents who knew her more than they knew us so, they would go to her and plead and sort of want her to intervene. So, she would say that, right now, she was no longer in charge so you go and arrange some payment terms. So she stepped back and she gave us full control."

The children therefore acknowledge the role the patriarch played in affirming the position of the successors, and this can be seen to have an impact on the succession process.

5.1.3 The Company Today

Tots and Teens Basic School is an educational institution that educates children between the ages of 3 and 15 years (from the kindergarten to Junior High School) and prepares them for the Basic Education Certificate Examinations (BECE). The school now has a new management team, which includes Araba, the daughter of the founder, Effie, the first daughter and Fiifi, the second child. The school is reputed as one of the top basic level schools in the Greater Accra Region. With staff strength close to 50, a student population of about 800 and very good BECE results (on the schools' league table), Tots and Teens has become a school of choice, with parents travelling from Togo, Nigeria, UK, and Italy seeking admission for their children of school going age.

5.1.4 The Way Forward

Under its new management, Tots and Teens Basic School is highly subscribed. Auntie Yaa's role has been relegated to that of a bookshop attendant, but she is satisfied with the level of transition as she sees the school achieving more successes than she did. She asserts:

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> *"Now they've pushed me outside 'koraa' [completely] … but when they want some clarification, they consult me. They are running the school now. […] [Fiifi] wants to take the school to a higher level than I did".*

Araba is also satisfied with the performance of the school and considers it from the perspective of the school children: *"It's doing well. We are threading on the same calibre of students; they are all getting their first-choice schools and all that."* In the meantime, Auntie Yaa is still observing the two children before taking a final decision on who the main successor should be:

> *"I'm just looking at them, watching, observing how they relate to each other, when it comes to decision making, when it comes to finances and I am so happy [Araba] doesn't do everything on her own over there, but there is a central point where all the money goes […] so the two of them [Araba and Fiifi] do everything together. But I am just studying to see if there will be a weakness somewhere before I finally decide."*.

Bearing this in mind, Auntie Yaa still allows the two children to lead, with the other two in supporting roles, while she assesses the situation to choose one main decision maker on whom the ultimate responsibility of the business falls. Implementing the succession plan in a school is presented with different challenges from that of a healthcare facility, which is presented next.

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5.2 COMPANY B: HEALTHCARE (GOODLIFE HOSPITAL)

5.2.1 Background

In the late '1970s, a young doctor working in Northern Ghana (and doubled as a rice farmer by passion) decided to relocate to Accra with his wife and three children to help the children attend the school of the parents' choice. Seeing a need for a particular kind of service, he rented a three-bedroom apartment and converted it into a hospital, catering specifically to the needs of women. This was a novelty in the country at that time, and thus, made it very attractive to women who did not want to wait in queue with patients with other ailments seeking medical attention. Says Tetteh the successor:

> *"he came out and said he was going to set up a hospital only for women. It was strange at the time, it was new at the time and this is early 80's, there was nothing like that you know, where this is just a women's hospital and he was focusing only on women. He would not see general cases, he would not see men, and he would not see children. He was seeing women, and that was a great success because that was what the women wanted."*

During the period, Dr. Narh was the sole doctor, and had to handle other administrative duties such as hiring and firing, pay roll and purchasing of supplies. With time, the clinic became more established and he acquired a large plot of land for future use. A court action from his landlord forced him to re-think his business operations. Out of his savings and some top up funds from his in-laws, Dr. Narh put up a purpose-built clinic and transferred his business from the rented house to its current location. He is of the view that proper planning helps minimise the risks of setting up a business. With the current range of services, extension

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work is ongoing, to accommodate even more services yet to be offered. Again, Tetteh applauds the entrepreneurial skill of his father for expanding into the future:

> *"When he built this building, there was so much space that you could actually fill out with other rooms and there is a lot of open spaces and so on. So, when we came in, we could actually use that space by doing very little renovation and get much use for the space […]. We have two full theatres and two full labour wards even though they did not have need for the two at that time."*

As an avid believer in family values, Dr Narh and his wife deliberately chose secondary schools close to home so that the children could be visited every weekend. He also brought them to the hospital sometimes after school and he believes that the children were impressed to see the impact of his work. Despite his success as a medical practitioner, Dr. Narh allowed the children to choose their own career path, although he admits that he was secretly excited when Tetteh chose to go into medicine, and even more so when he later decided to pursue a specialisation in obstetrics and gynaecology. He is guided by the philosophy that:

> *"If they know the type of work you are doing, they somehow appreciate it. […]*
> *"I can't tell them what to study; what if they are not capable? Let the child go through secondary school, where they see a lot, they hear a lot, they go through career counselling and then they can equate that to what they have seen their daddy also doing."*

The family values are further portrayed in the closeness of the family although Dede lives in Sweden and Aku lives in Germany with their respective families. Dede points to their faith in God as what keeps them together, a view shared by Dr. Narh. Their family's closeness is further buttressed during the interviewing, when Aku calls from Germany to find out how the

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cervical cancer campaign going. Although the family lives apart, they try to get together once or twice a year, and also stay in contact via technology. Dr. Narh is of the view that:

> *"The children's argument is very seldom because we made sure they were all very well taken care of. Example, sending Aku to Texas to study architecture and they [the children] all found it very good that I made sure she did what she wanted to do."*

Here, Dr. Narh stresses the importance of treating the children fairly and making a conscious effort to foster harmony amongst the children as this goes a long way to enhance the succession process.

5.2.2 The Succession Story

Of the three children in the family, Tetteh, Dede and Aku, only Tetteh went into the medical field, for which reason, Dr. Narh had no difficulty choosing a successor. Tetteh recounts how at seven years of age, when the hospital was being built, he had answered his father's friend that he would be a doctor when he grew up. In addition to his medical school training in Ghana, he had also studied in the United States of America (USA) and Switzerland to acquire more skills. He also worked in a number of hospitals as part of his specialist training and finally settled in one hospital as an obstetrician gynaecologist. In the period, he often worked at Goodlife with his father as a consultant obstetrician gynaecologist. Finally, in 2009 he decided to move fulltime to Goodlife *"to address the business state of the hospital because … [he] saw it as an appropriate and important time to step in to build up what [his] dad had started".*

The proud father also touts his son's skills and explains how his customers encouraged him to invite his son to join the family business: *"He is gifted with speaking and organising things… and the customers thought if the father can do it, the son can do it better*. The succession

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process was therefore propelled along not just by the key role played by the founder, but also the traits and skills of the successor. Dr. Narh quickly interjects that the employees soon warmed up to his successor because *"he is charming, and they accepted him wholly […] because he is good"*. Tetteh, on his part, also admits he enjoyed the goodwill built by his father, while he in turn worked hard to establish himself as a force to reckon with in the obstetrics gynaecology specialist area, a notion Awonye (their customer) corroborates confidently: *"I knew the father was good so he will also be good."*

Moreover, Tetteh joined the family business with good marketing skills; visiting the various regions to promote their new MRI equipment, in addition to offering expert advice on popular TV and radio programs, organising cervical and breast cancer awareness programs, and publishing two books on menstruation and fibroids. The publicity and enhanced image has also had an impact on the predecessor. While Dr. Narh had previously been against borrowing from a bank to build a business, he has gradually come to accept that the kind of expansion Tetteh seeks requires an amount that can only be supported by a bank loan. His perception has now changed to: *"If you want to expand, you have to invest"*. From Tetteh's account, as he laid out his expansion plans, his father *"was immediately able to see the need for change and the need for new things if we need it to grow to another level"*.

Dr Narh may have seen the essence to transfer the leadership position to his son. However, the unfolding of events was somewhat unsettling for him. He explains his resistance arises out of the feeling that the progress being made was too fast for him, but he accepted it because he is also aware that he is getting too old to continue at the same pace. For instance, he initially resisted employing more specialist staff but they eventually worked through their differences. To indicate his support, he helped with going though CVs and interviewing applicants. On the other hand, an understanding Tetteh points out that:

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> *"The transition was quite difficult because there you have someone who has built out something very well with his own ways and style and then has to change at the end but I think my dad is very open minded, he is very futuristic in his thinking, he is able to think ahead and see the real issues so […] when I come in and say all money must be banked and not kept in the drawer, that's a big change, that's a big change for him but then he says that's okay."*

As the business stands today, Dr. Narh still comes to work every day, has a dedicated office and assists with surgery in the theatre. However, he allows Tetteh to take the key business decisions and handle the more technologically advanced procedures. For effective running at par with corporate entities, the shareholding structure is such that the siblings, as well as the parents, all have shares in the business, hence there is no motivation for conflict over ownership with Tetteh. The predecessor wants to take decisions that look into the future, and therefore takes into consideration the interest of not only Tetteh's children, but all his grandchildren too.

5.2.3 The Company Today

From its humble beginnings, operating in a three-bedroom rented house, the Goodlife Hospital can now boast of owning bigger premises, including two operating theatres, two delivery rooms and more patient beds, with expansion works still ongoing. Over its 35-year life span, this specialist women's hospital has grown to offer services in obstetrics and gynaecology, paediatrics, pharmacy, breast health, fertility treatment, nutrition and weight loss, as well as a gym with personal trainers to help new mothers get back into shape soon after delivery. The current array of services therefore attracts to the hospital, a wide range of professional women, seeking specific healthcare on female-related issues.

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Goodlife is now run by Tetteh, who credits their successful succession partly to his ability to relate well with his father, Dr. Narh, the founder of Goodlife Hospital. Although Dr. Narh is quick to point out that his son's part time role as a marriage counsellor in church has helped him relate well with his patients and gained their trust, Tetteh gives credit to his training as a medical practitioner which also taught him how to relate well with people, including managing the transition relationship with his father:

> *"I think that the area that prevents family businesses from growing into something else is because it's easier to say, if this is what you want, just do it and let me be free and go. But I understood where he was coming from, what he had achieved, what he had done, and what kind of temperament he had, and how he wanted things done. So, I would find ways to get him to understand what needed to be done and how to present problems to him and then get a consensus and move on."*

The original clients with whom the hospital started are now in their fifties and their needs have changed. Ordinarily, they would have stopped attending the Goodlife. However, the wider services offered under this new leadership allows them to still access the other services now on offer, while they also bring their children of childbearing age for the services they themselves enjoyed previously. This has generated a lot of new clients in addition to the existing ones. According to Tetteh, *"word of mouth recommendation is key in the sort of work we do [...] they are always impressed when they come because they see a big change."*

Dr Narh now works part time in the hospital, assisting in the theatre with surgeries and providing guidance during decision making. He is satisfied with the performance following the succession process, and speaks reassuringly:

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> *"Performance is good because enrolment has gone up. I realised the thing [business] had reached a plateau, that was when I realised I had grown old. But since [Tetteh] came, we have been able to invest, we have brought in doctors, we have brought in the paediatrics which is very well run. We realised that the women like it very much when they deliver and know they can bring their children to the hospital."*

Padiki, an employee who has lived through the succession from father to son also buttressed this assertion, indicating that there is a more structured human resource management in place and a new procurement system which has changed suppliers and daily operations. The expansion brought about an increase in employees and therefore an increase in expenditure; but so has revenue increased with the widening of services and client base. She pointed out:

> *"the business was not that active; clients were not coming in as compared to now […] and also facility-wise we have improved upon our facilities".*

As the ageing employees phased out, more employees were hired, now amounting to over twenty, compared to the six with which Dr. Narh started the Goodlife. Indeed, clients who have lived through the succession also confirm their satisfaction with the process. *"Now you see younger nurses […] who are more upbeat*" says Awonye, a client who had two children delivered during Dr Narh's time and has recently had a third delivered under Tetteh. She is able to compare the different technologies and style of care used by both father and son and shares a few highlights of her experience, which to her, indicates a modernisation of the firm under the successor.

5.2.4 The Way forward

Working closely with his father, Tetteh has acquired some entrepreneurial skills to help him move the business forward to the next level. Together the two have agreed on a shared vision

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to stabilise the future of the family firm. Commenting on the future plans, Dr Narh outlines two major projects underway:

> *"We have some projects we want to do. First, we want to set up a school […] we will start with training operating theatre nurses. There is only one in Ghana at Korle Bu, so all the clinics here who operate, they are operating without specifically trained theatre nurses because it is a post-graduate training."*

The second project will break more boundaries for Goodlife Hospital in the area of improved technology. On the entire African continent, there is currently only one of such technology in use in South Africa. For the project, Tetteh has already gone to China to study the technology - a special machine that combines the MRI and specialised scanning technology to operate on fibroid patients without cutting open the patient. Dr Narh believes this is a very good opportunity to expand the hospital, but the banks consider it a high-risk investment and therefore refuse to grant a loan for its purchase. Tetteh also agrees with his father to preserve the family business for future generations. Exhibiting a trans-generational mind-set, he advocates the need to take advantage of ground breaking opportunities and strengthen existing structures to ensure the existence of the hospital for future generations.

> *"But then if you want the business to still exist for another three generations, you'll have to change it to a corporate type of business for it to move to the next level. Otherwise, I would come in for thirty years, do exactly the same thing and then it will go down again but the goal was that don't go down again; we are going to stay up always."*

For what he has seen of his hospital over the past 35 years, Dr. Narh is satisfied with the outcome, and he is confident that it will grow bigger and better. Therefore, despite all the

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challenges bedevilling the private healthcare sector in Ghana, such as inconsistent cashflow due to erratic insurance repayments, he concludes with a soft cackle: *"We are still trying."*

Selecting a successor in the Goodlife was not difficult as Tetteh was the main qualifying successor by virtue of his qualification. Succession in the next case presents a number of successors from which the founder was forced to choose.

5.3 COMPANY C: RETAIL (ADUROYƐ LIMITED)

5.3.1 Background

Aduroyɛ was started in the late 1960s in a small shop in the heart of Accra, the capital city of Ghana, selling small household items such as enamel cups, cooking utensils, and basins. Alongside these, Mr Mensah started importing logistics for goldsmiths such as gold polishing liquid and tools, in addition to cloth, lamb breast and salted pig trotters. Being the astute businessman that he was, Mr Mensah saw a good opportunity in Ghana's budding leather industry and sent 5 people to the USA to learn how to make leather products. He also purchased the requisite machines which they brought along on their return, and started a company that makes leather bags, purses, and belts. However, the leather section was closed during the JJ Rawlings military regime when the economy of Ghana fell into a recession.

Another opportunity for a change of direction came for Aduroyɛ in the early 1970s during the Busia regime when foreigners in Ghana were required to leave the country under the Aliens Compliance Order. At this point, many shops belonging to foreigners in the city became vacant and Mr Mensah acquired a few of these shops, including one that sold pharmaceuticals. Taking advantage of the goodwill of the shop, he started dealing in pharmaceuticals, which became the main product line by the time the leather business collapsed. He then focused his business attention mainly on pharmaceuticals, employing the

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services of a pharmacist, with his eldest son (Oppong) at the helm of affairs. The business soon became well established and started attracting traders from neighbouring Burkina Faso, Cote d'Ivoire, Togo and Nigeria. Around this time, the business also employed a good number of extended family members such as cousins, nieces and nephews but many were dismissed over time as they were found to be engaging in some form of malpractice.

Over time, Aduroyɛ added to its range by becoming a distributor for Unilever, trading in food products such as rice, oil, flour, and also selling ceramic items from Dream-On Ceramics. Still looking for more opportunities to enlarge his empire, Mr Mensah added a drinks section, distributing carbonated drinks from Accra Breweries Limited, and then later, alcoholic drinks from Guinness and Star. However, the drinks section was kept a separate unit which was later handed over to Oppong. Although he worked hard at building his business empire, Mr Mensah still encouraged his children to follow their academic pursuits. According to Osei,

> *"He was more interested in us getting a good education. And he asked that after your education if you are still interested in the business, it will be there for you."*

Trained as a chemical engineer with a post-graduate qualification in management, Osei was also invited in 2002 to join the family firm and now working as a director. During this period, the father mentored him and his other brothers working in the firm, which gave Mr Mensah the opportunity to pass on some tacit knowledge, introduce them to the key players in the industry and sometimes gave reasons for actions and decisions taken. The mentoring period was also spent to give feedback to the children on their actions and decisions within the business, and to set expectations for the future. Through this mentoring process, Osei learnt from his father how to manage his time and diary effectively while Agyeman learnt how to

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keep records for future retrieval. Osei, the twelfth of 19 children further reiterates his father's keen interest in the education of his children. He explains:

> *"Whenever we are on vacation, he brings us into the business to know what goes on. [...] I remember when we were even in school, at times on some of his business trips around Ghana, he would go with us, just to let you know what he does and who to contact."*

In addition, Mr Mensah's philosophy was to train the children from the bottom up, so that they learn the rudiments of business operations. To that effect, he always found one odd job or another to occupy the children during the holidays. For instance, they were involved in stock taking, running the duties of the clerk or cashier, and banking cash at the end of the day's sales. Here again, Agyeman articulates this philosophy accurately:

> *"My father used to say to us: "If you don't come here with any good qualification, don't ever think you will come here and be the boss, because I won't jump you over people who are here [...] if you are coming, it's based on your qualification, not because you are my son or daughter"."*

Mr Mensah worked hard to keep his polygamous family together by organising regular family get-togethers on occasions such as birthdays, Christmas and Easter. Over time, as the children had families of their own, they were allowed to bring them along to the family get-togethers as a way of strengthening the family ties. All the 19 children grew up recognising each other as siblings because the wives opened their doors to each other's children so that the children would not grow up with animosity towards each other. So far there has not been any conflict of such magnitude that has needed arbitration. However, further probing, indicated that siblings might sometimes disclose issues of concern to another sibling to discuss appropriate ways of dealing with the issue. One major crises that pulled the family

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together was the death of a sister where all the other siblings, including those from different mothers, came together as one family to mourn. Agyeman considers the role of the patriarch as key in holding the family together:

> *"We've always seen ourselves as one. In fact, there was never a time that he segregated somebody or ... [shrugs]. We've always been one."*

Since the death of the patriarch, the siblings have built upon the foundation of unity he laid, devising ways to talk through issues of potential conflict since they are all mature now and can resolve their issues. Osei also credits their Christian faith as another means of keeping the family together:

> *"We are all Christians by God's grace, and that is part of the reason why we gel very well, and it keeps feuds out, or very low, to the minimum. […] and the grace of God saw us through a smooth transition from the old to the new […] and the allotting of shares".*

Here, the dimension of religion in the Ghanaian context is also seen to play a role in the succession process as it is seen to impact the actions of the key players.

5.3.2 The Succession Story

For its success story today, one would never imagine that Aduroyɛ has had its fair share of succession challenges. The initial succession plan followed the Babylonian system of progeniture where the two elder brothers, Oppong and Kuffour, were put in charge of running the business. However, that did not yield the desired results and the performance of the company started to fall below expectation. In 1998, following a series of poor performance, Oppong and Kuffour resigned to pursue other interests. Disappointed, Mr Mensah refused to invest new money into the business, but to help revive the ailing company, the beverage

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component was sold to Kuffour and the proceeds reinvested into the main pharmaceutical business.

At this time, Mr Mensah had to take over the leadership position once again, as he made arrangements for another successor. Agyeman, who had been advised by a senior cousin to read pharmacy instead of medicine knowing that the services of a pharmacist would always be required by the family firm had joined the business in 1997. He had qualified as a pharmacist in 1995 and worked in a hospital for a while, then in a sister company within the group, before finally moving to Aduroyɛ as the resident pharmacist under whose licence the firm operated. Consequently, in 1999, he was appointed as the Managing Director, while running his own little business by the side. Osei asserts that the lessons from the first two sons forced the father to take a more practical approach to the succession process.

> *"He realised that to get somebody who will be committed to the company, he must own the company. So, at that point, before he fully handed over, he allotted shares [...] to his children who were directors."*

Thus, Mr Mensah allotted the shares of his company by giving 25% to the MD, and 10% each to three other children who were directors, leaving the remaining 45% for himself as a majority shareholder until his demise when that was willed to the other children who did not work in the company. The two oldest brothers who resigned were not given any shares although they were later compensated in other ways through Mr Mensah's will. The information about the shares was openly communicated to all the children at a family meeting, but Osei narrates that since the father encouraged everyone to do well for themselves there was not much room for conflict.

> *"Everybody took it in their stride, because then, let me say the company wasn't that attractive as it is today. And moreover, everybody was pursuing*

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his own stuff so if the one who is inside is working and toiling, they saw it as ok. There was no issue."

Agyeman further reverberates that at the time the shares were allotted, there was no room for conflict among the siblings in that the firm had very little to offer.

"with us, maybe the acceptability was easier because there was nothing at stake […] it was so visible that the company had collapsed. […] By the time I came in, there was nothing to let go, because the company had virtually collapsed […] the only thing that was left was the goodwill and the infrastructure."

By dint of hard work, Agyeman, the 12th of the children but the youngest of the siblings working within the family firm, has turned the fortunes of Aduroyɛ around. He is convinced that his faith in God has helped him succeed, while still acknowledging his hard work. He was introduced to a book on marketing when he decided to pursue an MBA program. He admits that the book helped him to appreciate the essence of branding and other marketing concepts which urged him to work on developing their own branded product lines. He therefore raised a loan from his sister in the year 2000 to help the firm to start importing its own branded products or bid for sole dealership of other known brands. It is worthy of mention that in the initial stages of the handing over, the challenges of the depreciating value of the cedi adversely affected the family firm as it moved into the importation of products. While on retirement, the patriarch constantly monitored the firm's performance through sales and financial statements from the banks. Any concerns were discussed with the successor, who managed to explain his actions adequately and garner support from the founder to go ahead with the next business step. In his report, he indicates that:

"The good thing about my dad is, so long as you are able to have a very intelligent discussion with him, he will give you his blessing to proceed with what

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you want to do. But when he starts firing you the questions and you start fumbling and you don't know what you are about, he will change the topic to let you know he is not interested in what you are saying."

Giving the successor room to operate helped the successor to develop the confidence in himself and in taking decisions that yield positive organisational outcomes.

5.3.3 The Company Today

Situated in the vibrant central business district of Accra, Aduroyɛ has become a household name, bringing to the Ghanaian populace a wide range of foods and pharmaceutical products. The MD's office displays a few awards alongside their current product range of over ten product lines. Aduroyɛ is currently one company but trading in different brands, either under its own brand name or as sole importers in Ghana. Its customer base has also changed from retail to wholesale as the company has shifted its strategy from how it was at inception. Investing in a good marketing campaign has also helped boost the image of the various brands and facilitated the sales of their distributors. Compared to its 12 workers during the time of the founder, the firm now has about 30 regular staff and a good number of casual workers. When asked about the financial performance of the firm, the response from Osei was: *"It has also increased"*. When he was probed further, his response was *"No, I can't put figures"* while stifling a laugh.

5.3.4 Way Forward

Aduroyɛ has made good progress in close to two decades under Agyeman, the son of the founder. Suppliers point out that prompt responses to their mails and other requests have generated confidence in their business dealings with Agyeman. Osei, on his part, is proud of his younger brother, and confidently shares the sentiments of the other siblings:

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"I see that it was God's design, that Agyeman was not so high up [in birth order], but he's been able to build it up and expanded it, […] and he is doing a good job […] and he takes calculated risks."

Consequently, with more calculated risks, one expects to see Aduroyɛ Limited pass on from one generation to another. Even more so, are higher expectations for the future, since the founder's grand-daughter, now the resident pharmacist under whose licence the firm currently operates, is busily understudying her father in the family firm. From his personal experiences, Agyeman indicates his support for the timing of the succession plan:

"I think the transition should be done when the owner is alive."

Armed with this knowledge, Agyeman may well hand over to a successor while he is still alive and offer the needed support as he had received from his father.

Regardless of the failed succession from the first attempt, the founder put the necessary structures in place to ensure that the second attempt succeeds. The next case, however, presents a different view of a failed succession.

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5.4 COMPANY D: PHARMACEUTICAL (ADEPA GROUP OF COMPANIES)

5.4.1 Background

One man's business idea to mix basic off-the-counter medicines such as paracetamol and aspirin, started Adepa Group of Companies in 1986. Mr Laryeah, a pharmacist by profession, started manufacturing the medicines in his living room and sold them from the back of his car in Kumasi, Ghana's second largest city. As the business grew and gained the confidence of the general public, he set up the main branch in Accra. Mr Laryeah, a serial entrepreneur, is constantly looking for business opportunities to meet identified needs in the market and to widen his business empire. He recalls how he generates business ideas:

> *"I get the needs of society and then I thought I could also do the things that are complementary. The clinic is complementary to the pharmacy, the manufacturing is complementary, and forex bureau is complementary. I was just asking myself what can help what and when I realize it I just open it."*

Adoley, the second of nine children, remembers her father's regimented training while growing up. He made sure they visited the library on set days, borrowed a required number of books each visit and ensured he provided the needed home tuition himself.

> *"Every evening from 7:00pm to 9:00pm, he was our home teacher. So, he teaches us himself; 9:00 sharp, you are in bed. Even if he will go out to visit friends, he will go after 9:00."*

This form of training ensured that the children achieved the high academic standards he expected of them, especially so for the first four children who were clearly made aware they were expected to read pharmacy at the university. The first three children therefore ended up as pharmacists, working in the family business while the fourth decided to pursue medicine and currently works in a public hospital as a medical doctor. The younger children that

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followed, however, were allowed to pursue their own dreams. The entrepreneur he was, Mr Laryeah ensured he had enough hands from for the family business. He explains his actions:

> *"I think it's a unique industry and very technical so if I needed my company to progress to the next generation, of course they have to be professional pharmacists so I encouraged them in science and encouraged them to do pharmacy, so the fourth one decided to be a medical officer. So, she went in to do medicine instead of all of them being pharmacy."*

Not only were the children expected to achieve high academic standards, they were also trained to become entrepreneurs at a young age, learning the skills of identifying business opportunities and running a successful business. Again, Adoley recounts her childhood experiences:

> *"I remember me during one vacation, I went to Central Market to sell. He had already bought second-hand towels, a room full of second-hand towels. [...] I had to sell everything, and I used to go to Kumasi Kejetia market like the normal hawkers. Till he sees that you've mastered it, that is when he will change the vocation job."*

The vacation job could change from mechanics to hairdressing, or dressmaking to electrician, irrespective of the child's gender. According to Mr Laryeah, this training has made all the children visionaries who are eager to start their own business. Proud as Mr Laryeah is about his children becoming visionaries, the benefit of hindsight causes him to lament that this form of training may have caused some resentment in the children towards the family business, for which reason he allowed the younger children to pursue their own dream. He laments:

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> *"If I had encouraged them to be on their own at the beginning, then the relationship would have been better. Joining me with the hope that they would take over from me is something that they dreaded, they didn't like it."*

The Laryeah family is a Christian family, bringing the children up with foundational Christian principles which has shaped their perspective on problem solving. The family takes practical steps to create family cohesion. Being a matrilineal family, there are members of the extended family in the business, but everyone knows their place and measures are taken for them not to overstep their boundaries. As the head of the family, Mr Laryeah explains how he works at creating cohesion among his nine children, even if they may not all be from the same mother:

> *"[…] the whole family behaviour was such that because we are Christians, we pray together, do the morning devotion thing together and even jog together, and do a lot of things together. We went on excursions every Easter, every Christmas we do something else and then every 3rd January we all meet. There was this cordial relationship, there was unity, and unity of purpose so I don't think there was a problem."*

This point is buttressed by Adoley who explains that the father, being a visionary, opens up to the children about issues concerning the family, and would often call for a family meeting to discuss ways of resolving pertinent family issues:

> *"Every time my dad is in a business challenge, he will call everybody including my mum and he will make us fast. The maximum is a week, 6am to 6pm no matter how young you are, you will do it. By 5:30pm, he will come home, and then we pray together and eat together. That is what he does to solve his problems. […] And we realized that after every fasting, he someway, somehow, solves the problem. We don't know how he did it but it was solved."*

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Here again, religion is seen to play a prominent role in the lives of the main actors, which then spills over into the business environment.

5.4.2 The Succession Story

When Adepa Pharmaceuticals was set up, Kwartey, the founder's first son was 16 years of age and he was exposed to the business from its inception. He went on to read Pharmacy at the university and joined the family business after his National Service. Mr Laryeah admits he was chosen as the successor because he was the first son although as a father, he had concerns that Kwartey might not live up to expectation. The other family members also seemed to agree with the successor choice, knowing he was not only the eldest, but also trained for the role. With the hope of the entire family reposed in him, Kwartey resolved to work hard to meet his father's expectations. However, working hard to meet the father's approval was an enormous task on its own for Kwartey to grapple with. Per Adoley's account, Mr Laryeah required his children to put in extra hours for the desired results to be achieved.

> *"He believes that, hard work is the few hours before the normal time of your work schedule and the few hours after your normal schedule. So, if you are supposed to start work at 8:00am, the work that you do from 5:00am to 8:00am is hard work, and when you close work at 5:00pm, the work you do from that time till you sleep is hard work for my dad."*

Consequent to his hard work, Kwartey soon established himself as a worthy successor, and when that was recognised, Mr Laryeah ceded more responsibilities to him.

> *"I saw him grabbing all that skills and grabbing all the ideas so I was happy I was going to handover to him. So, eight years back in 2008, I asked him to be*

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> *a signatory to our cheques and then I gave him the power of authority that he could be the general manager, sign cheques, negotiate on behalf of the company and myself."*

Over the subsequent years, Kwartey worked at sustaining the empire his father had built, and also to increase its revenue. With time, he significantly increased the company's debt stock to support his expansion drive. The company therefore fell into a liquidity crisis and the patriarch felt compelled to intervene with drastic measures. Against the successor's advice, Mr Laryeah went into a merger which left the family with only a 35% stake in the business. The finances raised from the partner's 65% was then used to pay off the outstanding debt. This move, in Adoley's view, sowed a seed of discord between father and son although Mr Laryeah is convinced it was the best option available to him at that time in order to keep his business afloat. She relates her experience vividly:

> *"I remember my dad calling us when he wanted to merge with this South African company, he called us and introduced this merger thing to us, it was very new but my brother opposed it. […] My brother brought out his plan, but for some reason, my father didn't take it and so my brother was embittered and so, my dad went into this merger. In that merger, the South African Company said that, they were not comfortable working with relatives."*

Despite the tension between father and son, it was still unexpected when after working in the family firm for 19 years, Kwartey decided to resign, giving no reasons for his decision. This left a lot of questions unanswered, causing more speculation and concern when he set up a similar business in the same pharmaceutical industry and effectively becoming a significant competitor to his father's business. Adoley attempts to explain her brother's decision, pointing to the vital role of founder-successor relationship in the succession process.

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> *"He felt that at some point, dad didn't take his suggestions, you know, youthful exuberance. He would bring out some wild suggestions and he thought that, dad didn't think he was wise or capable enough to institute his own decisions, and he thought dad was brushing him aside, so he was a little embittered; now he's ok."*

Mr Laryeah, on the other hand, indicates a number of factors that led to the near collapse of Adepa Pharmaceuticals: Kwartey's *"relationship with the staff [and] over-expenditure, signing cheques which to me were unnecessary things but to him they were necessary."* Another likely factor highlighted by the founder is the burden of having to take care of the younger siblings (from a different mother) out of the revenue generated from the family business. Moreover, Mr Laryeah justifies his decision to interrupt the transition process.

> *"I think all my vision he [Kwartey] thought he could do something better. But if you are learning from me and I think from 0 to 10, and you have reached 6, you require time, patience and humility to get the other four. Because he was jumping to ten and couldn't fit my training of from 7, 8, and 9, there was friction which started coming in."*

The lack of a structured feedback system caused a growing tension between the founder and successor where the founder felt threatened by the decisions being taken by the successor, while the successor, for lack of feedback on his performance, felt inadequate.

5.4.3 The Company Today

Over the past thirty years, Adepa Group of Companies has grown from a single pharmacy shop into a group of eleven shops spread across the country, with two manufacturing facilities and other subsidiary companies such as a forex bureau, a micro finance institution,

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farms, a printing press, and a number of clinics. Housed in an imposing building in a prestigious part of Accra, Adepa Group's physical assets tell a story of success.

5.4.4 Way Forward

Following the successor's resignation, the two other daughters working in the family business, both pharmacists also felt compelled to resign from the family business to pursue other interests. Morkor became a full-time mother, focusing on caring for her family while Adoley started importing disposable items from China for wholesale. She clarifies her new venture thus:

> *"When I left, I decided to stay off pharmaceuticals because, I was fed up, so I decided to divert to disposable items. […] But I have decided to come back because; I have seen that my dad is growing old and all those things he's doing, he's doing for all the nine of us and being the first daughter, and in our culture, I am the mother for all. So, I have to come back to really be under his feet to learn and understudy him before he passes."*

The children leaving the family business forced Mr Laryeah out of retirement to run the company as the Managing Director. He is confident Adepa is in a competitive position now, and has set up subsidiaries to fill identified gaps. With regard to the future of his company, he is considering a number of options readily available to him. Option one is to float the business on the stock market, which would then take the ownership away from the family but would ensure the survival of the business.

> *"[…] I wouldn't dream of bringing anybody from outside the family. I'm thinking of going public. That is what I am thinking of."*

Option two is to hand over to one of his daughters. Adoley, the second child who is also a pharmacist by profession returned to the family business to understudy her father and is seen

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as an eligible successor. Further into the interview, Mr Laryeah also mentions considering a hand over to his fourth child, Tsotsoo, a medical doctor who has so far lived up to the father's expectations. He states proudly:

> *"Now she is getting closer to me and I don't think if I decide to give it to her, I don't think I will regret it. She seems to understand me more than the pharmacists."*

As a third option, Mr Laryeah articulates clearly that he might form a conglomerate with all the businesses his children have set up, including that of Kwartey, even though the relationship is still a little strained. With his face lit up, he asserts:

> *"So maybe at a point in time, at about five years, if am still alive and they are all successful then we can form a conglomerate, you understand me? Because it is possible that I could call them and say let's have a joint bid time business."*

This vision notwithstanding, Adoley harbours a degree of uncertainty that Kwartey would want to return to the family business. Kwartey declined to be a respondent for this research, giving credence to the strained relationship as earlier indicated by both father and daughter. Aside the strained relationship with his father, Kwartey's wife, who has not been integrated into the family business, may have been discontent with her husband's late working hours. Adoley stipulates that the late hours may have contributed to her brother's exit in the first place:

> *"He wanted to do everything to make my father happy by neglecting his family. […] She [Kwartey's wife] is still not happy, because, now, it has become a habit. Nineteen years working with my dad, he wanted to prove that he can do it. But now, he's embittered that he gave up his family for the business."*

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Experiencing a failed succession has changed the perception of Mr Laryeah. After thirty years of business operations, the future of Adepa Group of companies is still unclear to the founder. Whatever the future holds, only time would be the best judge. What is clear is that, both successor and founder have a role to play in the process. Having implemented a succession plan which did not yield the anticipated results, Mr Laryeah emphatically denounces the effectiveness of succession plans. He therefore concludes with a sigh of regret:

> *"[…] in your research whether succession plan works or not, to me it doesn't. Strategically it may appear nice on paper or at the board level but with time, I think it doesn't work. […] So, I don't see how we can strategically say that handing over to your children is the answer to the success of the company. […] you could have the succession plan, but depending on the mentality of the children, their aspirations, their visions you cannot rely on them."*

Mr Laryeah is currently managing his business, not willing to put an employee in place as the successor. His views are strong that succession planning does not work, but the lessons learnt, if implemented during the second attempt at succession is likely to yield positive outcomes as it happened in the case of Aduroyɛ.

5.5 COMPANY E – MANUFACTURING (NSADƐ DRINKS COMPANY)

5.5.1 Background

In 1989, Mr Awuni set up a make-shift factory in his garage in response to the growing demand for quality made-in-Ghana alcoholic drinks with only five employees. Nsadɛ Drinks has since grown into a multi-national company with a fully automated factory. In the course of time, he started engaging his children during the school holidays to work in the office performing clerical duties or as factory hands. The company initially employed members of the extended family of both the founder and his wife. However, as a result of negative

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experiences they have all been laid off, with the exception of three members who work independently as distributors for the company's products. Admittedly, the family did not start off as a very close-knit family; the children spent a lot of their growing years in boarding school, and family discussions at present often fade into business topics.

> *"When I was growing up, I wasn't so close to my dad […] till my university days. And talking to him was more or less about business."* Adongo affirms.

Nevertheless, the Awuni family has been able to maintain a relationship cordial enough to have all five children working in different parts of the company. In 2000, Mr Awuni stepped down as the MD of the company, appointed a professional manager from within the company, while still maintaining his position as the group chairman. Ayine, who has worked with the company for 26 out of its 28-year existence, recalls a trip he took with Mr Awuni to the Netherlands where they encountered a family firm that had been passed on to the fourth generation. This sparked Mr Awuni's resolve to hand over the firm to the next generation.

> *"He doesn't want the company to grow old with him so he used to say that "somebody should take over now that I'm old. The company is my blood so I have to make sure it doesn't collapse"."* recounts Ayine.

Being cognisant of the potential challenges with succession, he made a proactive move in 2011 to engage the services of a family business consultant from the USA who travelled to Ghana to assess the company's family/business nexus. Out of this association was developed a family business charter to guide the Awuni family in its transition of the company's leadership to the next generation. Several guidelines were set out in the charter that is likely to have accounted for the company's success story today. One of the requirements was for the family to have an annual family vacation to build family cohesion. Again, they were required to have regular family meetings where they do not discuss business but they end up

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discussing business *"because that is what the family does"* Adongo explains. He is of the view that instead of being a source of conflict, the business rather keeps the family closer:

> *"Most family businesses fight over the business, but in my view, the family business keeps my family together, because certainly if I wasn't working here I don't think I would talk to my sisters because I didn't grow up so much in touch with them, because of the boarding school. But the business keeps us closer."*

In addition, the family was required to set up a family council with an independent council head who would serve as an arbiter for family feuds. This role is currently being played by the father, but Adongo insists the family is not bothered by it because they have a cordial relationship and do not necessarily require the services of an arbiter.

> *"Other family members have a lot of issues that we do not have. […] I think it's our personality traits. We are more or less reserved, we are very easy going, would I say, modest. All of us as we were growing up, we didn't fight with each other. You wouldn't hear that I am not talking to my brother or stuff like that. We never had that in our family."* he asserts.

One finds here that it is not only the successor's traits that has an impact on the succession process, the founder's traits, as well as the traits of the siblings also impact the outcome of the succession process.

5.5.2 The Succession Story

The strategic thinker that he was, Mr Awuni ensured that all his five children studied in the US for their first degree before returning home to join the family business. Mr Awuni further encouraged the children to read books on family business and take regular short courses to upgrade their skills. Adongo however indicates that they all chose to read courses in business with the exception of Akampuule, his younger brother who pursued graphic designing.

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"My dad never forces anyone to do [opens palms], even church or whatever, it's your choice. Just make sure that what you are doing makes economic sense."

The first two daughters, Lamisi and Lariba joined the main business first, but there were some altercations with employees. Per the dictates of the family charter, rather than set up their independent businesses, they were both allowed to start subsidiary companies along the vertical integration line where they get on well with the staff that they recruited.

"You cannot be part of the business if you are doing your own thing. You will still be a shareholder if you don't want to be part. […] If you want to sell, you have to sell within the family, you cannot sell to an outsider."

Following his education, Adongo also joined the firm, working his way through the different units within the firm - as finance officer, then to production line and then to operations for about three years.

"Since I worked here I got along with every department. I was the only one that had worked in all the departments so I had more knowledge of the business" he observes, explaining how he seemed to be the heir apparent.

It was stipulated in the family charter for all the children to pursue a Master's degree in Business Administration and acquire some business experience outside the family firm for a few years. This saw all the children moving into other businesses – banking, accounting and marketing firms. Note that this criterion also applies to any son/daughter-in-law who wants to work in the family business, such as the two sons-in-law who later joined the family firm and had to abide by the rule. Adongo therefore took up a job in an accounting/auditing firm until 2015 when he returned and was made the MD with patriarch as the Group chairman.

In consultation with family members, Mr Awuni selected Adongo, his eldest son as his successor and made the announcement at a Board meeting in 2015. Unsurprisingly, some

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board members expressed concern about the successor's age and the herculean task of managing a superbrand such as Nsadɛ, but Mr Awuni assured them of his mentorship as well as that of the other trusted mentors, including the Deputy Manging Director and the board chairman himself. This seemed to assuage their reservations, and subsequently, other key stakeholders such as distributors and suppliers were informed of the change in leadership including an announcement in the newspapers for the attention of the general public.

Shortly afterwards, a shared vision was created, with two main pillars agreed upon to guide the direction of the business: firstly, to make Nsadɛ Drinks company, which had until now focused mainly on alcoholic beverages, a total beverage company; and secondly, to continue the integration backwards into more areas that supply the firm with raw materials. Thus, was birthed the subsidiaries producing water and carbonated soft drinks managed by sisters Lamisi and Lariba, with the graphic designing of the cardboard packaging boxes done by Akampuule.

With a new leadership in power, Mr Awuni took a back seat and allowed Adongo to take key decisions. Ayine is convinced the patriarch (with whom he has a close personal relationship) has great confidence in his son's potential and has therefore not been involved in the business operations for almost two years now. He reports that the founder always declares to his successor:

"The company is for you […] you should work as if I am not around."

Adongo also corroborates this view by indicating that he has enough room to operate without deferring to the father. However, depending on the magnitude of the project and the cost implications, he would first discuss it with the father and if the latter disagrees, there is a debate and a final decision taken, although he admits the father is the final authority. He explains:

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> *"He [founder] is the final authority, but for me I'll say that I have 98% room to operate; there are just a few things that I'll run past him. […] a few things that are maybe 10-million-dollar projects, I'll run past him. But if he approves the 10-million-dollar project and we are buying anything within it, five hundred thousand, one million, that one he doesn't come in. I will do the negotiations and later let him know."*

The successor has enough room to operate and the confidence to take decisions on behalf of the founder which enhances his self-efficacy, and therefore positively impacts the succession outcomes.

5.5.3 The Company Today

Nsadɛ Drinks Company today is a household name in the beverage industry, serving the Ghanaian populace with alcoholic beverages, soft drinks and water, in line with their vision to be a total beverage manufacturer. Employing over 500 professional staff and hundreds of contracted staff, this drinks company is also a member of Ghana Club 100; and their state of the art building houses a mechanised factory and offices with a reception displaying over thirty well-deserved awards. The founder's vision to remain the market leader enjoins the company to invest a sizeable portion of its revenue on research and development, as well as the purchase of high-tech equipment.

From its export outlets in Nigeria, Sierra Leone, Liberia and Europe, this company has grown in assets, machinery, technology, staff and revenue, with the highest revenue in achieved in 2016. Through a vertical integration, Nsadɛ has diversified its portfolio, creating subsidiaries that operates herbal farms to supply the herbs used for the drinks, a cassava plantation to supply raw materials, while another company processes cassava into ethanol to supply alcohol for the drinks section and a division that produces cardboard boxes for packaging the

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drinks. Finally, adding to the group's portfolio is the real estate division that provides affordable housing to some of their staff and the general public.

5.5.4 Way Forward

Despite the keen competition in the alcoholic beverages industry in Ghana, Nsadɛ Drinks has managed to grow its revenue with the diversification. It has grown in terms of technology, assets and staff, as well as revenue, with the highest revenue in 2016 when the water and soft drinks companies were introduced. Adongo expects the company's fortunes in 2017 to be better than 2016, for which reason, he is not looking to go public just yet. He is however interested in a large company buying a minority share in the award-winning family business that his father established over thirty years ago. He is also cautious about signing up external partnerships due to some negative past experiences his father encountered, and Adongo is not keen to expand operations into other countries for now. He declares:

> *"I'd like to say: "why don't we open a water factory in Zimbabwe," […] but he [father] does not agree to that philosophy. He feels we are too young as a company, and maybe too young as individuals as well to stress ourselves. Let's grow within the business for some time before we start expanding operations itself. But sales-wise we can sell everywhere."*

Despite the adequate room to operate, the successor still acknowledges the concerns of the founder and takes them into consideration when decisions are being made. A mutual respect between the founder and successor creates a conducive environment in which the succession process can thrive.

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5.6 COMPANY F – FARMING (MEFIE GROUP)

5.6.1 Background

In the mid-70s, the Marketing Manager of a multinational company was inspired to take up a new hobby while talking to a friend one day. Mr Dinu therefore converted his boys' quarters into a poultry farm, breeding layers to meet the protein needs of his growing family. From the first batch, he made a profit after feeding his family and selling the surplus. Realising that the income from the poultry was more than his salary heightened his interest in poultry farming and led him to acquire a bigger plot of land to concentrate full time on poultry farming. Working with his wife, they imported day old chicks for breeding until they started their own hatchery and sold some of the chicks to other farmers. With time, Mr Dinu saw an opportunity to start a feed mill for his farm and to supply other poultry farmers, which later made way for a maize farm to be cultivated to provide raw material for the feed mill. Soon, Mefie started processing chicken to add value to its products and to attract new markets.

Mr Dinu credits his business acumen to the good foundation in managerial skills he acquired as a senior brands manager for the multinational company, where he received training in organisational planning and marketing management, the two skills he considers essential for business start-ups. His business success has been acknowledged with the crown of *'nkosuɔ hene'* (chief of development) in his home town. At different developmental stages, the children worked with him on the poultry farm, collecting eggs for sale to the neighbours and saw him go to the airport at 4:00 am to receive day-old chicks. Fafa also helped out with the veterinary drugs company while she was in school. From a negative experience with employing members of his extended family, Mr Dinu made a decision to avoid employing members of his extended family. He admits:

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> *"I tried to bring in people who were not members of my family but they couldn't understand my philosophy of business. […] so, I decided then let me bring my own children and see whether they can take over."*

In 1988 Delali, returned home after his studies in the UK to join the family business. A veterinary drugs subsidiary was set up where his responsibilities were increased over time when the patriarch was satisfied with his performance. Fafa also joined the family business in 2009 when she returned to Ghana with her family (after living in the UK for 20 years). There are other children who remained in the western countries after their education and Mr Dinu explains that: *"I don't force them; I allow them to choose."* When asked about how he prepared his children for the leadership role in the family business, he clarifies that:

> *"To survive you must have people who are interested in your business to grow with you. […] I get them to be interested in the business that I'm doing because if there is money, I give it to them but impress on them that you cannot just be there and the money will come; you have to work. […] And I've been telling them that it's better to work for yourself than to work for somebody".*

When the government of Ghana introduced the school feeding program in 2005 to boost enrolment in public basic schools, it was welcome news to the citizens, especially those at the bottom of the pyramid who could not afford three square meals a day. It was also welcome news to businesses that found an opportunity to import frozen chicken to supplement the protein requirements of the program. Add to this was the government policy that reduced import duty on frozen chicken to make the industry more lucrative. Records indicate that in 2002, over 26,000 tonnes of chicken was imported into Ghana, by 2005, the figure had almost doubled to about 50,000 tonnes and currently the figure is pegged at around 200,000

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tonnes per annum.[11] As these developments unfolded, little did one realise that the poultry farmers in Ghana, including Mr Dinu, were gradually being driven out of business. As a result, Mefie farms was forced to lay off over 150 workers between 2005 and 2006 as it was unable to compete with the cheaper frozen chicken from the USA and the EU. Faced with a vast piece of land (about 40-50 acres) and a dwindling market for locally bred chicken, Mr Dinu hatched another business idea in order to stay afloat. The Mefie Real Estates division was birthed, to develop the vast farmlands into residential units.

5.6.2 The Succession Story

Delali had been with the family firm for 15 years before the founder deemed it fit to hand over the leadership of the veterinary drugs division to him. The founder remains the chairman of the firm but handed over the day to day business operations to Delali. He admits he is the first mentor for his children and he would not have handed over the leadership role if he was not convinced of Delali's potential. He explains:

> *"until I realised that he [Delali] is matured […] because of the way he was reacting to me and bringing ideas. Sometimes I even have to consult him. […] It was a seamless transition.*

There is also a board of directors in place to support Delali in the leadership position. As a further indication of his trust, Mr Dinu introduced a fast food chain to Ghana, which is owned by Delali and his wife and operates as a separate entity by Delali's wife. Mr Dinu expresses his willingness to completely hand over the real estate division to Fafa in due course. He affirms that he is considering employing a professional manager to support Fafa in her

[11] https://www.ghanabusinessnews.com/2011/08/22/ghanas-poultry-farmers-battling-for-survival-as-country-imports-200m-frozen-chicken/

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demanding role. However, he is prepared to rescind that decision if Fafa can clearly demonstrate her ability to take up the leadership position. He declares:

> *"If she plays her role well, she takes over […] because you ladies, the type of thrust a man has, you don't have it. […] She is still under training […] I have to be sure that she understands the control systems in the business; the control systems involve risk. If you are not able to manage the control systems, your risk will rise. […] So, I'm thinking of bringing someone in to help her."*

While the two have an effective way of debating decisions to settle on the next business move, Fafa accepts the possibility of having to work with her father for the next foreseeable future. She has a premonition that her father might never retire because *"he is not the type that can retire […] the day he retires is the day he dies."* She is however not worried because of the healthy relationship between father and daughter which she concludes has rubbed off on other staff who also see themselves as family. There are family get-togethers on occasions such as Christmas and birthdays which draws them together. Mr Dinu admits:

> *"We don't have problems in our family at all. Maybe it is because of the way I treated them equally […] the harmony in the family also helps."*

A similar perception is shared by Afo, a member of staff of 17 years standing, who started in the company as an accounts officer and is now the Manager for Finance and Administration. He stresses the role of the patriarch in binding the family together. Afo sees himself as part of the family even though he is not related by blood. This, he affirms, is because Mr Dinu *"holds everyone in the business together […] and instils entrepreneurial knowledge in everyone close to him, whether related by blood or not."*

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Moreover, Mr Dinu highlights the criteria used to test the readiness of his successor. He stresses the need for the successor to start from the bottom and work their way into a leadership position, in their bid to acquire the necessary business skills. He suggests that:

> *"The reason why most family businesses collapse is that they don't subject their children to the rigorous training. […] They must go through the mill, learn all the nitty-gritties of the business and know exactly what each stage should be; especially your control systems. […] If you don't know all these things, you can never be the head of business."*

Similarly, Fafa's perspective indicates an exigent kind of training received from her father where every child is required to earn their keep within the family business. She reminiscences with a jovial smile:

> *"He is extremely strict that way. He is not the type of person to work with and you think oh I'm his daughter so …[shrugs]. If he felt I didn't make the cut, he would have said to me: "you know something, go home and we'll meet for lunch", because he has extremely high expectations of who he feels can help him to work."*

Regarding the strategic partnership between predecessor and successor, Mr Dinu emphasises the role played by the predecessor in setting the pace but allowing the successor enough room to operate, to implement his vision and strategy for business growth. He adds with a cackle:

> *"I leave them to operate on their own level, and then consult me when they have difficulties. […] If you are a businessman, you must be able to be flexible. You shouldn't be straight jacket. […] Let them know that they can also initiate issues and plans which they can bring to you for you all to have a*

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look at. Then if you think that the implications of what they are bringing will not end profitably you let them know."

Mr Dinu emphasises the need for dialogue between the successor and founder as part of diving the succession process forward. A dictatorial founder risks impeding the succession process if the successor feels they do not have a voice in the partnership.

5.6.3 The Company Today

Mefie Group is currently made up of two subsidiaries: a veterinary drugs division and a real estate division. Delali, the founder's son, is the Managing Director of the veterinary drugs division, and Fafa, the founder's daughter, is the Managing Director of the real estate division, with the founder, as the chairman and CEO of the two divisions respectively. The two divisions are located within different localities of the Greater Accra Region. A part ownership of a rice farm further enriches the portfolio of Mefie Group. The past 40 years have been challenging for the company, but its founder, Mr Dinu has been resilient and always identified another business opportunity to extend the life cycle of his first business idea of poultry farming. Since real estate development in Ghana is predominantly dollar-indexed, the instability of the Ghana cedi against the dollar has caused an economic slowdown in the last few years. The veterinary drugs division on the other hand, is still turning over enough revenue for the founder to be satisfied with the leadership potential of Delali. He declares: *"He has expanded his knowledge of business even more than I have."*

Fafa believes that family businesses are underpinned by culture and invites researchers who attempt to study family firms to delve deeper into the cultural background of the business in order to gain a better comprehension of the critical success factors of succession planning. She asserts:

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"Culture plays a huge part, and the inheritance laws which were derived from culture also play a huge role in how people made the decisions to also go into business."

Succession in family businesses often derives from the succession within the socio-cultural context since the business is usually passed on as part of the legacy that is passed on. From her background as a legal practitioner, Fafa points out the impact of culture in family businesses, and hence on the succession process.

5.6.4 Way Forward

At 75 years old, Mr Dinu is far from retiring, although he has gradually relinquished responsibility to Delali, thus enabling the latter to take on more responsibility and grow the business. He is moving onto other ventures, including expanding the farms in his hometown, and generating income for the town as behoves his role as the chief of development. He has recently completed a doctorate degree in business as he adds to his achievements. More importantly, he openly expresses his satisfaction with the succession process for the pharmaceutical division, as he works on the succession process for the real estate division. He speaks fondly of Delali's achievements:

"And he has expanded it beyond my imagination […] he is free to work on his own. He is free to set up any company he likes, provided that this company is going."

As the Mefie Group grows into the future, Fafa sees herself as the custodian of the real estate division of the family business and is prepared to work with any of the other 10 children who have a stake in the business. She admits that as a family business, it should be open to all siblings who are interested in contributing to its success. She concludes her interview with a warm smile"

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> *"he has a lot of children and so it's possible that I may be a successor, it's possible that other siblings will come later to play a role […] so platonically I am the successor […] but it is not set in stone."*

From his experiences, Mr Dinu's advice to other family businesses is that parents groom their own children to take over the family business to be able to keep providing for the needs of the family. He will completely hand over the leadership of the real estate division to Fafa when he knows she is ready to take on the full responsibility of leadership; and he will know this when she can take decisions without consulting him. In the meantime, he has a positive outlook towards the future, and he remarks about the system of inheritance in Ghana as a form of advice to other entrepreneurs:

> *"Even in the matrilineal system, succession processes are now more of father/child […] gradually that system is giving way to men looking after their own children and trying to position their own children in a better way than their nephews."*

Mr Dinu's observations sum up the sentiments of the entrepreneurs interviewed. All the founder's interviewed challenged the matrilineal system where a man's property goes to his nephew. He felt that times are changing and people would be better off passing on their legacy to their own children to ensure that the family legacy is preserved for future generations.

5.7 CHAPTER SUMMARY

This chapter has taken a look at six companies at different levels of the succession process with varying degrees of input by the founder. Case A is growing under the leadership of three successors, awaiting a final decision by the founder, while Case B has had a successful process and the company is growing to the founder's expectation. Case C had a failed succession, but the founder recalibrated the process by choosing a new successor and the

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company's performance is beyond the expectation of family members well after the death of the founder. Case D had a failed succession, where the founder was forced to return from retirement and is yet to decide on the best out of four options available to him. Case E solicited the help of a family business expert to put in place a succession plan, leading to the successor implementing a growth strategy of backward integration and opening itself to global markets. Finally, Case F has explored the succession process by creating subsidiaries to be managed by the different successors.

Focusing on diverse industries, the chapter has presented the different approaches to the process of succession and the outcome of each of the processes as enacted by the key players in the sample companies. The findings have been presented as narratives for a clearer simplified understanding of the succession process, thus emphasising the relevance of the succession process theory in understanding pertinent issues in trans-generational firms as they exist in family business literature. The next chapter will analyse the cases within and across cases to build a strong basis for the theory.

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CHAPTER SIX

THEMATIC ANALYSIS OF DATA

6.0 INTRODUCTION

This chapter analyses the findings of the data collected from family businesses in Ghana that have been through a succession process, drawing out the different approaches deployed by the sample cases and identifying the outcomes resulting out of those approaches. As indicated earlier in the methodology chapter (Chapter 4), the data in this research was drawn out of ten themes, to uncover how the succession processes in each family firm unfold, and how the firm's performance is ultimately impacted following the processes followed by the key players. Five key players were targeted in each firm (founder, successor, family member, employee and customer) because each of their experiences and perspectives are coloured by their position in the firm, which therefore informs their goals and values as played out in their responses (Pentland, 1999). For instance, the founder would be interested in how quickly and accurately the successor grasps the skills and competencies, whilst the employee's focus would be on how the transition impacts their working conditions. Eventually however, each of these voices put together under the ten themes help craft a meaningful story, opening a window that allows the researcher to view the succession process and its impact on the firm and its stakeholders.

The unit of analysis is simply the target of the investigation. This might be individuals, groups, organizations, countries and objects, to mention a few (Bhattacherjee, 2012). The unit of analysis for this study is family businesses in Ghana that have been through succession, which then informed what data had to be collected and who from. Having identified the unit

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of analysis, constructs were created (Table 6.1) to help explain the experiences of the family businesses as they went through the succession process. A construct is an abstract concept, created to help understand the phenomenon being studied (Bhattacherjee, 2012, p.11). Giambatista et al. (2005) have called for a move away from the succession of established firms (as often announced in the Wall Street Journal) and introduce other constructs to help measure the effect of succession on performance. This study created constructs not just to measure performance after succession, but also, the process leading up to the handover and the impact of environmental dynamics on the entire succession process.

6.1 THEMATIC ANALYSIS OF CASES

Ten themes were developed from literature which formed the basis of the interview questions. These themes are therefore considered from the perspectives of the various voices represented, analysing the salient succession issues individually within each case, looking out for similarities and differences to advance the discourse within the contextual framework of the subject of succession planning. Salient succession issues from the cases are highlighted and the chapter then ends with a consolidated model derived from studying the similarities and differences between the cases, which will guide other FOBs in Ghana in their succession processes.

To aid in the textual analysis of the cases, codes were developed to feed into the recurring themes observed. Each theme was given about three to five codes based on the definitions and explanations found in the literature. Going through the data and the literature, the codes were found to be appropriate interpretations of the responses obtained from the key informants.

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Table 6. 1 Summary of Constructs under observation

Source	Construct	Sub-construct
Lumpkin and Dess, 1996	Entrepreneurial traits of founder	• Proactiveness • Innovation • Risk taking
Jonovic, 1984	Successor selection	
Jaskiewicz et al., 2015; Rae, 2000; Politis, 2005; Pittaway & Cope, 2007; Wang et al., 2014	Successor development • Entrepreneurial legacy • Entrepreneurial Learning	• Formal education • Management experience • Industry-specific experience
Li et al., 2010; De Noble et al., 2007;	Knowledge as a resource	Effect of successor's knowledge on firm performance
Ansari, 2013	Communicating the successor to stakeholders	Incumbent's actions
Jasckiewicz et al., 2015	Strategic bridging	Cohabitation (successor and founder working side by side) Founder delegating authority
Jasckiewicz et al., 2015	Strategic transition	Successor the decision maker Founder gradually relinquishes authority
Casillas et al., 2011 Lumpkin & Dess, 1996; Griffeth et al., 2006; Cater III & Kidwell, 2013; Ekici, 2013; Venter et al., 2006	Environmental dynamics	• Culture • Family cohesion • Successor emotional traits
Le Breton-Miller et al., 2004	Firm performance after succession	• Firm continuity • Sales growth • Profitability • Stakeholder satisfaction

Source: Author's own conceptualisation

6.1.1 Founder's Entrepreneurial Orientation

The first theme brings into focus the entrepreneurial orientation (EO) of the founder (Lumpkin & Dess, 1996) that elicits a transgenerational mindset and leads them to prepare for the continuity of the firm (Miller & Le Breton Miller, 2005). Zellweger (2007) puts this

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down to the fact that leaders of FOBs often have longer tenures and are therefore inclined to focus on the long-term performance of the firm. The founder's EO mindset in the sample cases were observed in their decision-making approach, attitudes and behaviours they depicted in the running of their business, as well as some of the organisational processes they instituted. An ongoing debate indicates however, that a narrow view restricts EO to venture start-ups (Lumpkin et al., 2010; Voss et al., 2005) but EO dimensions such as proactiveness and innovativeness are seen to enhance the long-term orientation (LTO) of leaders in family firms (Lumpkin & Dess, 1996) which may not necessarily be limited to venture start-ups.

Lumpkin et al. (2010, p.241) define LTO as "*the tendency to prioritize the long-range implications and impact of decisions and actions that come to fruition after an extended time period*". Le Breton-Miller and Miller (2006, p.741) further suggest that an *LTO "can occur wherever top executives have the motivation and wherewithal to pursue the interests of the business in a farsighted and inclusive way'.* Note that this characteristic of some family businesses, though crucial, is not exhibited by all family firms, or to the same degree. A proactive founder is committed to new processes that generate new markets or is proactive in the face of new opportunities in the marketplace, whilst an innovative one is committed to developing new ideas that lead to new product offerings (Voss et al., 2005). The dimension of risk taking is portrayed in their tendency to commit assets (including financial) to experiment new technologies and ideas without any certainty of the outcome (Lumpkin et al., 2010). Similarly, Baird and Thomas (1985, p.232) present strategic risk in three aspects:

i. "venturing into the unknown,"
ii. "committing a relatively large portion of assets," and
iii. "borrowing heavily"

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Table 6. 2 Evidence of founders' entrepreneurial orientation

Company	Resp't	Supporting Quote	Code
Goodlife	Tetteh (Successor)	*"Dad was a visionary. […] he came out and said he was going to setup a hospital only for women. It was strange at the time, it was new at the time and this is early 80's, there was nothing like that"*	Innovativeness
Goodlife	Founder	*"and I did not do only obstetrics and gynae, I did rice farming so I was a rice farmer and I got money out of it"*	Proactiveness
Aduroyɛ	Employee	*"our boss used to import gold smiths' equipment from [Marbles] Company in London. […] my boss used to sell some miscellaneous items alongside the gold smiths' equipment; things like cups, chamber pots, dishes, and other items […] cloth, also lamb breast and pig feet. […] We started the chemist's way before we started selling the drinks. And at the same time, we also opened another shop down there which was for general goods."*	Proactiveness
	Employee	*"he took 5 people to America to be trained on how to make bags and he bought machines from there and […] when the people returned from America, they came to establish the leather product company"*	Innovativeness Risk taking
Adepa	(Founder)	*"I had one pharmacy shop now I have eleven spread all over the country, two manufacturing facilities and now I have various subsidiary companies. … I get the needs of society and then I thought I could also do the things that are complementary. The clinic is complementary to the pharmacy, the manufacturing is complementary, and forex bureau is complementary."*	Proactiveness
Nsadɛ	Employee	*"By then, the way he got into the limelight, people were doing the business but it was not the professional way of doing it. They were not advertising, their bottles were not labelled; so, when he started then later he bought a small van, […] Then he put the [Nsadɛ] thing on it, then people started seeing the product"*	Innovativeness
Tots to Teens	Founder	*"I had the opportunity to go to the UK. So, when I went, one day I was on the train then I saw some handouts and I picked them and started reading so I saw an advert about this Montessori school seeking admission for students to train so I went there and they admitted me, I went to the school and when I came, I started my own"*	Proactiveness
Mefie	Family member	*"we started with feed mill to produce feed for poultry to feed our birds and other poultry famers' farms as well. […] and then we also had a hatchery which will produce day old chicks for farmers across the country and then [Medwuma] was there to provide pharmaceutical drugs for the poultry. So, it was the poultry farm, the feed mill and the pharmaceutical division."*	Proactiveness Innovativeness
	Founder	*"I visited a friend who was into the rearing of chicken at the back of his house and got to realize that, the chicken was so nice, can I do the same? That was the beginning of my poultry business. So, I set up at the back of the house"*	Proactiveness

Source: Author's own conceptualisation

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It can therefore be said that the depiction of entrepreneurial orientation may vary in perspective to some extent given the variation in its construct by different researchers. Table 6.2 shows founders of family firms whose decision making and operational practices portray an EO mindset in their business activities, and this sets the premise to succession planning.

6.1.1.1 Implications for Succession

An EO mindset encourages an LTO and by extension, the mindset of making arrangements for a successor to take over a family business could also be attributed to the EO mindset. Zellweger and Sieger (2011, p.8) indicate that the STEP research framework projects (EO) as *"one key element of transgenerational value creation."* Lumpkin and Dess (1996) suggest that depending on environmental and organisational factors, the dimensions of EO may vary independently of each other. It has already been discussed in Chapter 2 that businesses are significantly impacted by government policies and the economic terrain. In the sample cases, the founder of Aduroyɛ is seen to proactively take advantage of the Aliens' Compliance Order[12] to diversify his business.

Similarly, the founder of Mefie group proactively diversified his product offering by converting his farmlands into real estate when a government policy led to the import of frozen chicken, thus negatively affecting his poultry farm business. Proactiveness was portrayed when the founder of Goodlife started a hospital dedicated mainly to resolving female health issues, in much the same manner as the founder of Nsadɛ took an unpopular locally distilled gin '*akpeteshie'*, added local herbs and deployed professional marketing techniques to create a niche for the product that is now exported to parts of Africa and Europe.

[12] Aliens Compliance Order was passed in 1969 which required all foreigners trading in Ghana to exit

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With the exception of the founder of Tots and Teens, all the other founders were seen to have a few other businesses aside the one for which they were interviewed. A significant risk was taken by Aduroyɛ when he sent five workers to the UK to learn leather making techniques when the industry was not in a strong position during that period in Ghana. In the same breath, making arrangements for one's exit from the family business portrays one's proactiveness; investing time and resources in a prospective successor without knowing the outcome is akin to committing resources in any other business venture, the outcome of which is uncertain. That said, we turn our attention to how the successor's interest in the FOB may be generated.

6.1.2 Imprinting Legacy

The second theme dwells on how an interest in the family business is inculcated in the next generation. This is the imprinting of the entrepreneurial legacy (Jaskiewicz et al., 2015) where the next generation is introduced to the FOB at an early age even before they are able to work. As they grow older, they are later encouraged to start working from the 'shop floor' level in order to acquire the necessary skills while developing an interest in the business. Table 6.3 shows that successors were introduced to the family business at an early age for which reason they developed an interest in seeing the business thrive in later years.

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Table 6. 3 Evidence of entrepreneurial legacy imprinting on successors

Company	Respondent	Supporting Quote	Code
Tots and Teens	Araba (Family member)	*"Right down from high school, I guess, I was firmly involved from carrying bags of cement and head pans. So basically, when she started, I was very much involved in the establishment of the school. Even after school, I would come to help her with the children, changing diapers, […] So I have been involved from the word go."*	Childhood involvement
Tots and Teens	[Fiifi] Successor	*"so, I would come in during the holidays; that's I would come to Ghana on holidays and I wouldn't even say help, I would come just to see what is going on because it wasn't my field. I didn't want to go into teaching, it wasn't something that I wanted so I'll just come and see the teachers and say hello and see what is going on and then just go about my business."*	Childhood involvement (negative)
Goodlife	Founder	*"from time to time when they didn't have much to do they pass by the hospital. […] They saw the patients around; these people are sick and they want me to take care of them. Because I was a gynaecologist, then to -the Labour area, they saw pregnant women and babies especially they were interested in such things. So, in a way that is how I introduced them to the type of work I do. […] if they know the type of work you are doing, they somehow appreciate it."*	Childhood involvement
Adepa	(Founder)	*"When I started my business, I was thirty-six in '86 and he was sixteen so he was at the senior school level so anytime he was on holidays, he used to help me and I exposed him on the knowledge that is based on pharmaceuticals, so he went to [University] to read pharmacy and then after that he joined me"*	childhood involvement Bottom-up Learning
Aduroyɛ	Osei (Family member)	*"whenever we came here he will assign you to either the shop or the office and in the office, you'll be doing more or less like a messenger work, but then the idea was [...] starting from the bottom and then working your way up. So, by doing the messenger job, at times you become a receptionist and then gradually he either introduces you to his business accomplices and yeah that was how he engendered the interest part in the business"*	Bottom-up Learning
Nsadɛ	Ayine (Employee)	*"So, he started gradually; when the children came from school, he would push them to come and work, that's how it started. For Junior who is now the manager, he started at the production unit, then he moved him to another department, moved him to finance before he sent him back to school again."*	Childhood involvement Bottom-up Learning
Mefie	Founder	*"When they were growing up, they were all with me in the poultry industry and they saw how I woke up sometimes at 3am or 4am to go to the airport to go and receive day old chicks and rush to the farm"*	Childhood involvement

Source: Author's own conceptualisation

6.1.2.1 Implication for succession

"In line with our observations, involvement in the firm from childhood appears critical for children to hear and absorb the family firm's entrepreneurial legacy." (Jaskiewicz et al., 2015, p.41). Introducing the successor from an early age sows the seed of interest in the

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business which will in later years bear fruits in the form of an interest in seeing the business thrive. The affinity they develop in the younger years imprints the family business as a legacy received from the older generation (Jaskiewicz et al., 2015) which may then form part of their identity or family values (Le Breton Miller et al., 2004). Except Tots and Teens, successors for all the cases were introduced at a young age (coded childhood involvement) which later generated an interest in the family business. Successors for Nsadɛ and Adepa started working in the business from the lower levels and working their way up as part of the successor grooming process. Nsadɛ was given the opportunity to work in all the functional units of the business to equip him with the basic knowledge in all units. The main successor for Tots and Teens may not have taken an active role in the business when he was younger, but he used to visit the school from time to time to get acquainted.

6.1.3 Successor selection

Successor selection, the next theme, is presented in the literature as a deliberate act that a plan for, and undertakes, as part of the succession process to ensure that the most suitable successor is chosen (Ansari et al., 2014; Griffeth et al., 2006). Clearly defining a selection criteria makes the process transparent, minimises conflict with the selection process expected to occur over a few years rather than a one-off event (Le Breton Miller et al., 2004).

6.1.3.1 Implication for succession

Succession in family businesses often reflects the succession principles of the particular context (Ogundele et al., 2009). Succession in Ghana is no different: the cultural context gives primacy to the first male child. Even in matrilineal systems, it would be the oldest nephew that is considered first. That acknowledged, found that the sample cases reflect a similar trend. The first son for Tots and Teens was coerced to join the firm even when a younger sister with more relevant qualifications was already working in the family firm, a

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narrative pretty similar to Nsadɛ's story. Adepa's successor was also the eldest son and was trained as a pharmacist to take over from the father. In the case of Goodlife, though he was the only son, he was also the only one trained in the medical profession so he became the only choice. Per the founder's account, the son was allowed to choose his own profession but the former was secretly pleased when the son chose the same profession. The story for Aduroyɛ is such that when the two eldest sons resigned, he was the only one of the father's 19 children left working in the family business so he became the only choice. In much the same manner, the successor for Mefie was the eldest and only child working in the family business at the time so he became the de facto successor.

Table 6. 4 Evidence of successor selection criteria

Company	Respondent	Supporting Quote	Code
Tots and Teens	Successor	*"No, I didn't train in it cos I don't have any educational background in it. […] it was under duress I came in but I could say it's been worthwhile and that is why I have taken another step to further my education along those lines."*	Eldest son
Goodlife	Founder	*"So, he studied very hard, passed the required exams etc and then he told me he wanted to do medicine and I said oh that's fine because I was rejoicing. […] Cos they are three. Two girls and him, the girls were interested in other things, one did architecture the other did agric. They did not have interest in medicine at all, he was."*	Only choice available
Adepa	(Founder)	*"Everybody knew he was going to take over and so it was a matter of course. So, the board meeting was only to formalize it."*	Eldest son
Aduroyɛ	Agyeman (successor)	*"Yeah, they quit; and they quit after telling the old man that they want to do other things […] So after they've left, automatically I was running the show. So, during the appointment of new directors I was appointed the MD of the company with other directors."*	Only choice available
Nsadɛ	Employee	*"First, he [founder] said, for him [successor] to take over [Nsadɛ], I mean he being the older son, the others will also have to take care of the other businesses."*	Eldest son
Mefie	Founder	*"We were working and then he said, why don't you let me go and handle this. And I said, sure, go and handle it but I am still the chairman of my company. But he runs the day to day administration and has expanded it to many branches."*	Eldest son Only choice available

Source: Author's own conceptualisation

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6.1.4 Strategic training of successor

The strategic training of the successor is another theme that was brought into focus during the data collection. Once a successor has been selected, his or her training must be strategic in order for the required competencies and skills to be acquired (Jaskiewicz et al., 2015). This refers to all forms of learning, i.e. education, exposure and experience (Robinson & Sexton, 1994). These are all embodied in the concept of entrepreneurial learning which prepares one for entrepreneurial endeavours (Pittaway & Cope, 2007; Hamilton, 2011). From the data, we suggest that entrepreneurial endeavours may not only be restricted to venture start-ups, but also to firm continuity, as the successor learns new entrepreneurial skills, albeit in an already established firm.

Table 6. 5 Evidence of successors' strategic education

Company	Respondent	Supporting Quote	Code
Tots and Teens	Papa Kwesi (Customer)	*"[Fiifi] from the onset was raw, so along the line he had to go to [University], he had to go and do his degree."*	Directed education
	Papa Kwesi (Customer)	*"One advice was [Fiifi] will need a board of counsellors, they can meet once a term and you have a whole lot of retired people, experts in education that you can tap into."*	Successor Mentoring
Goodlife	Successor	*"I did some of my rotations in other countries to gain the experience in [Australia] and [Norway] also, but most of the education was in Ghana. […] I had to decide whether to do obstetrics and gynaecology or ophthalmology both which were interesting to me but I did a rotation in ophthalmology and I thought that this wasn't probably what I wanted."*	External experience Directed education
	Padiki (Employee)	*"Oh, he was coming every other Saturdays or he was coming in for surgeries. Then other Saturdays for consultation and then surgery. Any surgery that we had, he was part of it. He supported the father in doing that."*	Successor mentoring
Adepa	(Founder)	*"if you are learning from me and I think from 0 to 10, and you have reached 6, you require time, patience and humility to get the other four. Because he was jumping to ten and couldn't fit my training of from 7, 8, and 9, there was friction which started coming in."*	Successor Mentoring (negative)

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Adepa		***Interviewer***: *"so you guided his education?"* ***Interviewee***: *"yes everything to suit the company […] I think it's a unique industry and very technical so if I needed my company to progress to the next generation, of course they have to be professional pharmacists so I encouraged them in science and encouraged them to do pharmacy"*	Directed education
	Adoley (family member)	*"we had worked with him for so long, my brother had worked with him for nineteen years and I for fifteen years, so we just wanted to test waters, we just wanted to be free and do other stuff to know we were fulfilling whatever we wanted to do."*	External Experience (lack of)
Nsadɛ	Successor	*"In 2014. In Ghana, other than [Nsadɛ] we didn't know any other company so we decided to move out. So, my older sister went to [ABC Bank] Ghana she was there for a year. My other sister went to [Marketing Space] she did marketing and Event Planning, I went to [Drakes] and did Auditing and Consultancy, for a year. My other brother he went to [Shands] a marketing Agency, and he did advertising."*	External experience
	Employee	*"he allowed him to school outside and also take other courses, and he was being mentored (by the founder, board chair and DMD). That's what made him prepared"*	Successor Mentoring
Aduroyɛ	Agyeman (Successor)	*"I was discussing with my, one of my bigger cousins and I was telling him I don't know whether to do medicine or pharmacy and he was like if you have a company, you're struggling to get pharmacists even to employ, why don't you do the pharmacy so that you don't struggle when it comes to employment,"*	Directed education
Mefie	Founder	*"Before I handed over fully to him […] I sat in the same office with my son for ten to fifteen years until I realized that he was matured. […] So, I realized that he was a big boy, because some of my legal cases, he was going to court. I wasn't going to court; he even went to pick the lawyers."*	Successor Mentoring

Source: Author's own conceptualisation

The codes external experience, directed education and successor mentoring reflect the different forms of learning that the successors went through to acquire the requite skills. Directed education refers to the specific education pursued by the successor in order to gain the relevant explicit knowledge, external experience is gained from working in other firms to develop the needed experience, and mentoring provides the exposure that helps build tacit knowledge (Le Breton Miller et al., 2004). These three together forms the strategic education

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of the successor – strategic in the sense that it must be done with purpose, and a careful selection of mentors and firms that can provide the avenues for the objective to be met.

6.1.4.1 Implication for succession

It has been argued that knowledge is the most strategic resource of a firm (De Carolis, 2002; Grant 1996b), and it has been further established that the ability to manage knowledge enhances a firm's chances of survival, growth and success (Miles, 2012) since knowledge resources are difficult to imitate (Wiklund & Shepherd, 2005). A patriarch's ability to codify the firm's knowledge resources and pass them on to the next generation therefore becomes crucial to the continuity of the firm beyond the patriarch. The founder must be able to evaluate the successor's ability and then nurture him to fit into the role (Cabrera-Suarez, 2005; Cadieux, 2007). From the data, we find therefore that the education of the successor must be strategic, giving him the capability to receive, protect and utilise the knowledge resource acquired by the founder, and also to pass it on to subsequent generations at the appropriate time. The successors' education was viewed through the lenses of the three forms of learning: education, experience and exposure and thus coded as directed education, external experience and successor mentoring and the outcomes discussed below.

Directed education

Successors for Goodlife, Adepa, and Aduroyɛ required specialist training in medicine and pharmacy respectively. The founder for Adepa insisted that the prospective successor, in addition to two other children pursued their tertiary education in the field to ensure enough work hands for the firm, whereas the founders for Goodlife and Aduroyɛ allowed the children to choose their career path, although they ended up choosing what was required for the family firm. It was impressed upon the successor of Nsadɛ to pursue an MBA program to grasp the tenets of business in order to be an effective manager; and all other children, including in-

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laws were advised to pursue an MBA if they had intentions of working in the family business.

The story for Tots and Teens takes a different turn however – the successor lacked the relevant education, but the industry in which he found the business (educational sector), created an opportunity to cope since he did not necessarily require a specialist training. Even so, he admits facing some challenges:

> *"when I first came in, I was struggling a little bit because I was taking decisions here and things weren't going on well. So, I stepped back and I started relating to the teachers, I mean those who have been in the system for a long time. I would sit down with them, talk to them, ask them questions and then pick some things from them"* (Successor, Tots and Teens)

For this reason, he quickly enrolled in a university program that gave him skills in education and boosted his confidence to take decisions. He also gained immense knowledge from existing staff and was further placed under the mentorship of executives of the PTA who have a background in education. That then takes us to the role of mentoring as another construct of knowledge acquisition.

Successor mentoring

Mentoring is known to be another means by which the successor acquires the requisite capabilities to take over the leadership position. In most of our sample cases, mentoring was by the founder, as in the case of Goodife, Mefie, Adepa and Aduroyɛ. Mentoring for Tots and Teens was by the PTA (serving as an advisory board) whilst mentoring for Nsadɛ was by the chairman of the board of directors (an outsider). According to Ayine, the employee at Nsadɛ, when the staff and other board members expressed concern about the successor's minimal

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work experience, the chairman assured them of his guidance and support for the successor that will help him overcome challenges. Le Breton Miller et al., (2004) recommend putting in place a board of directors/advisors with strong outsiders who will support the incumbent to overcome impediments while also supporting the successor through transitional challenges.

Additionally, introducing the successor early to the business gradually builds familiarity and confidence with its culture, employees and values, to help nurture the required capabilities (including the tacit knowledge) to lead the business (Cabrera-Suárez et al., 2001). Granted, tacit knowledge cannot be easily codified (Miles, 2012) but a close relationship with mentors gives them a chance to pass on to the successor, the knowledge acquired from years of work experience. The successor of Mefie was mentored for about fifteen years by the founder until he was deemed ready to take over the leadership position. Further, mentoring can be obtained from an external person, especially during the period of the external experience as was the case of Goodlife, before he joined the family business.

External experience

It has been proven that gaining some experience outside the family business is another channel through which the successor acquires relevant knowledge to effectively manage the family business (Wang et al., 2004). It is seen to build entrepreneurial self-efficacy, whereby the successor is confident to undertake entrepreneurial endeavours. The exposure gained from the external experience generates new situations and ideas that may not be available within the successor's family firm (Sardeshmukh & Corbett, 2011). The founder of Adepa ensured that all his children engaged in some entrepreneurial endeavours during school holidays to prepare them for the family business. This notwithstanding, they were absorbed into the family business straight after national service, and the family member admits that the lack of external experience may have contributed to the resignation of the successor.

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> *"So, all I knew was pharmaceuticals, production, selling […]. We have worked with him for so long, my brother had worked with him for nineteen years and I for fifteen years, so we just wanted to test waters, we just wanted to be free and do other stuff, to know we were fulfilling whatever we wanted to do."* (Family member, Adepa)

In the same vein, the successor for Aduroyɛ joined the family business after national service, but on the other hand was given a chance to run a business on the side (as a pharmacist) while still working in the family business. The family member believes running the business on the side gave the successor the desired satisfaction and experience. Likewise, the successor for Nsadɛ joined the family business soon after his university education, working in the finance department in line with his course of study, as well as other functional areas. In conformity with the firm's succession plan, he was also required to gain external experience in an accounting/auditing firm for a fewf years, following which he returned to the family business and was later made the managing director. In effect, the successor's training, if done strategically, puts him in good stead for a positive succession outcome.

After a successor is chosen and prepared adequately, the next important stage is to communicate it to key stakeholders which is discussed next.

6.1.5 Communicating the successor to stakeholders

Another significant theme is the approach used to communicate the chosen successor to stakeholders. Announcing the successor at the appropriate time and in an acceptable manner is important as it allows the predecessor manage any potential conflict that may arise from other family members, employees or other key stakeholders. *"A stakeholder is any individual or group that can influence or is affected by the achievement of the organization's objectives"* (Voss et al., 2005, p.1132). It therefore behoves the founder to ensure key stakeholders are appropriately informed, and not leave such an important information to the

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grapevine. Equally important is the predecessor's ability to reinforce this announcement to stakeholders with actions such as redirecting employee or customer requests away from himself to the successor. Cadieux (2007) points to the predecessor acting as introducer under such circumstances, to work at promoting the recognition given to the successor. From her study, it was found that:

> *"whenever a specific responsibility was transferred, the predecessors systematically directed employees to the successor for all issues relating to that responsibility. It was clear to everyone that the predecessors were gradually handing over the reins to their successors* (Cadieux, 2007 p.99).

Moreover, all potential successors are owed a personal communication and explanation of why they were not chosen, in order not to risk losing a relationship with them as this has a potential to breed conflict (Dalton, 2006). Table 6.6 shows how the successor in sample cases was introduced and/or confirmed to stakeholders.

Table 6. 6 Evidence of Successor Communication

Company	Respondent	Supporting Quote	Code
Tots and Teens	Family member	*"She stepped back and said you handle it and so initially when it started, there were a lot of parents who knew her more than they knew us so, they would go to her and plead and sort of want her to intervene. So, she would say that, right now, she was no longer in charge so you go and arrange some payment terms. So, she stepped back and she gave full control."*	Reinforced stakeholder acceptance
Tots and Teens	Founder	*"I haven't informed anybody […] I'm just looking at them observing how they relate to each other when it comes to decision making, finance, to see if there will be a weakness somewhere before I finally handover. […] Because now they all have the same qualification, they've all done their Masters so I don't know the one who should be the boss over the other one."*	Unclear demarcation
Tots and Teens	Family member	*"If you say successor, then it's like he's the only one."*	Outcome of unclear demarcation

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Tots and Teens	Employee	*"I saw it coming […] so officially we went for a meeting and madam introduced him to us that now she will sit back for a while because [Araba] and [Fiifi] are taking over, so he was the manager then"*	Open announcement
Goodlife	Founder	*"I kept on telling my patients my child is studying medicine then they would say "oh then tell him to take over from you". Yes, so sometimes I tell him, the patients say you must come and replace your daddy and then I would introduce him to them."*	Reinforced stakeholder acceptance
Adepa	(Founder)	*"about eight years back, I handed over the whole company to him at a board meeting and he knew that he was going to take over"*	Open announcement
Nsadɛ	Employee	*"before he (successor) took over, he (founder) sent letters and mails to all our distributors and suppliers, telling them that, he has taken over, and he put it in the papers"*	Open announcement
	Employee	*it was at a board meeting […] some of the board members said he should delay for some time and bring an older person before he starts but he said, the time is now and that he can't wait.*	Reinforced stakeholder acceptance
Mefie	Family member	*"he's probably on the one hand going to admit that this is clearly the successor. Having said that, all the siblings are also aware but you can see from what I am telling you, it's not something that has been established."*	No announcement
Mefie	Family member	*"I'm extremely open to a role and I'm at an age where I'm also asking myself if this is what I want? I'm contributing, I'm helping, I want him to be happy, I want him to live very long but I am very open to anything that might happen"*	Outcome of no announcement
Aduroyɛ	Successor	*"by then I was the only sibling who was working now, because at that time we were 3, 2 most senior brothers and myself, but they were in management, I was not in management. So, after they've left, automatically I was running the show. So, during the appointment of new directors I was appointed the MD of the company with other directors."*	Open announcement; Clear demarcation of roles

Source: Author's own conceptualisation

6.1.5.1 Implication for succession

Tots and Teens, Goodlife and Nsadɛ reinforced the position of the successor by affirming them as the decision makers and redirecting employee/customer requests to them. This is seen to give the successor the confidence to run the family business, knowing they have the backing of the predecessor, even when employees and board members were raising concerns as was in the case of Nsadɛ. Equally important is to make a clear announcement about the

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successor which is what Adepa, Aduroyɛ and Nsadɛ did. On the other hand, Mefie successor is awaiting an open announcement, thus finding herself unsure of her position – this becomes the outcome of a failure on the part of the founder to make an open announcement. Without an open communication, the heir apparent, feeling unsure of their position, is tempted to consider other attractive options as the successor of Mefie is faced with.

A need was further identified for the predecessor to clearly demarcate roles if there is more than one successor in the family business as can be seen from the case of Aduroyɛ. That clears any doubts and further deepens the successors confidence in leading the family business. The outcome of unclear demarcations may be the onset of family conflict. Tots and Teens has failed to clearly demarcate the roles, thus creating room for ambiguities. Although the staff and customers think Fiifi is the successor, Araba, the family member is of the view that she is equally the successor.

It would be recalled from section 6.1.1 that it takes an entrepreneurial mindset for the founder to plan for succession. At this stage, an EO mindset will again be useful to the founder as it helps garner stakeholder support for the successor. Affirming the successor to stakeholders is another means by which the predecessor may communicate the succession to them (Voss et al., 2005). Having taken the decision with the input of the board of directors/advisors (some of whom may be non-family members), it becomes exigent on them to further lend their support by affirming the successor as they are better placed to conduct a more objective analysis of the firm during the succession process and help steer the firm on a more professional track (Wang et al., 2004, p.78). The announcement of the successor then begins a period of strategic succession partnership with the founder which is discussed next.

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6.1.6 Strategic Succession Partnership

Another theme considered was the strategic succession partnership geared at bridging the succession gap between the founder and successor (Jasckiewicz et al., 2015). The two parties at this stage work side by side towards a shared vision, as the founder works towards his exit and the successor gradually consolidates his position as the leader. A shared vision is one drawn by both parties with the future direction of the firm in mind (Le Breton Miller et al., 2004).

Table 6. 7 Evidence of strategic succession partnership

Company	Respondent	Supporting Quote	Code
Tots and Teens	Customer	*"at a point, she [founder] virtually vanished from the system but she came back again. I think she realized that she can't go home completely […] the woman realized that she needed to come in because I think that there were little problems,"*	Cohabitation (needed)
	Auntie Yaa (Founder)	*"I don't feel bad because, things are changing and they have more ideas, they go to the internet often. How many times do I even visit the internet? […] I told them what I wanted to do and then they sat down and also got theirs so they have a plan on paper as well as do what they want."*	shared vision
Goodlife	Tetteh (Successor)	*"I would find ways to get him to understand what needed to be done and how to present problems to him and then get a consensus and move on."*	Open Communication (between founder and successor)
	Dr Narh (Founder)	*"You see I have realised that, it is something for the future and he is very interested, he is the one going to run it not me. […] this is just to tell you that if you want to expand, you have to invest. I believe things are changing."*	Shared vision
Nsadɛ	(Successor)	*"the two concrete things we agreed on mainly was to change [Nsadɛ] to a main beverage company that's why we started [Drink-It] water, [Bubble-Up] soft drinks and all that, to make it a total beverage company, not only alcohol."*	Shared vision
Adepa	(Founder)	*"I could assume he had his own plans which was not fitting into mine. I could assume especially when he wasn't listening. […] I think all my vision he thought he could do something better."*	Shared vision (negative)

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Mefie	Founder	*"You must be able to be flexible, you shouldn't be very restricted […] so that even when they have good ideas, they are afraid to tell you, so you must be flexible. If they tell you something which is good, accept it, let them know that they can also initiate issues and plans which they can bring to you for you all to look at it."*	Open Communication (between founder and successor)

Source: Author's own conceptualisation

The founder allows the successor to take on more responsibilities and take decisions with little guidance, attending meetings on the latter's behalf, as the incumbent develops interests outside the business to occupy him. Handler's (1994) mutual role model points out the cruciality of this relationship and the need for mutual respect, transparency and open communication to the success of the succession process (Cabrera-Suarez, 2005), a point that is further buttressed by Dyck et al. (2002) that succession outcomes are likely to be problematic if there is a lack of trust, a lack of a shared vision, poor communication, or a conflict over strategy.

6.1.6.1 Implication for succession

This stage is also key to the succession process because the predecessor's ability to release power and allow the successor to make mistakes is put to the test while the latter's decision-making skills and relationship building capabilities come into sharp focus (Handler, 1991). The predecessor must not leave the firm immediately after handing over. The recommended practice is to keep mentoring the successor at this stage, but at the level of a partnership that allows a healthy enough relationship based on mutual respect and understanding (Le Breton Miller et al., 2004). The founder of Tots and Teens left the firm at this stage when the successors were introduced to the staff, but soon found out there were some challenges and had to return to the firm but with reduced responsibilities. In Handler's (1990) research, a positive link was found between the founder-successor relationship and the outcome of the succession process. When the founder of Adepa was unable to overcome his anxieties about

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the successor's decisions, he stepped in and went into a merger, after which the successor resigned. Allowing the successor to establish his own identity propels the process along (Cabrera-Suarez, 2005). Le Breton-Miller et al. (2004) recommend that at this stage:

> *"The incumbent must face normal fears such as losing control, power, and even part of his or her identity and stature in the community".*

An effective way of dealing with such anxieties would be to create a shared vision between the two parties, as it promotes firm continuity (Le Breton-Miller et al., 2004). It has been found to develop in the successor the confidence to run the business and to enhance their interest to stay in the firm, while at the same time giving the incumbent the needed satisfaction (Le Breton Miller et al., 2004). This is what the founders of Goodlife, Tots and Teens, and Nsadɛ did with the successor, whilst the founder of Adepa would have possibly minimised his anxieties with its attendant problems if it had been done.

Add to the shared vision is a clear communication line between the two parties, ensuring that concerns are addressed as they arise as exists in the founder-successor partnerships at Mefie and Goodlife. The partnership will also be more effective if performance targets are set to guide the successor in the progress being made and to assuage the founder's fears. Communication at this stage would also work towards gaining a consensus on issues such as the remuneration package, including shareholding and pensions for both the successor and other family members, in order to minimise conflict and build confidence in the succession process (Griffeth et al., 2006). The shareholding arrangements is further discussed in the next session.

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6.1.7 Strategic transition (Jaskiewicz et al., 2015)

Table 6. 8 Evidence of the transition period

Company	Respondent	Supporting Quote	Code
Tots and Teens	Auntie Yaa (Founder)	*"Now they've pushed me outside 'koraa' [completely] ... but when they want some clarification, they consult me. They are running the school now."*	Founder as consultant Decision making
	Fiifi (Successor)	*"she is also playing another role as supporting role cos she did education during her time so she is also supporting in academics and then I think as a team its working out well"*	Founder as consultant
Tots and Teens	Founder	Interviewer: *So, you are a pastor when you are not working?* Interviewee: *Yes, even in school I do worship and Bible studies with them.*	Founder's alternative interest
Goodlife	Padiki	*"gradually he was giving in to the younger doctor to take over all the cases and now, he doesn't even consult. […] He only assists at the theatre and helps in the decisions of the hospital."*	Decision making
Goodlife	Awonye (Customer)	*"I went to see him and I was happy after we spoke and I realized oh he was like the daddy. Even more, lovely and the way he will talk to you; you will feel at home. […] I saw him [founder] during the C-section. He was around but [Tetteh] was doing the actual work."*	Founder as Consultant;
Aduroyɛ	Osei	*"When [Agyeman] presented a marketing budget, Dad rejected it at first, but later agreed to it since [Agyeman] is now running the firm"*	Decision making
	Osei (Family member)	*"But maybe let me add that before then in fact he realized that, the Old man, he realized that to get somebody who will be committed to the company, he must own the company so at the point, before he fully handed over he allotted shares"*	Successor protection
Aduroyɛ	Agyeman (successor)	*"My own friends [say] I could have done it with my own company so why do you waste all your time, and that time you realize that it's a genuine issue that they were raising. Till you tell them that you want to help the family, and again you're a shareholder in the company, then it's like OK if you're a shareholder in the company then fine."*	Successor protection
Nsadɛ	Successor	*"He is the final authority, but for me I'll say that I have 98% room to operate"*	Decision making
	Employee	*"But right now, he (founder) is not going to dictate because the company belongs to them (children) and they also have to come in with more ideas to grow the company in his absence."*	Decision making

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Nsadɛ	Employee	*"So now, Junior is taking over [Nsadɛ], the elder sister is taking care of [Smoothies] and the second sister is also taking care of the [Bubble Up]; that's the soft drinks. So, he just shared it not to create confusion. He put them into different sections or departments.*	Successor Protection
Adepa	(Founder)	*"I saw that he wasn't taking my ideas as expected. I could see challenge between him and myself. And I can see that he forethought that if I had handed over to him, I should back off, but seeing some weaknesses I don't think I could have backed off so easily. Yes, so I was giving advice to him"*	Founder's anxiety
	(Family Member)	*"He had room to operate but he felt that, at some point, dad didn't take his suggestions, you know, youthful exuberance. He would bring out some wild suggestions and he thought that, dad didn't think he was wise or capable enough to institute his own decisions, and he thought dad was brushing him aside, so he was a little embittered".*	Successor feels inadequate
Mefie	Family member	*"if he's not here, he's trying to write an autobiography about the migration of the people from [Kumasi], he's trying to build a hospital, he's trying to see how they can develop the [northern] sector,"*	Founder's alternative interests
Mefie	Founder	*"There are a lot of contracts, a lot of work that he is doing. He only sends me monthly reports, so he is free to work on his own and just bring me documentations when we have to sign to banks, credit people or when the end of the year has come and we have to prepare the annual returns and I have to sign."*	Founder as consultant

Source: Author's own conceptualisation

The strategic transition period is when the founder takes a back seat from leadership, becoming a consultant to the successor and allowing the successor to take key decisions to run the firm (Jaskiewicz et al., 2015). This promotes successor motivation to stay within the business (Le Breton-Miller et al., 2004) and is termed strategic because the predecessor's actions are calculated in such a way that will place the company in a competitive position and secure the transitional success. This stage is a hands-off approach, requiring the incumbent to make a conscious effort to cede authority to the successor, and be open to the new ideas, technologies and processes implemented by the successor (Le Breton Miller et al., 2004). It

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also demands of the incumbent to create an opportunity for the successor to establish his/her own identity in the business (Cabrera-Suarez, 2005) while working in the background to secure the successor's new role.

6.1.7.1 Implication for succession

This stage becomes the terminal point for the founder if the succession becomes successful. Working in the background, the founder plays a key role in managing stakeholder confidence in the successor. For instance, the successor for Nsadɛ was of the view that the board members and employees were confident in his capabilities. However, speaking to the employee revealed there were initial concerns that were alleviated by the founder. Similarly, the employee in Mefie stresses the founder's role in garnering support for the successor. Jaskiewicz et al. (2015) refer to the successor being protected as a resource, with evidence being seen in Nsadɛ. The creation of a family charter also made provision for family members to be integrated in the family business as part of the successor protection. The founder further made a conscious effort to have other subsidiaries created to be headed by the other siblings in order to free the successor from family dissensions that might arise out of disgruntled siblings. It was found that the wife to Adepa's successor had concerns for the succession arrangements and the ensuing prolonged hours her husband had to work. Griffeth et al. (2006) indicate that spousal relationships are as significant as sibling relationships in the process of succession.

From another perspective, following the failure of the first succession, Aduroyɛ put another successor in place with additional arrangements such as allotting shares to all potential successors in a bid to gain commitment from the successor and appointing other siblings as directors to support the successor. Issuing shares is another way of protecting the successor, and some researchers assert that putting this measure in place soon after the handing over empowers the successor and reinforces his new status (Le Breton Miller et al., 2004).

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The founder at this stage also serves as a consultant to the successor, but only when his services or advice are required. Goodlife, Tots and Teens and Mefie depicted this well whereas out of anxiety, the founder for Adepa often stepped in to overrule the decisions made by the successor. This resulted in the successor feeling inadequate and finally resigning. The literature is rife with successors feeling inferior next to a powerful predecessor, when it seems they only have a title but not given the corresponding authority (Griffeth et al., 2006).

An option for a founder at this stage who feels threatened they are losing their status is to acquire alternative interests to occupy them (Venter et al., 2006) as was portrayed by the founder of Mefie, who has pursued a doctorate degree and is tracing the history of his tribe, and that of Tots and Teens who has become a pastor. Evidence has shown that the founder's lack of outside interests is likely to increase their resistance to the successor's new developments (Handler, 1994).

Again, this stage is vital because if the succession is unsuccessful, the founder is often forced to make alternative arrangements for the continuity of the firm. The founder of Adepa has returned from retirement and is currently considering other options such as floating the business on the stock market, which invariably makes it lose its status as a family business. Aduroyɛ on the other hand found another family member to take over whilst Nsadɛ engaged the services of a bridge successor (an employee) until a family successor was ready. In all these stages of the transition, the role of the founder is key, and his ability to adapt leads to a successful succession (Handler, 1991). Over time, the founder's role is diminished until he eventually phases out. The ultimate test of a succession plan is the performance of the firm upon the complete exit of the predecessor, and this is discussed next.

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6.1.8 Post Succession Firm performance

This theme focuses on the firm's performance after the succession, which would be from both an objective (financial) and subjective (stakeholder) perspectives because they are family businesses (Le Breton-Miller et al., 2004). Since family businesses are made up of both the business and family dimensions, one cannot effectively view the impact of the succession on one without the other. Wang et al. (2004, p.79) indicate the essence of viewing firm performance from different perspectives where family businesses are concerned:

> *"some very basic research issues need to be addressed when studying business performance in the context of family business, since this involves specifying indicators of "success" which go well beyond the financial, and are certainly more multi-dimensional than would be the case for more professionally run and public limited companies."*

Abban et al. (2013) indicate that the financial performance of a firm in the Ghanaian context can be viewed from different perspectives such as assets and sales growth.

Table 6. 9 Evidence of post succession performance

Company	Respondent	Supporting Quote	Code
Tots to Teens	Araba (family member)	*It's doing well. We are trending on the same calibre of students, they are all getting their first-choice schools and all that. […] I think even this year alone, we have been able to collect 96 percent of our debts which is a major improvement.*	Increase in revenue
Goodlife	Tetteh (Successor)	*"word of mouth recommendation is key in the sort of work we do ... they are always impressed when they come because they see a big change."*	Stakeholder satisfaction
	Dr Narh (founder)	*"He has added a lot of innovations to the place, set up other branches of medicine there, a surgeon who comes, and built a small place for a paediatrician and a general family specialist. So, the thing is expanding, he's expanding it so he brought the idea that let us set up MRI, a very modern way of examining the body and at that time there was none,"*	Increase in product range

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	(Employee)	*"the business was not that active; clients were not coming in as compared to now … and also facility-wise we have improved upon our facilities. […] We are getting more revenue due to the expansion."*	Increase in customer base Increase in assets Increase in revenue
Adepa	Adoley (Family Member)	*"But my brother was of the view that, yes, we can make it, we can manufacture and sell and do this. My brother brought out his plan but for some reason, my father didn't take it and so my brother was embittered and so, my dad went into this merger. In that merger, the South African Company said that, they were not comfortable working with relatives. That was when we left the company"*	Successor resignation Merger
Adepa	Founder	*"I think it doesn't work because the few that I know in Ghana here, after the owner has died most companies have collapsed. So, I don't see how we can strategically say that handing over to your children is the answer to the success of the company."*	Stakeholder satisfaction (negative)
Aduroyɛ	Agyeman (Successor)	*"it was my elderly siblings who were running the company. So, I wasn't in a management position. I was just a registered pharmacist running the shop. So, when the company run into problems, I'll say they quit."*	Successor resignation (first succession failed)
	Agyeman (Successor)	*"I think if you tell somebody to sell his shares now maybe he will beat you up."*	Stakeholder satisfaction
	Osei (Family member)	*I think it's grown; it's become much, much bigger than when the old man was here. […] Yeah different product lines but it's mainly pharmaceuticals and then because of our location here, we try to add … ok but specifically any food product, anything that we see that will do well in the market but our main strategy is to come up with our own brand so we develop the brand so most of the things we sell are our own brands"*	Growth in product range
Nsadɛ	Successor	*"the business itself is growing in terms of Assets, in terms of Machinery, technology, people, revenue we've grown. I will say last year we had our highest revenue not profit but revenue was our highest and this year will be better than last year certainly, so business-wise we are growing. […]*	Growth in customer base Growth in assets Growth in staff New markets
Mefie	Successor	*"I think the business is growing, [...] So, the diversification has been good, the format has been good. Having said that, you have to realize that there is a whole impact of the national economy on what you do, […] So, I think we are doing quite well to have grown the business for about 40 years"*	Growth in Product range

Source: Author's own conceptualisation

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6.1.8.1 Implication for succession

The effectiveness of a succession plan in a family firm cannot be limited to the mere appointment of a new leader (Wang et al., 2004); the subsequent performance of the firm and the relationship with its key stakeholders are also measures of firm success (Le Breton-Miller et al., 2004) as the cases revealed. Different businesses are often seen to employ varying measures such as increase in product range, assets, customer satisfaction and revenue to assess firm performance. Aduroyɛ, Goodlife and Tots and Teens indicate an increase in revenue, whilst Nsadɛ reports the entry into new markets. Again, Goodlife and Nsadɛ registered the significant increase in both assets and customer base whereas Mefie, Aduroyɛ and Goodlife have widened their product range. Goodlife and Aduroyɛ further project a satisfied stakeholder group; however, there was a negative reaction from stakeholders for Adepa, following the merger by the founder (a 'forced succession' according to Ogundele et al., 2009, p.224) and the subsequent resignation of the successor and two other siblings. In a hostile manner, the successor declined an interview with this researcher, thus buttressing the comments by the family member that the former left the company embittered. This has further increased competition for Adepa, taking away some of its customers, as can be expected since the successor's training was in the same industry as the family firm.

> *"He is into big time pharmacy and I can see that he wants to challenge me, and he's a competition. He's my number one competitor, hahaha"* (founder, Adepa)

However, other intervening variables are known to mediate the succession process, leading to its success or otherwise. This is discussed in the next section.

6.1.9 Intervening Variables

This theme considers the intervening variables of the succession, such as the demographic dynamics, culture/religion and the successor's traits (Venter et al., 2005; Casillas, 2011) that have the potential to either enhance or hamper the succession process. The Ghanaian culture, as shown in chapter 2, is one that espouses polygamy and the extended family system

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(Bowan, 2013). The literature confirms that the dynamics of culture, such as primogeniture (succession to the eldest son, Handler, 1994), the parent-child relationship and the respect for one's elders all underpin a successor's traits (Venter et al., 2005) and influence his/her relationship with the older generation (Hofstede, 2001). This reality notwithstanding, the impact of culture and the social context is not adequately discussed in the succession literature (Le Breton Miller et al., 2004).

Further, predecessors with strong personalities have been found to be often reluctant to step aside, thus potentially representing the "greatest single barrier to succession" (Rubenson & Gupta, 1996, p. 29). It is therefore imperative for the successor in the face of such a strong predecessor to possess the emotional skills to help him navigate through such a harsh succession conditions (Venter et al., 2005). Table 6.10 summarises the evidence of intervening variables in the sample narratives.

Table 6. 10 Evidence of intervening variables

Company	Respondent	Supporting Quote	Code
Tots and Teens	Fiifi (Successor)	*"I think one of the reasons would be just because I was the senior. You know in our African community even if there is a woman there, the man is always the… there are always some cultural issues."*	Primogeniture
	Fiifi (Successor)	*"it was under duress I came in but I could say it's been worthwhile and that is why I have taken another step to further my education along those lines."*	Parent-child relationship
Goodlife	Tetteh	*"I understood where he was coming from, what he had achieved, what he had done, and what kind of temperament he had and how he wanted things done. So, I would find ways to get him to understand what needed to be done and how to present problems to him and then get a consensus and move on."*	Parent-child relationship
Aduroyɛ	Osei (Family Member)	*"we all follow the Babylonian system, like the eldest first […] Dad was grooming him to take over but along the line he lost interest and decided to do other things […] so in my dad's mind he wanted to follow that plan that automatically goes to the next son."*	Primogeniture
Aduroyɛ	Employee	*"I'm a close relative. He and I are first cousins. You see, so all my time in the company I've seen it as my brother's company. So, the workers we work with because of the little salary, they were stealing from the company. […] if I had stolen money they wouldn't have invited me here today."*	Extended Family expectations

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Aduroyɛ	Employee	*"In the beginning, all the children related nicely with each other, the grown-ups are two and there are the little siblings, but it got to a time, there was separation. […] But the thing is, now the older ones do not have a hand in the company, the two of them do not have a hand in the business."*	Polygamy
Aduroyɛ	Agyeman (Successor)	*"So, you have to give respect to your elderly siblings. So, though I'm the MD, at the back of my mind I know these are my bigger siblings"*	Successor traits
Aduroyɛ	Osei (Family member)	*"Yeah, we are all Christians by God's grace and that is part of the reason why we gel and then it keeps feuds out or very low to the minimum, and what I will say is the grace of God saw us through a smooth transition from the old to the new and the allotting of shares and all that, nothing came, there was no objection, opposition, contention, nothing like that, so I see it as it was God's design"*	Religion
Adepa	Founder	*"I knew because he was my first child and he did the profession that I was in, he'd join the company. It was automatic."*	Primogeniture
Adepa	Founder	*"Maybe with all the responsibilities of the other siblings being a heavy weight on him he couldn't bear […] if you take over the company it follows automatically that the company takes care of them."*	Polygamy
Adepa	Adoley (Family member)	*"My brother will just keep quiet and raise it up at the wrong time. I always tell him that, he raises his issues at the wrong time. [...] And he thinks he has sacrificed for us. He said, "[Adoley], I have sacrificed my life, nineteen years to make sure everybody goes through to university. Now [Tsotsoo] has finished [University], so you take over." That is how he feels.*	Successor traits
Adepa	Adoley (Family Member)	*"Every time my dad is in a business challenge, he will call everybody including my mum and he will make us fast. The maximum is a week, 6am to 6pm no matter how young you are, you will do it. By 5:30pm, he will come home, and then we pray together and eat together. That is what he does to solve his problems."*	Religion
Nsadɛ	Successor	*"For me, I've been able to work together quite well. Maybe my sisters, I don't know… girls. It's majority 95% men here as well so maybe taking instructions from women may have…[shrugs]"*	Women in culture
Nsadɛ	Successor	*"I think it is our personality traits, we are very… more or less reserved, we are more easy going, modest and all of us when we were growing up we really didn't fight each other. You wouldn't hear that I'm not talking to my brother and stuff like that"*	Successor traits
	Employee	*"For now, I can say that he has not gone off from what the father laid out; he is just following but he also has a style of managing things. While the father will take strict action of this, he will take it cool; maybe investigate before he takes action."*	Successor traits
Mefie	Founder	*"you ladies, the type of thrust a man has, you don't have it […] the majority of ladies put premium on their families; your children, your husband and so forth than at work. But there are some ladies who really behave like men […] So I'm thinking of bringing someone in to help her."*	Women in culture

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Mefie	Successor	*I call him at 10:00am when I don't see him and ask, are you coming to work today […] If I have a problem, I can ask him and he will give me his input. […] I'm not limited at all. It's quite the opposite. I wish he could actually take more of a stance so that I can blame things on him when it went wrong."*	Successor traits
Mefie	Founder	*"I have decided that, none of them (extended family) will come and work here again. Or if you are coming what you are coming to do; if you don't go according to the company rules, you will be fired just like any other person. […] But my siblings and cousins who think I have done well; sometimes they come and look at me like 'me trimu yɛ den' (I am wicked)"*	Extended family Expectations

Source: Author's own conceptualisation

6.1.9.1 Implication for succession

The intervening variables were varied, but quite prevalent in the cases so the prominent ones have been grouped under six codes to aid the analysis.

Primogeniture

The narrative for Tots and Teens projects the role of primogeniture in the succession process. Fifi was given prime of place above Araba, who was already working in the family business and who had a postgraduate qualification in Education. However, Araba accepted the arrangements and the school has been thriving thereafter. The evidence establishes that primogeniture led to the success of Mefie and Nsadɛ; with the successor of Mefie simply accepting the stereotypical nurturing role of the woman in a masculine dominated culture – playing a motherly role even within the business setting (Hofstede, 2001). The narrative for Adepa and Aduroyɛ is however different as pimogeniture led to a failed succession. Peculiar to the narrative of Aduroyɛ is that the two eldest sons had been unable to effectively manage the business and had resigned a few years thereafter. The founder then had to make alternative arrangements by introducing the twelfth child who has effectively managed the business to date – a clear indication that failed successions do not necessarily have to end in the death of the business.

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Evidence from Aduroyɛ further establishes that, with alternative arrangements, the business has a chance to thrive again. The literature has evidence of, and varied views on, the influence of past performance on the choice of successor (Ansari et al., 2014; Hillier & McColgan, 2009; Smith & Amoako-Adu, 1999). Ansari et al. (2014) conclude that other factors intervene in the relationship between firm performance and the choice of a family successor or an outsider. Herein lies proof that clarifying the ownership stake of the successor cannot be underestimated (Palliam et al., 2011), especially when done as a deliberate part of the succession arrangement, not as an afterthought. This is confirmed by the family member of Aduroyɛ that the founder resolved the problem of failed succession by offering shares to successor and other children in the family firm, thus suggesting that issuing shares gives the successor a sense of ownership and the motivation to stay in the family business and work hard for the business to thrive.

> *"Yeah, because… it happens a lot. You work with your dad, things are not too clear so you can't see your way forward that ahh do I wait for him to die before I know I own so much? what if he doesn't will the thing to me, he gives it to … [shrugs] you know."* (Osei, Aduroyɛ)

In effect, selecting a successor for his birth position may not necessarily be an effective approach to succession unless other factors such as skills, expertise and traits are considered.

Successor Traits

A suggestion by Murphy (2005) points to the incumbent as the key player in the success of a succession process in family businesses while in Goldberg's (1996) study, effective successors were found to have a significantly positive relationship with their fathers. Venter et al. (2006) further indicate that a positive relationship between founder and successor has a positive bearing on the succession process. However, successor traits have also been found to

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play a significant role in the succession process (Palliam et al., 2011; Chrisman et al., 1998). One such suggestion is the imperative for a successor to be sensitive to the concerns of the founder (Lansberg, 1988). The narratives of Mefie, Nsadɛ and Goodlife project strong founders with relatively temperate successors making a conscious effort to accommodate the founder's strong traits. Aduroyɛ's temperate traits also helped him to relate well with his senior siblings working in the family firm while Adepa is seen to be volatile occasionally and being confrontational with the father, thus resigning after years of working in the business.

Parent-Child Relationship

Linked to the successor's traits is the parent-successor relationship (Le Breton-Miller et al., 2004), another variable that can intervene in the succession processes of family businesses. Hofstede (2001) suggests the cultural issue of power distance to describe how a society deals with the inequalities in power existing among an identifiable group of people. In high power-distance relationships, authority and control are often focused at the top (parents), thus granting little autonomy and voice to the younger generations. Such relationships tend to be present in many African homes (Ogundele et al., 2009) but to varying degrees. The successor of Tots and Teens was prevailed upon to take on the family business even when he did not have any such intentions initially. Noteworthy, however, is the mutual respect and open communication that still exists between mother and son, which would partly account for the successful outcome of the succession (Venter et al., 2006). In Handler's 1989 study, respect and understanding are operationalised (among others) as trust, support, feedback, communication, mutual learning and feedback, and Venter et al., (2006, p.37) suggest that:

> *"A high-quality relationship is characterized by a high level of trust, mutual support, open and earnest communication, and the willingness to acknowledge each other's achievements".*

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Auntie Yaa's respect for her children and open admission that they are tech savvy, visiting the internet more often for innovative ideas on how to run the school could contribute to her acceptance of their leadership position. In the same vein, the founder of Goodlife admits to his inability to cope with new medical technologies in the same manner as his son. The founder of Adepa on the other hand lost his trust in the successor when arrangements for the disbursement of monies were breached. Ordinarily, proactive leaders value the initiative of subordinates because they desire to see a constructive change (Fuller et al., 2015) but a lack of trust created anxiety in the founder regarding the successor's initiative. He laments:

> *"I gave him a limit of thirty million. Let's say now three hundred thousand, he shouldn't go beyond. Interestingly he would do a business worth more than thirty million, assuming it was ninety million then he would give cheques thirty, thirty, thirty million because his limit was thirty million, which is wrong because anything beyond thirty he should have referred to me".*

Clearly, this depicts a breach of trust which marred the relationship thereon. Marler et al. (2016) suggest four scenarios of the incumbent/successor dyad, pairing them either as a proactive or passive player, and each scenario bears its own impact on the succession process. Adepa's case suggests a proactive successor and a proactive founder who is not succession ready.

Religion

Generally, religion permeates the day-to-day life of Ghanaians (Nukunya, 2016) and it flows into the family businesses too. While none of the respondents were Muslims, this researcher is aware of the elaborate provision in the Qur'an for succession such that property owners (and business owners for that matter) are not allowed to will their estates away without recourse to the Islamic provision (Palliam et al., 2011). Christianity was not found to directly

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influence the succession processes of the respondents except in the relationships of the family members. Aduroyɛ attributes their success to their faith, Goodlife credits their family harmony to their faith while Adepa resorts to their faith to deal with challenging business situations. Meanwhile, the successor of Aduroyɛ was advised to *"pass somewhere"*, meaning to seek spiritual protection from dissenting siblings, a phenomenon consistent with the context. Incidentally, although Christianity prohibits polygamy, some of the founders were polygamists despite professing their Christian faith. Polygamy in the succession process is therefore discussed next.

Polygamy

Citing the Nigerian case of Chief Moshood Abiola, Ogundele et al. (2009, p.216) conclude that in polygamous succession cases, *"[w]here a competent CEO material exists, he may not put in his best to revamp or manage the family business. After all, it can later be taken from him by the elders and shared to the other children."*. This current study found that the necessary arrangements put in place by the incumbent, communicated openly while he was alive to the hearing of key stakeholders, and buttressed in his will upon his death, significantly minimised such a risk in the narrative of Aduroyɛ. The successor for Adepa, being mindful of his role as the oldest child, waited for the youngest of ten children (in a polygamous set-up) to finish her tertiary education and then resigned to pursue his personal dreams (see Table 6.10 above).

Extended family Expectations

Ghana, like Nigeria, operates *"an extended family system in which the less privileged believes the privileged has an obligation to cater for the poor."* (Ogundele et al., 2009, p.211). this gives them a sense of entitlement such that while working in the businesses of family members, some are known to dip into the firm's coffers without accepting the

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corresponding sanctions. All the respondent entrepreneurs, whether through personal experiences or otherwise, had decided not to employ any more members of the extended family. Following negative experiences which strained the relationship with his extended family members, Mefie took the decision to employ them strictly on employment contract basis and if there were any incidents of malfeasance, they would be dealt with strictly on the same terms as other employees. The employee of Aduroyɛ explains her relationship with the founder while pointing out that as a relative, she was not known to pilfer in her cousin's business as other family members were known to do. Let us then turn our attention to the impact of family harmony on succession.

6.1.10 Family cohesion/harmony

The final theme to be considered is centred around the harmony that exists between the family members, without which the succession process has often been hampered or sometimes failed completely (Le Breton-Miller et al., 2004). Table 6.10 shows the different codes used to identify the various ways through which the respondents indicated harmony within their families.

Table 6. 11 Evidence of family cohesion

Company	Respondent	Supporting Quote	Code
Tots and Teens	Auntie Yaa (Founder)	*"My children are my best friends […] so everything I share with them […] whatever happens in the school I tell them".*	Relationship building
	Araba (Family member)	*"it's just the relationship that we have and I think it's all part of the way she brought us up that in life, sometimes, you get it wrong but you don't let it come between the family."*	Resolving conflict
Tots and Teens	Auntie Yaa (Founder)	*"We live together so I don't see any difference between the two roles. We work together in school, we do all we can and when we go home, we do everything as family. When we come to school we are workers, I work on the salaries."*	Shared homes
Goodlife	Employee	*"But they are very supportive in all other programs. When we were inaugurating our MRI they were around, they came to support."*	Relationship building

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	Dr Narh (Founder)	*"But now, we are a little bit scattered just like the daughter just called me to find out how we are and wanted to know about the cervical cancer campaign, just for you to know how interested they are."*	Relationship building
Adepa	Founder	*"because we are Christians, we pray together, do the morning devotion thing together and even jog together and a lot of things together. We went on excursions every Easter, every Christmas we do something else and then every third January we all meet. There was this cordial relationship, there was unity, and unity of purpose"*	Relationship building
Adepa	Founder	*"they don't have that time, they don't have that luxury of discussing things [happening] at home [when they are at work] not even their personal lives. We don't have that time oh; it's always work, work and work. […] how is my grandson, how is my grandchild, it is only when they are sick that I could give them permission to go home otherwise it is all about work"*	Mutual respect (negative)
Nsadɛ	Employee	*For the parents, I think there its very cordial, children too, the same; they give respect to each other; even the senior respects the junior as the head of the company so even the elder sister who is here, anything that we request she will tell you to go and see [Adongo], so that respect is there. […] And also on the other way round, Junior also sees the sisters as the seniors that's what brings the respect.*	Mutual respect
	Employee	*do it in one's house like a party on weekends and when the daddy is around, he invites all of them with their spouses and all their children to the house. Anytime he comes around, he will do it like twice.*	Relationship building
Aduroyɛ	Agyeman (Successor)	*"My mom opened her heart to all His children, you know and to me that helped a lot because you don't have any animosity against anyone […] I don't know with the conflict, because I have never had a conflict with the opposite side that I will say is a very serious conflict, I will say arguments. You know, but once we finish with the argument that's it […] I don't know maybe it's the upbringing"*	Resolving conflict
	Asantewa (Employee)	*"In the beginning, all the children related nicely with each other, the grown-ups are two and there are the little siblings, but it got to a time, there was separation. As at now there is still separation, after the death of their father some of them are not on good terms."*	Residual conflict
Mefie	Founder	*"I am very close with my children although I'm very hard on them. So, all of them have taken the way I am. We chat, we do everything together but I get them to be interested in the business that I am doing because, if there is money, I give them but I press on them that, you cannot just sit down doing nothing and the money will come; you have to really work and get your money."*	Relationship building

Source: Author's own conceptualisation

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6.1.10.1 Implication for succession

Essentially, a positive family relationship has been found to strongly influence the success of the transition process, and in some instances, even more so than the preparation of heirs or the succession plan itself (Le Breton Miller et al., 2004). Family cohesion in the sample narratives are expressed in various forms and the aggregate response indicate the harmony in the families. A shared home is when some members of a family still live under one roof. Jaskiewicz et al., (2015) propose this as an act that fosters family cohesion which eventually flows into the business. Some members in the Aduroyɛ and Tots and Teens families still share a roof, thus building a positive relationship by supporting each other. Likewise, Tots and Teens, Goodlife, Adepa, and Mefie have consciously put in mechanisms to build positive relationships in their homes. Nsadɛ took further steps to have family council meetings and annual family holidays as part of building positive relationships.

Moreover, mutual respect in a relationship develops trust and helps the family members feel supported and recognised (Le Breton-Miller et al., 2004). In the narrative of Nsadɛ one observed a mutual respect between the successor and his older siblings, which is necessary for the succession process to be effective. Of great significance to this work is the conflicting messages in the relationship between Adepa founder and the next generation. While the founder openly mentions the family get-togethers on one hand, on the other is the singular focus on the family business to the neglect of the personal needs in the relationship – another possible factor that would have led to the resignation of the successor.

Further, Tots and Teens and Aduroyɛ, have developed the skill of conflict resolution without which the succession process could become truncated along the line. Finally, there is the code of residual conflict which is often found to linger after the process has been established,

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usually leaving the successor to resolve. Aduroyε is seen with such a conflict arising out of the two eldest brothers being denied a place in the share allocation of the family business. However, the impact of this seems curtailed because the founder made alternative arrangements for them in his will which cannot be altered even after his death. It would be prudent to point out here that some of the themes discussed above dovetailed into each other (e.g. successor traits and family cohesion) but as much as possible, clear codes were assigned to make the analysis more comprehensive.

Having considered the individual cases from the view point of the outlined themes, we turn our attention to the succession journey. Family cohesion breeds competitive advantage among successful FOBs due to a high degree of commitment to the firm among family members and loyal employees (Ward, 1987). In positive outcomes, this commitment leads to a feeling of teamwork within the company (Cater III & Kidwell, 2013).

6.4 CHAPTER SUMMARY

This chapter has analysed the data collected from all the six companies from a thematic point view, identifying the similarities and the differences, with the intention to build a model out of the analysed information. The data collected from the field would account for little if they had not been analysed, evaluated and used as a basis for developing a succession model to aid the succession processes of future family businesses. All six companies are at different stages of the succession process, with succession periods ranging from three years to seventeen years, giving a useful view of the process at various stages. The next chapter discusses the model derived out of the data analysis in this chapter.

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CHAPTER SEVEN

THE DERIVED SUCCESSION MODEL

7.0 INTRODUCTION

The previous chapter was based on the thematic analysis of the six cases under observation. This chapter's focus is a comparative analysis of the cases, tracking the succession processes they each put in place. From the analysis, a succession model is derived to aid other family businesses within the Ghanaian context to plan their succession.

7.1 A COMPARATIVE ANALYSIS OF THE CASES

Evidence shows that different businesses hold varying views about the issue of succession and therefore employ varying approaches to deal with succession as relates to their peculiar circumstances (Griffeth et al., 2006; Le Breton-Miller et al., 2004; Wang et al., 2004). This section takes a comparative view of the individual cases to draw out a framework based on the best practices and weaknesses identified in the individual cases.

7.1.1 Events Leading to the Succession

For Goodlife, succession became the option when Tetteh the successor, realised that the revenue from his father's hospital had plateaued. He had observed his father growing old and tired, and could no longer channel his efforts elsewhere while the family business collapsed. Being the only one out of three children in the relevant field, Tetteh realised the onus was on him to take over the leadership baton for the family business. After about fifteen years of building up the appropriate experience, including the latest technological expertise in the medical field, Tetteh joined the family hospital. The patriarch, Dr Narh however condemns the act of forcing children (or prospective successors) into professions in which they had no interest:

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> *"I tell myself that my father didn't force me to study medicine why should I make it must. A friend of mine asked me did I force him, I said no, I can't tell him to go and study that and if he is not capable or you say you must do law and you're not a lawyer."*

Succession at Mefie happened by chance. Delali had been working with his father since he left university in the United Kingdom. Having worked with the father for over ten years, the pharmaceutical division was set up and he offered to take charge of that division. From then on, he has worked as the MD of the pharmaceutical company and turned over good profit. From the founder, it was a simple transition. Fafa on the other hand, returned from the United Kingdom with her family and first started by visiting her father in the office from time to time when she had dropped off her children at school. With time, she took on some work until she was officially employed and placed on payroll. She currently shares an office with her father and is recognized as the MD of the real estate division. According to Mr. Dinu,

> *"if she plays her role well, she will take over, and otherwise I am still strong and active. I am even thinking of bringing people to come and assist her because you ladies, the type of thrust a man has, you don't have; very few ladies I have observed."*

The cultural stereotypical role of the woman as being inferior to a man and exhibiting maternal instincts is evoked here (Hofstede, 2001). The cultural values placed on a woman projects her in a nurturing, people-oriented role, and taking an all-inclusive approach to work. Therefore, an assertive, ambitious and results-oriented woman is likened to a man, as can be inferred from Mr Dinu's statement: "*But there are some ladies who really behave like men."*

The difference between the arrangements at Mefie and that of Tots and Teens lies in the fact that there are two separate entities, Mefie and Medwuma being headed by Fafa and Delali

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respectively, whereas Araba and Fiifi (in addition to two other siblings) are all heads in the same school. Tots and Teens on the other hand has not identified the one with ultimate responsibility, a potential source of future conflict.

Succession for Tots and Teens also happened by chance – it was not a planned process as it happened when the founder was unable to return from a trip ahead of the school reopening date. The intention was for the prospective successor to manage the school until the return of the founder. However, upon her return, it was decided that the successor would stay in the family business and help since the work load was growing. Two other children also occupy managerial positions in the firm. Araba had the imprinting as she helped out with the business from the start. Fiifi, on the other hand, comes across as the "reluctant heir" (Handler, 1994, p.140) as he did admit he had no interest in the field of Education from the start. However, the relationship with the family then compelled him to step in to protect the family legacy. In relation to this issue, Fiifi proffers:

> *"I think the core point in transition is about the core values, the family union, family commitment that makes it grow."*

In the case of Aduroyɛ, after the first succession to the eldest son had failed, the patriarch stepped in to stabilise the firm, then handed over to the only son who was working in the business at that time. The son, a pharmacist, under whose licence the company was operating. It stands to reason then that he was made the managing director. To ensure the successor had adequate support, three other sons were recruited into the family business as directors. Here again, in comparison to Tots to Teens, Aduroyɛ has an identified person on whom the ultimate responsibility rests, who is being supported by other siblings, which is not so in Tots and Teens.

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Moreover, a failed succession is often signalled by the non-performance of the family business or its total collapse (Dalton, 2006), however, in Aduroyɛ's case, the timely response of the founder to hand over the leadership position to one of the youngest children (the twelfth out of nineteen children) was a calculated risk that paid off eventually. Although the first attempt at succession yielded negative results, the second attempt proved positive as a result of other arrangements made by the founder, such as allotting shares to the successor and engaging other family member directors to support the successor. Both family members and employees attest to Agyeman's success as the new MD of Aduroyɛ.

> *"I think it's grown [the business]; it's become much, much bigger than when the old man was here."* Osei admits.

In a similar breath, the founder of Adepa had devised a seemingly good plan for his successor – ensuring his first three children were all trained as pharmacists to take over the family's pharmaceutical company.

> "*The first three, it was compulsory to do pharmacy because of the family business, so, my big brother, myself and my little sister, we are all pharmacists. […] I see myself as a business woman because, I love counting money, I just love talking to people"* (Adoley, Adepa).

The heir apparent of Adepa started working in the family business soon after his university education, understudying his father, as well as the other two 'spare heirs' who later joined the family. However, the founder-successor relationship caused a conflict (Chrisman et al., 1998) that eventually led to the heir apparent leaving the family firm eighteen years after working in the family firm, and six years after being introduced to the board as the successor.

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Whereas the founder for Aduroyɛ allowed the successor enough room to run the business, the founder for Adepa held onto the reins and still dictated how the business should be run. According to Osei, *"When Agyeman presented a marketing budget, Dad rejected it at first, but later agreed to it since Agyeman is now running the firm".* On the other hand, Adoley recalls how the founder rejected suggestions from the successor and instigated his ultimate resignation. The patriarch himself admits that the heir's attitude towards the business changed after he had more than tripled the firm's debt stock he inherited.

The story for Nsadɛ is one of a calculated succession plan that yields the desired results. When the founder was ready to retire, the heir apparent was still in school and therefore not ready to take up the position. An employee was appointed as the bridge successor to take over the leadership position until the heir was ready (Le Breton-Miller et al., 2004). Subsequently, the services of a family business expert were engaged who recommended the design of a family charter to guide the succession process. This gave all the potential successors the opportunity to gain experience outside the family business to develop an entrepreneurial self-efficacy (De Noble et al., 2007) and set in place arrangements for the other children as well as their spouses, should they decide to join the family business (Jaskiewicz et al., 2015). A successor having the confidence to take decisions and implement them is known to increase their entrepreneurial self-efficacy (De Noble et al., 2007) and motivates them to become committed to the family firm (Le Breton-Miller et al., 2004). A case in question is the narrative of Adepa (see Section 5.4 for details) where the successor resigned from his position because he was not allowed to take independent decisions. This then leads us to the outcomes of succession as seen in the sample cases.

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7.1.2 Outcomes of the Succession

A well-developed plan leads to the continued performance of the business with positive results seen in different forms, including an increase in revenues, assets, market share, product lines and customer base (Abban et al., 2013). Positive results of succession in family businesses also has the potential to foster a healthy relationship amongst the key stakeholders (Davis et al., 1997) as Nsadɛ and Goodlife have shown, while transferring the family assets from one generation to the next with minimal conflict. Minimal because even in cases where family members are happy, it is possible that other stakeholders such as employees may have concerns as was in the case of Tots and Teens. Evidence from Adepa confirms that negative succession may not always lead to the death of the business; it may sometimes cause conflicts or a prolonged strain in family relationships (Davis, 1997), as well as lead to competition for the family firm. The successor of Adepa took away some customers as he set up in competition with his father, and the prolonged family conflict also affected business performance and caused agony for the father and other siblings. That said, we turn our attention to the main challenges that bedevil the succession process.

7.1.3 Challenges of the Succession

Worthy of note is that many African entrepreneurs do not necessarily retire form active service, unless they are forced out through death, or an incapacitating illness (Ogundele & Iddris, 2008) and under such circumstances, the first male child becomes the default successor, without recourse to their capabilities or career interests (Ogundele et al., 2009). The minority who make the effort to draw out a succession plan are also impacted by the following challenges, among others.

The literature on succession contains discussions on diverse challenges such as family cohesion and the lack of well-laid out succession plan. This current research has also made

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some input on that in its thematic analysis in Chapter 6. A previous study by De Massis et al. (2008) indicated that successions are often challenged by the lack of a clear succession plan, the late implementation of a plan, or a conflict within the family setting during the implementation. This section explores a few other challenges that sometimes do not receive enough attention in the research on succession.

Multiple successors

Another challenge to the succession process presents itself in the number of eligible successors. The presence of multiple successors poses a potential source of conflict if not handled with sensitivity, and this raises a question regarding the succession myth 'equal is synonymous with fair' (Scott, 2013). Allotting the shares equally between the children, irrespective of whether or not they work in the family may not always seem fair to all. In our sample cases, this challenge was adequately addressed to minimise conflict. In the narrative of Tots and Teens, Fiifi explains that the shares were allotted equally, leaving them all content with the results.

> *"So, it's been very spelled out what percentage you are having so we work and at the end of the year what comes we will split into that percentage and I think that is one of the things that helps to push us and motivates us to work more and put our all in all because if you know that at the end of the year you're getting 50% of what is coming in, of course you will work hard at it. So, it's been demarcated and that is the secret to successful succession plans."*

Aduroyɛ on the other hand, allotted the shares by giving the successor 25%, and the other three children working in the business 10% each whilst the remaining 45% was shared among the other fifteen children. Even in situations where shares are allotted equally between siblings, one controlling leader is advised for the smooth running of the business (Le Breton-Miller et al., 2004). According to the successor of Aduroyɛ: "*to me I feel the transition should*

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be when the owner is alive". The founder then has the chance to resolve any potential conflict that would arise out of discontent children.

Worthy of note is not that successor group members always agree, but more importantly, what happens after an important decision has been taken. The operating decisions may be made by the sibling as pertains to their particular area, but larger and more complicated decisions must be referred to the successor group (Cater III & Kidwell, 2013).

Economic terrain

Little is said in the extant literature on succession planning about the economic context in which a succession plan is executed (Le Breton-Miller et al., 2004). No succession plan is executed in a vacuum and the economic context is one of the variables that this study found to impact significantly on the success or otherwise, of a seemingly good succession plan. Easterly (2006) laments the weak (or non-existent) institutional systems in developing countries that often impede the execution of the entrepreneur's strategic objectives. These weak systems also have a way of affecting the execution of a clearly laid out succession plan and cause organisational losses. A government policy on the importation of frozen chicken, during the period of implementing the succession plan, adversely affected Mefie's poultry business, where over 150 employees were laid off. Without the timely intervention of the founder, who quickly recommended a diversification into the real estate sector, the successor might have been considered a failure, causing key stakeholders to lose faith in her, and possibly diminished her self-efficacy – the confidence in one's ability to perform a task (Wang et al., 2014).

Taking Nsadɛ onto the export market was a great business achievement for the newly appointed successor, which brought about some remarkable results such as the new source of foreign currency generating significant revenue. Shortly after the entry into other African

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markets, a shortage in foreign currency in one of the major export countries caused a huge dent in the company's cashflow, thus raising concerns for the board of directors. The patriarch's confidence in the abilities of the successor was thus required to allay the fears of the board and other key stakeholders.

On a similar note, per the shared vision created between the founder and the newly appointed successor of Aduroyε, the company would import its own line of branded products onto the Ghanaian market. Shortly after a foreign loan was contracted, the Ghanaian currency was plunged into depreciation and raised doubts about the successors capabilities. Here again, the buy-in of the founder was required to keep the succession process on-going. Agyeman recounts his experience:

> *"So, he was like I've given you the money why is it still sitting in the bank, so it's like I have done certain calculations, if we go and buy the things outside, we're getting just about 20/30 per cent, the depreciation too is going about 60/70 percent, so to me I feel we have to hold on, we don't have to convert the money into cedis. […] it took a lot of discussion for him to be convinced; as I said you have to convince him for him to accept. So, after doing all the calculation he said good idea let's do it that way."*

In another light, the industry context in which certain businesses find themselves may not be as dynamic as others are. Regardless of the fact that this has a significant bearing on the skills a successor requires to succeed in particular industries, insufficient research has been conducted on the subject. (Dyck et al., 2002). In slower paced businesses such as a basic school, starting by learning on the was enough for the successor of Tots and Teens, gathering enough experiential knowledge as he went along, until he later pursued a course in the relevant field. Goodlife, on the other hand, being a hospital, required the use of the latest

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technologies in order to keep abreast with competition. Parents who used the services of the founder started bringing their children of childbearing age under the leadership of the successor. The latest technologies per the industry standards had to be purchased, and the banking system in Ghana with its stringent regulations on lending to industries that are not considered fast moving makes the cost of credit expensive to such businesses. With the purchase of an MRI scan, the patronage of colleague doctors in other regions had to be solicited in order to make the investment cost effective, thus requiring the successor to hone in his marketing skills. A lack of interest in marketing might have constricted the implementation of succession process.

Lack of interest

Jonovic, (1982) found a negative relationship between a successor's lack of interest and the succession outcome, which means, a successor's lack of interest in the business will almost certainly lead to the failure of the succession process. Cognisant of this, the founder of Mefie stresses the need to gain the prospective successor's buy-in before passing on the leadership position to them.

> *"I don't force them to join me; those who are interested to come, I encourage them. Because, if you force somebody to do something he or she is not interested in, you won't get the required results you want."* (Founder, Mefie)

That acknowledged, the founder of Tots and Teens managed to gain the interest of the successor even though he showed a lack of interest in the early stages of the business. This is consistent with Motwani et al. (2006) that a lot of people join family businesses for altruistic reasons. By implication, it takes other variables apart from a lack of interest to cause a succession to fail – other variables such as the unrealistic expectations of the founder that puts undue pressure on the successor.

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Founder's Unrealistic Expectations

Our study further revealed that the unrealistic expectations of the founder, aptly referred to as the *"need for achievement and power"* by Handler (1994, p.317) has the potential to mar an otherwise nicely crafted succession plan. Adepa had a well-crafted plan that made arrangements for the development of an heir and two spares, but according to Adoley (a family member who used to work in the family firm), the founder had very high expectations of his children, requiring of the first three children to study pharmacy and to work in the family firm straight after their national service. However, his high expectations seemed difficult to cope with. The resultant effect of the founder's unrealistic expectations was a disgruntled spouse of an embittered successor who eventually resigned, thus causing a failed succession. Some researchers (Mussolino and Calabro, 2014) would argue that the founder, being a paternalistic leader, might seem overly concerned, and justifiably so. That said, the predecessor's actions had a negative impact on the successor's perception of the process and his eventual resignation. Following the challenges faced by the founder of Adepa, his conclusion is that succession is an exercise in futility. Citing other examples, he states emphatically that:

> *"About eighty percent have also been disappointed and the companies have also collapsed or nearly collapsed. Yeah, so people talk about succession planning, get your children involved, get somebody from your family to be involved, I wonder whether we can generalize it, I don't think so. I don't think it really works like we say."* (Founder, Adepa)

However, this current research does not support his statement that successions do not work because from the narrative of Aduroyɛ, a failed succession was rectified when another successor was appointed. On that note, we turn our attention to failed successions.

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7.1.4 When succession fails

This research found a lot in common with De Massis et al.'s (2008) factors leading to failures in succession such as individual factors (e.g. incumbent's unwillingness to let go, the successors lack of motivation), relational factors (e.g. a lack of trust between founder and successor), contextual factors (e.g. polygamy and the extended family system), financial factors and economic factors (currency fluctuations and government economic policies). To avoid repetition, the analysis on these factors will not be belaboured, except to point out that polygamy did not pose a problem for Aduroyɛ because the company was underperforming at the time of the second succession. Adepa's founder on the other hand suspects polygamy must have raised concerns for the successor but he had to accept the arrangement to take care of the younger siblings if he had accepted the position. Nevertheless, a failed succession does not necessarily have to end the life of the business as the narrative of Aduroyɛ establishes. Failed successions can be managed if the founder is willing to put in the required processes. Le Breton Miller et al. (2004, p.324) assert that:

> *"Succession is not an accident nor an event but a sophisticated process occurring over a very long period of time. It is a long-term dynamic issue that requires an ability to constantly adapt in the light of evolving circumstances. This is particularly true in today's dynamic business environments."*

It took the founder of Aduroyɛ a sizeable amount in investment and the allotment of shares to restore the company to an appreciable state. The success of restoring a failed succession is one that requires commitment and investment from the founder and a willingness to cede control to the new successor.

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7.2 TOWARDS A HOLISTIC SUCCESSION PROCESS IN GHANA

As each succession story is uniquely different, this section focuses on the individual narratives in light of the model that has been carved out of both the differences and similarities in the cases. It develops clearer insights into the entire succession process, starting with the founder and ending with the firm performance following the exit of founder. Handler (1994 p.136) posits that succession is a multi-staged process that starts even before the successor enters the business, and Dyck et al. (2002 p.144) bemoan the dearth of literature that pays attention to the succession process. The holistic succession model being propounded by this current research draws on the process theory as its main pillar, however, acknowledging that the succession process takes place over a period of time (Handler, 1994), other theories are drawn upon to support the process at various stages in the unfolding of the succession process.

First of all, the process theory, serves as the mainframe drawn out of the narratives presented by the various cases. Pentland, (1999, p.711) suggests that *"in the domain of process theory, stories are constructs".* The stories narrated chart the course of the succession process on which this model is built. Second is the entrepreneurial orientation of the founder that leads him to plan for the transgenerational success of his business. Without an entrepreneurial mindset, Lumpkin et al. (2010) suggest that the entrepreneur would not be focused on the longevity of the business, and may not see the need to prepare a succession plan or to see to its implementation. The business might be sold or folded up when the founder is unable to continue working. Third is a learning theory that leads to the knowledge acquisition of the successor to be equipped enough to take over the leadership of the family business. Finally, it makes use of the role theory (Handler, 1994) as each of the key players have a role to play, without which the succession would fail. However, we do not restrict the roles to only the

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founder and successor as Handler (1994) suggests. Indeed, Ip and Jacobs, (2006, p.341) affirm that:

> *"BSP is not an individual or small-group effort. It requires continuous investment of time, resources, and support by the given company as a whole, and input and advice from financial and legal experts."*

The roles of the founder and successor have been well researched and clearly demarcated so that information shall not be given too much attention here. Each stakeholder has a role to play, albeit to varying degrees. The other siblings for instance, would be expected to maintain the harmony even when they have been rejected for the role or their choice has not been selected as the successor, while the employees and board of directors/advisors are needed to support the successor, lending their technical expertise whenever required, to indicate their support to the external world. The model is discussed next.

7.2.1 The Holistic Succession Process Model

Figure 7.1 is the holistic succession process model being propounded by this current research; it tracks the succession process from the period the founder starts his business through to the firm's performance after his exit. This current research confirms that the process is not linear, and despite its complexity and multiplicity, it still lends itself to re-calibrations at any of the six stages when it is found to fall short of the anticipated results (Le Breton-Miller et al., 2004). The timeframe could take anything up to twenty years depending on factors such as the founder's readiness and willingness to let go, as well as their availability to continue working, it also depends on how soon the successor grasps the tenets of managing the family business, his readiness to take over the position and the support of key stakeholders.

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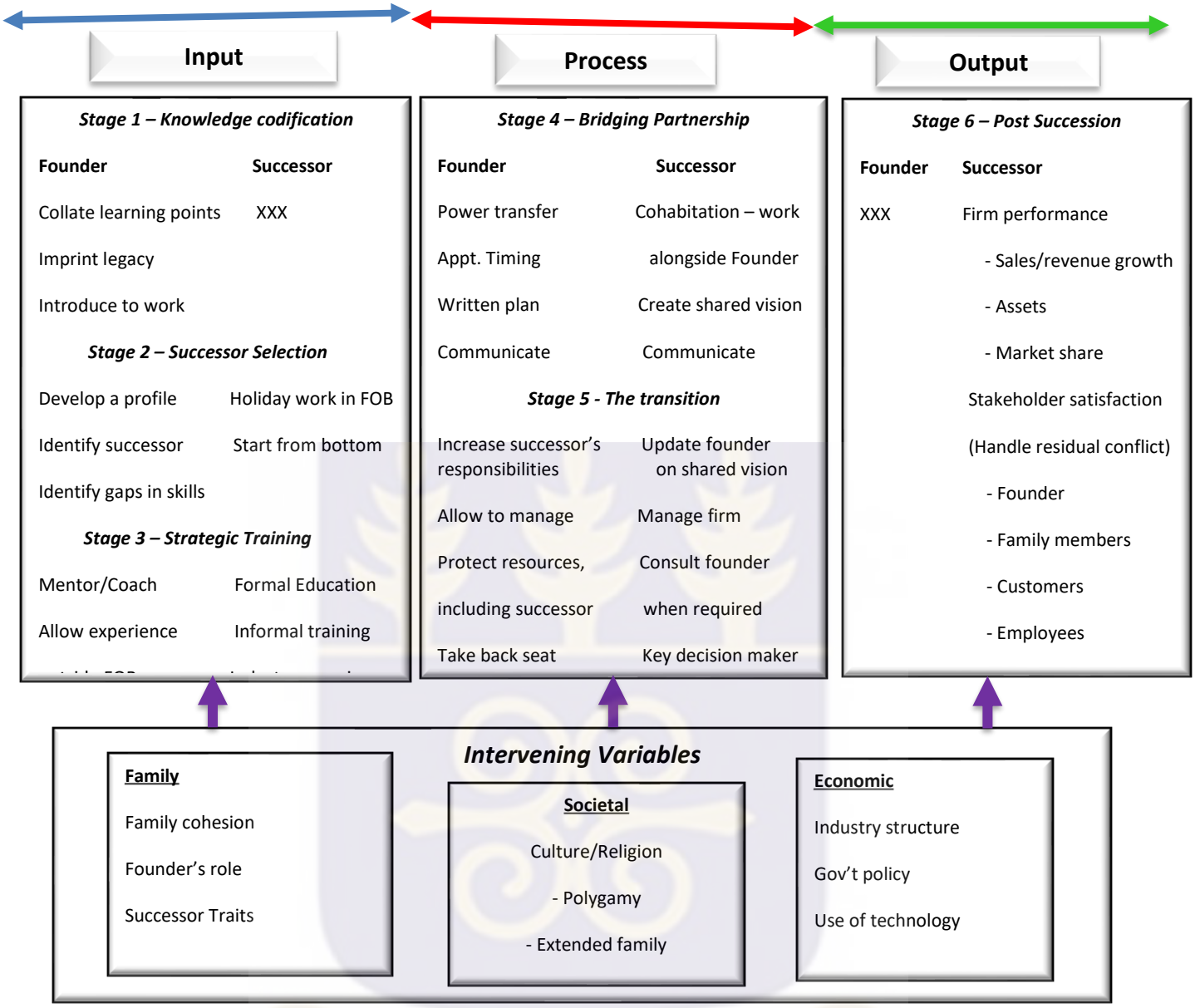


Figure 7. 1 the holistic succession model (source: author's own conceptualisation)

Ip and Jacobs (2006, p.341) further lament the dearth of *"research in this area, in particular, on established and reliable methodology for the entire BSP process".* This work proposes six stages of the succession process, including post succession period where the real impact of the succession can be seen on the business. From the post succession, another succession process could then be initiated by the successor for the next generation as he moves to the

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role of the predecessor. It is worthy to note that the stages do not unfold in a clear-cut manner, one after the other when one comes to an end; they are likely to flow one into each other, sometimes overlapping and at other times even running concurrently until one stage is executed, or calling for a re-calibration at a stage when the expected results are not achieved, for instance, the resignation of a successor-in-training or the death of the predecessor before the transition stage. Each of the sample cases is viewed through the lenses of the model in Figure 7.1.

7.2.2 Through the lenses of the Holistic Succession Model

This section takes a look at the six cases through the lenses of the succession model, highlighting the aspects that were contributed by each case, in an effort to explain how the model was developed.

Stage 1 – Knowledge Codification

At this stage, the founder has learnt some lessons from the start-up, and would codify this knowledge such that it can be disseminated to subsequent generations. An entrepreneurial orientation in the founder underpins the lessons learnt and drives him to think of the trans-generational status of the firm. The successor is not involved at this stage; he is possibly fairly young and cannot take on a full-time employment. However, he should be introduced to the work, visiting the company from time to time during the school holidays and weekends. The founder at this stage makes a deliberate effort to generate some interest in the industry as a whole and in the business where possible. The founder also builds a positive family relationship at home as evidence has shown that successors who had positive family relations tend to succeed in the role as a successor in family businesses (Jaskiewicz et al., 2015). The manner in which knowledge is collected, stored and used should be systematic

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and easy to retrieve as it is vital to the success of the process at this stage. This will be based on the long-term vision and direction the founder has for the business, and will in turn determine the company's future requirements for resources, including the successor's knowledge and capabilities as a resource. In instances where he is old enough, this stage will take a shorter period to move to stage 2.

From the research, all six companies introduced their successors to the FOB at an early stage to generate the interest in the family business. Goodlife and Adepa went further to codify the knowledge acquired by writing books to guide not only their successors, but other young practitioners in their industry. Over time, as the successor gathered some interest in the business, they are gradually given more responsibilities in the family business, taking on weekend or holiday jobs as the next stage in developing an interest in the family business, which is discussed under stage 2.

Stage 2 – Successor Selection

This stage involves identifying a successor (with spares where available) to be groomed for the role. Starting from the bottom, the next generation will work in the company at this stage on part time basis (weekends, holidays, after school) to give the founder the chance to assess their capabilities and to identify their managerial and technical competency requirements. A successor profile would have been developed based on the knowledge that the founder has codified in Stage 1 to aid in the assessment of the competency requirements. The gaps in the skills would inform the training that the successor would be given in the third stage.

Majority of the successors in our sample were given the opportunity at this stage to work from time to time in the family business. However, active steps were not taken to build a profile of the role and the skills the prospective successors required to fill the position. Noteworthy, though, is the founder of Nsadɛ who made a deliberate effort, with the help of a

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family business expert, to develop a succession charter that audited the successor's skills and developed a successor profile to inform the training requirements of the successor. The charter also made provision for the family dimension, as well as the role to be played by both siblings and spouses. From the outlined successor profile, a training plan is then drawn.

Stage 3 – Strategic Training

Training at this stage is strategic in that it is tailored to suit the skills gaps identified in stage 2, to cover varied learning strategies. This includes the academic or formal development aspects, mentoring and coaching, planned assignments and job shadowing. Other informal aspects include giving the successor a chance to gain external experience to build their entrepreneurial self-efficacy (Man, 2006) and develop their own identity separate from the founder and the business. A written document detailing these learning points, in addition to regular feedback, will motivate the successor as they would be in a position to track their progress.

In our study, it was clear that all successors had the relevant formal training except Tots and Teens but they later pursued a degree in Education when they started working in the school. One of the benefits at this stage would come from having a Board of Directors or an advisory board that would assist the incumbent overcome the impediments to the initiation of the succession planning process and ensure that the process receives continued attention. Tots & Teens further set up PTA with executives from an educational background who served as a coaching team for the successors (Motwani et al., 2006). The board of directors at Nsadɛ, more especially the chairman, worked closely with the successor to give him a good grounding in the new position.

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Moreover, in the case of Adepa, the successor did not have external experience, resulting in his feelings of inadequacy as per the account of Adoley, the family member (see Section 5.4.3). the founder of Aduroyε used the period to introduce the successors to his business partners and social network, while the successor of Nsadε, alongside his other siblings, all took up employment outside the family business to acquire the necessary exposure. Goodlife also worked in a number of hospitals, including gaining training outside the country to be exposed to the latest technologies in the field of obstetrics and gynecology.

Stage 4 – Bridging Partnership

This stage is the bridging partnership where the successor and founder work side by side towards the power transfer. Of utmost essence is the quality of working relationship between founder and successor as it has a bearing on whether the succession process proceeds from this stage to the next. It is imperative that power transfer unravels gradually, with the founder providing avenues for the successor to take on more challenging roles on an incremental basis. Evidence supports a gradual subtle progression at this stage (Handler, 1994) to make the needed progress. Open communication would also underpin the relationship, with both successor and founder not feeling constrained. A written plan and shared vision at this stage gives both parties a sense of direction and not feeling looked over when decisions are taken. The narrative from Adepa indicates that no shared vision was created, hence, the successor's high cost projects became a cause for concern to the founder, leading to a negative outcome.

Timing is also key at this stage – the successor should be ready, willing and available to take on the responsibility of jointly managing the business. In the case of Nsadε, a bridge successor (an experienced employee) was used until the founder's son became ready. The challenge here, however is the bridge successor's reaction when the substantive successor

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becomes available, this would have to be managed effectively to minimize any potential negative relationship. Nsadɛ's experience indicates that the bridge successor resigned a few years after the substantive successor had become grounded in the position.

Stage 5 – Strategic Transition

Stage 4 flows into Stage 5 where gradually the founder withdraws completely as the successor takes on more responsibilities. This stage is different from stage 4 in that the founder at this stage plays the role of a consultant rather than a partner. He offers advice when consulted and allows the successor to take important decisions and manage the firm. As the founder withdraws, it is essential that he defers all decision making to the successor, reiterating the change in leadership. Regular updates on the progress of the shared vision will minimise the founder's concerns. The founder spending more time on other interests would likely reduce the concerns and the feeling of losing control (Le Breton-Miller et al., 2004).

The founder focuses more on developing retention strategies that would commit the successor and other siblings such as shares or retention bonuses. The founder also will work at protecting the firm's resources, including the successor himself as a resource, from the successor's own spouse and other siblings. Our evidence shows that the founder of Adepa failed to manage the successor from his wife although it was known the wife was unhappy about the long hours her husband worked. The succession process failed to move beyond this point. On the other hand, Aduroyɛ's successors were allotted shares as a retention strategy, while Nsadɛ's shared vision recommended a diversification strategy to occupy the other siblings and protect the successor. If this stage yields positive results, the founder then withdraws completely, leaving the successor to take control of the family firm, which leads to Stage 6.

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Stage 6 – Post Succession Performance

The ultimate test of a succession plan is the firm's post succession performance, following the complete exit of the founder. The founder therefore has no role to play at this stage and the continuity of the firm creates a strong firm image which Memili et al. (2010) consider an inimitable resource. Creating a positive image in the minds of stakeholders also provides a measure of social insurance as it helps protect the firm and its assets (Dyer & Whetten, 2006). The onus then falls on the successor at this stage to prepare themselves to manage any residual conflict that would arise after the founder's exit. The firm performance would be measured in sales growth and market share growth (Memili et al., 2010), assets (Abban et al., 2013) and stakeholder satisfaction (Le Breton-Miller et al., 2004).

When we measured our sample companies against this stage of the model we classified Adepa as a failed succession since the founder returned from retirement and is currently managing the family firm himself. Nsadɛ has a successful process based on the increase in assets, opening of export offices and the diversification into the soft drinks and water market. Tots and Teens, Mefie and Goodlife are also classified a success based on the stakeholder satisfaction. The success story of Aduroyɛ is not merely based on the satisfaction of family members, but also that a third generation has started working in the family business, with the successor's daughter working as a pharmacist under whose license the business now operates. Aduroyɛ would then initiate a succession process for the next successor soon, taking the firm into the third generation.

Intervening Variables

The stages are impacted by some intervening variables of the process, and the key stakeholders at this stage must manage them as part of managing the succession process,

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sometimes triggering a recalibration of the process. These variables, including the cultural and/or religious contexts, as well as successor and founder traits, were discussed extensively in Chapter 6.

It is proposed that a firm following this model has a high probability to yield positive organisational outcomes since this model was developed out of the succession processes of the sample firms. The length of time the process takes from stage 1 through to 6 will vary per firm, depending on the readiness of both successor and founder (Marler et al., 2016). If at any stage succession fails, the founder would recalibrate with a different successor and work their way through the process. Note however, that the second attempt is likely to proceed at a faster pace depending on the presence of other variables from the previous stages. For instance, in the case of Aduroyε, the first succession failed at the transition stage (stage 5) when the founder had already exited the firm. A new successor was selected, and since he was already in the firm and had acquired adequate relevant skills, the process continued from the transition stage, and supported the successor as a consultant, although he reinvested in the firm to stabilise the declining revenues. Similarly, the succession failed at the transition stage for Adepa, but in this instance, the founder returned to the firm and started from stage 2, going through the selection stage in search of another successor. Indeed, each succession story has its own unique environment, however, the main stages followed, while acknowledging the intervening variables is likely to yield the expected positive organisational outcomes, and when challenges are faced, a recalibration can bring the process back on track.

7.3 CHAPTER SUMMARY

This section has explained the model that was derived from the data collected and passed the sample companies through the model by way of validating it. It also presents the succession

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process as a continuous learning process by which family firms might survive in an ever-changing business world. It requires careful planning, implementation, monitoring and evaluation at each stage to ensure that expectations are being met and concerns are being addressed. Dalton (2006, p.177) warns that where succession is concerned, *"[f]ailing to plan is planning to fail"* and this current research confirms that. The next chapter presents the conclusion and recommendations.

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CHAPTER EIGHT

DISCUSSIONS, CONCLUSION AND RECOMMENDATIONS

8.1 INTRODUCTION

This chapter draws a curtain on the research into family owned businesses in Ghana, starting with the summary of the research, discussing the study in light of existing literature, highlighting the contribution and limitations of this current research, and finally ending with the concluding remarks and recommendations arising out of this research.

8.2 SUMMARY OF RESEARCH

This work has been structured and presented in eight chapters, with the aim to investigate the succession planning processes in family businesses and with the following objectives:

i. To examine how the next generation leaders acquired the necessary competencies to make a smooth transition in leadership;
ii. To identify the important elements in the succession process; and
iii. To develop a framework to guide family businesses in their succession planning.

The choice of qualitative research paradigm allowed this study an insight into the phenomenon of succession planning in Ghana, enabling this researcher to make sense of the succession processes of selected FOBs, and showing both successful and failed succession processes, from the diverse perspectives of respondents.

Chapter 1 opened the work with an introduction to the research, setting the stage by providing a preamble to the succession processes in family businesses with narratives from Ghana. The aim and objectives of the work are also discussed, providing a rationale for the study. Chapter

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2 explores the research context of Ghana, considering the socio-cultural and politico-economic dimensions and their likely impact on the key respondents in the study. Chapter 3 presents a review of the related literature from 2004 to 2016, categorised under four main themes – entrepreneurial orientation, entrepreneurial learning, family owned businesses and business succession planning. It also takes a look at the theories underpinning the study as can be found in the literature. In Chapter 4 the research methodology is discussed, providing a justification for the use of the qualitative approach and its corresponding research design.

In the form of six case studies, Chapter 5 presents the data from the field, and provides a response to the first research objective that seeks to examine how successors are groomed to take on the leadership role in family businesses. In Chapter 6 the thematic analysis of the research results is presented, with the purpose of addressing the second research objective which identifies the important elements in the succession process. These elements are explored under ten main themes and linked to how they impact the process. Chapter 7 focuses on a comparative analysis of the six sample cases. The responses are synthesised to formulate a succession model to guide the succession processes of FOBs in Ghana, thus addressing the third research objective. Chapter 8 summarises the entire work, drawing conclusions and making recommendations for future studies. Tables 8.1 and 8.2 summarise the key findings while Section 8.3 discusses the findings in light of the research objectives.

8.2.1 Summary of Findings

Table 8.1 summarises the research findings, and Table 8.2 depicts the outcomes of the succession in our sample companies. Themes 2, 3, 4, and 5 address the first objective, whilst themes 1, 6, 7, 8, 9 and 10 address the second objective, with all ten themes working towards the achievement of the third objective.

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Table 8. 1 Summary of Research Findings

Theme	Applicable FOB						Implication for succession	Research Objective
	A	B	C	D	E	F		
1. EO in founder							An EO mindset fosters LTO, the founder takes a long-term view of the FOB and is likely to plan for succession	Objective 2 Objective 3
- Proactiveness	*	*	*	*		*		
- Innovativeness		*	*		*	*		
- Risk taking			*					
2. Imprinting legacy							Exposing the successor to the family firm from a young age helps them develop an interest even before they start working in the business	Objective 1 Objective 2 Objective 3
- Childhood involvement	*	*		*	*	*		
- Bottom-up learning		*	*	*	*			
3. EL by successor							Learning can be acquired in three main forms, exposure, education and experience. All are required to train the successor adequately for the leadership position	Objective 1 Objective 3
- Directed Education	*	*	*	*	*			
- Mentoring	*	*		*	*	*		
- External experience	*	*			*	*		
4. Bridging Partnership							The founder and successor must first work hand in hand as partners, and power is gradually transferred from the former to the latter	Objective 1 Objective 3
- Shared vision		*	*		*			
- Open communication	*	*	*		*	*		
- Cohabitation	*	*		*		*		
5. Strategic transition							The founder withdraws from active leadership, allowing the successor to take the major decisions but serving as consultant and protector of the firm's resources	Objective 1 Objective 3
- Founder as consultant	*	*	*		*	*		
- Founder has other interests	*		*		*	*		
- Successor main decision maker	*	*	*		*			
- Protection of successor		*	*		*			
- Founder anxiety				*				
- Successor low self-efficacy				*				
6. Successor selection							Founder must draw a profile of the capabilities required in line with the company's vision and future direction	Objective 2 Objective 3
- Eldest son	*			*	*			
- Only choice available		*	*			*		
- Relevant qualification		*	*	*	*	*		
7. Communicating successor							A conscious effort is made to inform key stakeholders, and the founder's affirmation shown in deferring decisions to successor	Objective 2 Objective 3
- Build Stakeholder acceptance	*	*		*	*			
- Open announcement		*	*	*	*			
- Clearly demarcated roles	*	*	*		*	*		
8. Family cohesion							The family and business are two dimensions of the same business, family discord flows into the business space, and can impede the succession process	Objective 2 Objective 3
- Mutual respect	*	*	*		*	*		
- Relationship building	*	*	*	*	*	*		
- Conflict resolution	*	*	*		*	*		
- Shared home	*		*					
9. Intervening Variables							The external factors (family, social, economic) can hinder the succession process. Founder/successor relationship is affected by power distance	Objective 2 Objective 3
- Primogeniture	*		*	*	*			
- Founder/successor relationship	*	*				*		
- Extended family expectations			*			*		
- Polygamy			*	*				
- Religion		*	*	*				
- Successor traits		*	*	*	*	*		

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10. Post succession performance							The ultimate test of the succession process is the firm performance after the exit of the founder, and the impact on key stakeholder.	Objective 2 Objective 3
- Increased revenue	*	*	*		*			
- Stakeholder satisfaction		*	*		*			
- Increase in customers		*			*			
- Increase in product range		*	*		*	*		
- Increased assets	*	*			*			
- Increase in staff strength	*	*	*		*			
- Resignation				*				

Source: Author's own conceptualisation

Table 8. 2 Summary of Succession Outcomes

Company	Succession Outcome	No of Years Succession
Tots and Teens Basic School	Successful, 4 successors, none with ultimate responsibility	7 years
Goodlife Hospital	Successful	8 years
Aduroyɛ Pharmaceuticals	Succession 1 failed, Succession 2 successful, Third generation now in FOB	18 years
Adepa Group of Companies	Failed, successor resigned	Successor resigned 8 years into the transition period
Nsadɛ Group of Companies	Successful, other successors in other sister companies	3 years
Mefie Group	Succession 1 successful, Succession 2 still in transition	Succession 1: 15 years Succession 2: ongoing

Source: Author's own conceptualisation

8.3 DISCUSSIONS

Evidence confirms that the family business has two main dimensions – the family dimension and the business dimension (Motwani et al., 2006) and a firm's capabilities in effectively managing the two dimensions during the succession period will result in a transgenerational firm, reflected in the firm's performance and stakeholder relations. Moreover, culture plays a vital role in the relationship between not only the founder and successor, but also between family members and key stakeholders who play vital roles in the succession process.

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Theory suggests (and espoused by this research) that knowledge is the most important resource of a company (Grant, 1996b). Equipping the prospective successor with the requisite knowledge and competencies is an essential aspect of the succession process, without which the succession process is likely to fail. This research has also established the finding that when a successor leaves a family business, he takes along with him the knowledge acquired, and if the exit occurs at a time when the founder is not available, and in the event that another successor is not readily available, the company may face challenges in replacing that knowledge, which is likely to lead to the failure of the business.

Other studies (Handler, 1989; Venter et al., 2005; Sharma & Irving, 2005) suggest that the business must be in a field of interest to the successor to elicit his commitment and to bring about an effective succession. Jonovic (1984) further posits that the succession outcome will almost always be negative if the successor is not interested in the industry. In our study, we found that the narrative of Tots and Teens, an educational institution, (with successors Araba a banker, and Fiifi a business person) does not fully support this. They were initially not very interested in the educational sector and therefore pursued other professions. Over time however, when they came to terms with the need for a successor to manage the family business, a decision was taken to pursue the needed courses in order to effectively manage the family business. Our evidence therefore suggests that, in addition to a lack of interest, other antecedents must be present for this assertion to hold true. The founder-successor relationship and family cohesion for instance, play a key role in encouraging a prospective successor without the interest in the family business to accept the leadership position. The successor's self-efficacy is also a contributory factor in their motivation to commit and persevere to achieve a positive organisational outcome following the succession process (Boers & Lora, 2009).

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Additionally, our evidence emphasises the need to protect the successor (as a resource) from detracting family members, including their own spouse (Jaskiewicz et al., 2015). Dissenting family members have the potential to upend the succession process, thus requiring the founder's skills in managing the family subsystem as well as the business subsystem to promote a positive working environment for the succession process to proceed. It is therefore imperative for the founder to put in place structures that will also settle the other interested parties (such as potential successors who were rejected) in order to minimise any potential sabotage from them that could result in a failed succession process and its consequent organisational losses. The allotment of shares and/or establishing spin off businesses were found to be effective ways of minimising potential conflict from rejected successors.

Finally, our study establishes that it is imperative for the founder to communicate the successor to stakeholders, not only verbally, but to affirm the new position with his actions by deferring decisions to the successor (Le Breton Miller et al., 2004). To minimise the cause for concern, an alternative source of interest keeps the founder preoccupied and he only offers advice when consulted (Handler, 1994). These findings can also be situated in the extant literature on succession, and that is discussed next.

8.3.1 Relationship of Findings to Existing Knowledge

A study by Cater III and Kidwell (2013) shows four stages of the succession, moving straight from when the successor is identified to when he occupies the leadership position as the incumbent exits. Our model proposes a bridging stage where the two work in partnership to consolidate the successor's position before incumbent finally exits which is more consistent with a study by Jaskiewicz et al. (2015). Moreover, in another study by Le Breton-Miller et al. (2004) a post succession stage is not presented; however, our study found this also key to the succession process as the successor is sometimes left to resolve residual conflict and

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manage other key stakeholders. Indeed, we argue that a good measure for the effectiveness of the succession process is the positive firm performance and stakeholder satisfaction (Le Breton Miller et al., 2004) because the manner in which a successor handles critical relationships has a significant bearing on subsequent organisational performance (De Noble et al., 2007).

In addition, Palliam et al., (2011) found that potential successors who have acquired a qualification in higher education are often not willing to move into the family business. Our study found this assertion not to be consistent with the evidence from Ghana; successors for Mefie (a lawyer), Goodlife (a doctor), Aduroyɛ (a pharmacist) and Nsadɛ (an MBA holder) were all willing to move back into the family business, having worked elsewhere to acquire the needed expertise in addition to their qualification. In fact, their education helped them deliver on their mandate in the family firm. This disparity is possibly due to the industry our sample successors were in, because in industries requiring specialist qualifications (e.g. a doctor or pharmacist), one would need higher educational qualifications to be able to perform effectively.

Out of the evidence gathered, this work proffers the holistic succession process model which captures the entire succession process, from the founder's role through to the post succession firm performance. It was found that the process of succession planning in FOBs is too complex a process to be considered in piecemeal. Le Breton-Miller et al. (2004) suggest that some existing studies are anecdotal (i.e. they do not follow any systematic pattern to collect evidence), some are empirical (collecting evidence in a more systematic manner) and yet others are theoretical. Some studies have also focused on the founder/successor dyad (Marler et al., 2016) while others focus on the baton changing process with the often-cited ones including the mutual role adjustment model (Handler, 1994), the relay racing process (Dyck

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et al., 2002), the horse racing process (Lee et al., 2003), the stepping stone model (Lambrecht, 2005) and the life cycle model (Griffeth et al., 2006). Yet others (eg. Wang et al., 2004) focus on the post succession firm performance as an outcome of the succession process. This current model runs the entire course of the succession process, in an attempt to synthesise all the existing processes.

Evidence from this study also supports Erven's (2007) work that it is a process that takes place over years of planning and requires a gradual decrease in the predecessor's role. It is however being pointed out that the process is not necessarily linear as suggested by Handler (1994); it is subject to recalibrations along the process as and when the need arises (Le Breton Miller et al., 2004) for instance when the successor exits, leading to a failed outcome. The process is also possibly cyclical, as it is never ending; it then becomes an ongoing process that hands over the managerial position to subsequent generations if the business is to be maintained within the family. These findings lend support to our second objective about the important elements that go into the succession process in Ghana.

Findings Related to Existing Theory

Chrisman, Chua & Sharma (2005, p.556) summarise the importance of theory in research thus: *"without theory, research will lack the causal linkages that are needed to help family firms manage their businesses better"*. Theory is arguably the main pillars on which research is supported, however, family business theories, for want of its own theories, tend to apply mainstream theories to support research on succession in family businesses (Chrisman et al., 2005). As a result, Giambatista et al. (2005) make a call for the development of a dominant succession theory. Some researchers have employed a learning theory (De Nobel et al., 2007; Sardeshmukh & Corbett, 2011) and a change theory (Drury, 2016) to explain succession while other theories such as the resource-based theory (with its relatively recent extension the

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knowledge-based theory) and self-efficacy theory have all been applied by others (Cabrera-Suárez et al., 2001). Evidence from this study submits that these theories may support the knowledge transfer aspect of the succession, but they cannot adequately explain the entire process of the succession such as the transfer process itself. Giambatista et al. (2005) further point out that succession in family firms does not occur with the change in leadership, it actually starts when the successor is introduced to the company to learn and get acquainted with the organisational processes (as part of the strategic education) for when the baton is finally handed over. Here, we reiterate our earlier discussion where we propound a holistic succession process theory which supports the process, spanning the period before the prospective successor enters the business into the period beyond the founder's exit.

This work acknowledges that process data tends to be complex, and more so, because the succession process spans a period of time, thus posing peculiar challenges requiring multiple levels and units of analysis. It is further being acknowledged that the succession process is complex, with varying boundaries, and thus requires an eclectic theoretical approach. These challenges then required the researcher to simplify a complex issue in order to capture adequate data for analysis. That acknowledged, the process theory still afforded this researcher the opportunity to study a phenomenon *"in a process of becoming (as opposed to being); or more stringently, organization as a process (of organizing) rather than a structure"* (Demir & Lychnell, 2015, p.87). Our proposed holistic succession process theory then synthesises the entrepreneurial orientation of the founder, the entrepreneurial learning and self-efficacy of the successor, the baton change (the bridging and transition period) and the knowledge-based theory at the post succession stage.

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Cultural dimensions in the succession process

Motwani et al. (2006, p.474) inferred that incumbents tend to focus more on personal qualities (such as integrity and commitment to the FOB) rather than gender, age or bloodline. However, in the Ghanaian context, our evidence indicate that majority of the founders considered gender and bloodline over other factors. Furthermore, this evidence confirms that the cultural classification of Ghana as a collectivist society, as opposed to the individualism of the Western world (Hofstede, 2001) seems to be fading away amongst urban Ghanaian entrepreneurs and they were found to be slowly moving away from their compliance to the matrilineal system of inheritance and the extended family system.

8.3.2 Reflections on the Research Approach and Methodology

The essence of this research has been to develop a deeper understanding of the succession process in FOBs in Ghana, peeking through the lived experiences of the respondents. The choice of a phenomenological approach therefore provided *"a photographic slice of life"* (Cope, 2005, p.169) as this researcher was able to capture the rich succession experiences of not just the founders, but also the successors, family members, employees and customers. This approach was chosen in the bid to conceptualise the entire process, while attempting to propose a theory to explain the entire process. Additionally, a process of member checking was used to afford participants the opportunity to clarify the interpretation of their words and in the process of clarification, some additional information was offered voluntarily (Baxter & Jack, 2008). The individual narratives formed the basis of the theoretical proposition (Pentland, 1999) as the themes support the development of the holistic succession model. The cases were purposively selected, to give a wider view of the subject as the succession periods vary between three and seventeen years.

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Five respondents per FOB was required so in cases where there were less respondents, they were set aside with the reason that Creswell (2009) advocates a holistic approach while Pentland (1999) suggests that different stakeholders would have varying perspectives of the phenomenon depending on their roles and needs. Having only one or two respondents in a company may have given a skewed view of the succession process. Creswell (2009) further recommends between four and ten cases so six companies provided enough information to draw the necessary conclusions. The most challenging aspect of the analysis was the transcription of the audio responses and their subsequent codification into the appropriate themes, while maintaining the integrity of the conceptual basis of the study. It has however developed in the researcher the necessary research skills for a future in academic research, and more importantly, the contribution of this research made the effort worthwhile.

8.4 CONTRIBUTION OF RESEARCH

It is the goal of every research work to contribute in some way to the advancement of knowledge in its particular field. This work has contributed in three main areas – theory, practice and policy (Creswell, 2009).

8.4.1 Contribution to theory

Le Breton-Miller et al. (2004) and Motwani et al. (2006) all lament the limited research that employ an existing theory to develop a succession planning model for specific use in FOBs. The entrepreneurial learning process follows the input-process-outcomes pathway (Man, 2006) with the input being the learning phase where the successor spends an appreciable time imbibing knowledge. The process phase is where he puts it into practice to consolidate what has been learnt and the outcome phase confirms the effectiveness of the skills learnt and actions taken, which is seen through the performance of the firm. This study employs the

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process theory to build a succession process theory, labelling the stages 1 to 3 as the input phase where the founder and the successor contribute into the succession process (learning, knowledge, interest, coaching, experience, etc). Stages 4 and 5, where the founder and successor work alongside each other are the processing phase, requiring all the inputs to be churned out into succession outcomes at the stage 6, thus completing the succession process. The narratives of the research support the proposal of a succession process theory, which is in turn supported by Pentland (1999, p717):

> *"I want to elaborate on the idea that explanation requires a story and that stories can be understood as process theories."*

Handler (1994) also points out four major areas in which succession research is scarce, the first area being a succession plan for different ethnic groupings. This work is a response to that, showing a succession plan for the Ghanaian context, and by extension a plan for a developing economy context, which was also called for by Wang et al. (2004) as well as Giambatista et al. (2005). Additionally, Chrisman et al. (2005) argue that a succession theory should incorporate a strategic management perspective. Our argument is that taking calculated decisions and moves to invest time and resources in the training and grooming of a successor is a risk, unsure of the future organisational outcome. A strategic approach prepares the successor to be able to fit into, and deliver on, the vision and strategic objectives of the business. In response to this, we cite Dyck et al. (2002, p.144) who assert that succession should not be viewed as a chore that a firm must endure, *"succession can represent a strategic opportunity for an organization"* if the necessary strategic steps are taken.

Finally, Bertrand and Schoar (2006) argue that instead of using more talented non-family members, founders of FOBs often fill their top management positions with relatives, thus depriving the FOB of the necessary expertise to remain competitive. Our study argues that

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the outcome of a succession is not necessarily negative simply because a family member is chosen, so long as the successor is strategically groomed from an early age with the requisite expertise for the FOB.

8.4.2 Contribution to Practice

In terms of practice, this study has developed a model (see Chapter 7) for the effective succession for FOBs in Ghana. Founders of family businesses can apply the model to develop the next generation who would take over the leadership of the family business. The successors in turn, could use the model to develop the subsequent generations and gradually pass on the family business from one generation to the next in the years to come.

Sten's (2006) study in Finland found that inasmuch as a lot of founders seek to pass on the family business to their children, a lot of the children would prefer to be absolved of such a responsibility. Scott (2013) further mentions five myths of succession, one of which is *"it's easier to sell"* when the founder is ready to retire and there is no immediate family successor. There are however a number of challenges with such an arrangement. The first relates to the probability that there would be an immediate buyer when the founder is ready to sell; the second relates to the said buyer also being willing and able to pay the full market value of the business, and the third relates to the decision of the new owners to keep family members working in the business (Motwani et al., 2006). In our study, we found that in the merger between Adepa and a foreign business, a condition was set that the family members should leave the family business. Our succession model helps generate an interest in the next generation at a younger age, which would minimise their tendency to seek to be absolved from the leadership position within the FOB.

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8.4.3 Contribution to Policy

This work also contributes towards the development of policy in the financial sector (with the opportunity to be extended into other sectors). Policy makers may adopt the model as part of due diligence in operational processes to protect suppliers and agencies with whom other businesses engage. For instance, the financial sector is often plagued with a high portfolio of non-performing loans, with one of the reasons being the death or incapacity of a business owner. Such a high borrower risk also leads to high interest rates for small business owners or sometimes an outright rejection for loan applications. In order to minimise losses to the financial institutions, this model may be adopted as one of the requirements when contracting a loan. The likely outcomes would be even more evident if it is backed by the relevant policy.

8.4.4 Who benefits from the research

A number of target groups have been identified to benefit, whether directly or indirectly, for the findings of this research. The following are the more prominent ones, although this is not an exhaustive list. Entrepreneurs and business owners looking to leave behind a lasting legacy for their families may adopt the holistic succession model as part of the arrangements made to safeguard the future of their legacy. Ogundele et al. (2009) refer to Chief Ade Ogundoyin, owner of Crown Trust Limited, Nigeria, who incorporated the succession plan into the firm's Articles of Association for the avoidance of any doubt.

In addition, financial institutions are likely to minimise their non-performing loans if they made succession planning a pre-requisite in their loan application processes. Industry regulators and the general business community would also benefit in a similar manner. Further, prospective investors weighing their investment options are likely to have increased confidence in a business that has a clearly laid out succession plan, as the risks of family

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conflict within the business will be minimised. Finally, academic institutions may adopt the derived succession model as a training tool to support industry, while including the case studies in chapter 5 in their teaching resources to reflect possible organisational outcomes of succession planning.

8.5 LIMITATIONS OF STUDY

This study has made some contributions to theory, practice and policy in the area of succession planning in family businesses as indicated. However, it does not claim to have covered everything there is to know about succession; there are some limitations that were placed on the study to allow the researcher to focus and adequately investigate the phenomenon. First, is the context of the study, as the focus was on family businesses and on Ghana as a country, a developing economy.

In terms of methodology, the study adopted a subjective paradigm and hence, a qualitative approach. Denzin and Lincoln (1994, p.12), in discussing the qualitative approach, put forward that *"individuals are seldom able to give full explanations of their actions or intentions; all they can offer are accounts, or stories, about what they did and why. No single method can grasp the subtle variations in ongoing human experience."* Being cognisant of this, the necessary steps were taken to ensure the integrity of the work was not coloured by the researcher's bias. The respondents' perspectives were reported as they had been presented, thus constructing the phenomenon according to the lived experiences of the respondents.

Another limitation has to do with the limited variables in the research model. Since the majority of the respondents have a tertiary education (some with a post graduate), by default,

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the findings represent the viewpoints of the well-educated entrepreneurs living in the capital city. An older generation of entrepreneurs with less educational laurels drawn from a rural setting might have provided an entirely different perspective, especially with regard to their views concerning cultural issues such as the matrilineal inheritance.

Further, the initial sample of companies was twelve, drawn from different sectors of the economy, including companies in car retail, juice manufacturing, cable manufacturing, farming, catering and events planning. In all these companies, only an employee agreed to the interview after which the founder and successor declined so the data was deemed to be inadequate to draw robust conclusions.

Finally, Ogundele et al. (2009) recommend other forms of ensuring the continuity of the family business in cases where a family successor was not found. Examples include training trusted employees or hiring a professional manager to take the leadership position. Other options include floating the business on the stock market, a management buyout, employee stock options or a direct sale to the highest bidder. However, all these options either limit the founder's control or take it away completely – this may not be a good option if the intention is to keep the business ownership within the family. This work did not investigate these options as the focus was on founders who wanted to pass on the business to other family members.

8.5.1 Data collection challenges

As with many a research work, certain challenges were encountered during the data collection stage that placed constraints on either the flow or the speed with which the study progressed. However, these were managed by the researcher without compromising the

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quality of the data. First was the accessibility of data to aid in an all-inclusive analysis, since a lot of FOBs in Ghana operate mainly in the informal sector (Ewusi, 2013). Second was the willingness of sample firms to share financial information objectively. In certain instances, the researcher sensed a reservation about sharing financial information as sometimes the interviewees' responses about the financial performance was somehow evasive, for which reason the researcher had to resort to other ways of measuring firm performance such as physical assets and an increase in customer base (Abban et al., 2013). Third was the unease of key informants to speak openly and objectively about their experiences. To mitigate the challenges, adequate time was spent with the firms, which helped to build a good rapport and gain respondents' trust.

Another challenge was respondents' inability to honour appointments due to other unplanned engagements, often work related. For instance, during an appointment with a doctor whose patient went into labour, the researcher had no choice but to reschedule for another day that was convenient to the interviewee. In other cases, some of the stories were not corroborated by other respondents. This gave the researcher an opportunity to request a follow-up meeting to have them clarified. These notwithstanding, all possible measures were taken to maintain the integrity of the data collected.

8.5.2 Suggestions for future research

From this research have arisen opportunities for further research. In Ghana, SMEs have been found to make up about 92% of businesses, contributing about 70% to Ghana's GDP and over 80% to employment (Abor & Quartey, 2010) while FOBs make up about 60% of all SMEs (Abor, 2008). These together help stimulate economic growth and wealth creation (Motwani et al., 2006) and thus make FOBs the focus of many a research in the academic

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space. A suggestion for the future is for the model to be tested in a longitudinal study to validate its robustness and also in a quantitative study to test its generalisability. Another suggestion is for a study on a sector-by-sector basis to accommodate sector specific dynamics and to study the outcomes of the lack of succession planning within the Ghanaian context. There is also a suggestion for the study to be considered in the rural sector because Nukunya (2003) mentions that modernity today has affected who a Ghanaian is. It would be a useful contribution to knowledge to find out if the rural setting changes the views of respondents regarding cultural issues such as polygamy and the role of the extended family in one's family business operations.

8.6 RECOMMENDATIONS

On the whole, the findings of this study have satisfied the objectives of the research as summarised in section 8.2.1, while the model in Chapter 7 satisfies the third objective of the research. It was found that if the succession principles are not followed, organisational losses often occur (Dalton, 2006), while following the principles would result in the successful transfer of the business from one generation to the next. In our sample case C (Aduroyε), we found that the first attempt at succession failed, and the second attempt was successful and at present, the third generation is working in the business, in preparation towards a succession into the third generation. Developing transgenerational success requires the successor to also develop an EO mindset that endures across subsequent generations (Chrisman et al., 2014).

Again, the findings of this study are not only relevant to industry players, but also to policy makers and the academe. Granted that succession planning is not a one-day event of simply announcing a successor, but a well-planned process that takes place over a period of time - upwards of two years - it is being recommended that businesses should invest time and

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resources to ensure positive organisational outcomes from the succession process. Handler (1994) recommends a gradual process over a period for the transition of leadership between the incumbent and the successor. Business owners put themselves in a good stead if they consider the succession process a long time before the actual need for a change-over arises.

Another aspect of succession that the literature has not interrogated adequately but our research found essential is the continuous learning of the successor. Successors for Tots and Teens, Goodlife, Aduroyɛ and Nsadɛ all underscore the essence of continuous learning to their knowledge acquisition and hence their capabilities as new leaders. Nsadɛ has developed affiliations with other young entrepreneurs with whom he exchanges ideas, and he advocates the regular reading of literature on family business and attending short courses and conferences to be updated with new business trends. Aduroyɛ on his part, regularly reads literature on marketing and strategic branding in order to maintain his products as a household name. Goodlife, also learns to be able to cope with the ever-changing demands of technology in the medical field. Wang (2008) found that entrepreneurs who constantly and actively seek learning opportunities tend to perform better. This may not be readily available to them but they purposefully seek new knowledge, even from external sources, to be applied to their business. It is not enough to acquire the knowledge, but what makes it a valuable resource is its application (Dimov, 2003).

In addition, the founder must have a high level of trust in the successor's capabilities; this can be enhanced when there has been a strategic training of the successor to ensure the skills/knowledge gaps are closed and made relevant to the company's requirements. The successor can achieve this during the external experience period and also within the family firm as the successor takes on increasingly more challenging responsibilities. It then becomes

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imperative for the founder to delegate responsibilities of increasing demand to equip the successor with the needed authority as it communicates a clear message to stakeholders of the founder's support. Venter et al. (2006) further recommend for the incumbent to provide an environment where the successor is allowed to experiment and make mistakes which will in turn develop his self-confidence.

Another recommendation is for there to be a form of agreement on the mode of succession, which would include the positions and ownership of assets to be allotted out, to whom, when, and how the allotment would be done (Dyck et al., 2002). Moreover, a formalised and clearly laid out governance system such as a family council and/or a board of directors/advisors which meets on a regular scheduled basis during the year also serves the incumbent's interest by overseeing the progress of the succession process to a meaningful conclusion. Family councils will also be useful in this case to support the successor as the council meetings become a forum for consensus building on pertinent issues (Le Breton-Miller et al, 2004). The question would be for the family to decide whether in-laws should form part of the family council.

Finally, it would be useful to inform the successor and other rejected successors (including employees where applicable) of the arrangement early enough and in a clear-cut manner, minimising ambiguities, uncertainties and insecurities. In fact, it is being suggested that the decision to be communicated at least a year or more in advance (Motwani et al., 2006) as this researcher believes that following most of these recommendations will further enhance the organisational outcomes of the succession process.

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8.7 CONCLUSION

In conclusion, this work does not attempt to make a claim for anything more than the results have provided, neither does it seek to generalise the findings out of the data collected. However, the contribution to knowledge is useful in the study of succession planning and family businesses, especially in contexts with collective social structures. More often than not, the succession process is viewed as a linear process, whereas in reality, the process is interspersed with uncertainties, requiring a re-calibration as might be required at different stages (Le Breton-Miller et al., 2004) and if pursued with ardent commitment from the various stakeholders, it has the potential to become a useful strategic tool that yields competitive advantages for the family firms involved.

To reiterate the import of this research, the life cycle of a business, like a human life, is temporal, and succession becomes imperative if the cycle is to be extended; succession must therefore be anticipated, planned for, and executed with calculated strategic actions. A study of the succession process must therefore have a multi-theoretical approach (encapsulating a blend of theories such as EO, EL, KBV) and a multi-level focus (on the individual, family and business levels), with the performance considered on multi-dimensions (financial, stakeholder outcomes), while bearing in mind that the process is a change in ownership just as much as it is a change in leadership and must be treated as such.

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Appendix 1: Work-plan

ID	Activity	Start	Finish	Duration	2015		2016				2017	
					Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1	- Literature review - Prepare interview questions - Initiate discussions with sample groups	01/06/ 2015	31/12/ 2015	30.8w								
2	- Start survey of sample group (field research) - Start collecting primary data as required - Start collecting secondary data - Extend literature review	01/01/ 2016	30/06/ 2016	26w								
3	- Analysis of secondary data collected (review as necessary) - Field research continues - Analysis of primary data as and when collected	01/07/ 2016	30/12/ 2016	26.2w								
4	- End of survey period	01/12/ 2016	30/12/ 2016	4.4w								
5	- Final analysis of primary data collected - Collation of results and write up of draft copy	02/01/ 2017	28/02/ 2017	8.4w								
6	- Submit draft for comments	01/03/ 2017	31/03/ 2017	4.6w								
7	- Revision of draft as necessary	03/04/ 2017	28/04/ 2017	4w								
8	- Submission of final copy and defence	01/05/ 2017	30/06/ 2017	9w								

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Appendix 2: Participant Consent Form

University of Ghana Business School

Department of Marketing & Entrepreneurship

Participant Consent Form

Dear Sir/Madam,

I am Jocelene Buckman, a PhD student in Entrepreneurship at the University of Ghana Business School. As part of the program requirements, I am researching into the succession processes of family owned businesses in Ghana to help me develop a framework of best practice that guides the process for future use.

This interview is aimed at gathering data on the arrangements made by owners of family businesses towards their imminent exit, and the steps they take to identify, groom and eventually hand over to a successor.

Your organisation has been chosen as a sample for the research and I would like to entreat you to share as much information as possible to help me gather relevant data for analysis. There are no "right or wrong answers" so all views will be appreciated.

I would also like to assure you that comments made, and information shared, will be kept confidential and only used for the purpose for which it was collected.

If you are willing to be a part of this research, kindly sign below to indicate that you have freely and willingly given your permission to be interviewed for the research.

Name: _____

Organisation: _____

Sign: _____ Date: _____

Thank you.

Yours Faithfully,

Jocelene Buckman

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Appendix 3: Interview Questions

Interview Questions - Founder

1. Measuring Entrepreneurial Orientation of founder

- How many years have you been in business
- What peculiar skills have made you successful in this business
- How do you identify new opportunities to take advantage of
- What arrangements have you made to help you move out and on from the business

2. Measuring Entrepreneurial legacy

- What level of childhood exposure in the business did you provide for the successor
- How were lessons collected, collated and stored for future retrieval
- How was training is done – was there the opportunity to learn EO traits?

3. Measuring EL - Life stages by which one develops an entrepreneurial career

- Describe your children's early life – family background, education, adolescence
- How and what did you learn about the successor in the process – strengths, weaknesses, areas of personal improvement,
- What opportunities did you give the successor to learn about the changing requirements of the job, internal business needs, requirements for growth
- What opportunities have been provided to help him/her growing the venture – eg. taking control, driving, leading, developing people, setting future direction

4. Measuring successor selection

- What traits did you look out for (check for EO traits eg proactiveness, innovation, risk taking, autonomy, competitive aggressiveness)?
- Does your family business have a clearly written succession plan?
- On what basis was the selection for a successor made
- How have you prepared and developed your family business successor?

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- How many competent successors were available to choose from
- Did you consider a successor who is a non-family member
- What was the educational level of successor (years of schooling, other specialised areas) before the succession and what is the level now?

5. Communicating the successor to stakeholders

- Which stakeholders were informed
- How and when was it communicated to various stakeholders
- How did you know when the time was ripe for the news to be broken and for the handing over to be done
- What was the reaction of the key players after the announcement (employees, family etc)
- What mitigating measures were taken to minimise negative reactions of key players?

6. Measuring Family cohesion

- How many children
- How many from the same mother (if male)
- How many wives of the successor (if male)
- How many members from the extended family are in the business
- What leadership roles do family members occupy
- What activities/structures are in place to ensure a cordial relationship between family members
- What is the level of involvement of family members in each other's lives
- How often do family members get together at family events

7. Strategic bridging

- Did you mentor the successor upon completion of his/her education
- Did you continue to manage family firm operations after successor's return
- How easily do you accept changes implemented by successor in firm

8. Strategic transition

- Does the Successor's partner participate regularly in family events
- How well is the Successor's partner integrated in family firm

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- Is there a succession agreement between key stakeholders to prevent a buyout of other heirs after the succession

9. Demographic dynamics

- Gender: [ ] Male [ ] Female
- Age of owner: [ ] <35 [ ] 35-44 [ ] 45-54 [ ] 55-64 [ ] 65-74 [ ] >74
- Are you: [ ] Single [ ] Married [ ] Separated [ ] Divorced
- Do you follow the matrilineal/patrilineal system of inheritance where you come from
- What is the level of the extended family influence
- What impact has the industry in which your business is had on the succession process
- Effect of the successor's traits on the success of the succession process

10. Firm performance

- Is there a change in strategy since successor took over, and why?
- How does your performance before the succession compare with the after
- What have been the comments/reactions of suppliers
- What have been the comments/reactions of customers
- What is the level of cooperation of employees before and after the succession
- What is the level of cooperation of other family members before and after the succession
- Would you confidently say the succession process has been successful
- What has accounted for the success or failure

Interview Questions - Employees

1. Measuring Entrepreneurial Orientation

- How many years have you worked in this business
- In your view, how does the successor compare with the founder in terms of skills
- How willing is the founder to let go of the control to the successor
- Do you know of any arrangements for the founder to move out and on from the business

2. Measuring Entrepreneurial legacy

- Before the role, did the successor show any interest in the business.

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- Is the successor accepted by the long-term employees of the business.
- Do you think the successor is allowed room to make mistakes and learn on the job.
- Do you see that the successor shares the vision as laid out by the founder,
- If not, have you noticed a new one recreated by the successor.

3. Measuring Entrepreneurial Learning

- Describe the children's early life in the business
- What opportunities was the successor given to learn about the changing requirements of the job, internal business needs, requirements for growth
- What opportunities have been provided to help him/her growing the venture – eg. taking control, driving, leading, developing people, setting future direction
- How does he/she manage relationships with key players eg. existing and potential customers, suppliers, competitors and support services such as the bank, the accountant.

4. Measuring successor selection

- Do you know what traits the founder considered before selecting the successor? (check for EO traits eg proactiveness, innovation, risk taking, autonomy, competitive aggressiveness)
- Do you know if the business has a clearly written succession plan?
- On what basis was the person selected to be the family business successor?
- How was he/she prepared and developed for the family business?

5. Communicating the successor to stakeholders

- Which stakeholders were informed
- How and when was it communicated to various stakeholders
- What was the reaction of the key players after the announcement (employees, family etc)
- What were the mitigating measures to minimise negative responses of key players?

6. Measuring Family cohesion

- What is the level of involvement of family members in each other's lives
- Do you see any forms of conflict
    - between parent and child(ren)
    - among children

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- between children and extended family members

7. Strategic bridging

- Who mentored the successor upon the completion of his/her education
- Did founder continue to manage family firm operations after successor's return to the firm
- Is the successor given the power from founder to lead new projects
- How easily does the founder accept changes implemented by successor in firm

8. Strategic transition

- Does the Successor's partner participate regularly in family events
- Is there a succession agreement between key stakeholders to prevent a buyout of other heirs after the succession

9. Demographic dynamics

- How does culture impact your business operations
- What is the level of the extended family influence
- What impact has the industry in which your business is had on the succession process
- What is the effect of the successor's traits on the success of the succession process

10. Firm performance

- Is there a change in strategy between the two leaders
- What is your revenue now compared to the period before the succession
- What have been the comments/reactions of suppliers
- What have been the comments/reactions of customers
- What is the level of cooperation of employees before and after the succession
- What is the level of cooperation of other family members before and after the succession

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Interview Questions – Family Members

1. Measuring Entrepreneurial Orientation

- What level of childhood exposure in the business was provided for you and your siblings
- How was training is done – was there the opportunity to learn entrepreneurial skills?
- How were you taught to identify new opportunities to take advantage of
- What arrangements did the founder make to help him move out and on from the business

2. Measuring Entrepreneurial legacy

- Are you aware of some past entrepreneurial behaviours of your family
- Do you feel proud about these past entrepreneurial behaviours of your family
- What level of childhood exposure in the business was provided to you and siblings
- How was training is done – was there the opportunity to learn EO traits?
- Did you feel pressure from family to join in the family business.

3. Measuring Entrepreneurial Learning

- Did you receive any mentoring from the founder or other managers in the firm
- What did you learn about the successor in the process – strengths, weaknesses, areas of personal improvement,
- What opportunities were you given to learn about the changing requirements of the job, internal business needs, requirements for growth
- What opportunities have been provided to help you in growing the venture – eg. taking control, driving, leading, developing people, setting future direction

4. Measuring successor selection

- Is there an established standard for selecting successor.
- Is the successor choice based on merit and talent or gender and position among the siblings.
- How many competent successors were available to choose from
- Are there clear performance standards set for successor to perform.
- How has your family business successor been prepared and developed?
- To what extent did the successor show a willingness to take over the firm

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5. Communicating the successor to stakeholders

- Which stakeholders were informed
- How and when was it communicated to various stakeholders
- How did you get to know about the news of the handing over to the successor
- What was your reaction and that of other key players after the announcement
- Was there any mitigating action to minimise negative responses/reactions of key players?

6. Measuring Family cohesion

- Do you know of any past perilous times/calamities that has held the family together
- How did your family survive these past perilous times/calamities
- How often do family members get together at family events
- Do some family members live under one roof
- Do family patterns carry over to the work place.
- How are parents able to separate business and parental roles.
- How well are you able to work with spouses involved in the business.
- What are some of the typical sources of conflict
    - between parent and child(ren)
    - among children
    - between children and extended family members

7. Strategic bridging

- Did the Founder mentor the successor upon completion of his/her education
- Did the founder continue to manage family firm operations after successor joined the firm
- Is the successor given the power from founder to lead new projects
- How easily does the founder accept changes implemented by successor in firm
- Do you feel there is an expectation for you to work well with the successor

8. Strategic transition

- Is there a rule requiring that there should be no buyouts of heirs at succession
- What are some of the positions held by other family members
- How well is the Successor's partner integrated in family firm
- Is there a succession agreement between key stakeholders to prevent a buyout of other heirs after the succession

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- Was there a buyout arrangement between the founder and successor

9. Demographic dynamics

- Gender: [ ] Male [ ] Female
- Age of owner: [ ] <35 [ ] 35-44 [ ] 45-54 [ ] 55-64 [ ] 65-74 [ ] >74
- Are you: [ ] Single [ ] Married [ ] Separated [ ] Divorced
- How does culture impact your business operations
- What is the level of the extended family influence
- What is the effect of the successor's traits on the success of the succession process
- What impact has the industry in which your business is had on the succession process
- *** (only where applicable) Have you identified any effects of polygamy eg. Wives' conflict, children from different wives conflict

10. Firm performance

- Do you see a change in strategy with the change in leadership?
- Are there any significant changes in the way business is done
- What have been the comments/reactions of suppliers since the changeover
- What have been the comments/reactions of customers since the changeover
- What was the level of cooperation of employees before and after the succession

Interview Questions – Successor

1. Measuring Entrepreneurial Orientation

- What endeavours did the founder take that show traits of proactiveness
- How does he/she identify new opportunities to take advantage of
- Any examples/experiences to indicate risk taking traits
- How willing was the founder to let go of the control to you
- What arrangements did the founder make to help him/her move out and on from business

2. Measuring Entrepreneurial legacy

- At what age were you introduced to the business
- What important experiences have you had that prepared you for the role.

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- Before the role, did you have any interest in the industry your business is in.
- Are you attracted to the thought of being one's own boss.
- Do you reckon that your personal identity is tied to the firm in any way.
- Are your current life stage expectations being met by the business.
- Do you feel accepted by the long-term employees of the business.
- Do you find there is room for your mistakes and learning in the business.
- Do you share the vision as laid out by the founder,
- If not, have you created a new one.
- How does your new one compare with the founder's

3. Measuring EL - Life stages by which one develops an entrepreneurial career

- Describe your early life – family background, education, adolescence
- How and what did you learn about yourself in the process – strengths, weaknesses, areas of personal improvement,
- How have you learnt your skills ('learning by copying, learning by experiment; learning by problem solving and opportunity taking; and learning from mistakes'
- Describe to me your first job and previous work experience
- How did you learn about the changing requirements of the job, internal business needs, requirements for growth
- When and how did you join the family business
- What skills have you acquired to help you in growing a venture eg. taking control, driving, leading, developing people, setting future direction
- What form of training did you receive (Formal education, Management experience, Industry-specific experience)
- What perceptions did you make of business when you were in high school.
- Did your parents have positive attitudes about FOB.

4. Measuring Successor selection

- What traits do you think the founder considered in his selection
- Does your family business have a succession plan?
- Did you always know you would be the successor?
- How were you selected to be the family business successor?

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- How have you been prepared and developed to become the family business successor?
- Out of how many competent successors were you selected
- How old were you when you were made aware that you were chosen successor
- What was your educational level (years of schooling, other specialised areas) when you were chosen.
- If there has been a change, what is your educational level now

5. Communicating the successor to stakeholders

- When and how was the selection announced
- Which stakeholders were informed
- What determined who should be informed of the baton change
- What was the reaction of the key players after the announcement (employees, family etc)
- Was there any mitigating action to minimise negative responses/reactions of key players?

6. Measuring family cohesion

- Describe the relationship between your parents.
- Would you say your childhood experiences shape a positive attitude towards the business.
- Describe the relationship between you and the founder.
- Did you find yourself in a conflict with the founder when he/she would not retire.
- Do you sometimes get the impression that the founder limits your chance to prove yourself.
- Are you given the opportunity to participate in important decisions.
- What is the level of mutual respect and understanding between you and the founder.
- While you were growing up, your parents were able to separate business and parental roles.

7. Strategic bridging

- Were you given increasingly challenging assignments to build your skills.
- Have you ever felt in any way inferior to the founder.
- Have you identified any conflict in the management style between you and the founder
- What is the ability of the founder to delegate managerial roles to you.
- Does your spouse support your decision to work with the family business.

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- Is your spouse able to pursue their own work interests.

8. Strategic transition

- What are some of the sources of succession conflict (leading to non-success).
- Has there been a clean transfer of power from founder to you.
- Do you get the impression the founder keeps the real power.
- Do you get the impression you have been given the title without real responsibility.
- Do you find a conflict between business and parental role

9. Demographic dynamics

- Gender: [ ] Male [ ] Female
- Age of owner: [ ] <35 [ ] 35-44 [ ] 45-54 [ ] 55-64 [ ] 65-74 [ ] >74
- Are you: [ ] Single [ ] Married [ ] Separated [ ] Divorced
- How does culture impact your business operations
- What impact has the industry in which your business is had on the succession process
- What is the level of the extended family influence
- Effect of the successor's traits on the success of the succession process
- *** (only where applicable) Have you identified any effects of polygamy eg. Wives' conflict, children from different wives conflict

10. Firm performance

- What is the performance of the firm now compared to when the founder was managing the business
- Is there a change in strategy (evolutionary)? And why?
- What have been the comments/reactions of suppliers
- What have been the comments/reactions of customers
- What was the level of cooperation of employees before and after the succession
- What was the level of cooperation of other family members before and after the succession

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Interview Questions – customers

1. Measuring Entrepreneurial Orientation

- How many years have you worked with this business
- Any examples/experiences to indicate the successor's entrepreneurial skills
- In your view, how does the successor compare with the founder in terms of skills
- How willing is the founder to let go of the control to the successor
- Do you know of any arrangements for the founder to move out and on from the business

2. Measuring Entrepreneurial legacy

- What do you know about the children's early life in the business
- Is the successor accepted by the long-term employees of the business.
- Do you think the successor is allowed room to make mistakes and learn on the job.
- Do you see that the successor shares the vision as laid out by the founder,
- If not, have you noticed a new one recreated by the successor.
- How does the new vision compare with the founder's

3. Measuring Entrepreneurial Learning

- At what point did the successor join the venture
- How did the successor learn the requisite skills ('learning by copying, learning by experiment; learning by problem solving and opportunity taking; and learning from mistakes')
- What opportunities was the successor given to learn about the changing requirements of the job, internal business needs, requirements for growth
- What opportunities have been provided to help him/her growing the venture – eg. taking control, driving, leading, developing people, setting future direction
- How does he/she manage relationships with key players eg. existing and potential customers, suppliers, competitors and support services such as the bank, the accountant.

4. Measuring successor selection

- Do you know what traits the founder considered before selecting the successor? (check for EO traits eg proactiveness, innovation, risk taking, autonomy, competitive aggressiveness)

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- Do you know if the business has a clearly written succession plan?
- On what basis was the person selected to be the family business successor?
- How was he/she prepared and developed for the family business?
- To what extent did the successor show a willingness to take over
- How many competent successors were available to choose from

5. Communicating the successor to stakeholders

- Do you know which stakeholders were informed about the selection
- Do you know what determined who should be informed of the baton change
- How and when was it communicated to you
- What was your initial reaction to the news
- How and when was it communicated to other stakeholders
- What was the reaction of the key players after the announcement (employees, family etc)
- Was there any mitigating action to minimise negative responses/reactions of key players?

6. Measuring Family cohesion

- How many members from the extended family are in the business
- What leadership roles do family members occupy
- Do you see any forms of conflict
    - between parent and child(ren)
    - among children
    - between children and extended family members
- What is the level of involvement of family members in each other's lives

7. Strategic bridging

- Who mentored the successor upon the completion of his/her education
- Did founder continue to manage family firm operations after successor joined the firm
- Do you find that the successor is given resources from founder to start projects within firm
- How easily does the founder accept changes implemented by successor in firm

8. Strategic transition

- Is the Successor's partner part of the family business

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- How well is the Successor's partner integrated in family firm
- Is there a succession agreement between key stakeholders to prevent a buyout of other heirs after the succession

9. Demographic dynamics

- How does culture impact the business operations
- What is the level of the extended family influence
- What is the effect of the successor's traits on the success of the succession process
- *** (only where applicable) Have you identified any effects of polygamy eg. Wives' conflict, children from different wives conflict

10. Firm performance

- Is there a change in strategy (evolutionary)?
- What was your level of service offered before and after the succession
- What have been the comments/reactions of other customers
- What was the level of cooperation of employees before and after the succession
- What was the level of cooperation of other family members before and after the succession

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Appendix 4 – Introductory Letter

UNIVERSITY OF GHANA
BUSINESS SCHOOL

UGBS
University of Ghana Business School

Tel: 0242942278
e-mail:skbuame@ug.edu.gh

31- 01 -2017

Dear Sir or Madam,

A LETTER OF INTRODUCTION – TO WHOM IT MAY CONCERN

This is to introduce to you, **Mrs Jocelene Buckman**, a PhD student from the University of Ghana Business School, Legon. She is currently pursuing a PhD in **Entrepreneurship.**

As a requirement for her graduation, she is working on a thesis with the topic: ***Succession Planning in Family Businesses.***

She needs to collect data from key informants/respondents of the organisations concerned. The School would be very grateful if your organisation can provide her with the necessary information/data and any assistance thereof. All information/data given will be treated as confidential and for academic purposes only. Final reports of the study can be made available to your organisation upon request.

Thanks in advance

Yours faithfully,

UNIVERSITY OF GHANA
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