

UNIVERSITY OF GHANA

SCHOOL OF BUSINESS

COLLEGE OF HUMANITIES

**FAMILY OWNED BUSINESSES IN GHANA: AN EXPLORATORY
STUDY OF FACTORS AFFECTING ITS SUSTAINABILITY.**

BY

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DECLARATION

I, Kwaku Boadi Twumasi, the author of this long essay, entitled family owned business in Ghana an exploratory study of the factors influencing its sustainability, hereby solemnly declare that from the opening paragraph to the last word of this study was done by me in its entirety under the supervision of Dr. Asumin and also assert that this work has not been presented either in whole or part(s) to any institution(s) or individual(s) and also affirm that all relevant information sources used in this work has been acknowledged.

This long essay has been prepared in accordance with the University of Ghana's laid down procedures under its program for Master of Science Accounting and finance.

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ABSTRACT

This study was purposed to identify, analyse and proffer recommendations for how to overcome the challenges that fight the continuous existence of family-owned businesses beyond the first generation. A four point objectives was developed to answer to the phenomenon which proposes a local solution to a global challenge. The most applicable method used was Qualitative methods broken down into Five (5) stages including research design, data collection, data analysis techniques, the population and sampling method and the data analysis method adopted. The study was also mindful of the global statistics for the survival of family-owned businesses which puts survival rate to a maximum of 25% surviving until the 2nd generation and between 5 to 10% surviving to the 3rd generation. The study starts with a summary of the entire work, followed by a comprehensive literature review of articles from top journals from academia, business world, World Wide Web, corroborated archival materials from the subject area and other related subjects among other sources of information which were analysed qualitatively. The study further shows that , though there are a lot of information on family-owned business globally, the Ghanaian version is not pronounced, going through this study would show that, though the broad topics for failures all over the world looks the same, the assigning reasons for that of Ghana differs from other materials available. The difference in the factors causing the Ghanaian situation would be found in the study and also brings out the role that culture and tradition play when it comes to the survival of family-owned businesses. This work at the end showed that there are no conscious efforts from first generation of owners to have a road-map for succession. It would also be found that the issue of miss-trust is both a two “way street” employers and employees are suspicious of each other among other revelations. The issue of failures and the need for State involvement in providing the enabling environment for businesses to thrive are all contained in the study. Areas such as succession planning, compensation for employees,

reasons behind managers not preparing succession plans among other interesting areas were touched.

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