ASHESI UNIVERSITY COLLEGE

FACTORS AFFECTING THE SUSTAINABILITY OF FAMILY BUSINESSES IN GHANA AFTER THE EXIT OF FIRST GENERATION OF FOUNDING FAMILY MEMBERS

UNDERGRADUATE THESIS

B. Sc. Business Administration

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DECLARATION

Student's Declaration

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature: ____

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Date: ___4th April 2018________

Supervisor's Declaration

I hereby declare that the preparation and presentation of this dissertation was supervised in accordance with the guidelines on supervision of thesis laid down by Ashesi University College.

Supervisor's Signature: ____

Supervisor's Name: _____Mr. Abdul-Nasser Alidu_______

Date: ___________________________

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ABSTRACT

Family businesses, many of which fall within the Small and Medium Enterprises (SMEs), are the center of growth in developing countries such as Ghana as they contribute significantly to the Gross Domestic Product (GDP), promote employment opportunities and serve as a means of alleviating poverty. Despite being the center of growth in developing countries, most family businesses rarely have a successful transition from one generation to the next. Majority of research done on family businesses has been carried out on succession planning, corporate governance and characteristics of the different generations running the business. The aim of this paper is to find out the various factors affecting the sustainability of family businesses in Ghana and find strategies around them to ensure long-term sustainability. A qualitative approach was employed in the collection and analysis of data. Using the Sustainable Family Business (SFB) model grounded in the systems theory, this study found out that of all the factors that affect sustainability, succession planning and family dynamics have the most impact on the sustainability of the family business, followed by founder's syndrome. Entrepreneurial tradition had little to no impact on the sustainability of the business. This study hopes to contribute to the current family business discussion by bringing together the four unique factors that affect family businesses with the hope of finding strategies that will not only increase sustainability of family businesses but also increase the shelf-life of SMEs in general.

Key words: Family businesses, Sustainability, Ghana, Systems Theory, Founders' Syndrome and Agency Theory, Succession Planning, Family Dynamics

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FB- Family Business

GDP- Gross Domestic Product

SME- Small and Medium Enterprises

SFB- Sustainable Family Business

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CHAPTER ONE: INTRODUCTION

1.1 Background

Family-owned businesses make up the world's oldest type of business and range from small and medium-sized enterprises (SMEs) to large organizations with organizations such as Samsung, Hyundai Motors, L'Oreal, Ford Motors and Walmart Stores being examples of renown family-owned businesses (Abouzaid, 2011). Mbaeh and Korir (2016), state that approximately 60% of businesses in the world start as family businesses. However, only a small number of family businesses manage to succeed from generation to generation. The Family Firm Institute of Boston (USA) estimates that 30% of these family owned businesses survive to the second generation of family members, 12% survive to the third generation and 3% survive to the fourth generation and beyond (as cited in Visser & Chiloane-Tsoka, 2014). Literature on survival of family businesses ranges from case studies, empirical tests, opinion and experience and it offers a series of recurring findings such as succession practices to corporate governance to capital financing. However, the effectiveness of all these strategies recommended is highly dependent on the timing of their implementation. Through an analysis of several family owned businesses (both existing and collapsed), this study seeks to explore the factors that have made these businesses sustainable over the years.

There is no agreed upon definition of what constitutes a family business. Barnes and Hershon (1976) define a family business as "…a business controlled by members of a single family." Ward (1987), on the other hand, views a family business as "…a business that is passed on for the family's next generation to manage and control" (as cited in Eustace, 2006). For this study, however, a family business is defined by one or all the following characteristics as outlined by Mbaeh and Korir (2016):

- Two or more members of a family or a group of families own the business.
- Family members' strategic influence is felt in the business. This can be through active management of the business, the organizational culture of the business or being part of the board members or advisors to the business.
- Business continuity over several generations is a key objective of the business.
- Direction of the business is influenced by the concern for the family relationship.

Studies comparing family businesses to non-family businesses show that family businesses performed better when it came to sales, profits and growth. Analyzing their strengths and weaknesses gives a better understanding of how family-owned businesses outperform their non-family-owned business counterparts (Abouzaid, 2011). Some of the strengths of family businesses include high dedication to the business by family members in seeing the business grow as they want it to be passed on to the next generation. It makes them more willing to plow back their profits into the business and allow the firm to grow in the long term. Also, as the case in most family businesses, knowledge, skills and experiences acquired over the years are passed on to the next generation. In some cases, the next generation of family members is immersed into the business at a young age. Another strength of family business is their good relationship with customers and increased quality of output. This is attributed to the fact that the business is associated with the family's name and brand, therefore the family members would want the business to have a good reputation.

Aside from factors such as mismanagement of businesses, funding challenges, inadequate control of costs, and other macroeconomic factors that cause businesses to collapse, there are specific weaknesses associated with family businesses. These weaknesses include; family dynamics, informality and lack of discipline among family members running the business. Family businesses become more complex when emotions and family issues come into play as this increases the complexity of issues that the business must deal with. As is the case for most family businesses, family members run the business themselves, especially during the first and second generations and there is very little interest in clearly articulating business practices and procedures. As the business grows, this leads to inefficiencies and internal conflicts which could threaten the sustainability of the business (Abouzaid, 2011). Figure 1 below summarizes the strengths and weaknesses of family businesses.

Strengths	**Weaknesses**
High commitment levels from family members as they identify with the business.	Family businesses are more complex to run due to factors such as family emotions that come into play.
Involvement of family members in the business starts at an early age and this leads to knowledge continuity and increased commitment levels by family members to the business.	Informality in running the business. Most family businesses lack defined business procedures which often lead to inefficiencies and internal conflicts which could hinder business survival.
Reliability and pride. Since family members are associated with the name and brand of the business, they strive to maintain good relationships with their stakeholders and	Indiscipline when it comes to matters such as handling business resources or matters such as succession planning.

increase the quality of the products and services produced.	

Table 2:Strengths and weaknesses of family-owned businesses (Abouzaid, 2011)

1.2 Problem Statement

The SME sector constitutes 92% of all businesses in Ghana and they contribute to slightly more than half of all full-time employment in the country with the number being slightly larger in the informal sector (International Trade Centre, 2016). The Small and Medium Enterprise (SME) sector is dominated by family businesses and it is estimated that 60% of all businesses worldwide are family businesses and start as SMEs (Abouzaid, 2011). As stated earlier, only 30% of family businesses survive to the second generation of family members, 12% survive to the third generation and 3% survive to the fourth generation and beyond (Visser & Chiloane-Tsoka, 2014). These statistics show that family businesses, despite forming a significant chunk of Ghana’s economy, are not sustainable.

Given the predominance of family businesses in the SME sector, the aim of this research is to cumulatively look at the various factors that affect the sustainability of family businesses in the Ghanaian context. Through a qualitative study on several Ghanaian family businesses, the study also aims to find strategies that can ensure sustainability of family businesses in the long run. This could not only stimulate the family business discussion but also serve as a panacea to some of the challenges faced by SMEs in general.

1.3 Research Questions

This study seeks to answer the following questions:

- What are the factors that affect the sustainability of family-owned businesses in Ghana?
- What are some of the measures that can be taken to ensure that family-owned businesses

in Ghana are more sustainable?

1.4 Objectives of research

This study aims to:

- Investigate the factors that affect the sustainability of family-owned businesses in Ghana.
- To propose measures that can be put in place, by family business owners and policymakers, to ensure that family businesses in Ghana are more sustainable.

1.5 Theoretical Framework

The systems theory is used to understand the nature of family businesses. The systems theory as summarized by Wallace (2010) states that an organization or a system is made of up various components which create the system and these components are interdependent to a certain extent. Wallace (2010), also states that in the system theory any change in the various components of a system influences the entire system. The theory supports Bowman-Upton's et al. (1991) argument that the family is a system comprised of the family component and the business component. The systems theory forms the foundation of the Sustainable Family Business (SFB) model which is used analyze the various factors that affect family businesses. The SFB model is also based on the premise that the factors that affect family businesses are disruptions that arise within the family component and the business component. The sustainability of the family business is therefore determined by the response of the family business system to the disruptions that may arise from either of the two components. The agency theory and the founders' syndrome phenomena are used to explain some of the disruptions in the family business and their effects on the sustainability of the family business.

1.6 Significance of this study

This study will be of great significance to the governments of Ghana and other African countries as it will expose different challenges faced by family businesses that prevent them from being sustainable beyond the first generation of founding family members. This will better equip them in coming up with policies or initiatives that will help family businesses improve their efficiency and sustainability.

Upcoming entrepreneurs or family start-ups will also benefit from this study as the study will seek to draw lessons from successful family-owned businesses and come up with strategies or solutions that can be used in ensuring sustainability of the family business for generations to come.

This study will also benefit existing family-owned businesses seeking to come up with strategies that will aid them in successfully transition from one family generation to another while remaining highly profitable in their industry of choice.

The study also seeks to fill a gap in the existing literature. Most of the research on the topic has been done on countries outside Africa and the research that has been done within Africa focuses on countries such as Kenya, Nigeria and South Africa. In-depth research in family businesses has been carried out on corporate governance, succession planning and characteristics of the different family generations in the family business setting. By using several Ghanaian companies as a basis for study and analyzing the various factors cumulatively this study hopes to fill some of the gaps available in the existing literature and serve as a point of reference for future studies on the topic of the study especially on Ghanaian companies.

1.7 Organization of the study

This section contains a summary of how the rest of the study is organized and an overview of the chapters ahead.

Literature Review

This chapter contains a critical analysis of existing literature in the afore-mentioned problem space. This chapter also defines the theoretical framework used as the basis of the paper.

Methodology

This chapter explains the type of study, steps taken in the collection of data, selection of samples and tools used in the analysis of data.

Analysis and Findings

This chapter contains an in-depth analysis of the data collected. It also gives a detailed interpretation of the results obtained from the study.

Conclusion and Recommendations

This chapter gives a summary of findings from the study and recommendations to family-owned businesses in Ghana.

CHAPTER TWO- LITERATURE REVIEW

This chapter provides an in-depth understanding of the nature of family businesses and the various factors that affect the sustainability of family businesses. Using the systems theory which forms the basis for the Sustainable Family Business (SFB) Model, it analyses the role of four main factors that have been identified unique to family businesses and their effects on the sustainability of the business. Some of the factors that affect family businesses are grounded in the agency theory and the founders' syndrome phenomena which are used to explain them. The chapter concludes by identifying the gaps in existing literature and how this research aims to fill some of those gaps and identifies topics for recommendation for future studies.

2.1 Understanding the nature of family businesses

There is no agreed upon definition of what constitutes a family business but for this study, a family business is defined by one or all of the following characteristics: a) more than 50% stake is in the ownership of one family; b) considerable control over the business can be exerted by one family (Eustace, 2006); and c) a significant portion of top management is from one family (Abouzaid, 2011).

In a bid to understand the nature of family businesses, the systems theory is used. Wallace (2010) states that according to the systems theory, there are many components of an organization that constitute a system and each component is interdependent to a certain extent. He further goes on to state that any change in the various components of a system influences the entire system. Bowman-Upton et al (1991), describes the family business as a dual operating system comprising of the family system and the business system. The overlapping of the two systems is what leads to conflicts as each system has its own rules, roles and requirements (as cited in Eustace, 2006).

Aside from overlapping of rules, roles and requirements, another factor that causes conflicts in the family business system is miscommunication and conflicts of interest between the two systems.

The two systems differ in various ways. The family system is an emotional one and is comprised of stressing relationships while the business system is unemotional and based on contracts. Entry into the family business is based on birth or marriage in some cases while in the business system, entry is based on experience, expertise and potential. Unlike the family system where membership is permanent, membership in the business system is based on performance and the reward is material in nature. Both systems however, have their own ways of communication, decision-making styles and conflict resolution strategies. It is the overlapping of these systems, as stated earlier, that leads to conflict is family-owned businesses and is detrimental to their survival. (Eustace, 2006).

2.2 The Sustainable Family Business (SFB) Model

Stafford et al. (1999) developed a conceptual model, the Sustainable Family Business (SFB) model, to guide their study on sustainability of family-owned businesses. The focus of this model, as illustrated in Figure 1, is sustainability of the family-owned business as a function of both family and business achievements and interactions between the family and the business. The SFB model is based on the argument that the two components of a family business- the family and the business- must both be successful for the family business to be sustainable in the long run. The SFB model has been described as an overlapping systems model that focuses on the intersection of the family and business systems as the overlapping of these two systems is what leads to arising of conflicts that can threaten the sustainability of the family business (Wallace, 2010).

Stafford et al. (1999) stated that the SFB model is based on the following assumptions:

- Families and businesses in the family business system are believed to be two separate institutions or systems.
- Sustainable family businesses require both minimally functional families and successful businesses. This is based on the argument that personal or family management practices affect the revenue of the family-owned business and this could be a source of conflict that would threaten the family business' sustainability.
- The family system and the business system are independent of each other and they have their own resources, processes and management methods. Lee et al. (2006), however state that not all resources will be independent of the two systems but will rather occur at the intersection of the two systems (as cited in Wallace, 2010).
- There are both objective and subjective measures of achievement. Lee et al. (2006), states that objective measures of achievement are based on concrete items such as profits, assets, liabilities among others and they can often be got from the business records of an organization. On the other hand, subjective measures of achievement are based on perception. Such measures include social status, lifestyle and respect. An understanding of how the resources and processes of each system is the heart of the SFB model.

Stafford et al. (1999) stated that one of the strengths of this model is the fact that it provides a means of aggregating research results to provide a picture of the whole system. The model's ability to aggregate all the factors of sustainability into one picture is one of the main reasons that it was chosen for this study. In the SFB model, as illustrated in figure 1, both the family system and the business system have resources and constraints which are transformed into achievements through interpersonal and resource transactions (Stafford et al, 1999). Zachary (2011) in explaining the

SFB model states that resources in the family business are provided by families and in the form of social capital, human capital and assets which include both financial and physical capital. An example of social capital in the family business includes the interrelations among family members and trust between family members. Human capital includes personal time and energy spent in the business and emotional support given while financial and physical capital include money, land, property, equipment and any other financial investments made (Zachary, 2011).

There are also constraints from both the family and the business that put a cap on the running of the family business. Danes et al. (2008) opined that these constraints can be in various forms- social, cultural, legal, economic and technical. Social and cultural constraints according to Danes et al. (2008) are built around the norms and moral values of the society and the sanctions imposed by the violation of these norms. Legal constraints are those that are imposed by the laws and regulations of the government. The effects of the resources and constraints are mitigated by the family and the business structure. A family council that handles any conflict or family matters is an example of a family structure while business structures include ownership and governance strategies put in place for the business. Such structures according to Dane et al. (2008) help to allocate resources and adjust constraints (as cited in Zachary, 2011).

Aside from the constraints, the family and business systems in the SFB model are also faced by disruptions. According to Zachary (2011), there are normative and non-normative disruptions. Normative disruptions occur when major family events such as birth, death, holidays or ceremonies happen while non-normative disruptions are unpredictable and include natural disasters or forces that can lead to the closure of the business permanently or temporarily. The reaction of the family business to these disruptions are what determine the sustainability of the family business. The processes in the SFB model can be described as standard operating procedures or routine that help in converting resources into achievements for the family business (Zachary, 2011).

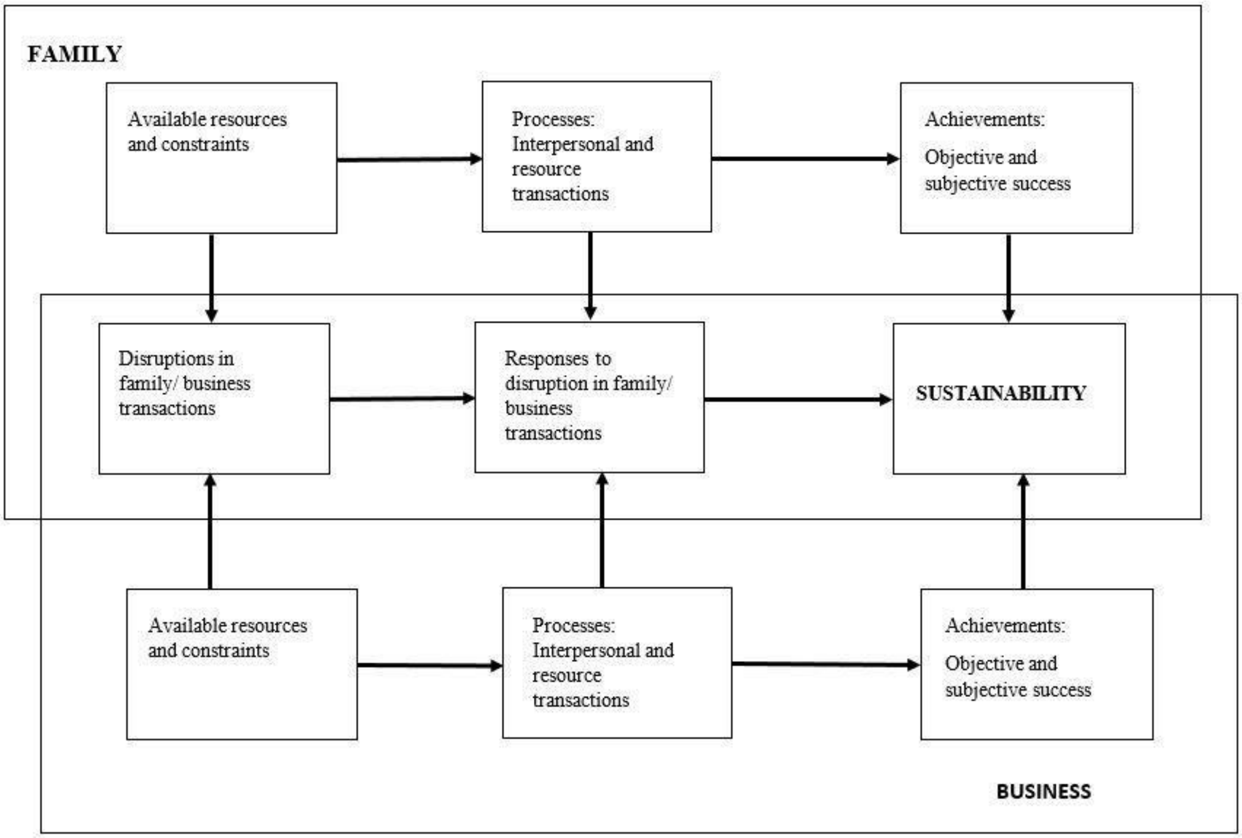

Figure 1: The Sustainable Family Business (SFB) Model (Stafford et al., 1999)

2.3 The Founders' syndrome phenomenon and the agency theory

The founders' syndrome phenomenon and the agency theory are used in explaining some of the disruptions that occur in the family business model that could affect the overall sustainability of the business system. Miller (1998), states that new organizations are created when founders based on their convictions or beliefs, believe that they have solutions to some of the ills facing the society and through their innovation and creativity, develop alternatives that fill market gaps missed by large organizations (as cited in Muriithi & Wachira, 2016). In the founder's effort to make their organizations successful, they are often accused of "exercising too much authority, power and selfcenteredness" (Block & Rosenberg, 2002) and this makes it difficult for the organization to transition from one leader to the next. This is a characteristic associated with the founders' syndrome.

Alexander and Carrillo (2015) describe the founders' syndrome as "a behavior pattern associated with organization founders that over time become maladaptive to effective and successful operation of the organization and is particularly linked to founding owners or board members who have remained active in the organization since its inception" (as cited in Muriithi & Wachira, 2016). Block and Rosenberg (2002) describe founder's syndrome as "the influential powers and privileges that the founder exercises or that other attribute to the founder." They further state that the use of the word syndrome is necessary as it refers to the "unhealthy situations in which founders are more heavy-handed and indifferent about the imbalance of their control over organizations" (Block & Rosenberg, 2002). The underlying observation in both definitions is the fact that the founder is the central being to the organization and the founder exercises attributes that in the long run are unhealthy to the organization.

According to Wasserman (2008), most founders are convinced that they are the secret ingredient to their organization's success, which is partly true. This is because at the beginning, the founder transformed the business from an idea or concept into a feasible business model. However, as the organization grows, the founder hires other people or even brings in his family members to help grow the business according to the vision. The founder also sets the pace for the business' organizational culture which most often at times is an extension of their own personality, style and preferences (Wasserman, 2008).

Aside from overlapping of the family system and the business system stated earlier, another factor that influences how family business are run is the hiring of other people or even family members by the founder to help in running the organization (Wasserman, 2008). The conflict that arises because of this is referred to as the agency theory. Kallmuenzer (2016) simply defines the agency theory the principle-agent paradigm as “the contractual problem between a firm’s principal, generally the owner, and a firm’s agents, employed executives that control the use of resources.” Jensen and Meckling (1976), argue that the agency costs are omitted when the firm is led by the managing owner as the ownership and management are unified which leads to an avoidance of agency costs leading to an increase in the overall value of the firm (as cited in Kallmuenzer, 2016). The agency theory however conflicts with the founders’ syndrome phenomenon. The agency theory suggests that the business is far better off with the founder in charge as agency costs can be avoided. The founders’ syndrome phenomena on the other hand argues that for the business to survive in the long-run, the founder should create some distance between themselves and the business, to reduce the effects of the syndrome on the business.

Even though founders’ syndrome is noticeable in family-businesses in the world over, it is more dominant in the developing world and is mostly exhibited by “burgeoning brand of leadership” (Makuwira & Haines, 2014). Makuwira and Haines (2014), in trying to understand the founders’ syndrome better, state that founders apply a paternalistic approach into the leadership of their businesses and they become attached emotionally to the business often referring to the businesses using terms such as “my baby” or “my labor of love” and other parenting language in most cases without even noticing it (Wasserman, 2008). Therefore, founders who exhibit the founders’ syndrome are seen to use “management by distance” type of management in running their businesses. Management by distance is a type of management where the founders intentionally or unintentionally place a wide distance between them and those that they lead to ensure that they are out of reach as they maintain the status quo and yield power as they wish (Makuwira & Haines, 2014).

Ready (2012), in summarizing founder perspectives that make it difficult to relinquish control wrote: "…Giving up control means losing identity. If I trust others with my invention, they could take the business in the wrong direction. They might try to take the value away and cut me out. I've spent years building this, and I am not going to give it out to some strangers. They really don't understand it and should not be the ones to run to the finish line with it…" Overcoming founders' syndrome is key to the survival and success of the firm (Wasserman, 2008). Some of the factors that affect the founders' syndrome and simultaneously affect the sustainability of family businesses include succession planning (Eustace, 2006), entrepreneurial skills of the founder and the successor (Gakure et al, 2013), family dynamics (Adedayo & Olanipekum, 2016) and funding challenges (McPherson, 1996). These are just but a few of the challenges that this literature review seeks to address.

2.4 Factors affecting sustainability of family-owned businesses

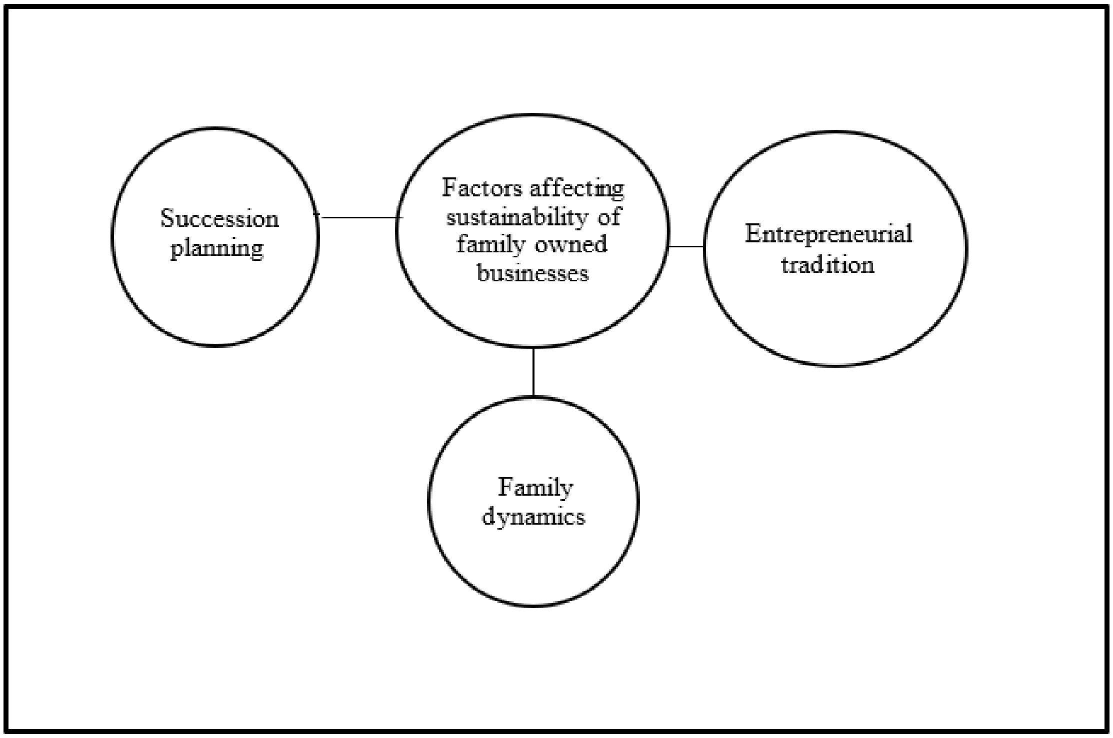

Figure 2: Factors affecting sustainability of family owned businesses

2.4.1 Succession Planning

One of the main reasons (if not the single most important reason) for the high rate of failure among first and second-generation family businesses is attributed to their inability to manage the "complex and emotional process of succession" from one generation to the next (Eustace, 2006). Shepherd and Zacharakis (2000), define succession as "the process of transferring managerial control from one leader or one generation of leaders to the next (as cited in Adedayo & Olanipekum, 2016). Sharma et al (2001) defines succession in the confines of a family-owned business as "the actions and events that lead to the transition of leadership from one family member to another" (as cited in Adedayo & Olanipekum, 2016). This study simply defines succession as the transfer of ownership and control of a commercial investment from one family member or generation to the next.

Most scholars believe succession planning is key to the sustainability of family-owned businesses with scholars like Alvarez (2007) arguing that succession planning should be thought of as soon as the venture is initiated rather than waiting till the founder is aged, indisposed or even dead (as cited in Mbaeh & Korir, 2016). However, authors such as Astrachan and Kolenko (1994) are of the conflicting view that succession planning is not critical to the long-term sustainability of the family-owned business. Astrachan and Kolenko (1994) further argue that what really matters in ensuring the sustainability of the family business is the commitment of the family to the business. According to Goldberg (1996), succession effectiveness is measured through increases in revenue and profit margins while Harvey and Evans (1995) measure effective succession through the family's capacity to resolve post-succession issues. Handler (1994) on the other hand argues that factors such as the quality of life of the family, the business' growth and family dynamics should be considered in measuring the effectiveness of succession (as cited in Monibo, 2003). A common denominator among the three conflicting opinions is that they all want to see the family-business continue over several generations to come.

Adedayo and Olanipekum (2016), stress on the difference between estate planning and succession planning as most family business founders automatically assume that the presence of an estate plan is equivalent to a succession plan. While estate planning is solely focused on the transfer of property and is considered a key component of succession planning (Adedayo & Olanipekum, 2016), succession planning as defined by Charan et al (2001) is "the process of perpetuating the enterprise by filling the pipeline with high- performing people to assure that every leadership level has an abundance of these performers to draw from, both now and in the future (Obamiro, Abiodun, & Osibanjo, 2011).

Succession planning if well executed plays a huge role in ensuring the sustainability of the business over several family generations. However, this is not always the case. Several factors such as delegation challenges and the age of the firm as at the time of founder's exit (Monibo, 2003) lead to challenges in execution of a succession plan.

Age of the firm and its role in succession planning

Evidence in literature especially on African firms shows that the timing when succession planning is carried out plays a substantial role in determining the effectiveness of the succession plan (McPherson, 1996). The timing of succession planning in this case refers to the point in the firm's life span that succession planning is carried out. Monibo (2003), carried out research investigating the relationship between the age of the firm and the succession related closures. His study on 270 Nigerian family owned businesses concluded on two theories; succession planning is identified with the mature years of the firm and the founders' syndrome phenomena is strongest in the infant years of family-owned businesses. His conclusion, which is similar to Alvarez (2003), concludes that for firms to ensure a successful succession plan, the founders should start planning for succession during the firm's formative years rather than during the mature phase of the firm. Monibo (2003), also concludes his study by stating that the main reason founders' syndrome is strongest in the infant years of family-owned businesses is because of the psychological bonds that owners have with their firms.

Willingness of heirs to take over the family business

Monibo (2003) states that succession is a much more serious challenge for Small and Medium Enterprises (SMEs) than it is for larger organizations where ownership and control is separate and institutionalized. Another reason why succession planning is a challenge for small organizations is that selection of successors is restricted to a social unit, in most cases the family, which may not be capable and willing to produce successors for the business. Therrien (2004), suggests that unwillingness of chosen successors, especially children, can be countered by early succession planning. Early planning has several benefits such as bringing the child (successor) early gives them time to decide whether they want to be involved in the future of the business. Early planning also helps the family avoid future family conflicts and family court feuds that would arise due misunderstandings that could have been avoided if an agreed plan had already been put in place (Eustace, 2006).

Conclusion on succession

Gbadegeshin (2013) states that succession is a change that businesses, family- owned businesses, go through and it cannot be avoided. He further states that the succession planning period is a period characterized by anxiety and the business during this period is prone to several problems or challenges. Jacobs (2006) believes succession planning needs all resources the firm can offer for it to be successful. It also needs commitment of both the predecessor and the successor (Kansikas and Kuhmonen, 2008) and proper planning. Bowman-Upton (1991), suggests selling and/or closing of the firms as one of the alternatives to succession in cases where succession has not been successful. Other alternatives suggested including transfer of ownership through purchase or gifting someone else (as cited in Gbadegeshin, 2013).

2.4.2 Entrepreneurial tradition

One of the factors that influence the sustainability of family business after the exit of the founders is the presence of entrepreneurial tradition in the family (Monibo, 2003). Entrepreneurial tradition in this case is defined by Monibo (2003) as the extent to which entrepreneurship is embraced in the founder(s)' family (both immediate and extended family). It is measured through the number of family members who are entrepreneurs. From his study, Monibo (2003), found that businesses owned by founders whose families had a high entrepreneurial tradition experienced the least difficulty in replacing an existing founder. His study conducted on 270 companies in Nigeria found that only 29% of family businesses with high entrepreneurial tradition closed from after the exit of their founder compared to 55% of family businesses with no entrepreneurial tradition that closed after the exit of their founders.

The entrepreneurial skills of the founder and the successor also play an important role in ensuring sustainability of the family-business after the exit of the founding family member(s). Scholars such as Joseph Schumpeter, Marx Weber, David McClelland and others analyzed characteristics of entrepreneurs that made them different from other people and they hypothesized several entrepreneurship theories. These theories among them; psychological, sociological and economic, they argued determined the success of entrepreneurs in their businesses (Gakure et al, 2013).

The psychological theory which has been developed extensively over the years looks at the individual characteristics or attitudes of entrepreneurs that make them different from other people and it is the difference in internal attitudes of individuals and ability to analyze situations that lead some people to become successful entrepreneurs while others are not. Islam (1989), developed McClellands' psychological theory and found out that successful entrepreneurs had a high need for achievement, high need for affiliation and high need for power (as cited in Gakure et al, 2013). This theory, however, faced criticism as it failed to take into consideration the influence of external environment on entrepreneurial skills of individuals. This criticism is what led to the rise of sociological theories. Osborne (1991), states that sociological theories try to explain the social factors such as religion, culture, entrepreneurial tradition etc., that influence entrepreneurs and their success in running a business.

In conclusion, Gakure et al (2013), state that the founder of any business, requires entrepreneurial skills to guide the business towards sustainability in the long-term. They argue that it is these entrepreneurial skills that help the founder create an entrepreneurial culture in the organization and this drives family members and employees to "continuously create new and improved products for competitive advantage". A challenge identified by Musa and Semansinghe (2014) on entrepreneurial leadership is that it is personalized, and this leads to founders' syndrome as the leaders choose to make all the decisions in the firm for them to realize their dreams (Musa & Semasinghe, 2014).

2.4.3 Family dynamics

Bertrand and Schoar (2006) in their study try to find out whether family businesses, after exit of their founders, are sustained because of cultural norms or as a response to institutional or market environments. According to them, a business culture that is based on cultural and family ties is not suitable for the sustainability of the business. Their idea is in line with Max Weber's argument that "strong cultural predetermined family values may place restraints on the development of a capitalist economy." (Cho, Sena, & Ndamsa, 2016). They argue that family businesses rarely survive several generations in societies where people are raised to only trust their close family networks and distrust those outside their family circles. This is because in such societies, the founders put too much effort in keeping the business within the family and are driven by a selfish desire to turn the business into some sort of family legacy. On the other hand, Cho et.al (2016) also argue that it is this inherent desire to keep the business within the family that also lead to sustainability of the family business. This is because the family with the main aim of maximizing returns on the business in the long run will pursue investment opportunities that are suitable for them.

Aside from family values, another factor that affects sustainability of family business is the type of family. According to Mbaeh and Korir (2016), the success of a family business after the exit if the founder (s) is to a large extent dependent on the type of family. Succession disputes for example are more common in polygamous families as compared to monogamous families.

2.5 Gaps identified in existing literature

Research on various issues affecting family owned business has been carried out with some literature on the topic dating as far back as the 1930s. Over the years, different dimensions of family-owned businesses have been explored and solutions to some of the challenges family-businesses face have been recommended. Most of the significant chunk of literature on family-businesses has however been carried out on succession planning. Areas in succession planning that have been explored include the succession process, role of the founder in succession, the next generation's perception on succession and characteristics of effective successions. Also, most of the literature that has been explored focuses on the non-profit sector and very little attention is paid to other industries such as manufacturing and the SMEs. My study seeks to fill the gap in this literature by focusing on Ghanaian companies, mostly SMEs and focusing on other areas such as family dynamics, entrepreneurial skills and competitive advantage and how they affect sustainability of family businesses.

CHAPTER THREE- METHODOLOGY

3.1 Overview

This section describes the research design used in answering the research questions and achieving the research objectives. It defines the scope of research, strategy used in choosing the sample population and the sample size being considered for the study. This chapter also details the data collection instruments, how the data will be collected, processed and collated. Finally, it talks about the ethical considerations put in place when carrying out the research, limitations and delimitations of this research.

3.2 Research questions

This study seeks to answer the following questions:

- What factors account for the sustainability of family businesses in Ghana?
- What are some of the measures that can be taken to ensure that family businesses in Ghana are more sustainable?

3.3 Objectives of research

Based on the above research questions, this study aims to:

- Investigate the factors that affect the sustainability of family businesses in Ghana.
- To propose measures that can be put in place, by family business owners and policy makers, to ensure that family businesses in Ghana are more sustainable.

3.4 Research Design

This study will employ a qualitative research approach. A qualitative approach is more suitable when the researcher is seeking an in-depth understanding of multiple social realities surrounding an area of study and the construction of these multiple realities (Vanderstoep & Johnston, 2009).

This research seeks to do just that- get a thorough understanding of the various reasons that affect the sustainability of the family business and develop strategies around those reasons.

3.5 Research scope

This research will be carried out on family businesses that have been in existence for more than three years. Research shows that most businesses, start-ups, collapse after the first three years. Research on family businesses that have been in existence for more than three years will eliminate family businesses that generally collapse in their start-up phase from the study to avoid getting inaccurate results.

The research will also be carried out on existing family businesses and collapsed family businesses. For the existing businesses, research will be carried out on companies being run by the first, second, third generation of founding family members. This is to get a range of different perspectives on factors affecting sustainability of family businesses and avoid a redundancy in information acquired.

3.6 Study population

The study's main area of focus is understanding the nature of family businesses in Ghana. Therefore, the study population of this research is family businesses being operated in Ghana.

3.7 Study area

The study area will focus on family businesses operated and managed in Accra, Ghana. Accra is the capital city of Ghana and there is an abundance of businesses, both family and non-family businesses, being operated and managed.

3.8 Sampling strategy

3.8.1 Sampling technique

The sampling technique to be used is purposive sampling. Research participants to be included in the research will be chosen based on the following attributes- the business should be a family business, should have been inexistence for more than 3 years, should be run by either first, second or third generation of family members.

3.8.2 Sample sizes

The study aims to get 8-10 family businesses as research participants. At least two collapsed family businesses will be studied and existing businesses will be studied based on the generation managing the business- first, second and third generation and beyond. This will ensure that a range of perspectives are obtained from the study.

3.9 Data Collection

Data will be collected using guided/ semi-structured interviews. Guided interviews were chosen for this study because they provide an outline of questions but the researcher still has the freedom to deviate from the interview questions when needed.

3.10 Data analysis

Responses from interviews will be divided into different themes and the themes will further be divided into categories that the study will draw conclusions from. The conclusions drawn will also be analyzed using theories relevant to this study identified in the literature review.

3.11 Reliability and validity

In qualitative research, reliability is described as “the consistency within the employed analytical procedures” while validity is described as “the integrity and application of the methods employed and the precision in which the findings accurately reflect the data collected" (Noble & Smith, 2015). Due to the nature of data collected in qualitative research, the following strategies recommended by Noble & Smith (2015), will be employed in my research to ensure validity and reliability of research findings;

- Validation of data by respondents: This involves asking participants to comment on the interview transcripts and confirm if it matches their interview responses.
- Accounting for personal biases (if any) that may influence my findings.

3.12 Ethical considerations

In carrying out this research, several ethical considerations will be made. These are;

- Informed consent shall be obtained from the participants of the study. The participants will be fully informed of the purpose of the research, methods being used, possible outcomes of the research and discomforts (if any) that they might experience. There shall be both a written and a verbal consent. The written consent shall be attached to the interview questions and signed by the participant of the study, the verbal consent shall be recorded before the interview begins.
- Participants shall be informed that involvement in the study is on a purely voluntary basis and they have the right to withdraw from the study at any point during the research process.
- All information given by the participants shall be treated with confidentiality and used solely for the purposes of this research.
- In cases where the participant is not comfortable with their identity being revealed, their anonymity will be protected by use of pseudo names and any obvious identifiers (e.g. geographical cues) will be eliminated.

3.13 Limitations

Some of the limitations to be encountered while collecting the data include;

- Lack of an instrument to measure reliability and validity of data collected. I will try to be as unbiased as possible when collecting and analyzing data.
- Unwillingness of some researchers to participate in the study due to nature of information being investigated. This will be countered by assuring the research participants of confidentiality and anonymity.

CHAPTER FOUR: FINDINGS AND ANALYSIS

This chapter's objective is to provide answers to the research questions raised in chapter one. The research questions are:

- What are some of the factors that affect the sustainability of family-owned businesses in Ghana?
- What are some of the measures that can be taken to ensure that family-owned businesses in Ghana are more sustainable?

This chapter answers these questions by discussing the results of the data collected in relation to the literature reviewed. Data was collected using in-depth face to face and phone interviews. Eight family businesses were interviewed, of which five were first-generation family businesses, two were second-generation businesses and one was a business that collapsed in its second generation. The questions asked during the interview were centered on finding out the definition of sustainability according to each business and how factors such as succession planning, family dynamics and entrepreneurial tradition in the family play out in Ghanaian family businesses and their effect on sustainability of the business. The Sustainable Family Business (SFB) Model was also used to determine the sustainability of the different family businesses sampled.

This chapter starts off by discussing the findings on the different factors affecting sustainability in the different generations of family businesses interviewed and contrasts the findings with the SFB model. It concludes by discussing additional factors that attribute to family business sustainability in Ghanaian family businesses.

4.1 Summary of businesses interviewed

4.1.1 First generation businesses

In collecting data, five first-generation family owned business owners were interviewed. The data was collected through interviews that lasted 30 minutes to 1 hour at a mutually agreed location. Research showed that most start-ups collapse within the first three years of their inception, to eliminate the reason for unsustainability being attributed to the start-up effect, businesses chosen for the study had all been in existence for more than three years. The businesses also spanned across different industries from the fashion industry, entertainment, food and beverage industry, health, publishing and hospitality. The businesses can be classified as small business with most of them having 12-20 employees. Table 1 below shows a summary of background information from the first-generation businesses interviewed.

	Family Business 001	Family Business 00	Family Business 003	Family Business 004	Family Business 005
Generation running the business	1st Generation	1st Generation	1st Generation	1st Generation	1st Generation
Family members in the business/ founder	Husband and wife	Two brothers	Husband and wife	Brother and sister	Husband and wife
Year business was founded	2009	2012	2006	2006	2009
Industry	Fashion Accessories	Entertainment, Food a	Health	Hospitality/ hotel	Publishing
Number of employees	30	30	20	20	12
Staff turnover rate	Relatively low	Relatively low	Relatively low	Relatively low	Relatively low

Table 2: Summary of First-generation businesses interviewed

4.1.2 Second-generation businesses

Two second-generation family owned businesses were interviewed and the data was collected through phone interviews that lasted 1 hour. Just like the first-generation businesses, they were picked because they had been in existence for more than three years. The businesses are in the financial services and printing industries. Both businesses are being run by sons who took over the businesses after the exit of their fathers. For FB 006, the son has been actively running the business for one year while for FB 008, the business was taken over by all four sons and they have been actively running the business for 13 years. One of the businesses can be classified as a small business with 30 employees while the other is a large business with more than 500 employees. The table below shows a summary of background information from the second-generation businesses interviewed.

	Family Business 006	**Family Business 008**
Generation running the business	2nd generation	2nd generation
Founder/ relation to founder	Father and son	Father and sons
Year business was founded	1991	1974
Industry	Printing and publishing	Financial services and securities
No of employees	30	more than 500
Staff turnover rate	Relatively low	Not high, relatively normal

Table 3: Summary of 2nd generation business sampled

4.1.3 Collapsed business

One collapsed family owned business was interviewed and the data was collected through a phone interview that lasted an hour. The business collapsed during its transition into the second-generation. The business started as a transport and saw milling business and it later diversified into the real estate, healthcare and manufacturing industry. The business had been in existence for approximately 41 years before its collapse. The business can be classified as a medium-sized business because it has 200 employees. The table below shows a summary of background information from the collapsed family business studied.

	Family Business 007
Generation running the business	2nd generation
Founder/ relation to founder	Father and son
Year business was founded/incorporat	App. 1968
Year business collapsed	2009
Industry	Transport, saw millers, real estate, healthcare etc
No of employees	200
Staff turnover rate	Relatively low

Table 4: Summary of collapsed family business sampled

4.2 Factors affecting the sustainability of family businesses

4.2.1 Sustainability

The Institute for Family Business (IFB) defines sustainability as "meeting the needs of the present, without compromising the ability of future generations to meet their own needs." In conducting this research, business owners were asked to define sustainability as it relates to their business.

Within the five first-generation businesses interviewed, FB 001, FB 002 and FB 004 used economic measures such as profitability, sales and meeting their operational costs to define their sustainability. FB 003 and FB 005 on the other hand defined their sustainability through succession planning. They stated that the business would be deemed sustainable if either their children or managers took over the businesses. It is interesting to note that the second-generation businesses sampled defined sustainability through both economic and succession just like the first-generation businesses. FB 006 defined sustainability economically and a key performance indicator they used was the staff turnover while FB 008 stated that the business would be deemed sustainable if the business continues the successful transition from one family generation to another.

The table below shows a summary of the different definitions of sustainability within the family businesses sampled.

Family Business	**Generation**	**Sustainability definition**	**Key Performance Indicator used**
FB 001	1st	Economic	Profitability
FB 002	1st	Economic	Sales/ number of customers
FB 003	1st	Succession	Children taking over the business
FB 004	1st	Economic	Meeting operational costs
FB 005	1st	Succession	Either children or managers taking over
FB 006	2nd	Economic	Employee turnover
FB 008	2nd	Succession	Children taking over the business, employee satisfaction and financial health of the business during the transitioning period

Table 5: Summary of sustainability within sampled family businesses

This research revealed that the definition of sustainability varies with each business and each business has its own means of measuring sustainability. After finding out each business' definition of sustainability, the question then becomes finding out if the definition of sustainability influences how other factors affecting sustainability play out in Ghanaian family owned businesses.

4.2.2 Succession Planning

Eustace (2006) argues that first and second-generation family businesses have a high rate of failure due to their inability to manage succession, which he describes as a complex and emotional process. Questions asked sought to find out how succession planning plays out in both first and second-generation businesses and if succession planning is in place, how the successors are identified, factors influencing the timing of the succession decision. The table below summarizes the findings on succession planning from the family businesses sampled.

Family Business	**Generation**	**Succession plan in place**
FB 001	1st	Manager or children to take over
FB 002	1st	No succession plan in place
FB 003	1st	Only children to take over
FB 004	1st	No succession plan in place
FB 005	1st	Manager or children to take over
FB 006	2nd	Children and manager took over
FB 008	2nd	Children took over

Table 6: A summary of findings on succession planning of first generation businesses sampled

In a family business, succession planning is deemed to be effective when the immediate or extended family manage to successfully take over the running of the business after the departure of the successor. They can either run the business directly (by themselves) or by third parties (managers).

When the founders were asked who they would like to take over their business, they all stated that the ideal situation would be if their children took over the business even though some of them (FB

002 and FB 004) did not have a succession plan in place. However, they all stressed the importance of ensuring that the children (successors) in this case had interest in the business and understanding of how the business is run. To ensure that interest was generated, the children were made to spend time working in the family business during the weekends and school holidays. One of the business owners, FB 001, however stated that the children taking over the business was not “automatic” and the children would only take over the business if they had the necessary qualifications and passion needed in running the business.

For the first-generation family businesses, when asked about the future of the businesses in cases where the children were not willing to take over the business, FB 001 and FB 005 were willing to have managers take over the business. They were comfortable with the idea of a manager, someone outside the family setting take over the business and the immediate family takes a backseat in the active operations of running the business. These businesses had also started taking conscious steps to ensure that a manager was available to take over the business in the instance where the children were not interested in taking over the business. FB 001 stated that they have succession planning in mind from as early as the interviewing stage when recruiting for managers. FB 005 was also more well organized and intentional about choosing a successor. The founder had identified two successors- his son and a manager. He described this as intra and inter succession. To curb the risks of having the groomed manager branch out and start his own business, the founder gave him incentives to promote loyalty. The founder also consciously ensured that the son is slowly integrated into the business to prevent employees from feeling threatened.

> “When it comes to succession planning, there is inter and intra. Intra has to do with finding a successor within the family while inter has to do with finding a successor within the business…we have a manager and we see potential in him to take over the business. I go

with him to crucial meetings and he knows the inside workings of the business. To keep him loyal to the business and prevent him from branching out on his own, we give him incentives regularly. This also helps assure him that in case of anything, he can run the business and my son will not come and take over his job. During the holidays, my son joins different departments to learn how the business runs, we do this instead of making him sit in board meetings as it can be threatening to the employees. We are also intentional to ensure that my son gets a job experience outside the business to ensure he gets an understanding of businesses before he comes and takes over the business…we have planned succession to slowly ensure that my children generate interest and skills in the business while at the same time still maintaining a good relationship with the employees who shouldn't feel like my son has come to take their job away."

FB 005, a first-generation business and FB 008 a second-generation business, both emphasized on the importance of maintaining good employee relations between the successor and the employees and during the succession period. For FB 005, to maintain the good relations, the founder is making sure that the son is slowly integrated into the family business while for FB 008, employee satisfaction during the transition period is a key performance indicator used to ensure that succession is effective/ successful.

FB 004, founded by a brother and a sister, was open to their children taking over the business after their departure but they did not think that was the right path in ensuring sustainability for the business. They felt that a conflict would arise between the two families when time came to choose a successor. The founders were firm on ensuring that if their children did not take over, they would rather get a manager outside the family than getting a non-immediate family member to take over the business. FB 003 was however adamant on ensuring that it is only their children who would take over the business and had gone to great lengths to ensure this was the case. The founders ensured that their two children gained the educational and professional experiences needed for them to take over the business which is in the health industry.

> "…they do both formal and informal training in the business. For my son in medical school, we only allow him to practice medicine as specified in the curriculum for legal reasons. The other son helps in the administration affairs occasionally. This helps them generate an interest in the business..."

For both second-generation businesses sampled, the decision that the sons would take over the business was predetermined and was determined by the father (founder). This was always known and the fathers to ensure the sons generated interest in the business and knew how the business was run, made sure the sons spent a lot of time in the business when growing up and during school holidays.

For FB 006, the timing of succession was also determined by the founder who had gotten old and decided to take a step back from active management of the business. Succession planning for the business was strategically carried out by the founder. Even though the founder had planned that the son should take over the business, he had also planned for the business if the son decided not to take up the leading role. The founder trained one of the managers who had been with the business since its inception on how the business is run. To reward the manager for his commitment to the business over the years and keep him loyal (prevent him from branching out on his own), the founder gave the manager shares in the business that made him part owner. The successor also plans that his children should take over the business and is planning on involving them just like his father did when they get to an appropriate age. He, together with the manager, who is part owner, are currently in the process of identifying a promising employee that they can groom to take over the business. The successor also admits that having a non-family owner in the business will also make it more difficult when it comes to deciding who will take over the business. Succession in the case of FB 006 will continue to be effective assuming that no conflicts arise between the manager and the successor. Since the FB 006 founder is still alive, it is very likely that any conflict that may arise between the successor and the manager would probably be resolved through the intervention of the founder. In the case where the founder is not alive or is incapacitated, the successor and the manager would have to find ways of preventing any conflict that may arise between the two of them. If any conflict were to arise, the two should find a means of resolving it as it would threaten the sustainability of the business.

In the case of FB 008, succession planning was also predetermined, and the founder ensured that the children were involved in the business from a young age. Even though succession had always been predetermined, the succession decision was hastened by the death of the founder. The sons even though they had been running the business had to take over the active management of the business. To ensure that little conflict arose after the sons had taken over, the father ensured that they each took over a department or aspect of the business. Aside from succession being natural or predetermined, skill and interest in running the business were also factors looked out for by the founder. For this business, it is in the financial services industry and the founder ensured that all his sons’ educational background was financial-related to equip them with the necessary knowledge and skills needed in running the business. The business in currently in the process of planning its transition into the third generation. They want to fully transition in the next five years so that they can focus on other interests and businesses they have opened over the years.

Astrachan and Kolenko (1994) argue that what really matters in ensuring the sustainability of the family business is the commitment of the family to the business and effective succession is determined by the family's capacity to resolve post-succession issues (Harvey & Evans, 1995). The main reason cited for the collapse of FB 007 is the failure to resolve post-succession issues. The business had an ineffective succession because it failed to smoothly transition from the first generation to the second generation.

> "…Litigation issues that arose after the death of my father caused the business to collapse. My father had two wives and 18 children in total. I was the 16th born of all the children but my mother was the first and legal wife. I was my father's deputy and I was scheduled to take over the business because I had expressed interest in the business since I was very young. During school holidays, I would spend a lot of time of time shadowing my father and learning how the business operated. Growing up, I was more of less my father's deputy, was a signatory to all the accounts, followed him to all the business meetings and new all the business details. The board had also appointed me as the director to take over after the demise of my father. After his death, the children from the second wife decided to challenge the will in court and the court nullified the will. The estate was then sold off and money was split between the children and other family members according to the law. I decided to buy the hospital because I already had 10% shares, so I just bought off the other 90%..."

A key difference between succession in the first and second-generation businesses is the fact that the successors were predetermined and involved in the running of the business from a young age. However, for FB 007, despite having identified and groomed a successor and the founder leaving behind a will, the business still collapsed during its transition period. The reason for the collapse can be attributed to the type of family. FB 007 was owned by a polygamous man (he had two wives) and this made post succession issues more difficult to resolve as the family dynamics had changed from the regular one family to two families. Succession planning is also relatively easier to implement when the founder is still alive because the founder can still give direction on how and who they prefer to run the business. In FB 007, the family dispute on succession arose after the death of the founder, this was despite the successor having been groomed by the founder for several years.

From the above findings, various factors come into play to have an effective succession plan- identification of a successor, equipping the successor with necessary skills, planning for the uncertainty of the successor, timing of the succession type of family and family commitment to the succession plan.

4.2.3 Family dynamics

Three of the five first-generation businesses sampled (FB 001, FB 003 and FB 005) were owned by husband and wife while the other two (FB 002 and FB 004) were owned by siblings- brother and sister and 2 brothers. Aside from finding out the nature of family relations between the business founders, the questions asked during the interviews also aimed to find out how conflicts, when they arise, are resolved by the family members.

Of all family businesses sampled, only one (FB 001) allowed for the involvement of another family member in the running of the business. The family member involved was a sister to one of the founders and she had a managerial role. The founders stated that any family involvement was solely by merit as they did not want to be unjust to other employees. The sister involved in the business had a degree in a business-related field and had been involved in the business since its inception. The other businesses on the other hand, had not considered involvement of other family members in the business and those that had opted not to citing reasons such as difficulty in firing family members and keeping them accountable. For FB 006 used in the study, no other family members were involved in running the business apart from the successor and the father. This is because the other siblings were not interested in the running of the business and had ventured into other fields. Currently, the father is not an active member of the management team and is consulted on a need basis leaving little room for any conflict between the father and son, that can threaten sustainability. For FB 008 on the other hand, all the children were part of the family business when the father was still alive and took over the active management of the business after the death of the father. When asked how they were able to successfully transition from one generation to the next, they stated that each child took over an aspect of the business and this helped in preventing succession conflicts between the siblings. It also helped that the business is large and had diversified into different fields. The children were therefore able to take over the different fields according to their interests. The siblings however hold different positions in the board of directors for the business. As stated earlier family dynamics play an important role in ensuring the sustainability of the business.

The family businesses sampled presented contrasting opinions on the involvement of non-immediate family members in the affairs. Some of the businesses such as FB 001 and FB 005 did not mind the involvement of family members if it was solely by merit and they were qualified for the job. Other businesses like FB 004 were against involvement of non-immediate family members in the business affairs citing reasons such as difficulty in keeping family members accountable and firing family members from the business.

The Sustainable Family Business (SFB) model developed by Stafford (1999) argues that sustainability is based on the family business as a function of both family unit and business unit and their responses to any disruptions or conflicts that might occur. When the first-generation businesses sampled were asked about conflicts, all of them stated that they had not faced any major conflicts within both the family unit and business unit that had threatened their sustainability. They had found ways of resolving conflicts that come up and prevent them from interfering with the running of the business. Some of the ways they used in resolving conflict include: conducting the business in a transparent manner, trusting each other, being accountable for one's actions, trying different solutions to resolving a challenge faced, focusing on the vision of the business and legalizing most aspects of the business because even though the business is family-run, it is still a partnership. Legalizing even the small details is necessary in helping avoid conflicts especially finance-related conflicts.

However, before the transition from the father to the son, there was a major conflict between the two that ruined their relationship for a while and threatened the future of the business. The conflict was a succession-related dispute. After completing his high school, the son went abroad to pursue his undergraduate degree and stayed for 10 years in the country. The father was however getting impatient and felt that it was time for him to retire and for the son to take over. The son on the other hand, thought he was doing well abroad running his business in a field he was passionate about and was not ready to come back home and take over the business. This caused a lot of tension between the father and son, causing them to go for months on end without talking. After a lot of negotiations between the father and the son, the son eventually agreed to come back home and take over the family business on the condition that he could still start his own business on the side where he could pursue his career passion.

Despite having trained a manager who was competent enough to take over the family business, the father was still comfortable with the idea of someone within the immediate family taking over.

The father felt that a non-family member would be more concerned about making money and disregard the ethos of the business. In the words of the son:

> "…Most people join the family business thinking that they are indispensable and focus on the money. However, I am more focused on protecting the business name and legacy my father has built over the years."

As stated above, the successor's decision to take over the father's business, was driven by the desire to protect the business name and legacy that the father had built over the years. This is consistent with Abouzaid's (2011) finding that a key strength of family businesses that makes them sustainable is the fact that family members are committed to continuing the legacy of the founder and ensuring that the business has a good reputation. This is because of the emotional connection the family has to the business and the fact that the business is associated with the family name and brand.

According to the SFB model, conflicts such as the one faced by the family business under study, if not resolved, can cause the business to collapse. In this case, if the son had refused to come back and take over, the father would have probably ended up selling the business.

The collapsed family business sampled was owned by a father who later handed it over to the son. Aside from finding out the nature of family relations between the business founders, the questions asked during the interviews also aimed to find out how conflicts, when they arise, are resolved by the family members.

According to Mbaeh and Korir (2016), the success of a family business after the exit of the founder (s) is to a large extent dependent on the type of family. Succession disputes for example are more common in polygamous families as compared to monogamous families. This was evidenced in the collapsed family business used in the study. The founder was polygamous with 2 wives and a total of 18 children- he had 7 children with the first wife and 11 children with the second wife. After his death, the two families went into a dispute about his estate and this eventually led to the collapse of the business. Even after the dispute had been resolved and the business collapsed, the cordial relationship between the two families was destroyed. As stated earlier, conflicts or disputes within the family, if not well resolved will lead to the collapse of the business and affect the family relations.

4.2.4 Founder's syndrome

Founder's syndrome is summarized as the unhealthy paternalistic approach and imbalance of control exercised by the founder when it comes to the leadership of the business. This makes it difficult for an organization to transition from one generation to the next thus threatening its sustainability. It is mostly linked to founders who have been in the business since its inception. Aside from the imbalance of control, it is evident from the organizational culture of the business which is most often at times an extension of the founder's personality.

In trying to explore the existence of founder's syndrome in the businesses sampled, questions were asked that probed on- how key decisions are made, how board of directors is chosen, when the founders are planning to hand over, the organizational culture (especially when in relation to employee management) and use of phrases such as my baby when referring to the business and other tell-tale signs of founder's syndrome.

When it came to decision making, all the founders interviewed admitted to making all the key decisions needed to be made despite having managers who could make some of those decisions. Two businesses stood out when it came to decision making by the founders. For FB 002, the founder had all the power in the organization with little room being given to the managers to exercise their own control. It is also evidenced by the fact that the phone number on the business website also doubles up as the founder's personal phone number because the founder prefers to know all that is being said or all inquiries made on the business. This is in comparison to FB 001 where the owners' presence is hardly felt, they stated that they rarely went to the business every day and are only involved if a key decision needs to be taken. Of the two businesses, in cases the founder is incapacitated, FB 001 is more likely to survive as compared to FB 002 because the managers are empowered to make some key decisions in the organization. However, trust is a key issue cited by most founders when asked why they opted to have their presence heavily felt in the business. Trust because most founders were afraid of completely trusting their managers with the affairs of the business for fear of the managers branching out and starting their own businesses. For the one business, FB 005, that showed little evidence of founder's syndrome, they found a way of ensuring that the business manager remained loyal to the business by giving the manager shares in the business. FB 006 also showed little evidence of founder's syndrome. When the father/ founder was actively running the business, most of the key decisions were made by him and by the manager he had groomed. The founder's influence was not heavily felt in the organization and gave room for his managers to grow. When the founder decided to take a step back from active management of the business, he did not keep on checking in with his son and gave his son room to take charge of the business. The business has not had a formal board of directors but is currently in the process of putting a board together with input from the father and the son. The successor also pointed out that the father would not hesitate to fire him from the business if he felt he was not doing a good job. The fact that there is little evidence of founder's syndrome is a contributing factor to the relatively smooth transition of the business from the first generation to the second generation

Most of the businesses sampled did not have a board of directors and those that did had an informal board of directors chosen by the founders. Only one had a formal board of directors, FB 005. Both the formal and informal board of directors were experts from different fields and who were the founder's mentors and were instrumental in giving the businesses advice and direction.

According to Wasserman (2008), the founder's personality, style and preference also extend into the business and they play a significant role in determining the organizational culture of the business. In both first and second-generation family businesses sampled, it was interesting to note that the founders were very much involved in the personal lives of their employees and they described the relationship between themselves (as the founders) and the employees as a family. This also contributes to the low employee turnover rate seen in the family businesses sampled. One family business owner stated:

> "…Very few employees have left since we started. Eventually the employees end up becoming like part of the family and this even makes it slightly harder to let them go…"

> "…You can burn all our equipment, take all our money but do not touch our staff…I would say they are more than family…"

To some extent, FB 007 showed symptoms of founder's syndrome which lead to the succession issues that eventually led to the collapse. When it came to decision making, the founder was very much involved in the business and he stayed on in the business until he was indisposed…too sick to eventually run the business. The board of directors was composed of family members chosen by the founder. They were chosen by the virtue of them being family members rather than by their credentials or what they bring to the business as should be the case. It is important to note that the board comprised of members of one of his families rather than the two families he had. This was also one of the reasons the dispute arose after his death.

> "…my father chose the board himself according to his discretion. My mother was also part of the board, I was part of the board, 2 of my sisters, one of his brothers and one of his nephews…"

4.2.5 Entrepreneurial tradition

Monibo (2003) defines entrepreneurial tradition as the extent to which entrepreneurship is embraced in the founder's family- both immediate and extended family. Aside from finding out the entrepreneurial culture in the family, the study also probed to find out any developmental opportunities such as educational background, mentorship, previous job experiences and their role in helping the founder run a successful business.

When the founders of first generation businesses were asked if they came from families that encouraged entrepreneurship, only 2 stated that they came from families that earned their living through entrepreneurship. They also admitted that this played a significant role in motivating them to start their own businesses. For the other three, they were the first in their families to start their own businesses and it was inspired by their disinterest in the corporate world. For FB 006, the successor went to undergraduate school outside Ghana where he pursued a degree in an IT-related field. He admits being away from him and coming from an entrepreneurial background motivated him to try his hand in several businesses-some failed, some did not. Even though he studied an IT-related field, the experience he got from having his own businesses helped him in running his father's business. The successor also states that the school he went to taught all students some business-related courses despite studying a non-business- related degree. All these experiences proved to be instrumental in helping him run his father's business and his own business that he runs alongside his father's business.

When it comes to educational background, only 2 had attended business school where they gained 'book' knowledge on how to successfully run a business and that is what has helped them in running their businesses. For the rest, they were in different fields such as engineering than the industries they started their businesses in.

According to Monibo (2003), the existence of an entrepreneurial tradition in the founder or successor's family increases the chances of the business being successful. From the second-generation business studied, it successfully transitioned from the first to the second generation which can be attributed to several factors including the entrepreneurial tradition in the family. The key question to ask is whether entrepreneurial tradition in the family really influences the success of the business. This is because of the five businesses interviewed only two came from entrepreneurial families and two out of the five studied in business-related fields that would be helpful in running a business. However, the other three businesses that neither had an entrepreneurial tradition nor business school knowledge, have been successful since their inception till date.

4.3 Using the Sustainable Family Business Model

The Sustainable Family Business Model (SFB) is based on the premise that success of the family business is a function of family achievements, business achievements, extent of overlap between the family and the business in the family business and the family business' response to any disruptions that may occur within either the family setting or the business setting.

The businesses sampled were analyzed using the SFB model to determine the probability of the business' sustainability. Figure 1 below shows one of the family businesses sampled and its likelihood of sustainability.

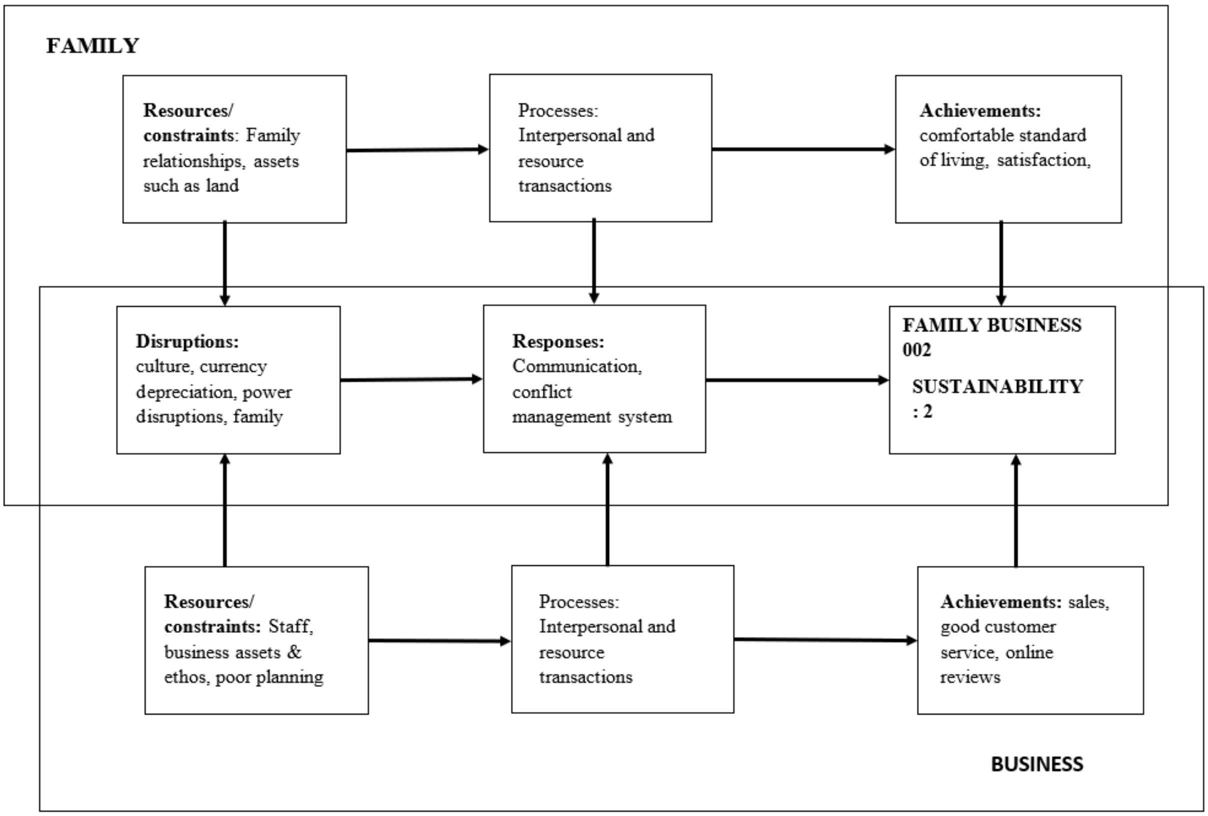

Figure 3: FB 002 Sustainability rank using SFB Model

The SFB model is grounded in systems theory and that the family business is based on two systems- the family system and the business system with a key feature of the model being the overlap between the family and the business. As evidenced in the figure above, both systems have available resources and constraints that are converted into success-both objective and subjective through interpersonal and resource transactions.

For the family business used in the figure above, some of the resources the family has are; family relationship capital and assets such as finances and the land where the business is based. The founders state that the family relationship capital has been instrumental in helping them get the business together during its early years. An objective achievement the family used is their standard of living while a subjective achievement they had is the level of satisfaction. One of the founders stated that he felt satisfied because his immediate family (wife and children) and his extended family were able to live comfortable lives. On the business side, some of their resources were their staff, which they considered to be one of their greatest assets. Aside from other business assets such as finance, property etc., another of their resources is the business' brand. The business has a positive brand image within the entertainment industry that they believe keeps on bringing more customers for the business. The objective achievements include; sales, meeting operational expenses/ costs and having most of their customers give them good online reviews over the years. Their subjective achievements include; satisfaction from their customers and being interviewed by an international media, BBC, because of their unique offering in the entertainment industry.

When it comes to disruptions that face the family business system, there are two types of disruptions that the model allows for- internal and external disruption. Some of the external disruptions the business faced were- frequent power disruptions, currency depreciation and the culture while one of the major internal disruptions that the business faced was family influence. The frequent power disruptions have forced the business to invest in equipment like generators and this ends up increasing their operational costs, culture was also a disruption or challenge especially when it came to employee management. The founders claimed that most of the employees were lax when it came to things like time management and superstitions surrounding businesses. For the internal disruption- the family, the founders stated that the extended family, despite being supportive are sometimes too meddling in the business affairs and at a point, during the beginning, caused a conflict that nearly caused the business to fail. Communication is one of the key ways the founders deal with conflict that arises amongst them, they also state that keeping them focused on the vision of the business is another way that keeps them grounded to deal with conflicts and meddling by the extended family members. For the external disruptions, they stated that they did not have much control over them but are quick in dealing and responding to them when they arise.

The extent of overlap between the family system and business system was also analyzed. In families that strive to keep the business separate from the family, there is little overlap while in families where the business' success is the prevailing orientation, there is a high degree of overlap between the two systems. In determining the extent of overlap between the two systems, questions asked probed on finding out the amount of time founders spent within the two systems and extent to which the family finances support the business and vice versa. For the family business sampled, it was discovered that there was a high extent of overlap between the two systems. There was little to no separation of the family life and the business life. One of the evidences: Both brothers (who are the founders), use their personal phone numbers as business phone numbers. Their phone numbers are what is found on the business website. The business is in the entertainment industry, they take turns in being at the business, every other day. The business opens its doors from 12 noon and closes at 4 am, every day of the week. The founders are there from 10 am until the place closes. This leaves little time for them to be away from the business.

Using the SFB model, the family business interviewed had a low likelihood of being sustainable in the long-run. This is because even though both systems- family and business have been achieving their successes, the business lacks a strong means of dealing with both internal and external disruptions that may arise and threaten the business. The high degree of overlap between the two systems in the family business sampled is also what causes the extended family to serve as a disruption within the family business system.

In addition to the use of the SFB Model in determining the sustainability of family businesses, other factors such as succession planning, founders' syndrome, family dynamics and entrepreneurial tradition were used in ranking all the businesses sampled according to their probability of sustainability. The figure below shows the sustainability of the various businesses sampled. A sustainability scale of 0-5 was created with 0 representing a lack of that factor being available in the business, 1 representing very low evidence or application of that factor in the business and 5 representing a very high evidence or application of that factor in the business. The highest score possible for any business on this scale was 35. The ranking showed that second generation family businesses showed more evidence of sustainability as compared to first generation family businesses. There were also variances on sustainability when it came to the different first-generation businesses interviewed.

Sustainability ranking of family businesses sampled								
	FB 001	**FB 002**	**FB 003**	**FB 004**	**FB 005**	**FB 006**	**FB 007**	**FB 008**
Generation	**1st**	**1st**	**1st**	**1st**	**1st**	**2nd**	**2nd**	**2nd**
Sustainability vision	2	2	2	2	2	3		5
Response to disruption	2	1	2	1	3	4		4
Extent of overlap	3	4	3	4	3	4		4
Solid succession plan	2	1	4	3	4	3		4
Entrepreneurial tradition	3	2	2	2	3	4		4
Founder's syndrome	2	1	3	2	2	3		4
Family dynamics	3	2	3	2	3	2		4
Total	**17**	**13**	**19**	**16**	**20**	**23**		**29**

Table 7: Sustainability of family businesses sampled

Ranking	
0	not at all
1	very low
2	low
3	medium
4	high
5	very high

Table 8: Sustainability scale

Some of the reasons, ranked from most important to least important, contributing to the differences in sustainability observed among the family businesses interviewed are:

- Type of family/ family dynamics. The success of a family business after the exit of the founder (s) is to a large extent dependent on the type of family. Succession disputes for example are more common in polygamous families as compared to monogamous families.
- Presence of founder's syndrome due to lack of trust between founders and managers. Most founders opted to have their presence heavily felt in the business because they were afraid of completely trusting their managers with the affairs of the business for fear of the managers branching out and starting their own businesses.
- Employee satisfaction during the transition period. The second-generation businesses interviewed placed emphasis on ensuring that employees are satisfied during and after the transition process. For FB 005, to maintain the good relations, the founder is making sure that the son is slowly integrated into the family business while for FB 008, employee satisfaction during the transition period is a key performance indicator used to ensure that succession is effective/ successful.
- Conflict. Conflicts have the potential to threaten the sustainability of the business. Conflicts in a family business setting can arise from within the family members and conflict within the chosen successor and existing managers in the business. For FB 006, conflict between the founder and the chosen successor nearly caused the collapse of the business while for FB 007, conflict between the family members caused the collapse of the business.
- Solid succession plan. A solid succession plan is one that goes beyond knowing who is going to take over the business but also includes an implementation plan. An implementation plan involves the different steps that will be taken to ensure that the

successor is ready to take up the role and plans for the time when the successor will take over the business.

- The type of business. Family Business 008 and 006 are registered as incorporated businesses or companies which means more emphasis is placed on different structures such as long-term leadership. These structures contribute to keeping the business sustainable. Family Business 002 on the other hand is a partnership between two family members and has no structures put in place.
- Period businesses have been in existence for. Businesses that have been in existence for a longer period show more evidence of sustainability. It can be inferred that because of their longer time in operations, they have learnt how to deal with different challenges and come up with strategies.
- Aim of starting the business. Businesses started with the aim of perpetuity have a higher chance of sustainability as compared to businesses started with the aim of meeting short-term goals. A business that is depended on solely by the family members or dependents of the founder has more chances of the transition period being unsuccessful.
- Coming from a family with an entrepreneurial tradition contributes to the success of the business but the lack of entrepreneurial tradition in the family does not necessarily translate to the unsustainability of the business.

4.4 Conclusion

According to the Sustainable Family Business (SFB) model, any disruption, if not resolved, within either the family system or the business system threaten the family business system thereby threatening the sustainability of the business. A key finding of this research was that the type of family plays a significant role in determining the sustainability of the family business. Other contributing factors to the sustainability of the business are; evidence or lack thereof of founder's syndrome, employee satisfaction during the transition period, effective succession planning and the ability of the family business to deal with conflicts that may arise. The research, contrary to the evidence provided in literature showed that existence of entrepreneurial tradition in the family does not guarantee the sustainability of the business.

CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

This being the final chapter of this study answers the research questions asked by giving recommendations for family business owners in Ghana. It also gives recommendations for future research and limitations encountered while conducting the study.

5.1 Conclusion

Small and Medium Enterprises (SMEs) constitute 92% of all businesses in Ghana and they have a significant effect on the country's employment. It is also estimated that 60% of businesses in the world are family businesses and they start as SMEs. However, only a 30% of these businesses manage to survive to the second-generation of family members, 12% survive to the third-generation and 3% of these businesses survive to the fourth generation and beyond. Despite family businesses forming a large chunk of Ghana's economy, they are not sustainable. This research therefore sought to find out the various factors that affect sustainability of family businesses in Ghana and measures that can be taken to ensure that family businesses are more sustainable. The Sustainable Family Business (SFB) model developed by Stafford (1999) was used to analyze the family businesses sampled to determine their chances of sustainability. Eight family businesses were studied- five first-generation business, two second-generation businesses and one business that collapsed during its transition into the second generation. A key finding of this research was that the type of family plays a significant role in determining the sustainability of the family business. Other contributing factors to the sustainability of the business are; evidence or lack thereof of founder's syndrome, employee satisfaction during the transition period, effective succession planning and the ability of the family business to deal with conflicts that may arise. The research, contrary to the evidence provided in literature showed that existence of entrepreneurial tradition in the family does not guarantee the sustainability of the business.

5.2 Recommendations for family business owners

Sustainability of family businesses should be well thought of and strategically planned out to ensure long-term survival of the business. Different businesses differ in their definitions of sustainability. Whichever definition a business chooses to define sustainability they should set key milestones and come up with key performance indicators (KPIs) that will help them track their progress.

The success of a family business after the exit of the founder (s) is to a large extent dependent on the type of family. Succession disputes for example are more common in polygamous families as compared to monogamous families. For founders or family business owners that may find themselves in this situation, avoidance of conflict after the exit of the founder can be by ensuring the succession plan has the equal involvement of the different families involved.

Succession planning is always easier when the founder is alive. Founders can take advantage of this by taking a step back from active management of the business and let the succession plan they have play out when they are still alive. This way, conflicts that may arise can be solved by the founder.

It is important to maintain good relations between existing employees and the chosen successor. Employee satisfaction is key for family businesses. In the process of transitioning from one generation to another, family members should either be gradually introduced to the affairs of the business or involved in the running of the business from an early age. This ensures that the existing employees do not feel threatened by the presence of the successors. Employee satisfaction during the transition period is another factor that family business owners and successors should pay keen attention to.

Keeping managers loyal is a means of overcoming the lack of trust by founders that leads to founder's syndrome in the family business. A way founders can keep managers loyal, is by giving them incentives such as shares that make them part owners in the business.

Family business owners should keep in mind that the business, especially those with more than one founder, are still partnerships and should be treated with the same seriousness and legality that a regular business partnership with a non-family member would be treated. Legalizing the partnership between the family members would help in preventing some conflicts from arising and even help in solving some of the conflicts that do arise.

Extent of overlap between the family and the business systems should be carefully balanced. A high extent of overlap may lead to boundaries being blurred and can lead to issues such as misappropriation of funds and an overinvolvement of the extended family in the affairs of the business.

5.3 Recommendations for future studies

The field of family-owned business is one that is largely unexplored and there is still room for further research especially on African family-owned businesses.

One of the premises that the SFB Model is based on the fact the family and business systems overlap to form a family business and sustainability of the business is based on the ability of the family business to respond to the disruptions that may arise. An example of such a disruption is conflict that may arise within the family business. An area that can be explored in future research is the effect the extent of the overlap between the two systems affects conflict resolution and eventually the sustainability of the business.

Another area that can be explored is the implications of gender bias in most African cultures on the sustainability of family businesses. It is estimated that women own more that 33% of family owned businesses in the world currently (Cadiuex et .al, 2002). Galiano and Vinturella (1995), conducted a similar research where they explored the prevalence of biases towards females in family businesses with reference to the issue of succession planning (as cited in Bhat, Shah, & Baba, 2013).

In conclusion, Bhat et.al (2013) in emphasizing the need for sustainability of family businesses writes "…yesterday, it was the business as a family. Today, it is the family as a business. Tomorrow, it will be the business of the family to ensure that there is a future for both the business and the family."

5.4 Limitations for this study

The initial plan was to interview three family businesses in each category i.e. first generation, second generation, third generation and beyond and collapsed business. However, it proved to be slightly difficult getting participants of the various categories due to the busy nature of the founders and unwillingness of some of the founders to share information because they thought it was sensitive- especially for collapsed family businesses. I therefore ended up getting five first generation participants and two second generation businesses and one collapsed business to use in the study.

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APPENDIX

INFORMED CONSENT FORM

A STUDY ON FACTORS AFFECTING THE SUSTAINABILITY OF FAMILY BUSINESSES IN GHANA AFTER THE EXIT OF THE FIRST GENERATION OF FOUNDING FAMILY MEMBERS

I. Purpose

My name is Fiona Muithi, a final year student at Ashesi University College, Ghana. You are invited to participate in my dissertation study on the various factors that affect the sustainability of family businesses. This research seeks to answer the key question: Why are some family businesses successful at moving beyond the first generation while others are not successful? You are invited to participate in this study because you are a family business owner and your insight in owning and running a family business would be key to this research.

II. Procedure

If you decide to take part in the study, you will participate in one in-depth face-to-face interview that will last about one and half to two hours. The interview will be digitally recorded to help in better remembering what was said during the interview. The interview will be conducted in a mutually agreed location of your choosing.

III. Risks

In this study, you will not face any more risks than you would in a normal day of life.

IV. Benefits

Participation in this study may not benefit you personally. However, insights gained from this study may be used as recommendation for further studies or may be relevant to family business owners for decision making or strategy development.

V. Voluntary Participation and Withdrawal

Participation in this research is purely voluntary and you can decide at any point to withdraw from the study. Some of the questions asked might require you to share your personal experiences, however, if you feel uncomfortable answering such questions, you are free to skip any questions you do not want to answer. Do note that there are no right or wrong answers to the interview questions, I am just simply asking for your opinions, thoughts and experiences as they relate to the study.

VI. Confidentiality

All information gathered shall be treated with confidentiality and used only for the purposes of this research. An interview key sheet will be created where each interview is assigned a case number or a pseudonym. To ensure confidentiality, the key sheet and all records of the data will be password protected. Your name and any other obvious identifiers such as geographical cues will be eliminated. Also, if you do not want something you said during the interview to be included in the presentation of this study or publishing of results, do let me know.

VII. Contact persons

Feel free to contact me (Fiona Muithi) on +233544069220; fiona.muithi@ashesi.edu.gh or Mr. Abdul-Nasser Alidu at aalidu@ashesi.edu.gh if you have any questions, concerns or complaints about this study. This study and consent form has been reviewed and approved by the Ashesi

University Human Subjects Review Committee. If you have any questions about the approval process, please contact Chair, Ashesi University HSCR at irb@ashesi.edu.gh.

VIII. Copy of consent form to participant

If you agree to be part of the study, please sign and date this form below. You will get a copy of this consent form to keep.

Name of participant ____

Signature of participant ___________________________ Date_____________________

Phone number ____

INTERVIEW GUIDE/ SCRIPT

Interviewee: ______________________________ Location: ________________________

Date: _______________________ Time: _______________

Background Questions

1. What is the name of your business?
2. Which industry category does your business operate in?
3. What year was your business founded? / How old is your business?
4. How many total employees, aside from you, work for the business? (both fulltime and part-time)
    - How would you describe the staff turnover rate for your business?
    - What are some of the exit reasons for staff members?
5. How many family members are involved in the business?
    - What are their roles?
    - Previous job experience? Education background?
    - What is your relationship with them?
6. How many years have you been involved in the business?

    (Please walk me through your time with the company i.e. different positions and their timing till date)

7. What generation currently runs the business?
    - How are you related to the founder?
    - Kindly describe the leadership history in the business?
    - And how have the previous CEOs/ managers been related to the founder?

Factors affecting sustainability of the family business

8. In your opinion, how would you define sustainability as it relates to your family business?
9. According to your definition of sustainability as it relates to your business, how do you measure sustainability?

(Any KPIs or key milestones put in place)

Succession planning

10. How did the family decide that the business was going to be passed along?
    (a) Who made the decision? (founder(s) only, others)
    (b) How was that decision made? (formal family meeting, informal discussion, votes)
    (c) Was there a criterion used in identifying the successor? (Eldest child, gender, age, experience, skills etc.)
11. Which of the following statements best describe what influenced the timing of the succession decision?
    (a) Succession was always predetermined.
    (b) There was an event that hastened the succession decision. (Elaborate more on that event- death, health issues, retirement, availability of successor)
    (c) Other
12. At the time you took over, did your career goals or interests align with that of the family business?

(If yes, how. If no, also how and how this has evolved)

Family dynamics

13. What is your relation to your predecessor?

    (Brother, sister, father, mother, uncle etc.)

14. How do you and your family members spend time together outside the business?

    (Does this influence the business decisions made- give an example)

15. Could you describe an instant where conflicts within the family affected decisions made in the business or vice versa?
16. Describe how family members with a financial interest in the venture resolve:
    (a) Any major business-related conflicts?
    (b) Any major differences among themselves?

Entrepreneurial tradition

17. Were there any development opportunities that were given to you by the founder(s) or predecessor to prepare you for the job?

    (Education background, mentorship by predecessor, on the job training, professional development etc.)

Founders' Syndrome

18. How are most important decisions made? (owner/ founder makes most decisions, votes etc.)
19. When do you plan on handing over the business operations to the next generation?
    - When you leave are you skeptical that things might be run differently?
    - Do you feel/ is there a time you felt as though you were indispensable?
    - Are you planning on staying involved in the business after you depart? Why?

- Do you fear that the business might take a mission different to your own after your departure? (For second generation businesses and beyond, how has the mission evolved over the generations?)

20. Does your business have a board of directors? If yes,

    - How are the directors chosen? (hand-picked by the owner? Criteria for choosing board members-loyalty, credentials?)

21. Do you relate to the organization as belonging to you?

(Throughout the interview, watch out for phrases such as my baby, my organization etc.)

Conclusion

Is there anything you would like to add about your family business or your experience or anything in general?

Any questions for me?