EXPLORING COGNITIVE AND ATTITUINAL SIMILARITIES AND DIFFERENCES OF ENTREPRENEURS STARTING FAMILY BUSINESSES IN THE UNITED STATES AND GHANA

Research on family business has been growing and slowly maturing as a distinct research area with substantial practical relevance, academic rigor, and geographic reach (Dawson & Hjorth, 2012; Litz, Pearson, & Litchfield, 2012; Sharma, 2004; Sharma, Chrisman, & Gersick, 2012). With respect to both practical relevance and geographic reach, it has been documented that family businesses dominate the economies of nations all over the world (IFERA, 2003), and research sites have also increased to take into account both developed and emerging economies (Carney, 2007; Litz, Pearson, & Litchfield, 2012). In addition, with respect to academic rigor, the field has grown and has progressively developed theoretically, qualitatively, and empirically (Casillas & Acedo, 2007; Dawson & Hjorth, 2012; Sharma et al., 2012).

GAPS IN THE FAMILY BUSINESS RESEARCH LITERATURE

Despite these impressive strides in research in family businesses, there are two substantial gaps in the literature that this book seeks to address. The first is that, despite the call by Sharma (2004) for widening the societal and environmental context of family business research, its geographic context has been substantially limited in that the continent of Africa has been severely under-represented. For example, the groundbreaking work done by the International Family Enterprise Academy (IFERA) in 2003 documenting the dominance of family businesses in the economies of almost all the geographic regions of the world had very little documentation about the continent of Africa. Further, we selected and reviewed Family Business Review (FBR) between 2000 and 2012 with respect to the extent of coverage of the African region. We specifically focused on FBR because it is one of the most dominant journals in the field of Family Business, as the substantial review of the major journals that covered the family business domain indicated FBR had done most studies (almost 50%) in the field (Debicki, Matherne, Kellermanns, & Chrisman, 2009). We found that while FBR had an impressive geographic range covering both developed countries (e.g., France, Japan) and emerging countries (e.g., China, India, Philippines), there was not one article that substantially covered an African country.

Our second gap is that most of the theory and research underpinning of Family Business has been undertaken in the context of the developed nations and despite the substantial geographic reach that has increased (e.g., Debicki et al., 2009; Sharma et al., 2012), there have been very few comparative
studies between the highly developed and the less developed economies and none to date contrasting
developed nations such as United States and developing countries such as Ghana. For example, in the
seminal *Handbook of Research on Family Business* (Poutziouris, Smyrnious, & Klein, 2006), not one
family business case study in Africa is studied or contrasted with those in developed economies.

This book therefore seeks to address these two gaps in the research in family business by specifically
exploring the similarities and differences in the motivation and challenges associated with starting a
family business in Ghana and in the United States. This exploration is important for several research
and practical purposes. Recently, Leaptrott (2005) made a call for a more systematic introduction of
institutional theory into family business research. From an institutional theory perspective, we will ex-
pect more differences than similarities given the substantial institutional conditions between the United
States and Ghana (Leaptrott, 2005). This study will examine whether this research question holds or not.

This book is an exploratory examination of differences and similarities in motivation and challenges
that founders of family businesses in developed economies (United States) and emerging economies
(Ghana) face.

### JOINT SVSU AND PUC RESEARCH TEAMS

In 2012, a joint team of researchers from Saginaw Valley State University, Michigan, United States,
and Pentecost University College, Ghana, were constituted, using a grant from Saginaw Valley State
University’s Stevens Family Business Center. The teams interacted with each other using skype and
telephone. As a preliminary exploratory inquiry, the joint team developed an open ended questionnaire
that was used to interview four successful founders of family businesses in the United States and a similar
number in Ghana. Specifically, our questionnaire sought to find out their motivations for starting family
businesses, how they got capital to get started, and their biggest challenges/obstacles they faced when
starting and once the businesses were started.

The joint research team carried out intense interviews of close to two hours for each of the founders
of four family businesses in Ghana (Kama Industries, Global Lighting, Holy Trinity Medical Center,
and Annointed Electricals) and the four family businesses based in Michigan, and in the United States
We subsequently carried out a narrative analysis of the interviews done with these four family business
founders (Chenail, 2009; Dawson & Hjorth, 2012). In some instances, researchers were able to inter-
view immediate family members who were working in these businesses, thus substantially enriching
the information gathered.

### EXTENDING THE RESEARCH FOCUS TO THE CONTEXT
OF ENTREPRENEURSHIP IN AFRICA

As the research project went on, it became clear that we were missing an important ingredient. While
much had been written about the context of family businesses in the United States, the same could not
be said of the African context. Indeed, as the review of the literature above clearly indicates, family
businesses in the African context have been substantially under-researched. To provide such a context, we made a call for chapters. This call was answered by several additional faculty and students from the two sister institutions as well as other professors from Nigeria and South Africa. This book is the result of this wonderful collaborative effort between these two sister institutions.

LAYOUT OF BOOK

Context of Entrepreneurship and Family Business Start-Ups in Ghana

The book is divided into three main segments. In Section 1, we provide the context for an improved understanding of such a comparison of entrepreneurship and family businesses in the United States and Ghana. In doing so, some of the chapters in this book reflect the entrepreneurial context in Africa in general while some are more country specific and highlight countries in North Africa (Tunisia, Libya and Egypt), West Africa (Ghana), and South Africa. The first chapter by Puia, Affholter, and Potts identifies eight pertinent factors that will stimulate entrepreneurship in both developed and developing countries. These are business freedom, investment freedom, investment protection, property rights protection, technological readiness, innovation, freedom from corruption and access to risk capital. The study compares six West African countries (Benin, Cote d’Ivorie, Ghana, Liberia, Senegal and Sierra Leone) and seven Western developed countries (the United States and Six European Union member states) with respect to these eight entrepreneurial stimulators. Their study highlights the difficulties that entrepreneurs in Africa have. The study by Kwami examined Ghanaian market women in the digital age and highlights the positive effect of ICT in general and mobile phones in particular, in enabling these women to better manage their enterprises by strengthening their social networks and enabling them to more quickly move from survival enterprises to more opportunity based ones. The chapter by Ebenezer and Adei focuses on the institutional entrepreneurship of Professor Stephen Adei, who transformed one of Ghana’s leading management and public administration institutes, the Ghana Institute of Management and Public Administration (GIMPA). The chapter by Bishop and Surfield presents a portrait of Hispanics entrepreneurs in the United States. This study makes an important contribution to the literature because, while much research has been undertaken about entrepreneurs in the United States, research focusing on Hispanics has been pithy. The authors, however, make an important point of noting that Hispanics do not constitute a monolithic group. The chapter by Shin explores the effect of the Arab spring revolutions that began in 2010 in Tunisia, Libya, and Egypt on factors that inhibit and enable entrepreneurship in these North African countries. Shin’s study suggests that, in general, the effects of the Arab spring on entrepreneurship in these three North African countries have been detrimental. The study by Ebenezer, Shi, and Mackie addresses an important contextual factor in Africa: the increasing levels of both governmental and corporate investments in Africa pointing to both the positive and negative aspects of Chinese investments in Africa on entrepreneurship in the continent. Finally, the chapter by Alemu takes a sample of 41 African countries and suggests that good governance infrastructure such as government effectiveness, regulatory quality and absence of corruption are key determinants of creating an environment conducive to entrepreneurship.
Case Studies of Entrepreneurial American and Ghanaian Family Business Start-Ups

In Section 2 of this book, we provide case studies of the founders of four family businesses in Ghana (Kama Industries, Global Lighting, Holy Trinity Medical Center, and Anointed Electricals) and the four family businesses based in the United States (the Duperon Corporation, Amigo Mobility International, Alloy Construction Service, and Glastender). With respect to the four family businesses in Ghana, the chapter by Annor-Quainoo describes the several business services (e.g. manufacturing and distribution of pharmaceutical drugs, conference centers, dental practices, hair salons and real estate) that Dr. Addo, the Chairman of the Kama Industries has initiated. This chapter details the tremendous challenges, including the level of poverty that he grew up in, and the strategies he used to “grow out” of these challenges.

The chapter by Appiah Kubi highlights some of the major challenges (e.g. the lack of financing) that the founder of Holy Trinity Medical Center, a full health service organization based in Accra, faced. This chapter also highlights several critical mental attributes that according to Dr. Anyah, the founder of Holy Trinity Medical Center are vitally necessary for effectively setting up and running a business in Ghana. The second chapter on Global Lighting Center by Annor-Quainoo also depicts challenges that a Ghanaian entrepreneur faced and how, incorporating non-family members helped to deal with these challenges. Finally, the chapter on the Anointed Electrical Engineering company particularly emphasizes the short term and long term financial constraints that businesses in Ghana face.

With respect to the family businesses studies in the United States, the chapter by Jaber focused on the Duperon Corporation that designs, manufactures, and distributes pump equipment that are used to clean rivers and lakes. Jaber describes major challenges, including being dyslexic, that Terry Duperon, the founder of Duperon faced and how he overcame these challenges in part by “doing.” The chapter by Misra describes the challenges and successes of copreneurs, Al and Bethe Thieme, who founded Amigo Mobility. The chapter by Liu describes Robert Neuman who started Alloy construction and how he suddenly took ill and, unexpectedly, his wife, Ronnie, had to step up and take the helm of the company. It describes what she and their son have done over the years to make the Alloy a success story. Finally, the chapter by Nadavulakere describes how Jon Hall, founder of Glastender, has focused on trans-generational entrepreneurship.

Mentalpreneurship: Critical Cognitive and Attitudinal Similarities and Differences of American and Ghanaian Entrepreneurs

Finally, in the last section of this book and analogous to the notion of preserving the core while embracing change (Sharma, 2009), we sought to identify substantive similar and different themes among the narratives of these family business founders in Ghana and the United States as they started and developed their family businesses (Ofori-Dankwa & Ricks, 2000). Surprisingly, we find several similarities which we represent with an umbrella construct that we term Mentalpreneurship: the similar cognitive and attitudinal factors that entrepreneurs in developed countries such as the United States and Developing countries such as Ghana have. These factors include the mental acumen to identify business opportunities that exist, the confidence to “step out of the boat” and the disciplined customer-focused action. We also
point to important differences that these two sets of entrepreneurs have. These include the entrepreneurs in Ghana having to take the extended family systems into account and a more public emphasis on God by their firms. We highlight these and point to lessons for students and researchers of entrepreneurship.

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REFERENCES


