Chapter 9

Kama Group Limited

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ABSTRACT

Family businesses and entrepreneurship research has grown but with few studies in Africa. This case study fills that gap in the research on entrepreneurship and family business cases in the African continent. The case is explored to assess the motivation and challenges influencing entrepreneurial startup businesses and founders of family businesses. Using both qualitative and quantitative methods for data collection, the research confirms some differences and similarities in the motivational factors and challenges associated with starting a business in an African context, specifically Ghanaian. This entrepreneur’s family business encountered a number of challenges in its startup. However, due to strong mental attributes such as personal motivation, persistence, commitment, and hard work, he has overcome these challenges and grown the business successfully. Although environmental challenges may be greater in an emerging economy such as Ghana, personal attributes can play a key role in building and sustaining a successful family business.

INTRODUCTION

Family business and entrepreneurial businesses account for over 60% of businesses in the world, according to the 2012 European Family Businesses Report (EFB, 2012). In the U.S it is estimated that about 90% of all business are family owned. Studies also indicate that family businesses are more profitable and contribute better to GDP in most economies (EFB, 2012). Consequently, there has been a growing interest in family business and entrepreneurship research (Low & MacMillan, 1988).

There have been several studies on entrepreneurship and family businesses worldwide. A review of literature points out that while there have a number of research studies conducted on entrepreneurship, there is still a wide gap in developing economies such as Africa. Indeed reviewing earlier studies such as Kent et al. (1982), Low & MacMillan (1988) and more recent ones such as Bruton et al. (2008), one notices that there is still a general lack of research carried out on entrepreneurship on the African continent.

Hence, this chapter about an entrepreneur in Ghana, Dr. Michael Agyekum Addo, is in line...
with the substantial lack of research in this area and in response to a more recent call by Bruton,
et al. (2008) in which it was suggested that more entrepreneurial research should be geared towards
under researched areas such as Africa and Ghana for that matter.

Interestingly enough, a review of literature in Family Business research also shows a lack of re-
search in this area in Africa. For instance, reviews by Sharma, (2004); Casillas and Acedo, (2007);
Debicke et al. (2009) and Litz et al. (2012). All these point out that there has been virtually not
much family business researches conducted in Africa. In view of this general lack of research in
Africa on entrepreneurship and family businesses, this chapter seeks to remedy this situation by ad-
dressing the following issues:

1. To describe a successful Ghanaian entrepre-
neur Dr. Michael Agyekum Addo who started a family business and has grown the busi-
ness to this point. Specifically, this chapter will describe the relative poverty and harsh
socioeconomic situations including lack of capital in which the Ghanaian started with
and the motivation and driving force which enabled him to initiate such business. In
addition the chapter will describe in detail the tremendous challenges and obstacles
associated with starting a business in Ghana particularly the institutional and socio-
cultural barriers that he encountered in the early days when he started and the ways by
which he managed to overcome these.

2. This study will also seek to describe the
success of this entrepreneur and identify
the key mental or cognitive attributes and
characteristic which this entrepreneur sug-
gests are needed to run an effective family
business in Ghana.

3. Finally, the case study will address the dif-
ferent ways and means by which the KAMA
Group is giving back to society both at the
larger societal level and specific community
levels particularly in the Eastern region of
Ghana.

LITERATURE REVIEW

Entrepreneurship

On the entrepreneurial fronts there has been several
calls for further research to increase knowledge and
understanding of entrepreneurs and the organiza-
tions they start (Low & MacMillan, 1988; Bruton
et al., 2008). Entrepreneurial studies have become
important due to socio-economic and develop-
mental contributions entrepreneurial ventures
contribute to society and the global economy. It is
considered to be a major contributor of economic
growth, economic efficiencies and innovation to
markets in many nations. Due to this, it has at-
tracted political and philanthropic commitment
in some parts of the world (Zhao et al., 2005;

Entrepreneurship has been studied from the
individual factors and characteristics, organiza-
tional creation processes and management and the
socio cultural context of operation. These three
major strands of research have yielded various
dimensions and levels of analysis which have also yielded unique insights and contribution to
knowledge across a number of disciplines of stud-
ies. The three main levels of analysis have been
the (a) firm, (b) individual characteristics and (c)
environmental context. Hence, an entreprenuer
is considered to be an individual with certain
characteristics and abilities who find themselves
in a certain environment conducive to business
venture (Bird & Jelinek, 1998). Calvo and Garcia
(2010), further divides organization factors into
factors intrinsic to the venture and the process
of creation referred to as the procedural factors.