UNIVERSITY OF CAPE COAST

FACTORS CONTRIBUTING TO SUCCESSION PLANNING AND PERFORMANCE OF SMALL BUSINESSES: EVIDENCE FROM THE BUILSA NORTH MUNICIPALITY, GHANA

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BY

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DECLARATION

Candidate's Declaration

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

Signature: .... Date: ....

Name: George Ayitinya Abinbana

Supervisor's Declaration

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

Signature: .... Date: ....

Name: Prof. (Mrs.) Rosemond Boohene

ABSTRACT

This study examined the Factors Contributing to Succession Planning and Performance of Small Businesses: Evidence from the Builsa North Municipality, Ghana. Specifically, the study evaluates the factors influencing succession planning in family businesses within the Builsa North Municipality, assesses the barriers to succession planning in family businesses and examines the effect of succession planning on the performance of family businesses within the Municipality. To achieve the purpose of the research enumerated above, the researcher utilized the quantitative methodology and a descriptive research design to address the study objectives. The collected data was processed using IBM SPSS Statistics software and analyzed using both descriptive and inferential analytical tools. The findings revealed that succession planning, capital structure, and firm age had a positive impact on performance, while firm size and family firm governance had a negative impact. Succession planning was found to be a significant factor in the smooth running of family-owned businesses, as it reduced conflicts and ensured future survival and performance. With the ever-increasing desire to have more sustainable family businesses, succession planning within the Builsa North Municipality must be given priority. The heads of businesses who intend to impose a succession plan should ensure that they carry out more research on the impact and implications of succession planning. This will go a long way in helping them to know the needs of the successor to help them be in a suitable and sustainable position.

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DEDICATION

To my father, Mr. Abinbana Adagbanoa, mother, Madam M'mabilla Akaasi Adagbanoa, lovely wife, Madam Lucy Abinbana and my children; Akanloabe, Apagwen, Akansebliwen and Akandalie.

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CHAPTER ONE

INTRODUCTION

Family businesses continue to contribute significantly to global economies through job creation, wealth distribution and revenue generation. They account for the majority of business enterprises in both advanced and emerging economies. Family businesses dominate over 80 per cent of small and medium-sized firms in developing economies such as Ghana. Despite their relevance, family businesses are predominantly exposed to survival and continuity challenges; with about 30 per cent of them collapsing within the first three years of establishment.

This challenge has largely been attributed to poor succession planning, negatively influencing the performance of family businesses. Succession planning ensures that retiring owners of family businesses plan adequately for business continuity in times of their absence. However, this concept has not been well explored in Ghanaian family businesses; thus, its effect on the performance of these firms remains unclear. The study investigates succession planning and performance of family businesses in Ghana; focusing on those within the Builsa North Municipal Assembly, Ghana.

Background to the Study

Family business has been in existence for centuries and regarded as the most consistent type of business organisation (Chanchotiyan & Asavanant, 2020; Ungere & Mienie, 2018). According to Daspit et al. (2017), family businesses are businesses with ownership and management directly carried out by family members. Hnatek (2015) and Batal (2017) similarly stressed that family members directly oversee to the daily operations of family businesses. It represents the most dominant business type in both developed and developing economies; representing about 90 percent of all businesses across the globe (Adeleke, Abdulrahaman & Esator, 2021; Koeberle-Schmid, Kenyon-Rouvine & Poza, 2014). Daspit, Chrisman, Sharma, Pearson and Long (2017) asserted that, between 60-90 percent of global businesses are family-owned. Poza and Daugherty (2013) and Onukwugha, Mahmoud and Ashaye, (2020) indicated that over about 70 percent of the global workforce within the private sector are employed by family-owned businesses.

Previous scholars have asserted that economic development is largely dependent on the success stories (i.e., performance) of family-owned businesses (Vieira, 2018). A report by the World Bank (2020) called for continuous development of family businesses to strengthen their survival and competitiveness levels; consequently, contributing greatly to economic development. However, a number of family-owned businesses face continuity issues after few years of establishment. In advanced economies such as USA and Europe, for instance, family businesses account for over 60 percent of businesses (Solís, Monroy & Acevez, 2016); whereas, it accounts for over 95 percent of enterprises in India's private sector (Kumar & Prameswari, 2018).

In terms of revenues, Hibbler-Britt and Wheatley (2018) found that large family businesses alone contributed about US$6.5 trillion in annual sales to USA while employing over 21 million people. Similarly, family businesses contribute about 70-90 percent of annual GDPs of developing economies (Family Firm Institute, 2017; ILO, 2017). However, Balal (2017) estimated that over 70 percent of SMEs dominated by family-owned businesses collapse in Africa within their first five years in operation. Previous studies have attributed this appalling situation to absence or poor succession planning (Raimi, 2020; Ayobami, Olanireti & Babarinde, 2018; Saan et al., 2018). Mori (2014) revealed that poor succession planning poses a major threat to family businesses in Tanzania.

Wahjono, Idrus and Nirbito (2014) cited business succession as the most significant managerial skill lacking in family businesses in Africa. Urban and Nonkwelo (2020) also revealed that the absence of former owners exposes over 80 percent of family businesses in South Africa to serious survival and competitiveness issues due to lack of relevant knowledge, skills, attitudes and experiences of the new management or owners. According to Espinoza Aguiló and Espinoza Aguiló (2012) and Aragón-Amonarriz, Arredondo and Iturrioz-Landart (2019), most people file court cases to restrict other family members from taking over the managerial duties of a family business upon the owners' retirement or death; attributable to poor succession planning. Arguably, family businesses can overcome this menace by embracing succession planning.

In Ghana, for instance, family businesses represent over 80% of overall businesses in the private sector; accounting for about 85% and 70% in terms of employment and GDP respectively (Sarbah, Quaye & Affum-Osei, 2016). However, succession planning has mostly been overlooked by family businesses in developing economies including Ghana. Succession planning is the process of planning for ownership transfer in the future (Anggadwita et al., 2019). It is associated with being proactive toward future transfer of managerial positions. According to Ali and Mehreen (2019), succession planning is done to ensure a smooth transfer of business ownership from one family member to the other rather than closing it altogether.

Related research has asserted that proper succession planning helps first-generation owners prepare potential successors for future managerial positions (Beryl et al., 2020; Bilson, 2020). With succession planning, family businesses can achieve continuity even in times of owners' absence (Buckman et al., 2019. It is the best approach to smoothly transferring ownership, survival and competitiveness of a family business to a family member. Chanchotiyan and Asavanant (2020) stressed that succession planning plays a key role in developing the knowledge, skills and other capabilities of the next generations to successfully succeed the current generation. Miroshnychenko, De Massis, Miller and Barontini (2020) revealed that succession planning helps family businesses to be forward-looking and improve their potential to develop. It also helps to minimise conflicts and tensions among family members and the business pre and post-leadership transition (Ramadani, Hisrich, Anggadwita, & Alamanda, 2017).

Previous studies have linked succession planning with firm performance; asserting that a proper succession plan leads to improved family businesses' performance (Berly et al., 2020; Ali, Mahmood & Mehreen, 2019; Cater, Young & Alderson, 2019; Kiwia, Bengesi & Ndyetabula, 2019; Mokhber et al., 2017). Mokhber et al. (2017), for instance, concluded that succession planning is a key predictor of the performance of family businesses. Firm performance is associated with the measurement of the overall output of a firm against some established standards (Kiwia et al., 2019). It plays a crucial role in predicting the success of businesses. Thus, family businesses that achieve or exceed performance targets are more competitive, productive and sustainable than those with poor business performance (Miroshnychenko et al., 2021). Related studies have measured performance using several indicators such as sales growth, profit margin, customer satisfaction, resource utilisation, among others (Hasan & Almubarak, 2016; Le Roux & Bengesi, 2014).

According to the path-goal theory, family businesses can achieve their performance targets by developing clear and strategic goals including succession planning (Negron, 2008; House & Dessler, 1974). The theory suggests that having a proper succession plan serves as a motivational tool to improving the performance of potential heirs; leading to improved firm performance. Simply put, family businesses cannot improve their performance levels in the absence of path goals such as succession planning.

In Ghana, succession planning helps to identify, assess, control and develop potential successors to sustain family businesses (Korang et al., 2021). It plays a crucial role in selecting a family member who best fits to take over a family business. Buckman et al. (2020) asserted that succession planning occurs over time and helps family businesses achieve better performance in Ghana. Saan, Enu-Kweis and Faadiwienyewie (2018) similarly concluded that succession planning is crucial to the continuity of family businesses within the Wa Municipality of Ghana.

Boyd, Royer, Pei and Zhang (2015) posited that poor succession planning leads to a high failure rate of family businesses; thereby, affecting overall contributions to national development. These are clear indications that family businesses' performance and sustainability are dependent on succession planning; however, this assertion remains unclear within the Builsa North

Municipal (BNM), Upper East region of Ghana. Family business at Builsa North Municipal (BNM) can be traced to some merchants from Burkina Faso who traded in cola nuts, tobacco, smocks, and salt, among others with the early Builsa natives.

Given the lucrative nature of the trading, the Builsa natives traded in groups of families with each family specializing in a specific trade. Businesses that were family-owned were found to thrive well; thereby, cementing family business in the municipality. However, the succession of these family businesses in the municipal remains debatable since a number of them collapsed within the first three years of establishment. Despite receiving various support services through training and financial packages from key stakeholders notably the National Board for Small-Scale Industries (NBSSI), most family businesses continue to underperform (NBSSI, 2020). This study, therefore, investigates whether succession planning contributes to the performance of the family businesses within the Builsa North Municipal.

Statement of the Problem

Although the contributions of family businesses to global economies have been well documented (Bilson, 2020; Batal, 2017); they continue to face numerous challenges such as poor access to finance, inadequate government support, overreliance on outmoded technology and lack of adequate managerial skills (Saleh & Manjunath, 2020; Chege & Wang, 2020; Naradda Gamage et al., 2020). Related researches have shed light on other challenges such as those linked to performance (Oyewobi, Adedayo, Olorunyomi & Jimoh, 2021; Olusegun, 2012), nurturing of successors (Samei & Feybakbsh, 2015;

McMullen & Warnick, 2016) and conflicts in family businesses (Charles, 2015; Ghee, Ibrahim & Abdul-Halim, 2015).

According to Shafieyoon and Mansouri (2014, p.329), "family businesses have a failure rate of 30 per cent through the second generation of successors, 13 per cent through the third generation of successors and 3 per cent beyond the third generation of successors". Mokhber et al. (2017) similarly revealed that about 70 percent of family businesses collapse within their three years of establishment. These reports suggest that business succession poses a major threat to the performance of family businesses. Oyewobi et al. (2021) added that exposure of family businesses in most developing economies to poor succession planning affects their performance, competitiveness and survival. Wu, Coleman, Rahaman and Edziah (2020) revealed that firms can only remain sustainable in the presence of proper succession planning; thus, its absence is a recipe for disaster. The authors added that family businesses that develop succession planning are also exposed to conflicts, lack of professional assistance, lack of potential heirs' preparedness, undesirable working conditions and mismatch of individual and organizational visions or goals; in turn, affecting the quality of the succession plan and its associated performance benefits.

In Ghana, likewise other developing economies, succession planning has been a major challenge to family businesses; thereby, posing a major threat to their performance (Dwivedi, 2020). Saan, Boateng and Kamwine (2013), for instance revealed that, majority of family-owned businesses within the Wa municipality have business continuity issue arising from poor succession planning. Saan, Enu-Kwesi and Faadiwie Nyewie (2018) similarly revealed that succession planning is one of the key factors affecting family businesses performance and continuity. They, therefore, recommended further investigation into succession planning among family businesses in Ghana. In a similar vein, business succession has been a major challenge to family businesses within the Builsa North Municipal (BNM). Ghana, according to the National Board for Small Scale Industries (NBSSI), 2020.

Family businesses account for over 85 percent of businesses and contributes about 70 percent of total employment in the municipality (Ghana Statistical Service, 2020); their performance and survival levels have generally been low. NBSSI (2020) also reported that over 30 percent of SMEs including family businesses Ghana wind up within the prior to their fourth anniversary; same can be said of those within BNM. This situation can largely be attributed to poor succession planning; threatening family businesses' performance, continuity and expansion. In view of this, the concept of succession planning and its consequences on performance of family businesses within BNM require urgent attention.

Although studies have been conducted on succession planning and family business performance across the globe (Korang et al., 2021; Kiwia et al., 2019; Mokhber et al., 2017); those related to Ghana have concentrated on geographical areas other than Builsa North municipality. Saan et al.'s (2013) and Saan et al. (2018) for instance, focused on family businesses within the Wa Municipality. Dusor (2020) also focused on those within Ketu South municipality; Korang, Golly and Osman (2021) concentrated on Ahafo, Bono and Bono East regions while, Bilson (2020) focused on Sekondi-Takoradi metropolis. These are clear indications that previous studies have failed to investigate the effect of succession planning on the performance of family-owned businesses within the the Builsa North municipality thereby, creating a geographical gap which requires investigation.

Also, previous Ghanaian studies have relied on differing research methods such as mixed methods, qualitative and quantitative methods, leading to inconsistencies in their findings. More precisely, Buckman et al. (2020) employed the mixed approach with six family businesses; Korang et al. (2021) relied on the quantitative correlational method, while Ghamloush (2021) focused on the qualitative multiple case study method. These are clear indications of inconsistences regarding the methods employed by previous studies. This study addresses this research gap by employing the quantitative approach to establish the effect of succession planning on firm performance. Also, the study contributes to current literature on succession planning within the scope of Ghana by focusing on family businesses within the Builsa North municipal.

Moreover, absence of literature on succession planning and firm performance within the Municipality and its environs could arguably affect policy formulations and practices with respect to the survival and growth of family-owned businesses. Also, some of the researchers (Kiwia et al., 2020; Zafar & Hummayun, 2020; Ahmed, 2020) had no theoretical underpinning; thereby, affecting the foundations upon which their researches were built. This study addressed this gap by relying on the path-goal theory to provide strong justification for investigating into succession planning and firm performance within the context of family businesses. This study, therefore, examines succession planning and its influence on the performance of family businesses within the Builsa North Municipal, Ghana.

Purpose of the Study

The purpose of the study was to examine the effect of succession planning on the performance of family businesses within the Builsa North Municipality, Ghana.

Specific Objectives

1. evaluate the factors influencing succession planning among family businesses in the Builsa North Municipality;
2. assess the barriers to succession planning among family businesses within the Municipality;
3. examine the effect of the succession planning on the performance of family businesses within the municipality.

Research Questions

For the study's objectives, the following research questions were provided:

1. What are the factors influencing succession planning among family businesses within the municipality?
2. What are the barriers to succession planning among family businesses within the municipality?
3. What is the effect of succession planning on the performance of family businesses within the municipality?

Significance of the Study

This research aims to improve upon existing knowledge and information on succession planning and firm performance among family businesses in Ghana. This was done by investigating the effect of succession planning on the performance of family businesses within the Builsa North Municipal, Upper East region of Ghana. As such, the study's outcome would be useful to improving existing policies and practices aimed at improving the performance of SMEs notably family businesses in Ghana. The study serves as a starting point for owners and/or managers of family businesses to build a shared and in-depth understanding of what constitutes succession planning, its influential factors and associated barriers. Obtaining in-depth understanding of succession planning would help family businesses acquire a holistic approach to improving performance, continuity and survival.

The study's outcome would also assist owners and/or managers of the family businesses to develop formal and comprehensive plans toward succession in a bid to promote business sustainability. For researchers, the study's outcomes would provide further literature on succession planning and its effect on performance businesses within developing economies notably Ghana. The findings would finally provide a strong basis and justifications for replicating knowledge concerning the relevance of succession planning to the performance of family businesses.

Delimitations of the Study

This research was conducted within the scope of examining the effect of succession planning on the performance of family businesses in Ghana. More precisely, the study focused on those within the Builsa North Municipal; thus, family businesses outside this municipality were excluded. Also, the study focused on family businesses; thus, SMEs other than those owned and controlled by family members were excluded. The study was also restricted to the use of structured questionnaires; thus, other relevant primary data collection tools notably interview and focus groups were excluded in this research. The choice of a structured questionnaire was due to the quantitative nature of this research.

Limitations of the Study

The study's setting was based on family businesses within the Builsa North Municipal of Ghana. As such, the study's findings could be limited to only owners and managers of the family businesses within this Municipality. However, with some Municipalities such as Builsa North Municipal possessing similar geographical characteristics, this limitation was minimized since the outcomes could be generalized to family businesses within the country. Although the use of structured questionnaires restricted the study's findings, it is regarded as the most appropriate data collection instrument for any quantitative analysis of this nature. The study's findings could also be limited to the subjective responses from the respondents; thus, they could suffer from biased or untruthful responses from some respondents.

With structured questionnaires, respondents are allowed to respond to each question item with minimal interferences and this could affect the quality of the responses they provide. This limitation was minimized by assuring respondents of data confidentiality and anonymity. The respondents were, therefore, encouraged to provide the most appropriate responses to each question item in a bid to minimize the study's exposure to biased responses.

Definition of Terms

1. *Succession planning*: It refers to the method or approach to searching for, retaining and developing qualified people to replace key players within an organizational setting.

2. *Firm performance*: It refers to the measure of the overall output of a firm using both monetary and non-monetary indicators.

Organisation of the Study

The study was structured under five chapters with Chapter One presenting the study's introduction. It discussed the study's background, statement of the problem, purpose, objectives, significance, delimitations, limitations and research organisation. Chapter Two discussed extensive reviews of relevant literature: theoretical review, empirical review and conceptual framework. Chapter Three discussed the research methods such as research approach, design, study area, population, sampling procedure and data collection instrument and procedures. Chapter Four focused on the study's results and discussion; whereas, Chapter Five discussed the study's summary, conclusions and recommendations and ended with relevant suggestions for further research.

CHAPTER TWO

LITERATURE REVIEW

Introduction

This chapter analyzed previous related work about the effect of succession planning and the performance of Family Businesses in Builsa North municipal, Ghana. It discussed the theory review, which included significant theories like the path-goal theory and leadership model theory. The chapter also included a conceptual review, an empirical assessment of relevant studies, and the development of a conceptual framework to provide a visual representation of the variables' interactions.

Theoretical Review

This section discussed the path-goal theory and the Great man theory due to their relevance to the study's objectives.

Path-goal theory

The path-goal theory by Evans (1970), which was later revised by House (1971), aimed at identifying the utmost used style by a leader to motivate and encourage employees to achieve set objectives. The path-goal theory highlights the role of motivation in how a manager and an employee interact, and also the employee's total outcomes in terms of that engagement. The path-goal theory, as said by House (1971, p.12), posits two major assumptions: firstly, "one of the vital roles of the leader is to improve the psychological states of subordinates, resulting in willingness to carry out work or job satisfaction" and secondly, "specific situational leader behaviors will serve as motivators". Simply put, management should become aware of the steps necessary to clarify objectives, approaches, and boost success through external motivators, that will increase subordinates' intrinsic motivation.

Behaviors by leaders, according to Eagly and Johnson (1990), are defined as behaviors that fit within a scope of characteristic behaviors but are not always similar or expressed. Leaders' behaviors are not predetermined; they change depending on the circumstances. Four leadership behaviors that drive subordinates are identified under the path-goal theory. House and Mitchell (1974) developed the four leadership styles based on three subordinate attitudes: “(i) subordinate expectations of their leaders (ii) subordinate expectations of effective performance and (iii) subordinate contentment” (p. 11). These leadership styles that function to provide structure and/or reward to subordinates include: directive, achievement-oriented, supporting and participative styles (House & Mitchell, 1974; Indvik, 1987).

The directive leadership, for instance, is built on organizational regulations, expectations and performance standards to provide precise directions to achieve desired outcomes (House & Mitchell, 1974). The directive approach is more suited to dealing with recently recruited or novice subordinates, and circumstances needing immediate action (Negron, 2008). It is often instructive, stating what needs to be done and how it should be done and, therefore, it can appear as structured, controlling, aggressive, and descriptive (Hirt, 2016). The supportive leadership, on the other hand, are responsive to subordinates, establishes a congenial environment, and orally recognizes their successes in a rewarding manner (House & Dessler, 1974; House & Mitchell, 1974). They care about the welfare of their subordinates, respect them and treat them equally (House, 1971).

Also, participative leaders exhibit consultative behaviors like seeking subordinates' ideas and recommendations in decision making, yet they have ultimate decision-making authority. They involve subordinates in the planning, decision making, and implementation phases (Negron, 2008). Employees that are motivated become self-directed and form a creative team, resulting in a more cohesive group and a sense of ownership among participants (Hersey, Blanchard, & Johnson, 1996). Finally, achievement-oriented leaders, "set goals that are challenging, expects subordinates to perform at their highest level, continuously seeks improvement in performance and is highly confident that the subordinates will assume responsibility, exert effort in accomplishing challenging goals" (House & Mitchell, 1974, p.21).

With reference to the study, the theory suggests that leaders can use any of the four path-goal styles in a variety of organizational settings and scenarios during succession planning. Experienced leaders, for instance, adapt their leadership styles in order to select the right subordinate or person to succeed them. the successor, in contrary, might see the leader (i.e., superior) to have different path-goal leadership styles, which could be affected by a variety of factors including personality, traits, background, motivation level, supervisor relationship, and among others. Simply put, the path-goal theory proposes that leaders need to choose the right successors in order to maintain and exceed firm performance targets by considering those who possess supportive, directive, participative styles and are also achievement-oriented (Negron, 2008; Reardon et al., 1998;).

Human Capital Theory

One of the key theories that can be applied to human resource development is the human capital theory (Swanson, 2001). The theory was proposed by the late Gary Becker (1930-2014) in 1964 to study human behavior (Becker, 1964). The theory suggests that education and training are key to transferring useful knowledge and skills to people (Strober, 1990). According to the human capital theory, people can only improve their productive capacities through education and skills training. Thus, organizations that invest in their human capital through training, education are likely to improve the productivity levels of their workers. Human capital could be seen as a means of production where any additional investment leads to extra output (Munjuri, K'Obonyo & Ogutu, 2015)

Becker and Woessmann (2009) further stated that investing in human capital is a key step to increasing resources in people. Galor (2011) stressed that human capital comprises the capabilities, skills, experience and knowledge of individuals that have intangible economic value to an organisation. Bassi and MCMurrer (2006) also suggest that people possess skills, experience and knowledge which constantly need to be improved through training and education to expand productivity. Carmeli (2004) similarly revealed that organizations can only enjoy competitive advantages when they invest in human capital which invariably improves their performance levels.

For the study, the theory emphasizes on continuous investment in human capital in family-owned businesses to adequately prepare them toward succession. The theory particularly stresses that talent development is an important element in succession planning. Through education and training, human capital is developed and adequately prepared to succeed outgoing managers or owners. The human capital theory is, therefore, relevant in understanding the need to invest in human capital when preparing for succession in order to improve individual and overall firm performance. Thus, family businesses within the Builsa North municipal can prepare for a smooth and successful succession and attain higher performance when they invest in their human capital, as suggested by the theory.

Conceptual Review

This section reviewed key concepts of the study: succession planning and firm performance.

Succession Planning

Succession planning is defined as a method of finding and training qualified people to substitute important players in an organization through mentoring, training, and job rotation since such key players leave for various factors such as advancement, retirement and attrition (Rodrigo, 2013). It can also be defined as the process of identifying important intellectual and leadership talent needs across the company over the course of time and training personnel for current and future responsibilities in the workplace. One of the most difficult responsibilities facing family business managers is succession planning, which is also among the most significant aspects defining the family business's continuity from one generation to the next (Dunemann & Barret, 2014).

Succession planning also refers to a systematic procedure that combines professional and personal breeding's so that an organization can be confident that any vacancy will be filled by the right personnel with the required abilities and insights at the best possible time (Carol, 2004). All behaviors, abilities, attitudes and knowledge required to execute diverse roles are included in this definition (Christie, 2015). According to Patan (2018), successor-planning programs allow for the identification of management performance standards and functions, including exceptional applicants for executive positions, as well as meeting employees' requirements for advancement in their careers.

Christie (2015) posits that identifying a group of capable successors, picking one, and announcing the chosen successor are all part of succession planning. Successor planning helps promote successful human resource planning, allowing the right individuals in the organization to occupy the right role at the appropriate time in order to fulfil the firms' objectives. A successor planning process's purpose is to find, develop and train individuals who will be able to fill critical positions after they have acquired the relevant knowledge and abilities (Taylor, 2014). Successor planning has its origins in family business aims, and it is pursued by such businesses for two motives: its processes include measures related to succession planning in family enterprises and also, family companies feel that succession planning intensifies the likelihood of success for the family firm (Poutziouris, 2014).

With the purpose of advancing and developing many of the highly skilled and highly potentials on the team, succession planning strives to generate exponential development and profit from a group of employees. Succession planning provides for the identification and development of a large number of viable candidates at all levels of the business. Despite warnings, many family-owned supermarkets appear to be leaving succession planning to chance (Rue & Ibrahim, 2016). Family-owned supermarket succession planning includes top-level management and a variety of further issues. It covers topics such as successful transfer procedures, financial and legal concerns, leadership development, psychological factors and exit options, among others (Barry & Gabriel, 2016).

Factors Influencing Succession Planning Among Family Businesses

Several factors have been found to influence effective succession planning among family businesses across the globe. Based on extensive reviews, previous literature has found key factors influencing succession planning to include organizational culture, level of cooperation, creation of family council, loyalty, communication, trust among family members, preparation level of heir and level of involvement in family business (Cater et al., 2019; Ali & Mehreen, 2019; Zahra, 2015). This section, therefore, discusses these key factors.

Organisational Culture

Organizational culture is thought being a "goldmine" for family firms' competitive edge (Zahra, 2015). It is viewed as "an essential strategic resource that family businesses can employ to gain a competitive advantage by stimulating entrepreneurship and enhancing the originality of their products, goods, and services" (Aladejebi, 2021, p.63). The capability to explore new possibilities and address challenges in a competitive economy is found to be favourably associated with the culture of family enterprises that prioritizes loyalty to the business, and when combined with a corporate culture that emphasizes stewardship, the effect is amplified. In a family firm, organizational culture must be considered in three dimensions: degree of explicitness, number of family members affecting the culture, and degree of culture openness.

Level of Cooperation Amongst Family Members

The succession of family members in the firm is also influenced by personal ties or level of cooperation among the family, and between family and non-family firm personnel (Anggadwita et al., 2019); Cater et al., 2019). The main subject here is that of family members' trust and communication. It's important to emphasize sibling conflicts and/or a failure to accept one another's potentially destructive repercussions. It's also important to underscore the significance of common values, agreement on what's fair, and common family customs across generations (Nelton, 2018). Family relationships should be typically positive, with a foundation of trust, respect, openness, cooperation, and togetherness.

Loyalty Level of Potential Heir to Family Business

Family businesses success rest on high levels of loyalty between family members who control the firm and employees who are not family members (Anggadwita et al., 2019). For family businesses, loyalty is a valuable resource and a core feature. Dyer (2012) argued that loyalty has the potential to reduce conflict, facilitate effective group functioning, cut transaction costs and agency costs, improve productivity, and assist members who are family and employees who are not family feel safer at work. Loyalty encourages high confidence, cooperation and communication among members of family, and as a result, the above-mentioned benefits may be realized. Cater et al. (2019) stressed that during succession planning, it is important to assess the loyalty levels of the potential heir(s) to the family’s business during decision making.

Creation of Family Council

The objective of a family council is to make decisions and create a communication venue for all family members (direct and indirect, active and non-active) to understand more of the family company as well as to share their opinion on family problems affecting the company as well as business problems that impact the family (KPMG, 2015). When the council focuses on informing family members about the "big picture" problems, it is most effective (KPMG, 2015). They are designed to educate, inform, and solicit comment from the entire family on certain problems that are of interest to everyone (Anggadwita et al., 2019). Through the council meetings, other active family members' viewpoints are heard, particularly that of the actual owners, when it comes to business ownership and management.

Trust Among Family Members

In the literature, trust is mentioned as a key component that promotes successful succession, especially when it comes to the successor-predecessor relationship (Aladejebi, 2020). Relationships imply trust, with an individual relying on someone and likewise the inverse is true, and trust fosters connection and collaboration among humans (Rule & Friedburg, 2005). This is linked to good communication and during transitions, the predecessor and successor must adjust their roles mutually, show mutual respect, and believe in the successor's ability to take over. In company, trust is a prerequisite for improved productivity and economic success (Lane, 2015). A lack of trust between the successor and predecessor leads to rivalry and jealousy, as well as poor communication about succession planning and delaying the process of selecting a replacement.

Communication among Family Members

In a family business, communication is essential for information flow, understanding, and cohesion (Barnes & Hershon, 2016). The relay race's foundation necessitates not just quick racers, also strong communicators to enable prompt urging verbally at the place of trade. According to Morris, Williams, Allen, and Avila (2017) and Davis and Tagiuri (2019), a solid working relationship between the incumbent and his or her successor is critical in business to avoid any syndromes of trust absence, ineffective communication, dispute regarding procedures and strategy, or absence of a clear organization vision, all of these makes succession difficult. According to the assumptions of the theory of planned behavior, all of these involve conscious efforts from successors, incumbents and other stakeholders.

Preparation Level of Heir

The preparation level of heir is an important issue to consider when preparing a successful succession (Ali & Mehreen, 2019). This aspect considers if the successors have the necessary managerial skills, operational expertise, business skills and attitudes to operate a firm. The heir's formal educational level, professional experience in and outside the firm (both within and out of the family firm's business), graduate trainee position, variety of diverse positions taken (e.g. inside the firm, at various levels and in various functional areas), years spent working for the firm, reasons for accepting the job offer, and personality of his or her level of preparedness at the moment of succession are among the elements being studied (Ali et al., 2019; Morris, Williams & Nel, 1996). In planning towards succession, superiors also need to consider the training, working experience and educational level of the potential heir.

Level of Involvement in Family Business

For a family business to run profitably, roles and obligations must be clearly defined and mutually recognized, accepted, and understood by all members (Muckridge, 2021). A potential heir's involvement in a family business is critical because it ensures that he or she understands the nature, purpose and objectives of the business; playing a key role in working to meet such targets. potential successors who are highly involved in family business activities are likely to grow it much faster than those who are either not involved or do not feel involved in the business. Ali et al. (2019) stressed that the higher the level of involvement in a family business, the higher the potential heir's ability to succeed and expand the business.

Barriers to Succession Planning of Family Business

Over the past centuries, family businesses have traditionally survived without professional or formal succession plans. Although the old economy was slower, their family bonds were stronger with future successors (i.e., children) joining family businesses at early stages to follow the footsteps of their parents or family business owners (Beryl et al., 2020). However, transfer of managerial positions in modern-day family businesses has never been smooth. Globalisation and technological innovation have exposed family businesses to high levels of disruption and innovative competition amid children's preference to carve their own career paths rather than succeeding their parent's businesses and associated responsibilities (Kiwia, Bengesi & Ndyetabula, 2019).

In view of this, succession planning in contemporary family businesses has been exposed to several barriers including lack of professional advice, family conflict over firm vision, unprepared successors, differing career paths among family members and viability of business (Kiwia et al., 2019; Ali & Mehreen, 2019; Mokhber et al., 2017). Urban and Nonkwelo (2020) explained that when the business is deemed unviable and; thus, does not have any potential to grow, potential heirs are likely to frown against succeeding from their parents or managers. Also, undesirable working conditions in terms of long working hours and excessive job demands create a barrier to smooth succession planning as suggested by Kubíček and Machek (2019). They added that when the vision of family businesses is not communicated or shared among family members, future successors may not feel the need to take over from their superiors and thus, would be pushed to pursue their own goals.

Other researchers have also found barriers such as negative perception of the work environment, founder's reluctance to plan toward succession and life-stage incompatibilities (Abid, Hamrouni & Ben Hadj Mbarek, 2021; Chanchotiyan & Asavanant, 2020; Ali, Mahmood & Mehreen, 2019). Moreover, Anggadwita, Profityo, Alamanda and Permatasari (2019) revealed that succession over family businesses could be hampered by successors (i.e., children) refusal to own the family business, high debt attached to the business and lack of financial support from family members. Also, lack of necessary skills and knowledge to manage a family business coupled with high taxes are other barriers to succession planning. Chanchotiyan and Asavanant (2020) and Ali and Mehreen (2019) stressed that succession planning is likely to fail if potential heirs are not provided with the needed resources including technology and training to continue with the business.

Sreih, Lussier and Sonfield (2019) concluded that differing career and educational goals and desirable location or business setting create grounds for succession issues. According to Gabriel and Bitsch (2018) practicality of inheritance with respect to legal and tax issues associated with the family business could affect its inheritance by potential heirs. They added that when the potential of the business to grow or expand is questionable or unclear, it could create a huge barrier for succession. Also, Muckridge (2021) and Tahir and El Baradie (2020) found that potential and current earnings could create a barrier to succession of family businesses. The authors explained that if the potential heirs perceive that the businesses' current and future earnings are small or not encouraging, they are likely to pursue other career paths.

Muckridge (2021) noted that potential heirs prefer to succeed businesses with higher earnings to lower earning; thus, the amount of income generated from family businesses could serve as a barrier to effective succession planning. Aladejebi (2021) and Cater, Young and Alderson (2019) concluded that the conditions attached to succeeding over a family business could create a barrier to effective succession. They researchers explained that some family businesses serve as the only source of income to the entire family; thus, taking over such businesses implies taking over the attached responsibilities.

Concept of Firm Performance

Firm performance refers to the competences that characterize how employees achieve a firm's intended results, such as skills, knowledge, attitudes, and behaviors. In other terms, it can be defined as the completion of a task against pre-determined standards for correctness, completeness, cost, and speed, all of which contribute to effectiveness and efficiency. Mwangi (2018) defined performance as a generic term that refers to a portion or all of an organization's activity execution through time, generally in terms of previous or predicted cost, efficiency, management responsibility or accountability, or the like. According to Mwangi (2018), managers of family-owned businesses may not necessarily be profit-driven since they think they must provide core social and emotional requirements of family members, such as the need for connection, affection, intimacy, and a sense of identity.

Hasan and Almubarak (2016) also defined firm performance as an achievement in conducting a business. As such, various scholars from diverse disciplines, including accounting, operations management, economics, sociology, psychology, and strategic management, have proposed several measurements (Marr & Schiuma, 2013). These measurement indicators have been grouped under financial and non-financial indicators and widely used by previous studies. The financial dimension, for instance, focuses on the measurement of a firm's overall performance levels using financial or monetary indicators such as profit margin, sales growth, production costs, return on equity, return on assets, among others (Le Roux & Bengesi, 2014; Maziku et al., 2014). Bengesi (2013) suggested other indicators such as asset turnover, sales and market share.

Bengesi and Le Roux (2014b) suggested that these indicators can be objective or subjective in nature; however, obtaining an objective financial data, would be extremely difficult particularly for fully family-owned businesses that do not publish their financial statements. The non-financial indicators, in contrary, is the measurement of firm performance using non-monetary indicators such as customer satisfaction, operational speed, flexibility, dependability and product or service quality. Other scholars have also measured non-financial performance using indicators such as employee satisfaction, resource efficiency and firm reputation (Hasan & Almmubarak, 2016). These indicators are primarily related with the operational performance of a firm; thus, does not consider the financial dimensions.

In view of this, the study's firm performance was measured using both financial and non-financial indicators. It specifically relied on subjective performance (i.e., both financial and non-financial) indicators such as profit margin, market share, return on asset or investment, firm reputation, operational speed, customer satisfaction, operational dependability and resource efficiency. These indicators have largely been used in measuring firm performance; thus, their adaption in this research.

Empirical Review on Succession Planning and Firm Performance

Various management scholars have conducted extensive research on succession planning and firm performance and they were reviewed in this section. Naldi, Nordqvist, Sjoberg, and Wiklund (2007), for instance, in their study on family business succession and firm performance, employed financial as well as non-financial performance parameters. The research study was descriptive, and data was obtained by questionnaires. In terms of financial performance, indicators such as profit margin, sales growth, return on asset, revenue growth, market share growth and cash flows were employed. The data obtained was analyzed using linear regression and it was found that succession planning plays a crucial role in improving the financial performance of family businesses. This finding is supported by Fernandez and Nieeto (2005) and

Diwisch (2009) who all found succession planning to positively influence firm performance.

Cucculelli and Micucci (2008) studied the effect of CEO succession on family succession and the performance of business among selected family businesses in Italy. The research approach was descriptive, and questionnaires were utilized to collect primary data, with financial reports serving as a secondary data source. They compared companies that are still family managed by the founders' heirs versus companies whose control is passed on to outsiders. They discovered that keeping management inside the family has a negative influence on the company’s performance, with the good performers bearing the brunt of the effects, especially in highly competitive sectors. They study concluded that succession planning has a significant but negative effect on financial performance; thus, any unit change in succession planning negatively affects the financial performance dimension of firm performance among family-owned businesses.

In the Indian IT sector, Avanesh (2011) assessed the effect of succession planning process on firm performance. Using the quantitative approach, the linear regression analysis was used and the study found a positive association between succession planning practices and corporate performance. It was concluded that succession planning is a key predictor of firm performance within the IT sector in India. Similarly, Hussein (2013) looked into how strategic succession planning affects family-owned business performance. The study sample consisted of three supermarkets in Kenya, with a descriptive approach. The study gathered primary data using questionnaires and processed through IBM SPSS. Strategic succession planning was found to positively influence the survival and success of family-owned businesses.

Mokhber et al. (2017) investigated the influence of succession planning on the performance of SMEs' family businesses in Malaysia. This study was quantitative in nature and structured questionnaires were used to collect primary data from 50 successors of family businesses. The data gathered was processed through IBM SPSS software and analyzed using quantitative tools specifically linear regression. Firm performance was found to be significantly improved by succession planning. The study concluded that succession planning plays a significant role in improving the performance of family businesses in Malaysia.

Ghee (2015) investigated how firm performance and volatility is affected by CEO succession planning. To achieve this, primary data was gathered from structured questionnaires given to 55 2GOs and 3GOs. The data was further analyzed using descriptive and regression analysis and it was found that succession planning practices comprising relationship between family members, management styles, successor training and values and beliefs of family members had significant and positive effect on firm performance. The study concluded that succession planning is a key predictor of firm performance

Kiwia, Bengesi and Ndyetabula (2019) conducted research on the topic, "Succession planning and performance of family-owned small and medium enterprises in Arusha City, Tanzania". The authors purposely examined the effect of succession planning on the performance of family-owned SMEs in Tanzania. The study was based on the quantitative approach and cross-sectional research design. With a population size of 485 family-owned successors of SMEs, 219 of them were randomly selected with primary data gathered through structured questionnaires. Analyzing the data through linear regression, succession planning was found to positively influence firm performance; thus, any unit change in succession planning would lead to a unit change in firm performance.

Beryl et al. (2020) conducted a study to establish whether succession planning affects the performance of Private Universities in Ogun State, Nigeria. The study was underpinned by the goal-setting theory and resource-based view theory. The study relied on the correlational research design and collected primary data from 150 respondents (top-level and middle-level management) using the structured questionnaire. The data gathered was then processed using the IBM SPSS software and analyzed through multiple regression, the results revealed that succession planning with respect to successor training and development, transition process had significant effect on business performance and continuity. The authors concluded that the universities are likely to improve upon their performance targets by embracing succession planning.

Ahmed (2020) similarly examined how succession planning influences the performance of Family bank in Kenya using descriptive design. Gathering primary data through structured questionnaires, 92 employees from Family bank were randomly sampled. The data was processed through the IBM SPSS software and analyzed with the aid of correlation and regression analysis. The study found succession planning to significantly improve firm performance of the Family bank and concluded that, it is a key predictor of Family bank's performance. Thus, the Family bank is likely to improve its performance by ensuring proper succession planning through talent management, building strong leadership capacity and preparing potential employees now to fill future managerial positions.

Zafar and Hummayun's (2020) research investigated whether organisational growth is statistically influenced by succession planning. With a target population of 300, primary data was gathered through self-administered questionnaires from the respondents. However, the use of a convenience sampling technique to sample the respondents in a quantitative study of this nature was unacceptable. The data obtained was then processed through IBM SPSS software and analyzed using logistics regression. The result revealed that succession planning plays a crucial role in improving firm growth. The researchers concluded that firms can meet their desired growth targets by over 2.5 times when they increase the number of employees through proper succession planning.

It could be deduced from the various reviews that succession planning is significantly related to firm performance (Zafar & Hummayun, 2020; Kiwia et al., 2020; Ahmed, 2020; Kiwia et al., 2019; Ghee, 2015); however, those related to family businesses in Ghana seem scanty. More precisely, none of the previous studies have concentrated on family businesses within Builsa North municipal of Ghana despite the dominance of such businesses in the municipal. The absence of literature on succession planning and firm performance within this municipality and its environs could arguably affect policy formulations and practices concerning the survival and growth of family-owned businesses. Also, some of the researchers (Kiwia et al., 2020; Zafar & Hummayun, 2020; Ahmed, 2020) had no theoretical underpinning; thereby, affecting the foundations upon which their researches were built. This study addressed this gap by relying on the path-goal theory to provide strong justification for investigating into succession planning and firm performance within the context of family businesses.

Conceptual Framework

In this study, succession planning practices measured in terms of loyalty, trust, communication and level of involvement in family business represented the independent variable, and financial performance, was the dependent variable. Figure 1 is a diagram of the conceptual framework.

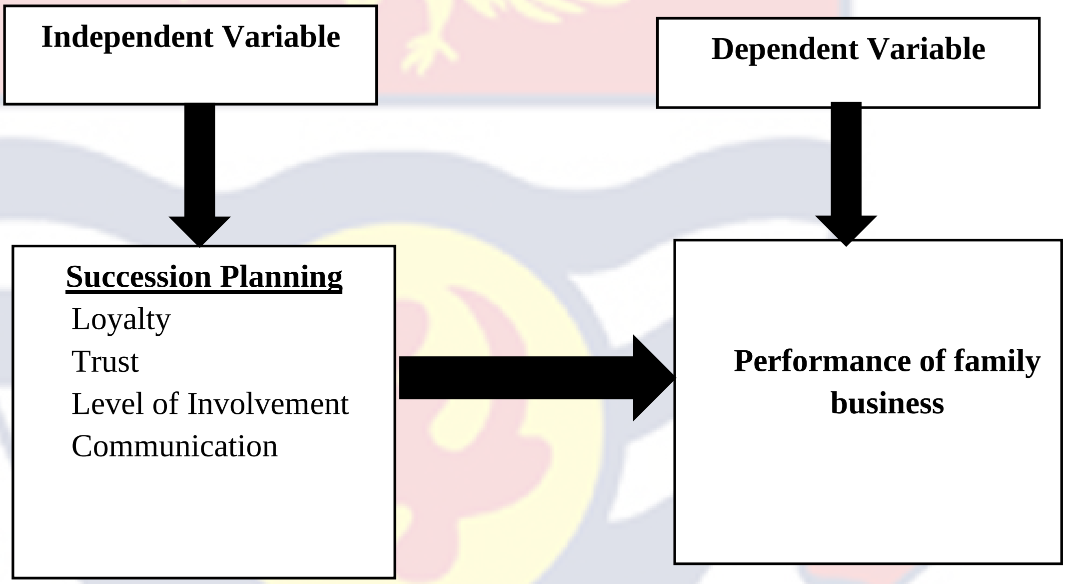

Figure 1: Conceptual framework of succession planning and financial performance.

Source: Author's construct (2021)

From Figure 1, the framework suggests that an association exists between two variables: succession planning and financial performance with an arrow pointing to the latter. This framework means that succession planning plays a role in causing a change in the firm's financial performance; implying that financial performance is dependent on succession planning. However, this framework does not indicate whether the relationship between succession planning and financial performance is significant or not. It only provides a pictorial to indicate that succession planning could cause a change in financial performance as depicted by the study’s purpose.

Chapter Summary

This chapter reviewed relevant empirical works that were necessary to realize the study’s objectives. It specifically contained conceptual and empirical reviews, as well as a conceptual framework and the driving theories. Because it explicitly linked succession planning with financial performance, the study was underpinned by the path-goal theory and the Great man model. The empirical review section, for instance, revealed significant study gaps that affected the quality of earlier findings. Finally, the conceptual framework gave a clear picture of the study's purpose, which helped with the analysis. The next chapter presented the research methods and procedures for achieving the study’s goal.

CHAPTER THREE

RESEARCH METHODS

Introduction

With regard to the study's purpose, this chapter discussed the relevant methods, techniques and procedures that were adopted. The ensuing sections discussed the key methods supporting the study.

Research Approach

The research approach is an important part of any scientific research as it provides the strategies, plan and systems for conducting the research (Creswell, 2014). Researchers have suggested three major approaches to research: qualitative, quantitative and mixed methods (Creswell & Creswell, 2017; Creswell, 2014). The qualitative approach, for instance, explores a given event to obtain the needed insight and understanding about it. It is an inductive data analysis from themes and patterns, and from particular to generalization. It also explores a program, activity, process, individual or group in their natural setting (Creswell, 2014) and is crucial to developing a theory.

The qualitative approach is preferred when the researcher aims to explore a given situation for the first time to obtain in-depth information about it. The quantitative research approach, on the other hand, is a type of approach in which quantitative techniques in the form of descriptive and inferential statistics are used to describe issues in the study (Creswell, 2014). The approach allows the study to collect and analyze data in quantitative terms to achieve its purpose. It is suitable for examining the causal relationships between or among variables of interest.

More precisely, it plays a vital role in examining the effect of succession planning on firm performance. Finally, the mixed research approach involves conducting research that involves collecting, analyzing and integrating quantitative and qualitative research. It is used when the researcher intends to provide a better understanding of the research problem than either of each (qualitative or quantitative) alone. The approach is key to analyzing data using both inferential and thematic analysis to obtain in-depth information to explain or describe an event. Concerning the nature and purpose of this research, the quantitative approach was employed. This approach uses statistical methods to clarify what is understood and needs to be learned through analysis (Creswell & Plano Clark, 2011). It aids in understanding the relationships amongst the variables understudy. Thus, appropriate for establishing how succession planning affects family businesses' performance.

The quantitative approach relies on descriptive and inferential statistical tools such as mean, standard deviation and linear regression to draw inferences about a population. Saunders and Lewis (2012) revealed that this approach collects and transforms data into a numerical form to allow statistical analysis to be carried out and draw concrete conclusions. Creswell and Creswell (2017) added that the approach provides more objective responses and is suitable for describing or explaining a given situation.

The approach helps in obtaining primary data through questionnaires from a relatively large population size. Concerning this study, this approach is relevant for describing the factors influencing succession planning and also to barriers associated with it. In terms of playing an explanatory role, this approach is crucial for explaining how succession planning affects performance.

Research Design

The study utilized quantitative methods to collect and analyze data, specifically using descriptive statistics such as frequency, percentages, mode, median, and standard deviation. This design plays a crucial role in identifying and solving problems that have not been well-researched before (Yin, 2016; Baskerville & Pries-Heje, 2010). It provides a detailed explanation of the major elements of a study. The design provides thoughtful insights into a given topic, provides flexibility, and better inferences and helps to generalise results (Salaria, 2012).

The Statistical Package for Social Science (SPSS) was used to conduct statistical analysis, including correlation and multiple linear regression, to determine how a set of independent variables explains a significant proportion of the variance of a dependent variable. The relative predictive importance of independent variables was evaluated through a comparison of beta weights, and the significance of independent variable coefficients was determined using T-tests.

The Analytical Model

The succession planning was determined in terms of the mean ranking of the succession practices on a rating scale of 1-5(as showed in appendix IV). The mean for the various aspects of succession was computed to give a new distribution of means to permit the application of linear regression model. The same method was applied in a study on succession strategy and performance of small and medium businesses (Maalu, et al, 2013). They measure succession strategy in terms of mean ranking of the succession practices on a scale of 1-5 and computed a new distribution mean, using various aspects of succession planning. The algebraic expression of the regression model for this study took the following form where financial performance was the dependent variable and succession planning and other determinants of financial performance are the independent variables. The regression model is given by:

$$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \beta 5X5 + \beta 6X6$$

Where:

Y = financial performance/Return on Asset (ROA)

β1 to β5 = regression coefficients of independent variables

X1 = Succession Planning

X2 = Capital Structure

X3 = Ownership Structure

X4 = Governance

X5 = Firm Size

X6 = Firm Age

Error term= ε

Financial Performance of family-owned businesses was measured using Return on Assets (Return on Asset =Net Operating Income /Total Assets).

Firm size and Firm Age were used as control variables. Firm Age is the number of years since incorporation while Firm Size was measured as the natural log of book value of total assets.

Firm Governance was measured by the number of family members on the board.

Ownership Structure was measured using a dummy variable (0,1) to differentiate between family-owned and non-family-owned businesses. Where 1 was given to a fully family-owned business, whereas zero (0), otherwise.

Capital Structure was measured using debt-to-equity ratio which was obtained by dividing total debt by total equity. This measure was used to check the impact of debt ratio in a firm's capital on its performance as done by Ntim (2009).

Error Term accounts for other possible factors that could influence Y (Financial Performance) that were not captured in the model.

Study Area

The study was carried out within the scope of Builsa North Municipality (BNM), located within the Western part of Upper East region of Ghana. Builsa North is among the fifteen municipals/ in the Upper East and was formerly among the then-larger Builsa Municipal founded in 1988. In 2008, the south part of Builsa municipal was split off to create Builsa North and Builsa South Districts respectively. In 2018, the Builsa North municipal was then elevated to a municipality, now the Builsa North Municipal. The capital town of the Municipal is Sandema and is dominated by the Builsa tribe; original dwellers of the Municipality.

According to the 2021 Population and Housing Census, the Municipality (change the District to the Municipality) in the entire text municipal has a population of 61.227; representing about 6.4 percent of Upper East's total population. Out of the population, 54.2 percent of them are females while 45.8 percent are males. The population is dominated by rural dwellers with about 56 percent literacy rate. The BNM is dominated by agriculture; with majority of the residents into agrarian subsistence farming. The municipal currently lacks industries while tourism has also not developed yet; thereby, affecting their livelihood. However, the municipal possesses some underdeveloped tourist sites such as Sissili Central Forest reserves, Fiisa Shrine, Abuga Crocodile Pond and Dominga slave market.

The Population and Housing Census 2021 concerning BND revealed that, “more than six out of ten (66.8%) of the population aged 15 years and older are economically active” (p. 20). Out of the employed group, about 65.4 per cent of them are into the skilled fishery, forestry and agricultural jobs; 13.5 percent are into sales and services; 12.4 percent are into crafts and associated trades while 8.7 percent of them are professionals, managers and technicians. Concerning the employment sector, majority (24,116; 93.5%) of the population aged 15 years and above belong to the private/informal sector, 272(1.1%) belong to the private/formal sector with the remaining 5.4 percent of them belonging to the public, NGOs, semi-public/parastatals and other international organizations. Thus, majority of the jobs within the municipal is dominated by private/informal businesses with about 60 percent of them being family-owned. As such, obtaining data from owners of family-owned businesses for a study of this nature would be achievable.

Population

Creswell (2014) viewed a study’s population to consist of a group of entities with specific characteristics. With respect to this study, the population size consisted of family-owned businesses within the Builsa North Municipal. It particularly focused on owners or managers of the family-owned businesses who operate within the private/informal and formal sectors of the municipal’s economy. Based on a 2020 data from Builsa North Municipal, 244 privately owned businesses are currently operating within the municipal; with 186 of them family-owned. In view of this, the study’s target population consisted of the owners and/or managers of the 186 family-owned businesses within the municipal.

Sampling Procedure

The study used the census method, in which data was collected from each unit (member) of the target population. The census method was adopted to ensure that a study's conclusions were more accurate, reliable and representative of an entire target population (Creswell, 2014). Also, every unit or member within the study's target population was of prime interest to the study. Therefore, data was gathered from 53 owners and managers of the family-owned businesses within the Builsa North Municipal. The inclusion of every member within the target population helped the researcher to gather adequate information for data analysis and generalization of findings. The census technique was also chosen because it was deemed appropriate to obtain rich data from all the respondents within the study's target population. This could help in obtaining adequate data to aid generalization of findings across the entire SMEs within the municipal.

Data Collection Instrument

With respect to the quantitative nature of this research, a structured questionnaire was used to gather primary data from the respondents. The structured questionnaire is appropriate for gathering data from a relatively large population (i.e., >50). It also allows every respondent to answer the same questions in a prearranged directive (Creswell & Clark, 2011; Saunder & Lewis, 2012). This instrument has generally been considered inexpensive and offers a faster way of gathering data from a large population. It also allows researchers to compare information and help to ensure respondents' anonymity.

Questionnaire is also the most appropriate instrument for gathering data to aid quantitative analysis using inferential and descriptive tools. On a Likert-like scale (using interval data), the questionnaire was organized with 1 representing the least agreement, while 5 represented the highest agreement. To analyze data using both descriptive and inferential methods, this scale is important.

The structured questionnaire was divided into five Parts (i.e., Parts A to E); Part A, for instance, collected the respondent's demographic characteristics; Part B contained some open ended questions which gathered data on how succession planning is carried out by the family businesses in the municipal; Part C contained 10 question items with respect to the factors influencing succession planning; Part D contained 10 question items to assess the barriers of succession planning and; finally, Part E contained 10 question items aimed at measuring the performance of the family-owned businesses. Note that all the question items were adapted from extensive empirical reviews.

Validity and Reliability

According to Creswell (2014), validity and reliability show how best the instrument adopted in the study best measures the parameters it is meant to measure. Precisely, validity is the degree to which a chosen instrument tests its intended research goals (Berkowitz, Caner & Fang, 2012). This was achieved by giving the drafted questionnaire to peers with adequate research background for thorough review. Also, two experienced research assistants further critiqued the drafted questionnaire and all the necessary comments they provided were duly addressed. Finally, the researcher's supervisor with in-depth knowledge in the research field reviewed the instrument and all the comments raised were duly addressed.

Reliability refers to the degree to which, if repeated steps are taken, the implementation of a scale achieves reliable results (Sekaran & Bougie, 2016). Despite changing time and place, reliability can be done by preserving outcomes at a constant standard (Best & Kahn, 2016). A Cronbach Alpha (α) test was carried out to ensure the instrument's reliability. The α value varies from 0 to 1 and the closer the value to 1, the higher its reliability (Creswell, 2021; Best & Kahn, 2016). According to Santos (1999) and Creswell (2021), the (α) value of 0.7 is regarded the most-acceptable and thus relevant for analysis. This threshold has been supported by other scholars (Hair, Black, Babin, Anderson & Tatham, 2010; Saunders, Saunders, Lewis, Thornhill & Bristow, 2015).

A pre-test of the instrument in a bid to check for reliability was carried out at Builsa South municipal; arguably due to its geographical and cultural similarities with Builsa North municipal. The drafted questionnaire was administered to 40 owners and managers of family-owned businesses within the Builsa North Municipal. Out of this, a 30 data set was deemed valid and accurate for the reliability analysis. The data was then analyzed using the reliability test in the IBM SPSS software. The study reported the α values as suggested by Best and Kahn (2016). In terms of succession planning and firm performance, α values of 0.911 and 0.893 were obtained. It could, therefore, be deduced that all the α values were > 0.7; thus, indicating reliability of the questionnaire.

Data Collection Procedure

Prior to the data collection exercise, an introductory letter was obtained from the Head of the Centre for Entrepreneurship and Small Enterprise Development (CESED). Copies of the letter were attached to each questionnaire in order to inform the respondents of their participation in the data collection.

The letter also ensured that the respondents' participation was voluntary and from their own free will. The questionnaires were then self-administered to the respondents and a period of three weeks was allocated for the exercise. Due to the busy schedules and absence of some respondents at their workplaces during the allocated period, an extra one week was spent on the exercise; thus, taking the entire exercise one month to finish the data collection exercise.

In all, 72 questionnaires were issued from which 52 were filled and returned, making a presence rate of 75%. This response rate was satisfactory to make conclusions of the study.

Data Processing and Analysis

After obtaining sufficient data from the respondents, it was rigorously scrutinized to ensure that any errors resulting from incomplete and wrongly filled questionnaires were significantly removed or reduced. The error-free information was then carefully coded and modified to prevent missing values (if any). After that, the data was entered and processed using the IBM SPSS version 26 and the results obtained were showed in tables. To analyze the data, statistical tools such as descriptive and inferential tools were used. More precisely, descriptive statistical tools notably frequencies and percentages were employed to describe the respondents' demographic characteristics. Study objectives 1 and 2 were analyzed using mean and standard deviation ratings. The mean scores provide the average scores of the responses and thus offers an appropriate way of ranking those responses.

Finally, the inferential statistical tool specifically linear regression was employed to analyze the third objective of the study. This tool is the most appropriate for examining the "cause-and-effect relationship" between succession and firm performance. The study met the following assumptions underpinning the use of linear regression: uniformity of variation, data linearity and independence, sample adequacy (>50) and the data should have a normal distribution (Brown, 2014; Little & Rubin, 2014). According to Little and Rubin (2014) and Creswell (2021), the hard assumptions underpinning linear regression such as possible multicollinearity, test of normality and data linearity are relaxed if the sample size is deemed adequate (i.e., >50); thus, the data is perceived normal.

Ethical Considerations

Ethics refers to the adequacy of a researcher's behavior with regard to the rights of people who become the subject of the researcher. (Yip, Han & Sng, 2016; Lincoln, 2009). Every researcher should have an explicit and fundamental responsibility towards the research. Ethical areas that were key to this study included; protection of respondents' identity (i.e., anonymity), confidentiality of data, maintenance of privacy, and seeking consent of respondents (Yip et al., 2016; Shilton & Sayles, 2016). Anonymity, for instance, is essential for keeping respondents' personal information out of the public eye without their permission. In administering the questionnaire, the researcher saw the need to protect the identity of the respondents to ensure that they were protected from any issue that might arise in the course of conduction of the research.

The researcher also ensured confidentiality in each level of the research. To maintain confidentiality, the researcher ensured that the data obtained from the respondents were kept away from any third party. The respondents were also encouraged that none of the information they gave on the questionnaire will be made public or shared with any third parties. As a result, the information gathered was used solely for this study. Again, the respondents' identities were coded to ensure that they were not compromised. The researcher outlined the objectives clearly and unambiguously to the respondents in the introductory letter given to the respondents to ensure that they understand the motivation for the study. From the beginning of the data collection, all respondents were made aware that their participation was entirely voluntary and that they might withdraw at any time.

Chapter Summary

The chapter examined the techniques and processes used to achieve the intent of this research. In order to achieve the research objectives, the analysis followed a quantitative methodology, descriptive research design and structured questionnaires. The collected data was processed using IBM SPSS Statistics software and analyzed using both descriptive and inferential analytical methods encompassing mean scores and linear regression.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter discusses the interpretation and the presentation of the findings obtained from the field of "succession planning and performance of family businesses within the Builsa North municipality". Descriptive and inferential statistics were used to discuss the findings of the study. The study targeted a sample of 72 respondents from which 52 filled and returned the questionnaires making a presence rate of 75%. This response rate was satisfactory to make conclusions of the study.

Background Characteristics of the Respondents

Respondents were identified by gender, age, level of education, department of work and period of operation owing to the nature of the study and interpreting data from the field of succession planning and performance of family businesses within the Builsa North Municipal.

Table 3: Background Characteristics of the Respondents

Characteristics	Category	Frequency (N= 52)	Percent (100%)
Sex	Male	23	44.2
	Female	29	55.8
Age	18-30	6	11.5
	31-40	13	25
	41-50	23	44.2
	Over 50years	10	19.2

Level of Educational Qualification	No formal Education	16	30.8
	Basic Level	12	23.1
	SHS	8	15.4
	Diploma	5	9.6
	Degree and above	11	21.2
Department of the respondents	Owner	23	44.2
	Manager	8	15.4
	Owner & Manager	18	34.6
	Others	3	5.8
Period of Operation	5 years	6	11.5
	5-10 years	40	5.8
	11-15 years	60	21.2
	16-20 years	100	26.9
	Above 20 years	60	34.6
Total		**52**	**100**

Source: Field Data (2022)

From the findings, Table 1 shows that the majority of the respondents 29 (55.8%) were females and 23 (44.2%) were males. This implies that there is a strong agitation regarding the number of females who own family businesses. The table results above show that 55.8% of the respondents were females whereas only 44.2% were males implying that the females were more willing and available to participate in the study. Thus, there were more women as compared to men who operated family businesses that were approached. Table

1 indicates that a minority of the respondents, 6 (11.5%) were between 18-30 years of age, 13 respondents were between 31-40 years (25%), 23 respondents were between 41-50 years of age (44.2%) and 10(19.2%) were over 50 years of age. This brings in a sense of maturity as respondents were above 18 years of age and makes them capable of giving the most reliable and adequate data.

Table 3 further indicates that almost all the respondents had acquired some education where 16(30.8%) had No formal education, 12(23.1%) had a basic level education, 8(15.4%) had a SHS, 5(9.6%) had Diploma, 11(21.2%) had Degree and above. Such findings imply that the respondents were literate enough to read, interpret the questionnaires and answer accordingly, thus making the data collected from them more reliable. Also, the findings showed that the respondents had qualified to participate in the area of the study. The Table shows that 23 (44.2%) respondents were owners, 8 (15.4%) respondents were managers, 18(34.6%) respondents were owner managers and 3 (5.8%) respondents were other individuals other than owners, managers or owner-managers. This implies that most of the respondents were either the owner of the business or the owner, manager. The minority of the respondents 6(11.5%) were 5years in operating the business, 3(5.8%) operated between 5-10 years, 11 (21.2%) operated between 11-15 years, 14 (26.9%) operated between 16-20 years and 18 (34.6%) operated above 20 years. This brings in a sense of maturity as the majority of respondents operated the business over 20 years making them capable of giving the most reliable and adequate data.

Factors Influencing Succession Planning Among Family Businesses

This section of the study reported the findings relating to the first which sought to evaluate factors influencing succession planning among family businesses within the Builsa North Municipality. In analysing the effect, descriptive statistics such as frequencies and percentages were applied and findings were captured in the (Table 2) that ensues.

Table 2: Factors Influencing Succession Planning Among Family Businesses

Loyalty	SA	A	N	D	SD	N	%
The firm considers individuals with a strong sense of responsibility and mission to work.	34	18	0	0	0	52	100
Employees who act in good faith are considered for succession	18	24	7	3	0	52	100
My firm's succession planning decision is influenced by the potential heir's level of loyalty	28	24	0	0	0	52	100
Total	**80**	**66**	**7**	**3**	**0**	**156**	
Trust							
The level of trust among family members influences succession planning in my business	24	25	3	0	0	52	100
My firm ensures that the succession decisions are sound and free from deception	27	21	4	0	0	52	100
My firm considers the opinions and suggestions of potential heirs during succession planning	11	38	3	0	0	52	100
Total	**62**	**84**	**10**	**0**	**0**	**156**	
Level of Involvement							
My firm chooses a successor based on his or her level of involvement in the family business	23	25	0	0	0	48	100
During succession decisions, my firm considers individuals who are motivated to go beyond expectations	16	32	0	0	0	48	100
Individuals who perceive that there are good career opportunities in my firm are considered for succession	27	19	0	0	0	46	100
Total	**66**	**76**	**0**	**0**	**0**	**142**	
Communication							

Individuals who perceive that there are good career opportunities in my firm are considered for succession	7	29	12	4	0	52	100
My firm shares information with any person who is interested in succeeding the outgoing managers	1	24	22	5	0	52	100
My firm has clearly established communication lines for disseminating succession decisions to all interested individuals	4	32	14	1	1	52	100
Total	**12**	**85**	**48**	**11**	**1**	**156**	

Source: Field Data (2022)

Strongly Agree (S.A), Agree (A), Neutral (N), Disagree (D), Strongly Disagree (S.D).

The responses given by the participants suggest that the firm places a great deal of importance on selecting individuals with a strong sense of responsibility and a clear sense of purpose in their work during succession planning. This implies that the company values employees who take ownership of their tasks and have a strong commitment to their work. The high number of participants who Strongly Agreed (65%) with this statement indicates that the majority of respondents believe that the company places a strong emphasis on these qualities during succession planning. This suggests that employees who demonstrate a strong sense of responsibility and a clear mission to their work are more likely to be considered for promotion and advancement within the company. Based on the responses provided by the participants, it appears that the company values employees who act in good faith when it comes to succession planning. The majority of participants (80.8%) either Strongly Agreed or Agreed with the statement, indicating a high level of agreement among the respondents.

The fact that such a high percentage of participants agreed with the statement suggests that acting in good faith is an important factor that firm owners consider when selecting a successor. This implies that the company values employees who demonstrate honesty, integrity, and a commitment to ethical behaviour in their work. Based on the responses provided by the participants, it appears that loyalty is an important factor that influences the firm's succession planning decision. A majority of the participants (53.8%) Strongly Agreed that loyalty is a significant consideration, while 46.2% agreed with the statement. This suggests that the company values employees who demonstrate loyalty, commitment, and dedication to the organization. The respondents' high level of agreement with this statement indicates that loyalty is a key element that a potential successor should possess if they aspire to be selected for succession.

The level of trust among family members is an important factor that influences succession planning in the business. The majority of the participants either Strongly Agreed or Agreed with the statement (94.3%), indicating a high level of agreement among the respondents. The fact that such a high percentage of participants agreed with the statement suggests that family trust is a critical consideration when selecting a successor from within the family. This implies that the company values trust and transparency in family relationships and that it is important to maintain strong family bonds for a succession plan to be successful.

The respondents strongly believe that the succession decisions made by the firm are sound and free from deception. The majority of the participants either Strongly Agreed or Agreed with the statement (92.4%), indicating a high level of agreement among the respondents. The fact that such a high percentage of participants agreed with the statement suggests that the company places a strong emphasis on transparency and fairness in the succession process. This implies that the company values integrity and honesty in the succession planning process and that it strives to ensure that all candidates are evaluated based on their merits and abilities. It appears that the respondents strongly believe that their firm considers the opinions and suggestions of potential heirs during succession planning. The majority of the participants either Strongly Agreed or Agreed with the statement (94.3%), indicating a high level of agreement among the respondents. The fact that such a high percentage of participants agreed with the statement suggests that the company values the input and ideas of potential heirs and that it seeks to involve them in the succession planning process. This implies that the company values collaboration and inclusivity in its decision-making, and that it recognizes the importance of involving key stakeholders in the process.

It appears that the majority of respondents (46.2% strongly agreed and 48.1% agreed) that the firm chooses a successor based on their level of involvement in the family business. This suggests that the firm values family members who have gained experience through working in the business and may prioritize them when considering who will succeed the current leader. Involvement in the family business can indeed provide individuals with valuable experience and knowledge that may be necessary for success as a successor. However, it is important to also consider other factors such as skills, qualifications, and personal qualities when selecting a successor. While involvement in the family business can be a positive attribute, it should not be the sole criterion for choosing a successor.

the majority of respondents (52% strongly agreed and 40.4% agreed) that during succession decisions, their firm considers individuals who are motivated to go beyond expectations. This suggests that the firm values individuals who are driven and committed to achieving success and that this is an important factor in selecting a successor. Motivation and a strong work ethic are certainly desirable qualities in a potential successor, as they can help to ensure that the business continues to thrive and grow under new leadership. Succession planning is a crucial process for any business, and selecting a successor who is motivated and committed to the success of the company can help to ensure a smooth transition of leadership and a continuation of the company's success.

However, it is also important to consider other factors when selecting a successor, such as their experience, skills, and qualifications. While motivation and a strong work ethic can be important, they may not be sufficient on their own to ensure that a potential successor is the best fit for the job. The majority of respondents (73.1% agreed and 21.2% strongly agreed) that individuals who perceive that there are good career opportunities in the firm are considered for succession. This suggests that the firm values potential successors who are interested in advancing their careers within the company and may prioritize them when making succession decisions. Offering good career opportunities can be an effective tool for attracting and retaining talented individuals, and can help to ensure that the company has a pool of qualified and motivated candidates for future leadership positions.

Considering individuals who are interested in advancing their careers within the company can also help to ensure that the company's culture and values are maintained under new leadership. However, it is important to ensure that selecting a successor based on their perceived career opportunities is balanced with other factors such as their experience, skills, and qualifications. While offering good career opportunities can be a positive factor in succession decisions, it should not be the sole criterion for choosing a successor.

The majority of respondents (55.8% agreed and 13.5% strongly agreed) that their firm's succession planning is influenced by the mode of communication among family members. This suggests that the way family members communicate with each other can have a significant impact on how the succession plan is developed and implemented. Effective communication is crucial in any business, but it is especially important in family businesses where there may be a greater emotional investment in the company's success. Clear communication among family members can help to ensure that everyone is on the same page and has a clear understanding of the expectations for the successor. In contrast, poor communication can lead to misunderstandings and confusion, which can ultimately hinder the success of the succession plan. If the successor does not have a clear understanding of the succession plan or their role in it, they may not be fully committed or may not have the necessary tools to succeed.

Respondents had mixed opinions about whether their firm shares information with any person who is interested in succeeding the outgoing managers. While 46.2% of respondents agreed that information is shared, a significant number (42.3%) were neutral on the matter and only 1.9% strongly agreed. Sharing information with potential successors can be beneficial for the company as it allows them to evaluate potential candidates and ensure a smooth transition of leadership. It can also help to attract and retain talented individuals who are interested in a career at the company. However, it is important to ensure that the information shared is relevant and necessary for potential successors and does not compromise the company's confidential information. It is also important to have a structured and transparent process for sharing information and evaluating potential successors.

Overall, the mixed opinions of the respondents suggest that sharing information with potential successors is not a widely accepted practice in their firms, and there may be some concerns about the potential risks and benefits of this approach. It may be worth considering the advantages and disadvantages of sharing information with potential successors and developing a clear policy and process for doing so. The majority of respondents (61.5% agreed and 7.7% strongly agreed) that their firm has established communication lines for disseminating succession decisions to all interested individuals. This suggests that the firm has a clear process for communicating succession decisions to all relevant parties. Having established communication lines is important for ensuring that all interested parties are informed about the succession decision and the process leading up to it. This can help to build trust and transparency within the company and can help to ensure that the successor is well-prepared for their role. Additionally, clear communication lines can help to prevent misunderstandings and confusion among family members and stakeholders, which can ultimately affect the success of the succession plan.

Barriers to Succession Planning of Family Business

This section of the study reported the findings relating to the second which sought to assess the barriers to succession planning among family businesses within the Municipal. In analysing the effect, descriptive statistics such as frequencies and percentages were applied and findings were captured in the (Table 3) that ensues.

Table 3: Barriers to Succession Planning of Family Business

Statement	S.A	A	N	D	S.D	N (%)
Lack of professional advice and support affects effective succession planning	26	26	-	-	-	100
My firm's succession planning is affected by conflicts within the family	-	27	-	-	-	100
Poor level of preparedness by potential successors affects succession planning	26	24	-	-	-	100
Mismatch of the potential heir's vision and interest with that of family business is a barrier to succession planning	25	23	-	-	-	100
Founder's reluctance to plan toward succession is a barrier to succession planning	21	26	-	-	-	100

Source: Field Data (2022)

Strongly Agree (S.A), Agree (A), Neutral (N), Disagree (D), Strongly Disagree (S.D).

The respondents' agreement (S.A. 50% and A. 50%) that lack of professional advice and support affects effective succession planning suggests that they recognize the importance of seeking outside expertise in developing and implementing a succession plan. Professional advice and support can help family businesses to navigate the complexities of succession planning, including legal and financial considerations, family dynamics, and developing a plan that aligns with the business's long-term goals. Without this support, family businesses may struggle to develop and implement an effective succession plan. The respondents' agreement may also suggest that they feel that their firm currently lacks the necessary professional support for effective succession planning. It may be important for the firm to seek out outside expertise to help address this barrier to succession planning.

The respondents' agreement (A. 51.9%) that family conflicts can affect succession planning suggests that they recognize the potential negative impact of family conflicts on the succession process. Family conflicts can arise in many forms and may be related to issues such as differences in management style, disagreements over business direction, or personal issues unrelated to the business. When family conflicts are present, they can create tension and mistrust among family members, which can make it difficult to develop and implement an effective succession plan. The respondents' agreement on this statement may suggest that they have experienced conflicts within their own family business that have impacted their succession planning efforts. It may be important for the firm to address any conflicts before embarking on the succession planning process, or to seek out outside support to help manage and resolve any conflicts that arise during the succession process.

The respondents' agreement (S.A. 50%, A. 46.2%) on this statement suggests that they recognize the importance of ensuring that potential successors are adequately prepared to take on the responsibilities of running the family business. A lack of preparation on the part of the potential successor can result in a number of challenges during the succession process. For example, if the successor is not prepared to handle the financial and operational aspects of the business, this can lead to significant problems that can negatively impact the future success of the business. The respondents' agreement on this statement may suggest that they have experienced situations in which potential successors were not adequately prepared to take on the responsibilities of running the family business. This may highlight a need for the firm to invest in training and development programs to ensure that potential successors are well-equipped to take on their future roles.

From the fourth statement under barriers to succession planning of family business, Mismatch of potential heir's vision and interest with that of family business is a barrier to succession planning the respondents indicated that they; Strongly Agree (S.A) 25(48.1%), Agree (A) 23(44.2%). In this section, the respondents indicated that some individuals don't have any interest in family businesses and are sometimes forcefully or wrongly picked to be the successor of the business and this is a challenge which needs to be looked at so as to help the successors willingly play the role.

From the fifth statement under barriers to succession planning of family business Founder's reluctance to plan toward succession is a barrier to succession planning. The respondents indicated that they; Strongly Agree (S.A) 21(40.4%), Agree (A) 26 (50%). In this section, the respondents some founders get so comfortable running their business to the extent that they feel more reluctant to prepare a successor that could take over the business in their demise or old aged period. This is a challenge that is well known in Ghana where most parents prefer children should study other courses and not focus on family businesses.

Table 4: Level of Firm Performance

Statement	S.A	A	N	D	S.D	Freq.	(%)
My firm's total assets have increased over	14	35	2	1	-	52	100
The firm's market share has increased overtime	13	34	2	3	-	52	100
My firm makes efficient use of its resources to achieve its targets	8	42	1	1	-	52	100
My firm's profit levels have increased over the years	9	39	2	2	-	52	100
My firm's operational cost has been reduced over the years	-	8	15	21	8	52	100

Source: Field Data, 2022

Strongly Agree (S.A), Agree (A), Neutral (N), Disagree (D), Strongly Disagree (S.D).

From the first statement under firm performance, the Firm's total assets have increased over time. The respondents indicated that they; Strongly Agree (S.A) 14(26.9%), Agree (A) 35(67.3%), Neutral (N) 2(3.9%), Disagree (D) 1(1.9%). The analysis indicates that the respondents agree strongly 50> that the firms total assets increase over time which helps in the performance of the business. This suggests that the respondents believe that the firm's financial performance has improved over time, which is likely due to factors such as growth in revenue, effective cost management, and successful investments. This increase in total assets may have a positive impact on the firm's ability to finance its operations, invest in growth opportunities, and provide a solid foundation for future generations to build upon.

From the second statement under firm performance, Firm's market share has increased overtime. the respondents indicated that they; Strongly Agree (S.A) 13(25%), Agree (A) 34(65.4%), Neutral (N) 2(3.9%), Disagree (D) 3(5.8%).In the next section, the respondents indicated that they were in support of the firms market share increasing which indicates that succession planning is a positive relationship with performance. This suggests that the firm has been successful in its operations and has been able to capture a larger share of its target market. The fact that there is a positive correlation between succession planning and firm performance can be inferred from the responses, as a well-planned succession can help ensure continuity in the firm's operations, thereby contributing to its growth and success over time.

From the third statement under firm performance, Firm makes efficient use of its resources to achieve its targets. The respondents indicated that they; Strongly Agree (S.A) 8(15.4%), Agree (A) 42(80.8%), Neutral (N) 1(1.9%), Disagree (D) 1(1.9%). In this section, respondents confirmed the efficient use of resources to achieve market targets. This is a crucial indicator for performance since it helps prevent wastage and put relevant resources into adequate use. This is important because it ensures that the firm is using its resources effectively and efficiently to achieve its goals, which can lead to improved financial and operational performance.

From the fourth statement under firm performance, Firm's profit levels have increased over the years. the respondents indicated that they; Strongly Agree (S.A) 9(17.3%), Agree (A) 39(75%), Neutral (N) 2(3.9%), Disagree (D) 2(3.9%).In this section, The respondents' agreement that the firm's profit levels have increased over the years suggests that the business is performing well, which can have a positive impact on succession planning. If the business is profitable and stable, potential successors are more likely to be interested in taking over and continuing the business. Additionally, having a strong financial foundation can make it easier to fund a succession plan or transfer ownership smoothly.

From the fifth statement under firm performance, Firm's operational cost has reduced over the years. the respondents indicated that they; Agree (A) 8(15.4%), Neutral (N) 15(28.9%), Disagree (D) 21(40.4%), Strongly Disagree (S.D) 8(15.4%), in this section, The majority of the respondents either were neutral or disagreed with the statement that the firm's operational costs have reduced over the years. This suggests that the respondents did not observe a significant reduction in operational costs over time. However, it does not necessarily indicate that operational costs hurt performance or succession planning.

Descriptive Statistics of the Variables.

This summarizes the population characteristics of the relationship between succession planning, other independent variables and the performance of family-owned businesses. The study used descriptive analysis to establish the Means and standard deviations of all variables of the model. The analysis is shown in Table 5 below.

Table 5: Descriptive Statistics of the Variables

	N	Minimum	Maximum	Mean	Std. Deviation
Return On Assets	52	.01	1.57	.2019	.32114
Succession Planning	52	2.14	4.81	3.2170	.60830
Capital Structure	52	.01	1.03	.3293	.29701
Ownership's structure	52	1.00	1.00	1.0000	.00000
Governance	52	1.00	4.00	2.1000	.87278
Firm size	52	6.99	11.08	8.1521	.89223
Firm Age	52	1.00	47.00	15.3800	11.17684
Valid N (listwise)	52				

Researcher's field Data, 2022

Table 5 presents findings from a study on family-owned businesses in the Builsa North Municipality, based on data collected from 2019 to 2022. The data includes observations from 52 companies, with a total of 52 observations. The average net income earned on total assets is 20.19%, with a standard deviation of 32.114%. The data includes an observation from a business that incurred a loss of 1% on its total assets. The highest ROA observed is 157%, indicating exceptional business performance. The average firm size, measured by the natural logarithm of assets, is 8.1521, with a standard deviation of 0.89223. The data includes observations from 52 businesses, with a total of 52 observations. The lowest natural logarithm of total assets observed is 6.99, while the highest is 11.87.

All businesses studied were fully owned by family members, and the succession planning score ranges from 2.14 to 4.81, with an average score of 20.19%. The age of family-owned businesses ranges from one to 47 years, with an average of 15.87 and a standard deviation of 11.17 years. The data also shows that the average debt ratio is 32.93%, with a standard deviation of 29.701%. The range of debt levels used in the capital structure varies from a minimum of 0.1% to a maximum of 1.03%. The average debt to equity ratio is also 32.93%, indicating that, on average, 32.93% debt was used in financing the businesses.

Correlation Analysis

Table 6 presents the results of the Pearson correlation analysis conducted to examine the relationships between variables in the study. This analysis is useful for data that is not categorical and uses an interval measurement scale. As ownership was used as a dummy variable to eliminate non-family-owned businesses, it was constant and not included in the correlation analysis. The results of the analysis show the established relationships between succession planning and financial performance, as summarized in Table 7

Table 7: Correlations Analysis

	Return On Assets	Succession Planning	Capital Structure	Firm governance	Firm size	Firm Age
Return On Assets	1					
succession planning	.258**	1				
Capital Structure	.227**	.127	1			
Firm Governance	-.166*	-.046	-.091	1		
Firm size	-.177*	.006	.099	.103	1	
Firm Age	.149	.135	.141	.000	.404**	1

Researcher's field Data, 2022

*. Correlation is significant at the 0.05 level (2-tailed).

The results presented in Table 6 indicate that there is a positive correlation between succession planning and return on assets, with a Pearson correlation coefficient (R) of 0.258 and a significant P-value (two-tailed) of <0.01. Furthermore, a positive correlation was found between capital structure (or debt ratio) and return on assets, with an R of 0.227 and a significant P-value (two-tailed) of <0.05. Although firm age showed a positive correlation with financial performance (R = 0.149), the relationship was not significant. The analysis indicated that there is a weak negative correlation between family governance and firm performance, as measured by ROA, with a Pearson correlation coefficient of -0.166 and a significant P-value (two-tailed) of <0.05. Similarly, a negative correlation was found between firm size and ROA, with a Pearson coefficient of -0.177, but the relationship was not significant. The Pearson correlation analysis presented in the table provides evidence of the associations, whether positive or negative, between the independent variables and the dependent variable, indicating that correlations exist between the dependent and independent variables.

The study conducted a test for multicollinearity to assess if there were high correlations among two or more predictor variables, as shown in Table 4.6. High correlation coefficients among predictor variables could lead to multicollinearity. However, the correlation values in the table ranged from -0.177 to 0.258, indicating weak correlation and the absence of multicollinearity. Multicollinearity can affect the accuracy of parameter estimates and result in a lack of statistical significance for individual predictor variables, despite the model being significant.

Regression Analysis

The researcher ran a multiple linear regression for the six variables relating to data from the year 2019 to 2022 for the 52-business mentioned earlier using IBM SPSS version 20 and the results are shown in Table 7

Table 8: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.418[a]	.191	.142	.29374

Source Field Data (2022)

Predictors: (Constant), Firm Age, Firm Governance, Succession Planning, Capital Structure, Firm Size.

The Adjusted R square value from Table 8 was 0.142, indicating that changes in the independent variables (Succession Planning, Debt Ratio, Ownership Structure, Firm Age, and Firm Size) could account for 16.3% of the variation in Return on Asset for sampled businesses in Builsa North Municipality at a 95% confidence level. This means that the model's variables could explain 14.2% of the changes observed in ROA for family-owned businesses. The correlation coefficient (R) was 41.8%, indicating a weak positive relationship between the dependent variable and the independent variables in the study.

Table 9: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.420	.270		2.115	.036
Succession Planning	.104	.040	.203	2.665	.009
Capital Structure	.204	.083	.189	2.468	.015
Firm Governance	-.041	.028	-.112	-1.476	.142
Firm Size	-.096	.030	-.267	-3.230	.002
Firm Age	.006	.002	.203	2.438	.016

Source: Field Data (2022)

Dependent Variable: Return on Assets

Table 8 presents the coefficients of five predictors, namely, succession planning, capital structure, governance, firm size, and firm age, with an intercept of 0.420. This indicates that if all predictors are set to zero, the return on assets (ROA) will be 0.570. The coefficient for succession planning is 0.104, indicating that an increase in succession planning commitment leads to a corresponding increase in ROA. The coefficient for firm age is 0.006, indicating that an increase in the age of the firm by one year leads to a slight improvement in ROA. The coefficient for capital structure is 0.204, but it is not significant since the p-value is greater than 0.05. This means that an increase in capital structure by one unit leads to a corresponding increase in ROA by 0.204.

The coefficient for firm size is -0.096, indicating that an increase in the size of the firm by one unit of natural logarithm of assets leads to a decrease in ROA by 0.096. Lastly, an increase in one family board member results in a decline of ROA by -0.041. The above findings are summarized in the multiple linear regression model show below: **Y= 0.42+0.104SUP+O.204DR-0.041GOV-0.096SIZ+0.006AG**

Y=Return on Asset SUP =Succession Planning DR= Debt Ratio GOV =Family Governance SIZ=Firm Size AG=Firm Age

Chapter Summary

The study analyzed the relationship between various determinants of financial performance and found that succession planning, capital structure, and firm age had a positive impact on financial performance, while firm size and family firm governance had a negative impact. Succession planning was found to be a significant factor in the smooth running of family-owned businesses, as it reduced conflicts and ensured future survival and financial performance. The study found that firm size hurt financial performance due to increased agency costs as the business grows.

However, capital structure was found to have a positive impact on financial performance, indicating that external financing from debt providers contributes positively to financial performance. The study also found that firm age had a positive impact on financial performance, indicating that older firms have a competitive advantage in their market. Finally, the study found that having only family members on the board of governance had a negative impact on financial performance, as family-owned businesses may not have a pool of talented individuals to make good management decisions, and should outsource or employ outside experts.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

The purpose of this study is to look at succession planning and performance of family businesses within the Builsa North Municipality. This chapter includes the summary of findings, conclusions and recommendations derived from the study findings from the Municipality.

Summary of the Research Process

The study employed a descriptive research design to meet the philosophical and methodological underpinning of the research design. The study sampled family businesses within the Builsa North Municipality. The study employed a 5-Likert typed questionnaire to gather data from the respondents. Fifty-two (52) questionnaires administered and were fully completed and returned to the researcher leading to the attainment of 100% response rate for the study. In analysing the specific objectives of the study, different statistical tools were employed. Whereas descriptive statistics such as mean and standard deviation were utilised to address the first and second objectives, inferential statistics (regression) was adopted for the analysis of the third objective. Moreover, the study conducted a preliminary assessment of the normality of the data collected for constructs of the study after running commentary on the demographic characteristics of the respondents. The assessment showed that the data was normal and was further applied for advanced analysis of the objectives of the study

Summary of Key Findings

The study tried to evaluate actors influencing succession planning among family businesses within the Builsa North Municipality. The study findings revealed that the Municipal has loyalty factors most of the respondents strongly agreed and agreed to the loyalty factors for a succession plan. Also with the trust factors, the respondents strongly agreed and agreed to the trust factors of the succession plan. With the level of involvement, the respondents strongly agreed and agreed that it influences succession planning. Finally, with communication factors, the majority of the respondents agreed and were also neutral about the influence of communication on succession planning.

The study tried to document the barriers to succession planning among family businesses within the municipality, based on analysis of chapter four, the majority of the respondents strongly agreed and agreed that the barriers stated such as Lack of professional advice and support, conflicts within the family, preparedness by potential successors, Mismatch of potential heir's vision and interest with that of the family business, Founder's reluctance to plan toward succession are particular barriers that hinder a succession plan among family businesses within the municipality.

Findings revealed that there is a great relationship between succession planning and the performance of family businesses. This aspect aimed to determine the impact of various financial performance determinants, including firm governance, capital structure, age, size, and succession planning, on the financial performance of family-owned businesses, as measured by return on assets (ROA). The results of the correlation analysis showed that three of the independent variables, succession planning, firm capital structure, and firm age, were positively related to financial performance, with a positive correlation of for succession planning and capital structure, respectively. Firm age showed a positive correlation of .149, although it was not significant. However, the relationships between firm governance and firm size with financial performance were negative. Overall, the study findings suggested that the combined variables were significant in giving positive effects on the performance of family-owned businesses.

Conclusions

From the study findings, it would be safe to conclude that succession planning has a positive effect on family business performance in the Builsa North Municipality. The conclusion is supported by the study findings which showed that there was a very strong positive relationship between the variables. The study also revealed that succession planning helps in the performance of businesses, this is indeed a strong factor since the performance of the business helps in the going concern of the business as it will keep the business operating into the foreseeable future.

Succession planning showed a Pearson correlation of 0.258 with performance which means that there exists a relationship between succession planning and the performance of family-owned businesses. However, the respondents were not convinced that the operational cost burden was being reduced during a succession. The majority of the respondents were satisfied that succession planning was a good way to keep a family business running and also suggested that education and training are the most favourable ways to make a succession plan work.

Recommendations

With the ever-increasing desire to have more sustainable family businesses, succession planning within the Builsa North Municipality must be given priority. It could be seen that some of the respondents were not educated and had no detailed ideas about succession planning. This therefore calls for embracing proper ways through which some families go about their succession plans.

The heads of businesses who intend to impose a succession plan should ensure that they carry out more research on the impact and implications of succession planning. This will go a long way in helping them to know the needs of the successor to help them be in a suitable and sustainable position.

The study found that proportionate debt financing is profitable for firms and should be used up to an optimum level. Strategies such as exiting the retail industry or diversification of products and investments can reduce risks of irrelevance in the market for firms of certain ages.

To complement the lack of talented expertise within the family, family firms should employ skilled employees in governance and management positions and set succession policies that allow outsider directors or CEOs to control decision-making, which can lead to improved profitability through new ideas and better decision-making.

Suggestion for Further Study

Future researchers should consider a mixed method for investigating a phenomenon like this. This will provide a clearer understanding of the issues on the ground as the researchers through a qualitative approach would uncover the explicit views, feelings and perceptions of the employees on succession planning and performance of family business in other jurisdictions.

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