

THE EFFECT OF FAMILY CONFLICT OON FAMILY BUSINESS SUSTAINABILITY: THE MODERATING ROLE OF SUCESSION, PLANNING, CONFLICT RESOLUTION STRATEGIES AND FAMILY VALUES.

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Abstract

In contemporary times, family conflicts, succession planning and sustainability have emerged as front-burner issues in the family businesses research with reference to the Ghanaian context and the world. As critical as these issues are, they have been poorly researched and reported in extant literature in the developing context. This study therefore investigates the effect of family conflict (task conflict and dysfunctional conflict) on the sustainability of family businesses. The study makes a contribution to the literature by focusing on the moderating role of succession planning, conflict resolution strategies, and family values. To enhance the understanding of family business conflict and family business sustainability, the Resource-Based Theory, Family System Theory and Stewardship Theory provided the required theoretical foundation. A mixed research method was adopted, while relying on the inductive and deductive approaches, with a pragmatic paradigm. Both quantitative and qualitative analyses were conducted using descriptive/inferential statistics and content analysis respectively. Eight hypotheses were formulated and empirically tested. The findings indicate that task conflict has a positive effect on family business sustainability; dysfunctional conflict has a negative effect on the sustainability of family business; conflict resolution strategies moderate the interaction of task conflict and dysfunctional conflict to influence sustainability; family values positively moderate the effect of task conflict and dysfunctional conflict on family business sustainability; succession planning positively moderate the effect of task conflict and dysfunctional conflict on family business sustainability; conflict resolution strategies positively moderate the effect of dysfunctional conflict on family business sustainability; succession planning positively moderate the effect of task conflict on family business sustainability. But family values negatively moderate the effect of dysfunctional conflict on family business sustainability was not supported. The qualitative findings support the quantitative findings. The study recommends based on the findings that families should not assume that conflicts affect businesses in equal measure as conflicts vary and its impact on the sustainability of the family business is dependent on an effective customized approach. Family business owners should delegate managerial roles to family members based on merit, but also mechanism should be in place to attract the best brains to occupy sensitive roles. Finally, family business owners should ensure that required standards are in place before considering expansions, to avoid the risk of experiencing favoritism and

promote professionalism. The thesis concludes with research implications, limitations and suggestions for further research.