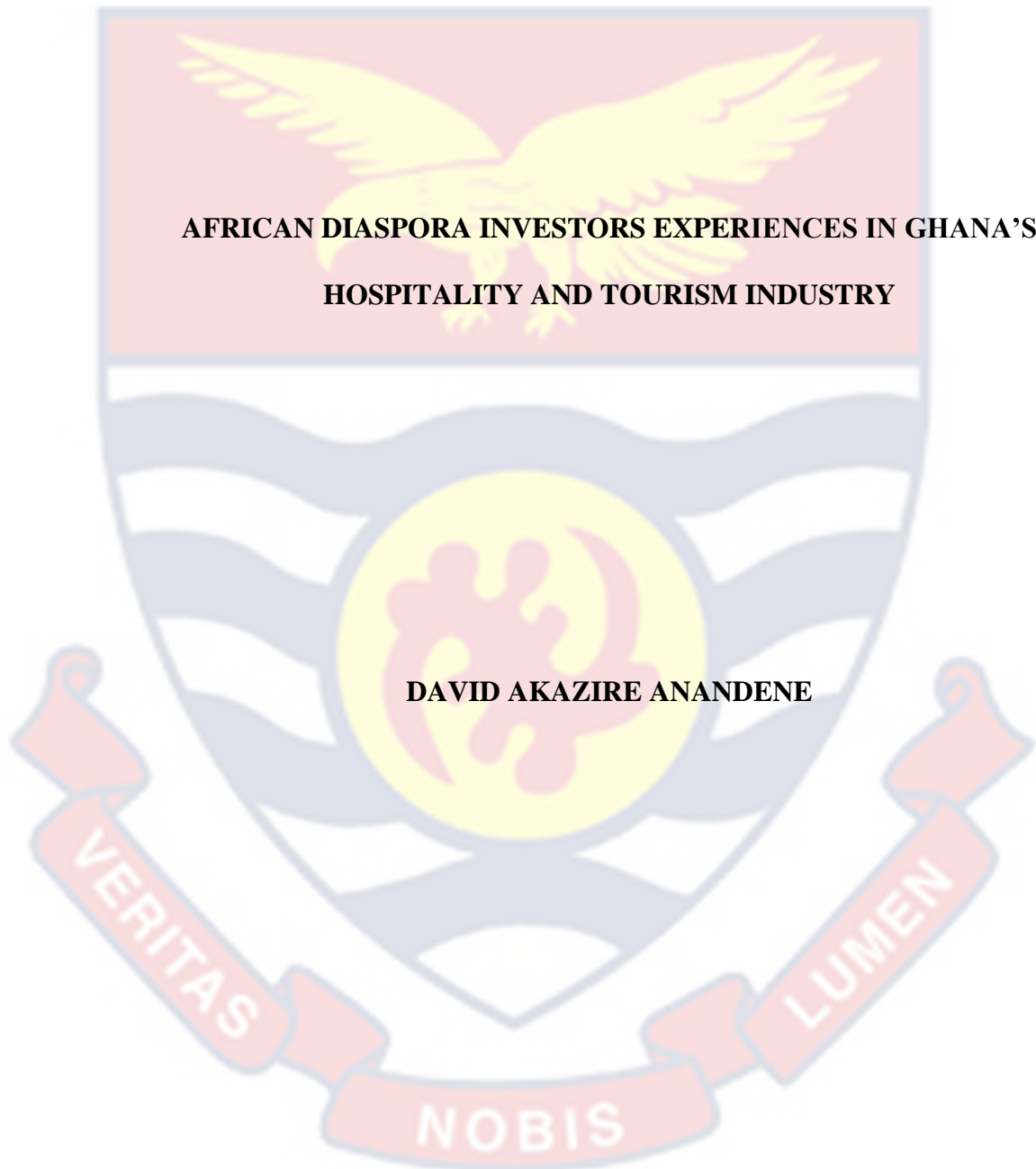


UNIVERSITY OF CAPE COAST



**AFRICAN DIASPORA INVESTORS EXPERIENCES IN GHANA'S  
HOSPITALITY AND TOURISM INDUSTRY**

**DAVID AKAZIRE ANANDENE**

2023

UNIVERSITY OF CAPE COAST

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HOSPITALITY AND TOURISM INDUSTRY

BY

DAVID AKAZIRE ANANDENE

THESIS SUBMITTED TO THE DEPARTMENT OF HOSPITALITY AND  
TOURISM MANAGEMENT OF THE FACULTY OF SOCIAL SCIENCES,  
COLLEGE OF HUMANITIES AND LEGAL STUDIES, UNIVERSITY OF  
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FOR THE AWARD OF MASTER OF PHILOSOPHY, TOURISM  
MANAGEMENT.

MARCH 2024

**DECLARATION**

Candidate's Declaration

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

Candidate's Signature ..... Date .....

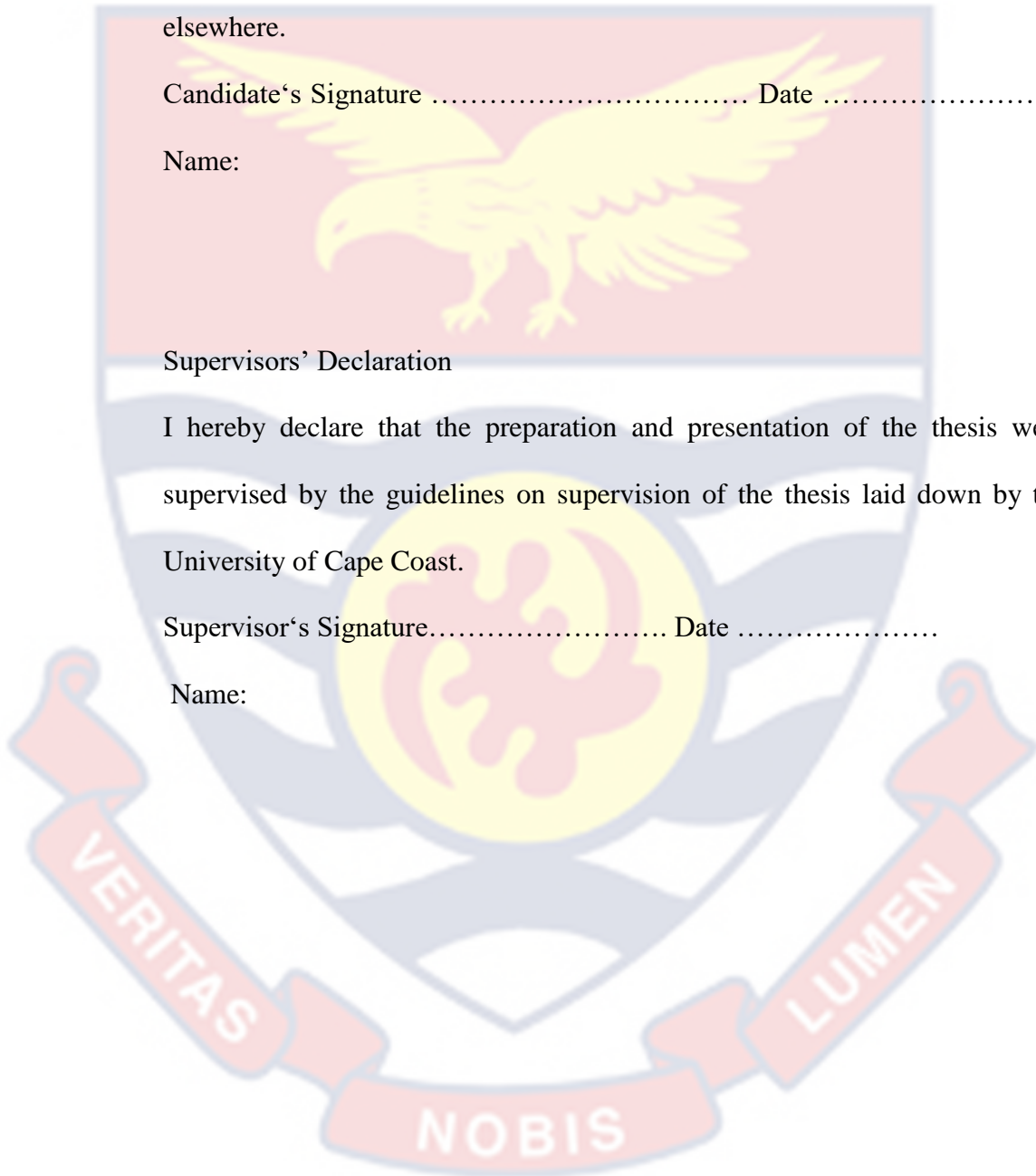
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I hereby declare that the preparation and presentation of the thesis were supervised by the guidelines on supervision of the thesis laid down by the University of Cape Coast.

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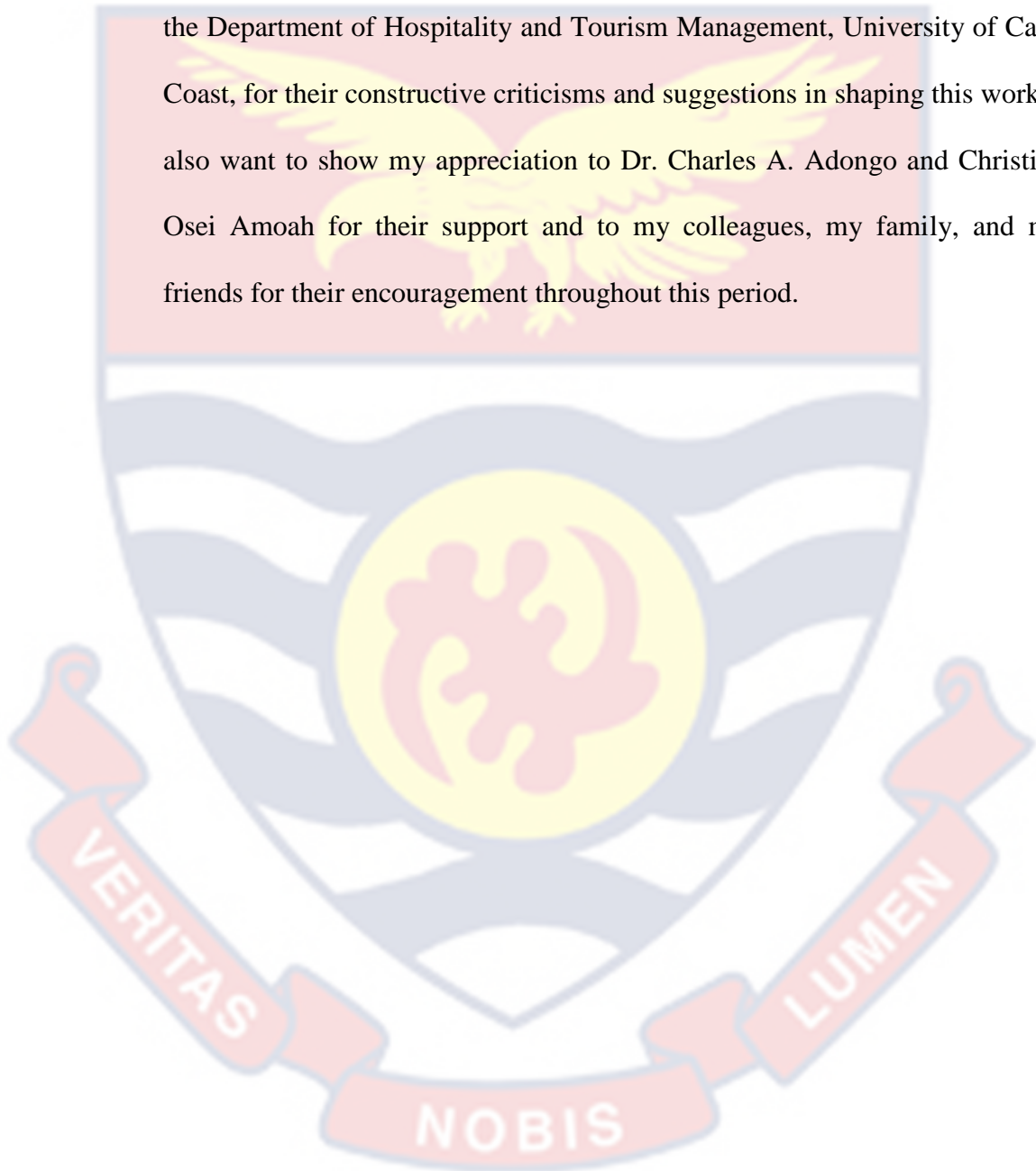


## ABSTRACT

Following the global growing awareness of Diasporas as the new development players and the contribution they can make to development efforts in their home country or continent, the African Diasporas in particular have been identified as significant sources of outside financing and potential development actors in their continent of origin. Despite this growing trend of Diasporas' investment and their role as new development players, there are few empirical studies of Diasporas' investment in the hospitality and tourism industry, particularly in Ghana. The study employed a qualitative lens to examine the African Diaspora investors' experiences within the Ghanaian hospitality and tourism industry. Using in-depth interviews, data were collected from 17 participants in the Accra Metropolitan Area. Participants were identified through the snowball sampling technique and data was analyzed using the inductive content technique. The study found two main subsectors that attracted investment from Ghanaian Diaspora investors, the Food and Beverage (F&B) and the Lodging (accommodation) subsectors. About 65% invested in Food and Beverage (F&B) and 35% in the Lodging subsector. Additionally, two main motivating factors, push and pull were found as the motivation for investing. The challenges encountered were put into pre-investment and post-investment challenges. Again, the study found the adoption of appropriate technology, support from family and friends, intensifying marketing campaigns, seeking advice from major industry players, collaboration with stakeholders and innovation as the strategies employed to negotiate the challenges of investors. Finally, the study concluded that the African Diaspora investors preferred Food and Beverage (F&B) and the lodging subsectors and were motivated mainly by two factors push and pull. About 70.6% of the participants had positive experiences and 29.4% had mixed experiences investing.

## ACKNOWLEDGEMENTS

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## DEDICATION

I dedicate this work to my mom,

Madam Mary Apelbire Akazire and my fiancée Rans-Mensah Macshalom

Grace, for their immense support.



### LIST OF ABBREVIATIONS

H&T	Hospitality and Tourism
COO	Country of Origin
COR	Country of Residence
DGRP	Department of Geography and Regional Planning
DHTM	Department of Hospitality and Tourism Management
UCC	University of Cape Coast



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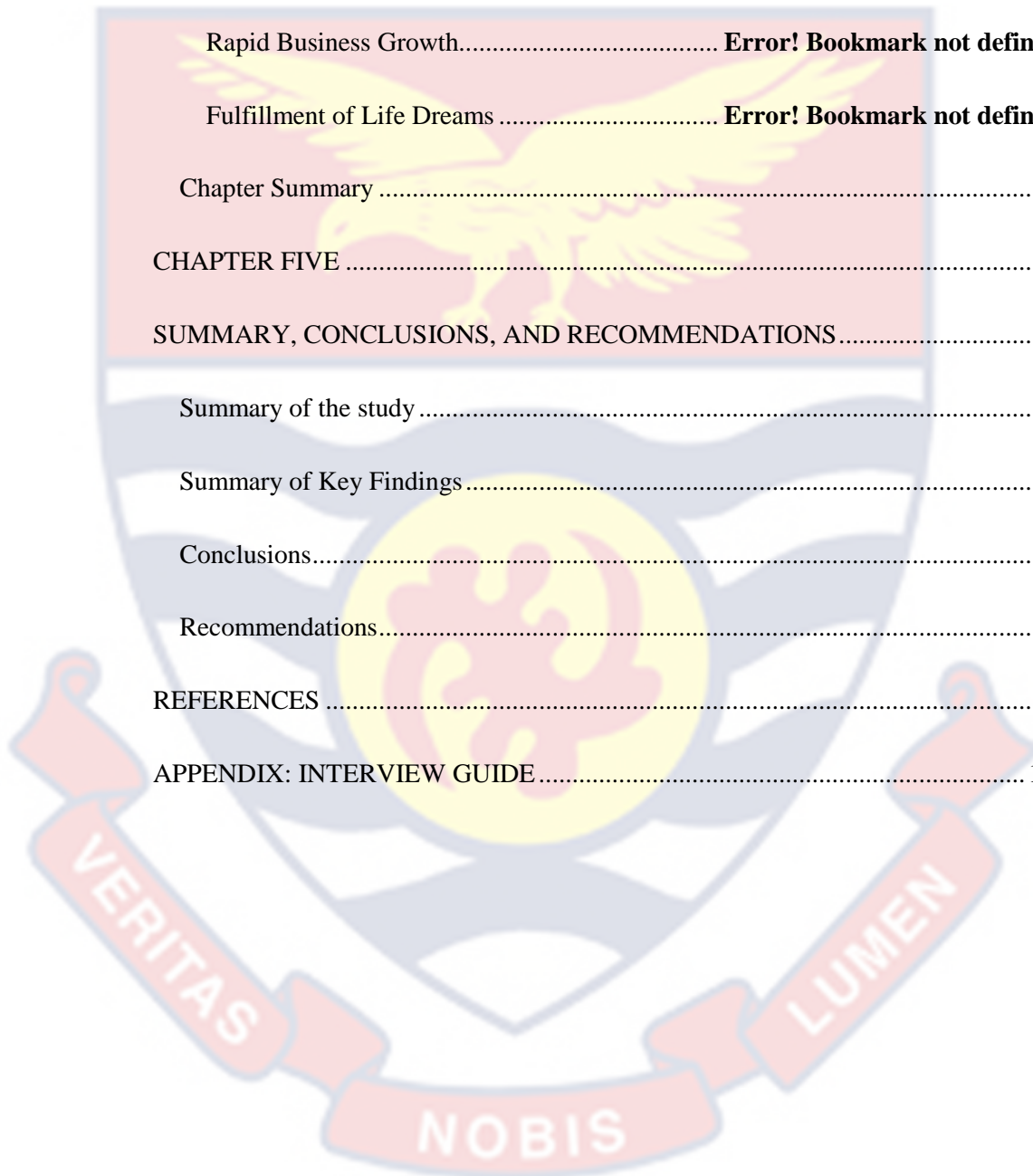
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## CHAPTER ONE

### INTRODUCTION

#### Background to the Study

The tourism and hospitality industry has been commended for its contributions to economic development, employment, poverty reduction, and capital formation, generating tax revenue, promoting economic diversification, and enhancing urban and cultural activities (UNCTAD, 2017). For instance, the tourism and hospitality industry contributed USD 2,967.1 million (7.1%) and USD 7.6 trillion (10.2%) to the world GDP in 2016 (WTTC, 2017). However, the industry needs funding, expertise, infrastructure, and access to the world market. One of the most efficient means of gaining access to these crucial success criteria is frequently thought to be through foreign direct investment (FDI) (UNCTAD, 2007: p6). According to IMF (International Monetary Fund 1993), foreign direct investment (FDI) refers to an investment in a foreign company where the foreign investor owns at least 10% of the ordinary shares and is made to forge a "lasting interest in the country, a long-term relationship, and significant influence on the management of the firm." Equity capital, and other direct investment capital, such as new investment financing, retained earnings of subsidiaries, inter-firm loans, including international mergers and acquisitions, are all examples of FDI flows.

The primary focus of this study was on investments made by African Diasporas in the Ghanaian hospitality and tourism industry. Globally, there is growing awareness of Diasporas as the new development players and the contribution they can make to development in their home country or

continent (Ahsan, 2023). The African Diasporas in particular have been recognized as significant sources of outside financing and potential development actors in their continent of origin (Bakewell, 2015).

According to Lee, (2013) with the correct incentives and legislation, people in the diaspora can be in a better position to invest their money in start-ups or already-established companies, which can have a greater impact on the region's development. In Ghana, Diaspora remittances have become a critical and stable source of external finance (World Bank, 2019a; 2019b). According to the World Bank (2019b), since 1990, migrants' cash contributions to sub-Saharan Africa have steadily increased. In 2017, for instance, there was an increase of 9.2 percent amounting to USD 42 billion, and a rise of 9.6 percent in 2018, totaling USD 46 billion. In 2018, Nigeria and Ghana were the highest recipients with inflows of USD 28.9 billion and USD 3.8 billion respectively (World Bank, 2019a; 2019b). It is not surprising, therefore, that the African Union (AU) termed the African Diaspora as its sixth region, considering its value to the various economies of the continent of Africa by way of employment creation, generation of foreign income, and remittances just to mention a few.

### **Diaspora Investment**

The movement of resources across numerous boundaries is a component of Diaspora investment (Guarnizo, 1997). According to (Chand,2016) diaspora investment is the commitment of resources to profitable endeavors in their COR or COO. Generally, there are studies and research on investments made by Diasporas in their home continents or countries (COO).



The first scholar to conduct a research on Diaspora investment was Aharoni in 1966, on American Jews' homeland investment in Israel. His findings proved that despite believing Israel to be a high-risk investment, American Jews made large financial commitments there. Aharoni argued that factors other than the potential for profit, such as the Diaspora community's strong psychological links to their home country, substantially impacted the decision-making process. A desire to: Aid in the development of the Israeli economy; Preserve a personal haven; and Obtain prominence in the Jewish community were among the three motives identified.

Later, additional academics intrigued by the topic carried out subsequent studies. The relationship between foreign direct investment and the Indian Diaspora in the United Arab Emirates was examined by Vinodkumar and Prashanth in 2021. Williams, (2018), also explored Mobilizing Diaspora to Promote Homeland Investment, again, Mohamed and Abdul-Talib (2020), researched non-financial elements impacting Diaspora homeland investment, Mensah (2015) examined the experience of diaspora Africans traveling to their roots, as well as Faal (2019) who Proposed Strategic Business and Operational Framework for an African Diaspora Finance Corporation, as well as numerous other studies, were carried out in a similar spirit by Adjei (2018). One of these studies focused on maximizing the potential of the Ghanaian Diaspora. However, these studies still did not cover all the areas of Diaspora investments, particularly the hospitality and tourism industry. This study will therefore augment that gap by examining African Diaspora investors' experiences in Ghana's hospitality and tourism industry

## **Types of Diaspora Investment**

Diaspora investment has been divided into four primary categories by scholars such as (Faal 2019; Elo & Riddle 2019), namely: Diaspora Philanthropy (DP), Diaspora remittances (DR), Diaspora portfolio investment (DPI), and Diaspora direct investment (DDI). But for this study, the concentration was on Diaspora remittances, Diaspora portfolio investments, and Diaspora direct investments because the characteristics in these classifications are covered by the Diaspora investors as conceptualized for this study. However, Diaspora Philanthropy is not included in this study's understanding of Diaspora investors because it does not include investments in businesses that generate income within the Ghanaian hospitality and tourism sector.

## **Statement of the Research Problem**

Diasporas as strategic development partners have been used successfully in nations like China, India, and Lebanon, among others (Boly et al., 2013); Chand, 2016). The significance of Diasporas as "resource multipliers" and as direct investors in small companies in their home countries has also been supported by evidence across time (Newland & Tanaka, 2010).

Diasporas act as agents for development through brain gain, resource mobilizers in host countries for development in their countries, significant contributors to the balance of payment deficits in the home countries, and also employers among others (Brinkerhoff, 2012). These important roles played by the Diaspora have attracted several scholarly research on diasporas, notably, Vinodkumar and Prashanth (2021) study examined the connection between foreign direct investment and the Indian Diaspora in the United Arab

Emirates, also, Mohamed, (2020) conducted a study on non-financial factors impacting diaspora homeland investment, while Mensah, (2015), examined the roots tourism experience of Diaspora Africans, a focus on Cape and Elmina Castles. Furthermore, Williams, (2018) investigated Mobilizing Diaspora to Promote Homeland Investment, with focus on Bosnia, Herzegovina, Kosovo and Montenegro, Adu, et al. (2018) conducted a study on maximizing the potential of the Ghanaian Diaspora, as well as Faal (2019) suggested a strategic business and operational structure for African Diaspora Finance Corporation.

Presently, there is however, a paucity of research on Diaspora investment in the hospitality and tourism industry globally and in Ghana, particularly motivation for Diaspora investors to invest in the industry, their preferred subsectors, their challenges, and how they negotiate those challenges. This study, therefore, was aimed at filling those gaps using the case of Ghana.

### **Research Questions**

1. What are the motivations for investing in Ghana's hospitality and tourism industry by the African Diaspora?
2. In which tourism and hospitality subsectors do African Diasporas invest?
3. What challenges do African Diasporas face when they invest in Ghana's hospitality and tourism industry?
4. How do African Diasporas negotiate their challenges of investing in Ghana's hospitality and tourism industry?

5. Are African Diaspora investors satisfied with their investment experiences in Ghana's hospitality and tourism industry?

### **Objectives of the Study**

The general objective of the study is to examine African Diaspora investors' experiences in Ghana's hospitality and tourism industry.

The study also sought specifically to;

1. Explore African Diasporas' motivations for investing in Ghana's hospitality and tourism industry.
2. Identify which hospitality and tourism subsectors African Diasporas invest in.
3. Analyze African Diasporas' challenges of investing in Ghana's hospitality and tourism industry.
4. Examine how African Diasporas negotiate their challenges of investing in Ghana's hospitality and tourism industry.
5. Examine African Diaspora investors' satisfaction with experiences of investing in Ghana's hospitality and tourism industry.

### **Significance of the Study**

The study is significant in two broad ways, namely: contribution to knowledge in the area of African Diaspora investors' experiences in Ghana's hospitality and tourism industry. This contribution will help the Government and the appropriate authorities in their policy and decision-making process to help mitigate those challenges and promote investment among African Diaspora members. The findings of the study will also serve as academic reference material.

In short, the study will add to academic knowledge in this area of study and improve practice through the provision of knowledge of African Diaspora investors' experiences for the Ghana Tourism Authority and the Ghana Investment Promotion Centre.

### **Organization of the Study**

The work was organized into five chapters. Chapter one considered the study's background, statement of the problem, objectives of the study, research questions, and significance of the study. Chapter two, a review of related literature, discussed issues of Diaspora investments and the Theories adopted to guide the study. The conceptual framework for the study also presented and discussed the preferred sectors of Diaspora investors in their continent of origin, Diaspora investors' motivation for investing in their Continent of Origin (COO), including challenges, and how they negotiated those challenges.

Chapter three dealt with the methods, these included the research philosophy, the research design, the sampling technique adopted, the instrument employed for the research design, the sample size and the sampling technique adopted. Other issues covered include the source of data, data processing and analysis, and the data collection limitation. Chapter four considered the result and discussion of the work. Chapter five being the last chapter looked at the main findings, conclusion, and recommendations.

## CHAPTER TWO

### LITERATURE REVIEW

#### Introduction

This chapter presents a review on Diaspora investment and its related literature. The chapter further presents the theoretical and conceptual frameworks that guided the study and provides a review of related literature on African Diaspora investors' preferred sectors of investment, their motivations for investment, challenges, and how they overcame those challenges.

#### Conceptualization of Diaspora

Scholars have put forth several meanings for the term "Diaspora" and what constitutes "Diaspora investment." According to Glick Schiller et al (1995), social anthropologists originally used the term "Diaspora" to describe how immigrants interact heavily with their home countries and countries of origin. People who have migrated to a distant nation but still feel a connection to their motherland are considered to be in the Diaspora, (Newland & Plaza, 2013; Plaza & Ratha, n.d.). Additionally, the African Union (AU) defined the African Diaspora as any person of African descent, regardless of citizenship or nationality, who resides outside of the continent and is eager to contribute to its growth and the establishment of the African Union.

According to Bakewell (2008), there are many different definitions and descriptions of the term "Diaspora," including historical, cultural, sociological, and economic perspectives. The key point is that any such group of migrants and their descendants tend to maintain links with their place of

origin. First, there must be at least two destinations following dispersal, according to Butler and Butler, (2022) who also examine the Diaspora from three angles. Second, there must be a connection to a real or imagined location from which an identity can be formed.

It is important to note that, the African Diaspora is not a homogeneous group, as some members were born and raised outside of their country of origin, while others were transported forcibly to the Americas and Europe during the Trans-Atlantic Slave Trade, or traveled to pursue higher education or look for better opportunities. Many Africans also immigrated to the Americas, Europe, and other parts of the world at a young age. It is therefore challenging to agree on a precise description of what an African Diaspora is in light of these complexities

However, for this study, African Diaspora refers to African Americans and Ghanaians who have lived overseas for a period of five or more years and are either "visiting or returned" to Ghana from overseas, irrespective of their nationality, generation, or citizenship. Visiting African Diaspora refers to Diasporas who are still living in their country of residence (COR) but have visited their continent of origin (COO) for purposes of business, leisure, or visiting family and friends. Returned African Diaspora on the other hand refers to people who once stayed away from or who have never been to their continent of origin (COO) but have returned to stay permanently. The conceptualization of the African Diaspora for this study stems from the Year of Return campaign which was launched in the year 2019 with the main aim of positioning Ghana as a key travel destination and to also encourage African Americans and African Diaspora to return home to Ghana to invest.

The campaign promised certain incentives like land acquisition assistance, and citizenships among others to these individuals as part of the efforts to encourage them to return home and invest, this study thus, sought to examine their investment experience in the Ghanaian hospitality and tourism industry, following the growing global awareness of the contribution of Diaspora to the development of their countries or continents of origin especially the African Diaspora as supported by the (AU, 2005) and Bakewell, (2015).

African Diaspora Investors for this study therefore, refer to "visiting or returned" African Americans and African Diasporas who have collectively or individually, invested in revenue-generating ventures within the Ghanaian hospitality and tourism industry. These investments may include but are not limited to investing in lodging, (e.g., hotels, Guest houses, and service apartments) F&B, (e.g., restaurants, chop bars, drinking spots, and coffee shops) attractions, (e.g., Theme parks, safari, and heritage sites), travel and tour operations (e.g., Transport operation, tour operation, and travel agencies), meetings, incentives, conferences, events (M.I.C.E), and entertainment. Experiences, as used in the context of this study, refer to the totality of African Diaspora investors' motivation, challenges, and negotiation strategies.

### **Theoretical Review**

Two main theories were selected to guide the study, the Push and Pull Theory of Entrepreneurship (Hakim, 1989) and the Expected Utility Theory. The Push and Pull Theory of Entrepreneurship has been used in several studies of investment and entrepreneurship. The theory is appropriate for the



study because its constructs capture relevant factors about the issues under study. However, the theory has been criticized for being too simplistic, and the theory was proposed in the 1980s, an era that was dominated by organizational careers thus the advent of the internet has changed things hence the theory should be looked at. That notwithstanding, the study considers the theory appropriate for this study because its main constructs explain some of the research questions of the study. On the other hand, the Expected Utility Theory is a theory that talks about the Expected Utility hypothesis, a popular concept in economics that serves as a reference guide for decisions when the payoff is uncertain. The theory recommends which option rational individuals should choose in a complex situation, based on their risk appetite and preferences. The limitations of the theory are that, in the early days of the calculus of probability, classic utilitarianism believed that the option, that has the greatest utility, will produce more pleasure or happiness for the agent and therefore must be chosen.

The main problem with the expected value theory is that there might not be a unique correct way to quantify utility or to identify the best trade-offs. For example, some of the trade-offs may be intangible or qualitative. Rather than monetary incentives, other desirable ends can also be included in utility such as pleasure, knowledge, and friendship. Originally the total utility of the consumer was the sum of the independent utilities of the goods. However, the expected value theory was dropped as it was considered too static and deterministic. However, it is relevant in this study because it will help in shedding light on the values the Diaspora investors expect from their investment.

### **Push and Pull Theory of Entrepreneurship**

People are motivated to become entrepreneurs or investors and the Push and Pull Theory of Entrepreneurship has explained why people engage in business, by classifying their motivation into two broad constructs/categories, push and pull factors (Hakim, 1989). Push factors according to theory are those that motivate a person intrinsically to take the act of starting a business or investing in a business. Some of these factors are, the desire to be independent, and job dissatisfaction, among others whereas the pull factors are those extrinsic factors that motivate a person to invest or start a business such as identification of a business opportunity, political stability, enabling business environment just to mention but a few.

The choice of this theory for the study was to allow the researcher to understand and explain what motivates people to invest or start a business. This will also provide answers to objective two of the study and answer the question of what motivates the African Diaspora to invest in Ghana's hospitality and tourism industry, and also why they preferred or chosen those subsectors they have invested in, thus, the need to employ the theory for the study.

### **Theory of Expected Utility**

The examination of options among risky projects with numerous (potentially multidimensional) outcomes that people examine before making investment decisions and decisions, in general, is covered by the anticipated utility theory. It clarifies what individuals anticipate obtaining as a result of participation in an activity.

This theory is useful for the study because it would help the researcher gain insights as to what challenges diaspora investors are to expect in the hospitality and tourism industry, and how they would negotiate it.



### Conceptual Framework

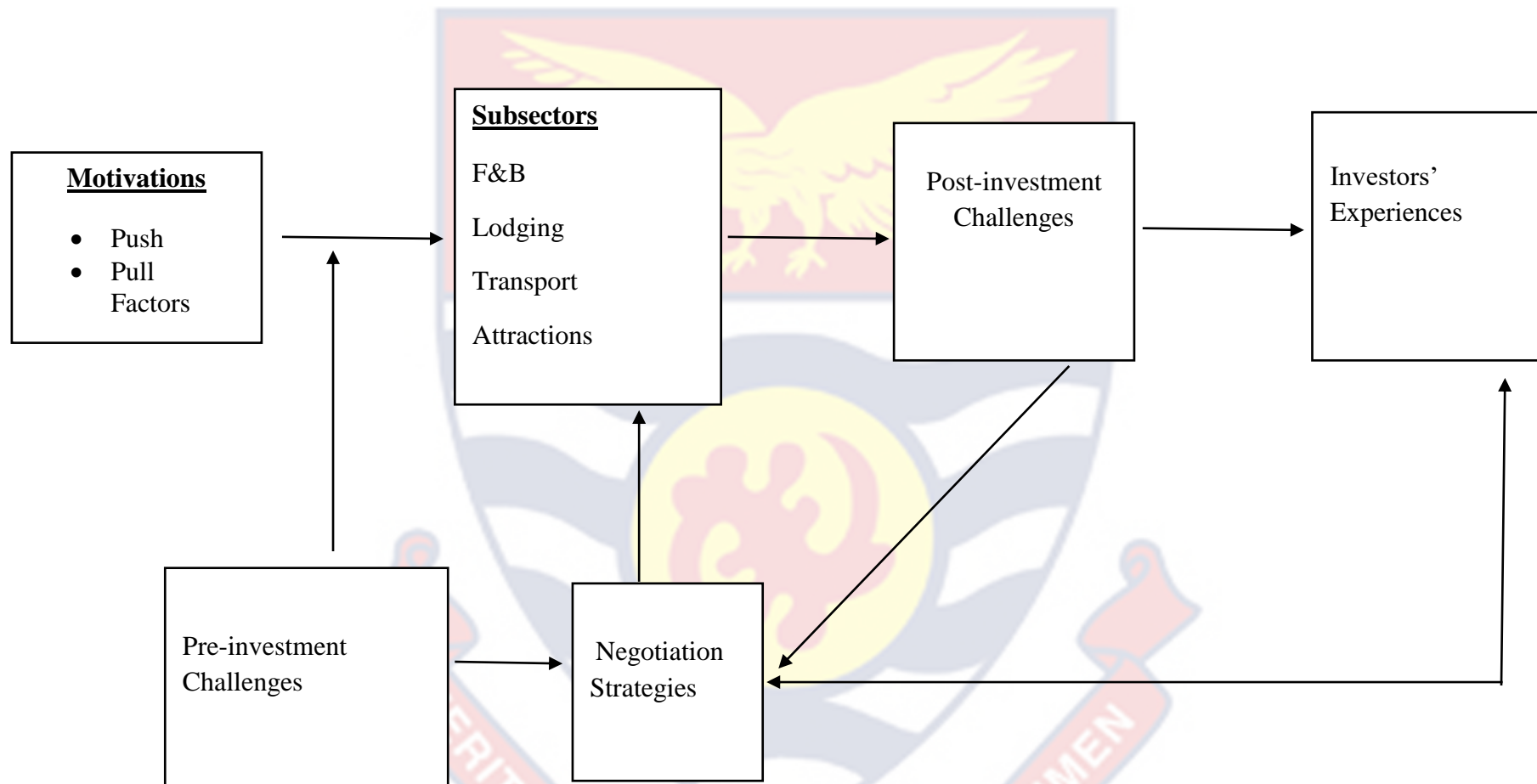


Figure 1: Conceptual Framework of African Diaspora Investors' Experiences in Ghana's H&T Industry Source: authors construct. (2022)

Figure 1, shows how the study is conceptualized. Motivation being the first box in the conceptual framework talks about the motivations for African Diasporas to invest or start a business. Motivation is categorized into Push (intrinsic) and Pull (extrinsic) factors. Push factors are those personal level factors that motivate a person to undertake any economic activity such as the desire to be one's boss or independent, or job dissatisfaction whereas the Pull factors are those external factors that pull an investor or an entrepreneur to engage in economic activity such as identification of a business opportunity or enabling business environment and which will then lead us to the second item.

Pre-investment Challenges are the Challenges that Ghanaian Diasporas faced, in their efforts to invest in Ghana's hospitality and tourism industry. Some of these Pre-investment Challenges for Ghanaian Diaspora Investors were access to the required capital for investment, difficulty in getting licenses and permits, and location issues. What is worth noting, however, is that some Diaspora investors did not encounter these Pre-investment Challenges thus it served as a moderating variable to the investment.

Investment in the framework talks about the specific subsectors in the hospitality and tourism industry that Ghanaian Diasporas have invested in. These subsectors are Food and Beverage services (F&B), which harbours restaurants, bars, pubs, and inns. The transport services, under which travel and tour operations and transport operators are also found. Lodging services, Hotels, Guesthouses, and Motels are also found, and finally Attraction sites such as heritage, cultural or natural sites. Post-investment challenges are the

next portions on the framework that sought the challenges that Ghanaian Diaspora Investors in Ghana's hospitality and tourism industry faced in running their investments/businesses. This then leads us to the last item in the conceptual framework.

Negotiation Strategies are the final item in the framework that sought to examine the Negotiation Strategies, employed by Ghanaian Diaspora Investors in the hospitality and tourism industry, in other words how they manage the difficulties or challenges that they face in their investment. All of these will create or sum up the Ghanaian Diaspora Investors' experiences in investing in Ghana's hospitality and tourism industry.

#### **Investors' Choice of Investment in their Continent of Origin**

The economy of every country is divided into several sectors and subsectors. This chapter will attempt to summarize the research on Diaspora investment in their home countries or continents and favourite industries. Researchers discovered in earlier studies that Diasporas favoured investing in real estate and home purchases over other economic sectors in their COO (Grant 2007; Smith & Mazzucato 2009; Mazzucato 2011; Erdal 2012)

For instance, according to Boly et al., (2013), more than 20% of international remittances to nations like Senegal, Nigeria, Burkina Faso, Uganda, and Kenya are used for physical capital investments like purchasing land, launching a business, or enhancing agricultural operations. Two out of every five (i.e. 40%) of Ghanaian Diaspora members in the UK who are interested in investing in Ghana believe that they would be interested in doing so in the property and real estate industry according to a Commonwealth report titled Diaspora Investor Survey (2018). About (32%) and 27% said

they would be interested in investing in health and education. About 23% of persons also expressed interest in investing in the lodging and food services sector. According to previous research, the Somali Diaspora places the most emphasis on investing in agriculture and real estate, followed by fishing and education (Benson et al., 2016).

Similar conclusions were reached according to Bloch (2008) and McGregor, (2014), which show a sizeable portion of remittances sent to Zimbabwe by the UK Diaspora was spent on purchasing real estate. Again, Chacko and Gebre, (2013) did a study on Diaspora investment in Ethiopia and discovered that real estate, farm machinery, hospitality service facilities, information communication technology, and retail services were the most popular sectors/areas of investment.

Contrary to the aforementioned findings, it was discovered that Caribbean Diaspora investors prefer to invest in the following sectors on a larger scale outside of Africa. Agriculture (41%) was the least competitive, followed by green energy and technology (40%), education (37%), real estate (33%), manufacturing (16), retail (12%), and wholesale (12%). This is accordingly, researchers such as Tansel and Yaşar, (2010) and Erdal, (2012) who also discovered a comparable tendency in Pakistan and the Turkish Diaspora. In those two nations, investing in land or homes was regarded as a symbol of success.

### **Motivations for Diaspora to Invest in their Continent of Origin**

Motivation, as a term largely denotes the forces that stimulate and direct human behaviour. (Kim, 2010). Motivation has also been defined as the intrinsic and extrinsic factors behind why and how a person's behaviour is activated and directed by Prebensen et al., (2012) this definition reinforces the push and pull concept of Hakim, (1989) that has been adopted for this study.

Diaspora motivation for investing in their country or continent of origin (COO) has received some level of scholarly attention although not extensively. There are multitudes of reasons which motivate the Diaspora to want to engage in economic activities such as investments in their (COO). In their study, Royle and Hall (2012) found that the defining factor for Diasporas to invest is the drive to achievement, which means that Diasporas are motivated to invest in their (COO) for social recognition and to create employment opportunities for people in their COO.

Scholars like Aldrich and Waldinger (1990), Light (2007), Riddle (2008) and Neuman (2016) argue that Diasporas are motivated to invest in their COO if government policies on the re-assimilation of Diaspora are favourable. Similarly, entrepreneurial activities and investments by Diasporas are encouraged in African countries with political stability, economic prosperity policies, and programmes that support talent promotion (Zweig 2006; Logan, 2009; Lu & Zhang, 2015), Neilsen and Riddle, (2010), proposed a theory, named Theory of Diaspora Investment Motivation (TDIM) that claims Diasporas are motivated to invest in their homeland for financial, emotional and social reasons.



Kuratko et al. (1997) also identified four elements that they think influence Diasporas' decision to invest in the (COO). These elements include family stability, independence, and extrinsic as well as intrinsic rewards.

Despite all these studies, not much is known about the Diaspora's motivation to invest in the hospitality and tourism industry, particularly the Ghanaian hospitality and tourism industry. Thus, this study's objective explore the Ghanaian Diasporas' motivations for investing in Ghana's hospitality and tourism industry, which helped in providing answers to fill that void and help the government and the appropriate authorities in their policy and decision-making.

### **Diaspora Investment Challenges**

Diaspora investors encounter a multitude of challenges before, during, and after investing in either host or home countries. Challenges can be termed as anything that threatens or hinders the progress of an investment or a business pursuit. Investors in general, including Diaspora investors, face several challenges in the business world. These challenges are business environment challenges, governance/political challenges, and financial system challenges according to a report by Commonwealth, titled Diaspora Investor Survey (2018).

### ***Business Environment Challenges***

Business environment challenges according to the report include poor infrastructure, high cost of inputs, insufficient raw materials supply, lack of skilled workers, and high cost of utilities. These are some of the major challenges or hindrances that affect investors, particularly in the African Continent. Further readings of literature; indicate that lack of trust or

trustworthiness is one other big challenge faced by Diaspora investors, particularly in the African continent. Finding a reliable partner or agent to do business with (Chrysostome 2014; McGregor 2014) is difficult and finally, power cuts and interruptions are equally major challenges Diaspora investors in Africa encounter, as revealed by (IFC, 2014).

### ***Governance and Political Challenges***

These issues arise from a nation's political structure or systems of government, such as lax legal protections, crime, political unrest, limited economic growth, and governmental limits on free speech and political rights. According to earlier research, (Amankwah-Amoah & Hinson, 2019; Amankwah-Amoah et al., 2019; Riddle et al., 2010), one of the difficulties faced by Diasporas is the weakening of formal institutions, which fosters extortion, corruption, and cumbersome procedures and discourages investment in the country or continent of origin of Diasporas (COO).

Again, Chacko and Gebre (2013), conducted a study in Ethiopia and found that lack of reliable information, constant changes in government policies, bureaucratic processes/barriers, and lack of logistical support were some of the impediments to Diaspora investors to investing in their country of origin.

### ***Financial System Challenges***

Currency fluctuations, high cost of money transfers, inflation, tax policies, lack of credit facilities, and high interest rates, are some of the financial system challenges that are identified as challenges hindering Diaspora investors' ability to invest in their country of origin according to Terrazas, (2010) and Rustomjee, (2018)

Perusing the literature, it is clear that currency fluctuations, corruption, weak legal frameworks/enforcement, bureaucratic processes, and irregular power supply seem to be expressed by most Diaspora investors in Africa as challenges identified in investing in their home countries or continent.

### **Negotiation Strategies of Diaspora Investors**

Numerous challenges exist for Diasporas' entrepreneurial and investment endeavours in both their Country of Residence (COR) and their Country/Continent of Origin (COO). Therefore, this subsection reviews relevant literature on how African Diasporas dealt with or mitigated these difficulties, particularly when making investments in their home countries. In their COO, Cohen (2017) emphasized the significance of developing plans to maximize the economic potential of the Diaspora at the national level. According to scholars like Brinkerhoff, (2016) Peng, (2014) and Riddle, and Brinkerhoff, (2011) Diaspora investors or entrepreneurs use the social networks of their relatives and friends to get around some of the obstacles they face when investing in their home country.

The argument is made that Diaspora entrepreneurs and investors are agents of development, can envision new alternatives, and come up with innovative ways to overcome their challenges and take advantage of the opportunities available. This is in addition to Diaspora investors' collaboration with their families and friends to mitigate their challenges (Amankwah-Amoah et al., 2007; 2018; Villares-Varela et al., 2018). On the other hand, relying on family and friends might not offer Diaspora investors long-term business answers to their problems. Alternatively, engaging in joint

ventures or looking for outside expertise may help them overcome obstacles and increase their competitiveness (Rana & Elo, 2017; Stoyanov et al., 2018).

On the part of governments of countries of origin of Diaspora investors, the governments need to put in efforts by way of policy formulations that are geared towards easing the burden of Diaspora investors and encouraging them to invest rather than frustrating those investing (Nkongolo Bakenda & Chrysostome, 2013). With regards to policies, governments in home countries of the Diaspora need to put in measures to check bribery and corruption happening at various state organizations to pave the way for the smooth running of businesses by Diaspora investors. Again, regular stakeholder engagement with the Diaspora and policies that are necessary for state agencies can be said to be a positive step towards redressing the challenges of the Diaspora by the home state governments

### **Chapter summary**

This chapter reviewed literature on the subject under study; some of the key areas that were covered in the review included the conceptualization of diaspora, theoretical review, conceptual framework, diaspora motivation for investment, challenges of diaspora investment, and negotiation strategies of diaspora investors. The review showed that there is little empirical research on the subject area. Nonetheless, the researcher draws from a broader available literature on the subject.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### Introduction

This chapter introduces the methods used to gather and analyze the study's data. It covers the study area, research design, the research philosophy, and sources of data, target population, sample size, sampling technique, as well as the instrument for data collection, data collection procedure, and data analysis of the study.

#### Research Philosophy

This study adopted a qualitative approach using an exploratory research design for its investigation, which aligns with the Interpretivist school of thought/philosophy. This choice was necessitated by the desire to obtain in-depth subjective opinions from the participants of the study. The study sought to examine each African Diaspora's investment experiences in the Ghanaian hospitality and tourism industry, hence the choice of a qualitative approach. This perspective of obtaining in-depth realities of individuals through a qualitative approach is shared by Creswell et al.,(2007).

#### Study Area

The area selected for the study was Accra Metropolitan Area. The selection of Accra Metropolitan Area for the study was chiefly due to statistics from the Ghana Investment Promotion Centre (GIPC) and data from the Ghana Tourism Authority (GTA). The quarterly investment reports from GIPC from 2015 through 2021 have all indicated a consistent majority of investment projects in all sectors in Ghana, located/centred in the Accra Metropolitan Area. This may be attributed to the fact that Greater Accra is the

capital of Ghana as well as a region with the highest population according to results of the just-ended 2020 Population and Housing Census, with a population of 5.4 million out of 30.8 million people in Ghana. Greater Accra was, therefore, an ideal area for the study due to the action of the majority of investment projects in the area according to GIPC.

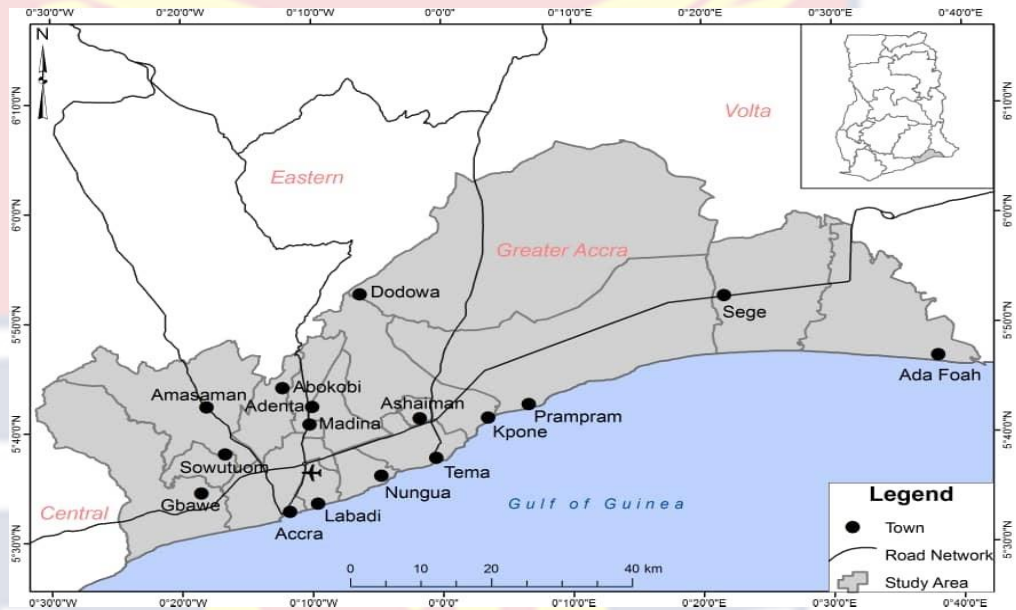


Figure 2: Map of the Study Area (Accra Metropolitan Area)

Source: Department of Geography and Regional Planning, UCC (2021)

### Research Design

The study adopted an exploratory design to provide an in-depth understanding of the phenomenon being studied. An exploratory research design was employed for the study because it is focused on providing in-depth knowledge of a phenomenon that has been less explored or a subject with little knowledge (Sarantakos, 2012), just like the case of African Diaspora investors' experiences in Ghana's hospitality and tourism industry.

### Target Population

The target population for this study was African Diaspora investors in the Ghanaian hospitality and tourism industry. For this study, African Diaspora refers to African Americans and Ghanaians who have lived overseas for a period of five or more years and are either "visiting or returned" to Ghana from overseas, irrespective of their nationality, generation, or citizenship. Visiting African Diaspora refers to Diasporas who are still living in their country of residence (COR) but have visited their continent of origin (COO) for purposes of a business, leisure, or visiting family and friends. Returned African Diaspora on the other hand refers to people who once stayed away from or who have never been to their continent of origin (COO) in the case of some of the African Americans, but have returned/moved to stay permanently.

The conceptualization of the African Diaspora for this study stems from the year of return campaign which was launched in the year 2019 with the main aim of positioning Ghana as a key travel destination and encouraging African Americans and African Diaspora to return home to Ghana to invest. The campaign promised certain incentives such as land acquisition assistance and, citizenships among others to these individuals as part of the efforts to encourage them to return home and invest, the study thus, sought to examine their investment experience in the Ghanaian hospitality and tourism industry, following the growing global awareness of Diaspora contribution to the development of their countries or continents of origin, particularly, the African Diaspora as supported by the (AU, 2005) and (Bakewell, 2015).

African Diaspora Investors for this study, therefore, refer to "visiting or returned" Diasporas who have collectively or individually, invested in revenue-generating ventures within the Ghanaian hospitality and tourism industry. These investments may include but are not limited to investing in lodging, (e.g., hotels, Guest houses, and service apartments.) F&B,(e.g., restaurants, chop bars, drinking spots, and coffee shops.) attractions, (e.g., Theme parks, safari, and heritage sites.), travel and tour operations (e.g., Transport operation, tour operation, and travel agencies.), meetings, incentives, conferences, events (M.I.C.E), and entertainment.

### **Sampling Technique**

The Snowball sampling technique was employed to sample participants for the study. Snowball sampling technique was considered appropriate for this study because of the scarce/rare nature of the target population for the study.

### **Sample Size**

Data were collected until saturation was reached; the points at which no new information or themes were observed in the data from the completion of additional interviews or cases, as stipulated by Guest et al., (2006). This point was reached at 17<sup>th</sup> participant of this study, which thus serves as the sample for this study. This sample size also falls within the recommended sample of 5 to 25 individuals to develop the possibilities of experiences for qualitative research according to Polkinghorne (1989) and Elo et al., (2014)

### **Sources of Data**

Data were collected from one main source (Primary). The primary sources of data were collected through a one-on-one in-depth interview with African Diaspora investors in the Ghanaian hospitality and tourism industry



using a snowball sampling technique. According to Taylor and Bogdan (1998: 77), in-depth interviewing is repeated face-to-face encounters between the researcher and informants directed towards understanding informants' perspectives on their lives, experiences, or situations as expressed in their own words.

### **Research Instrument**

Semi-structured In-Depth Interview (IDI) guide was used to collect data for this study. This was in line with the interpretivist paradigm, underpinning the study. The instrument was developed based on the study's focus and research questions. The IDI guide was prepared in the English language and administered in the English language. The Semi-structured In-Depth Interview (IDI) guide was structured into six sections. Section A: looked at the business characteristics, Section B: Looked at the motivation, Section C: Considered the challenges and Section D, E, and F Looked at negotiation strategies, investors' experiences and socio-demographic characteristics of the study's participants respectively.

### **Data Processing and Analysis**

The inductive content analysis technique was used to analyze the data with (NVivo 12 plus), a computer-assisted qualitative data analysis software (CAQDAS) which was employed to help organize interviews. The data were analyzed with the inductive content analysis technique because of its suitability for the phenomenon that has not been explored or covered in previous studies (Elo & Kyngäs, 2008). The inductive content analysis was performed according to the following phases: data reduction, data grouping,

and the formation of themes that were used to answer research questions, in line with Krippendorff's (1980) procedure. During the analytical process, data were carefully read over and over again, organized, integrated, and formed categories, and themes by carefully comparing the similarities and differences between coded data taking into consideration the research questions that guided the study.

### **Ethical considerations**

Study ethics help to protect the interests of research subjects while also promoting the research's credibility (Israel & Hay, 2006). The following ethical issues were considered during the data collection; confidentiality, anonymity, right to free consent, right to informed consent, and privacy. Also, an introductory letter was taken from the University of Cape Coast Department of Hospitality and Tourism Management (DHTM, UCC) to aid in the data collection process as well as an approval letter from the Institutional Review Board-UCC (IRB/UCC).

The consent of the participants was sought before the interviews. They were asked if they would be willing to participate in the interviews, those willing to participate were given the introductory letter, which contained the topic of the study as well as the purpose of the study. Their responsibilities were explained and they were made to understand that their participation is voluntary. Issues of anonymity and confidentiality were also ensured by the use of pseudo names to represent participants in the usage, storage, sharing and analysis of data. Consequently, data gathered were firmly secured electronically and used solely for academic purpose.

### **Limitations of the Study**

The first and foremost, one of the limitations of this study was the difficulty in getting access to the target population of the study, although many of the facilities/investments ventures made by the African Diasporas were located through snowballing, most of them were either busy or unwilling to participate or had traveled back overseas. This resulted in a much longer time in the field, than initially anticipated which lasted for over one (1) month thus affecting the timelines of the research.

Another limitation of the study was the cost involved in conducting the research. This is particularly because of the study area selected for the research, which happened to be the capital city of Ghana, and the cost of living is extremely high. This was very challenging since the research was not funded and the researcher had to incur all costs by himself for over one month which included transportation fares, feeding, and accommodation among other things.

### **Chapter summary**

This chapter described in detail the methodology of the study, as well where and how the study was conducted. The study area was Accra Metropolitan Area and the Data was primary source, which was collected on face to face in-depth interviews with 17 participants before saturation was reached. The semi-structured interview guide was used for the interviews using snowball sampling technique. Others social research ethics such as consent, anonymity, and confidentiality were also major considerations in this chapter.

## CHAPTER FOUR

### RESULTS AND DISCUSSION

#### Introduction

This chapter presents results and discussion in line with the study's objectives. The issues discussed include the socio-demographic characteristics of the participants such as their age, sex, level of education, marital status, and their countries of residence. The other issues covered in this study were the motivation for investing in the hospitality and tourism industry by African Diasporas as well as the reasons for their choice of subsectors. The latter parts of this chapter discussed in detail some of the challenges that the investors encountered and how they mitigated those challenges. We concluded the chapter with a discussion of the experiences of the investors in the Ghanaian hospitality and tourism industry.

#### Socio-demographic Characteristics of Participants

Table 1 shows the sex, age, level of education, country of residence, and marital status of the African Diaspora investors who participated in the study. A total of 17 Diaspora investors participated in the study before saturation was reached. Males represented 76.5%, and females were 23.5% of the participants in the study as displayed in Table 1.

**Table 1: Socio-demographic Characteristics of Participants**

Socio-demographic Characteristics	Frequency	Percentage
<b>Sex</b>		
Male	13	76.5
Female	4	23.5
<b>Age</b>		
<30	1	5.9
30-40	6	35.3
41-50	3	17.6
51-60	6	35.3
60 +	1	5.9
<b>Level of education</b>		
SHS/'O' Level	4	23.5
Diploma	1	5.9
HND	1	5.9
Bachelor's degree	7	41.2
Master's degree	3	17.6
Ph.D.	1	5.9
<b>Country of Residence</b>		
United Kingdom	7	41.1
United States of America	6	35.3
Germany	2	11.8
Japan	2	11.8
<b>Marital status</b>		
Married	14	82.4

Single	3	17.6
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Source: Fieldwork, Akazire (2022)

Table 1 show that there are fewer participants below the age of 30 years and above 60 years. Generally, concerning the ages, the results indicate that 88.2% of the participants are people between the ages of 30 to 60 years, while 11.8% represent people below 30 and above 60 years. In terms of the level of education, 41.2% had a first degree, 23.5% were O' level/SHS holders, 17.6% had master's degree, and Diploma, Higher National Diploma (HND), and Ph.D. holders were 5.9% each.

With regard to the countries of residence, four (4) countries emerged from the results as places where the participants resided during their stay overseas in this study. United Kingdom (UK) had 41.1%, residents followed by the United States of America (USA) with 35.3% residents Germany and Japan each recorded 11.8% residents each. Regarding marriage, 82.4% of the participants were married while 17.6% were single. The results, thus, add a new view to the literature on some issues of African Diaspora investors in the Ghanaian hospitality and tourism industry.

### **Investors' Choice of Hospitality and Tourism Subsectors**

The hospitality and tourism industry comprises several subsectors, including but not limited to lodging (accommodation), food and beverage (F&B), attractions, travel and transportation, meetings, incentives, conferences, events (M.I.C.E), and entertainment, among others. Consequently, two hospitality and tourism subsectors attracted investment

from the African Diaspora investors and these were F&B and Lodging subsectors.

Regarding the food and beverage (F&B) subsector, results from the study showed that it was the most preferred subsector with 65% of investors. Specifically, 53% of the participants invested in restaurants and the remaining 12% also invested in pubs, making it the most preferred subsector by the investors in the study.

For the lodging (accommodation) subsector, the results indicate that 35% of the participants invested in this subsector, particularly in the hotel business. However, there were no investors in the other subsectors of the industry who participated in this study. Some reasons accounted for the choice of the subsectors that participants invested in and these reasons are discussed below.

### **Reasons for Investors' Choices of Subsectors**

Three main themes emerged from the results as the reasons why participants chose the subsectors that they invested in, these were, the identification of a business opportunity, investing in things they love doing (hobby), and perceived high returns on the chosen subsectors. Some excerpts of the reasons for their preferences are discussed below.

#### ***The Identification of a Business Opportunity***

One of the main ideas obtained from the results regarding participants' choice of the subsectors that they invested in was the identification of a business opportunity. For instance, one participant said this.

*“Okay, the reason is that I have been living overseas for a long time, and considering the hotel cost overseas*

*in those days in 1997 when I returned to Ghana, I realized that there were only a few hotels in the country and they were very expensive, especially in Accra which is the capital city. It was also difficult to get accommodation and when you make a reservation, you need to pay in full to confirm your reservation. When you are a visitor coming to Ghana in those days, accommodation was an issue because there were not many facilities back then and even the few available hotels did not have enough accommodation or rooms except Golden Tulip and a few others, so I saw it as an opportunity to invest in the commercial accommodation subsector” (Paul, a 58-year old Japan-based Ghanaian investor with over 20 years of experience in the hotel business. 27<sup>th</sup> June, 2022).*

This response shows that the participant returned to Ghana several years ago and realized that there was a problem of insufficient commercial accommodation facilities (Hotels) which he saw as an opportunity since Accra is the capital city of Ghana and there will most likely be a regular demand for accommodation more so in those days. Thus, he saw it as a business opportunity to tap into.

Continuing on why participants preferred to invest in the subsectors they did, another investor had this to say when asked why he preferred the pub business.



*“I was motivated to start the drinking spot business because Lapaz is a busy and chilling town if I should put it that way, and there are always birthday parties here and there so I thought to myself why not take advantage of this situation and put up a spot?”* (Joe, a 30-year old UK-based Ghanaian investor with 10 years of investment experience in a pub business. 28<sup>th</sup> June, 2022)

The views expressed by Joe above indicate that his location presented him with a business opportunity so, he capitalized on it and provided the people with what they needed by investing in the pub business.

In support of the above views, a pub owner said this when asked why he preferred investing in the pub business.

*“In every society consumption is very high, especially in Ghana and Accra. Whether people have money or not, they will surely eat and drink and have their leisure time, it has nothing to do with their financial power. So, the pub business is one area that when you invest well in it, you can easily get returns on your investment with less risk”* (Ray, a 57-year-old Hamburg-based Ghanaian investor with 9 years of experience in the pub business. 17<sup>th</sup> July, 2022).

### ***Investing in Things they Love Doing (Hobby)***

The study also found hobbies or participants' love for doing something as one of the reasons for their choice of a particular subsector. Some

participants said in the interviews that they invested in some subsectors because they enjoy performing those activities as their hobbies. These responses were mostly heard from investors in the restaurant business. This was what one of the participants said.

*“That is an interesting question; the reason is that I and food have a thing hahaha. My mom owns a chop bar so growing up, I was always with food and I like to cook and also to eat so that is where the passion and motivation to do this came from”* (Joyce, a 34-year old UK-based Ghanaian restaurant owner with 5 years of investment experience 20<sup>th</sup> July, 2022).

Similarly, another restaurant owner who has operated for 8 months also had this to say when he was asked why he invested.

*“Ummm well, my wife likes cooking, so that is why we started with the restaurant, but hopefully we will transition to something else in the future so this is just a start”* (Santa, a 55-year old American-based Ghanaian restaurant owner who has operated for 8 months. 20<sup>th</sup> July, 2022).

Continuing on that same issue of participants' preference of subsectors that they have invested in, one of the investors said this.

*“Hahaha, that's something that is a long story. Well, I am a food blogger and a recipe creator. I love to travel and taste different cultures and their food. so, you can refer to me as a foodie. I have followers on my social*

*media where I kept posting food and new recipes that I have tried my hands on, and my followers were constantly asking me where they can get my food to buy and all that. They kept encouraging me to open a restaurant and sell the food I had been posting. Then I decided to give it a thought since it is something I already love doing and that has led to this” (Anne, a 39-year old UK- based Ghanaian restaurant owner with 1 year 5 months experience of investing in the restaurant business. 30<sup>th</sup> July, 2022)*

These responses showed that some participants of the study invested in their preferred subsectors mainly because of their love for the particular activity as can be seen in the case of food lovers investing in restaurants and so on. This can be viewed as something positive because when you love doing something, you are very likely to put much effort into it for it to succeed as compared to something that you do not have much love for. Thus, it is a critical factor to consider when investing.

#### ***Perceived High Returns on Investment***

Some of the participants recounted that they chose the subsectors that they had invested in because of the perceived high returns. According to some of them, they were driven to invest in those subsectors because of the perceived high returns. For instance, a restaurant owner recounted this.

*“I preferred this subsector mainly because of the gains. I have a few friends who operate restaurants and they tell me it’s profitable.” (John, a 27-year old Germany-*

based Ghanaian restaurant investor with 6 years of investment experience. 20<sup>th</sup> July, 2022)

### Chapter Summary

The results from the study indicated that the participants chose two main subsectors, Food and Beverage (F&B) and lodging (accommodation). The choice is attributable mainly to three reasons, the identification of a business opportunity, investing in things they love doing (hobbies), and perceived high returns on investments. This finding, however, is contrary to previous studies (Grant 2007; Smith & Mazzucato 2009; Mazzucato 2011; Erdal 2012), who found real estate as the preferred sector for investment by the diasporas. The findings thus add a new perspective to the literature on diaspora investment, specifically, the African Diaspora investors in the Ghanaian hospitality and tourism industry. Additionally, it is also very useful to the Ghana Investment Promotion Centre, Ghana Tourism Authority, and the government because it sheds light on the subsectors within the Ghanaian hospitality industry which some of the African Diaspora investors preferred most to invest in and their reasons for those choices, which could be a very useful marketing tip for the regulatory bodies responsible for the hospitality and tourism industry administration.

### **Motivations for Investing in Ghana's Hospitality and Tourism Industry**

Motivation, as a term largely denotes the forces that stimulate and direct human behavior. (Kim, 2010). It has also been defined as the intrinsic and extrinsic factors behind why and how a person's behavior is activated and directed Prebensen et al., (2012) these definitions reinforce Hakim's (1989) Push and Pull Theory which guided this study. Generally, there are multitudes of reasons which motivate people to want to engage in economic activities such as investment. This study, thus, sought to understand the motivations or the driving forces that led the African Diaspora Investors to invest in the Ghanaian hospitality and tourism industry.

Consequently, Nine (9) themes emerged from the results as motivations for investing. They were: the identification of a business opportunity, generation of income, love for the country (patriotism), the desire to create jobs for the unemployed (altruism), the benefit of tax holidays on importation of equipment for the business, fulfillment of dreams, investing in ventures towards retirement, investing in businesses that are easy to monitor, and safe business environment due to the political stability.

These motivating factors were further categorized into two mains, Push factors (generation of income, fulfillment of dreams, the love for the country (patriotism), the desire to create jobs for the unemployed, investing in ventures towards retirement, and investing in businesses that are easy to monitor and the Pull factors (the identification of a business opportunity, the benefit of tax holidays on importation of equipment for the business, and safe business environment due to political stability, which is in line with Hakim's (1989) Push and Pull Theory of Entrepreneurship that guided the study.

After analysis of the results, identification of a business opportunity was seen as the theme with most participants identifying with it as their motivation for investing in the industry. Secondly, the results showed that love for the country (patriotism) was the next theme in terms of how many people identified with it as their motivation for investing. For instance, some of the participants said they invested in Ghana because they consider it home and can easily identify with the people culturally.

Additionally, the study's results indicate that the generation of income, the desire to create jobs for the unemployed, and investing in ventures toward retirement were some of the motivations for investing. These themes were further discussed below to give more clarity on how they motivated the participants to invest in the Ghanaian hospitality and tourism industry.

### ***The Identification of a Business Opportunity***

First and foremost, the study found the identification of a business opportunity as a theme with most participants siding with it as the motivation for investing in the industry. Many of the participants said they were motivated to invest in the Ghanaian hospitality and tourism industry because they saw a business opportunity and took advantage of it. This was what an investor said when he was asked about his motivation for investing in the Ghanaian hospitality and tourism industry.

*“Okay, amm! Drinking spot is a business that most people don't respect, but I tell you there is money in this business. And I can say within a week if you make good sales, you can make 5000 as profits, and I'm talking about here, how about spots that are bigger*

*than this place and the celebrities go there frequently, you can imagine how much money they will be making. So, this investment is a hidden business opportunity that many people disregard” (Joe, a 30-year old US-based Ghanaian pub owner. 28<sup>th</sup> June, 2022)*

This response indicates that the participants saw the drinking spots business as an opportunity because it is an area that has been neglected by many investors who do not have an idea of how lucrative it is.

Similar thoughts were expressed by another restaurant investor with 26 years of investment experience who said this.

*“I was motivated to set up the business and take advantage of the ready market here at Osu because when Foreigners visit Ghana, they come here a lot and they like to eat and drink, and Osu provides that fertile ground for whatever you sow to easily becomes fruitful, especially in the food and drinks business” (Jude, a 57-year old US-based Ghanaian restaurant owner with 26 years of investment experience. 21<sup>st</sup> July, 2022)*

In support of the above views, another participant recounted his motivation for investing in the industry and this was what he said.

*“While in Japan, I was doing business in Thailand and anytime I went there, most of the hotels were usually fully booked so I said to myself, since these hotels are always full whenever I visit, then it must be a good business. So, I returned to Ghana and also invested in*

*it” (Paul, a 58-year old Japan-based Ghanaian investor in the hotel business with over 20 years of investment experience. 27<sup>th</sup> July, 2022)*

Similarly, an investor in the restaurant business had this to say.

*“I wanted a place where I could get food that I was used to, I mean a blend of what I am used to eating back in the UK and also something Ghanaian because my wife and I travel a lot and we do eat out a lot so I wanted foods that we are used to liking lasagna, spaghetti, and bolognese. But unfortunately, and fortunately for me, not many of those places existed in those days. Then the idea struck me why don’t I take advantage of the opportunity and start something like that, I came up with a concept, made a logo and I asked friends if they knew anyone I could employ as staff. I then started with 10 people in a small restaurant in East Legon.” (Disney, a 48-year old UK-based Ghanaian restaurant owner with 11 years of experience in operation. 20<sup>th</sup> July, 2022)*

### ***The Love for the Country (Patriotism)***

Secondly, the results of the study showed that participants’ love for their country (patriotism) was one of the motivating factors for them to invest in the industry. Regarding this, the views expressed by participants were that they are motivated to invest because of their alliance, ties, or relationship with Ghana, such the desire to contribute to the development of mother



Ghana, their motivation to give back to society, and their feeling of belongingness. For instance, one of the participants said this.

*“I left Ghana in 1979 with my parents to the UK when I was 5 years old. So, the feeling to return home and contribute in my little way towards developing Ghana has always been there, until I visited in 2008 and wanted something to eat and my options were limited then I said boom this is an opportunity to try something in the food business here and return home even though I was doing well in the UK as a real estate agent with my agency, I felt I was needed more in Ghana here and that there was an opportunity here at home for me”*  
(Disney, a 48-year UK-based Ghanaian restaurant owner with 11 years of experience in operation. 20<sup>th</sup> July, 2022)

Continuing on that tangent, another investor had this to say.

*“I invested here in Ghana because this is home, and I also see it as a way of creating opportunities for other people. Because I am a recipe creator, I come up with new recipes now and then and I feel it would be a great opportunity to share my skills, especially with the young ones coming up”.* (Anne, a 39-year-old restaurant owner with 1 year and 5 months experience of investing in the restaurant business. 30<sup>th</sup> July, 2022)

Affirming the view of patriotism as a motivation for investing, an investor in the hotel business had this to say when he was asked what motivated him to invest in the Ghanaian hospitality and tourism industry.

*“The thing is, I was doing business in the USA and Japan, but there is something called “home sweet home” yeah. I never actually thought I would stay that long overseas so when I came to Ghana and saw that there was an opportunity in the hospitality industry, I decided to open a hotel business so that I could stay here at home with my family after all there is no place better than home”. (Paul, a 58-year old Japan-based Ghanaian investor with over 20 years of experience in the hotel business. 27<sup>th</sup> June, 2022).*

### ***Generation of Income***

Continuing on the issue of motivation, some of the participants also recounted that their primary motivation for investing in the industry was to generate income. They said they wanted to generate income for themselves and their families and that was the drive behind their investment.

For example, one of the investors with many years of investment experience gave this as his motivation for investment.

*“Well, I will say the main reason that motivated me has always been that I wanted to generate income for myself and my family and that pushed me to come up with the idea of starting a restaurant business. Look at all these people, they are my responsibility and I take*

*care of all of them hahaha”* (Jude, a 57-year old US-based Ghanaian restaurant owner with 26 years of investment experience. 21<sup>st</sup> July, 2022)

Another participant shared a similar view as his motivation for investing in the Ghanaian hospitality and tourism industry. He said this.

*“My main motivation is to earn money. The stress we go through abroad is not easy, so I came back to Ghana to do this one so that I can be generating something small for myself”* (Ray, a 57-year old Hamburg-based Ghanaian investor with 9 years of experience in the pub business. 17<sup>th</sup> July, 2022)

One participant who invested in the hotel business expressed a similar view.

According to her, she invested because

*“I think every business goal is to build good client relationships as well as make a profit, so I had the property already in Ghana, and I weighed options and realized that I would make more money with the accommodation and that was my motivation. (Lina, a 38-year-old US-based Ghanaian hotel owner with 5 years of investment experience. 28<sup>th</sup> June, 2022)*

### ***The Desire to Create Jobs for the Unemployed Youth***

The desire to help provide job opportunities for others was the next theme that emerged from the participant’s responses as motivation for investing. Some of the participants said they invested purposely to create employment opportunities for the youth because they had observed that there

was rising unemployment. Hence, they are motivated to contribute in the little way they can to help create jobs for people in the country. Some excerpts are quoted below.

*“Well, I was motivated to invest because I am a Ghanaian and I see it as a way to give back to my community especially here in Osu where I grew up. It is the little thing I can also do at my level to contribute to the forward movement of this country as you can see, I have created employment for a lot of young folks around here and far which goes a long way to reducing unemployment in this country”* (Don, a 54-year old US-based Ghanaian investor with 10 years of experience investing in the hotel business. 18<sup>th</sup> July, 2022)

Also, Chris had this to say when he was asked about his motivation for investing in the Ghanaian hospitality and tourism industry.

*“Growing up in Ghana, my family was very very poor even to the extent that some days what to eat was a problem for us. However, I was fortunate to travel outside of Ghana to the United States and at least I wouldn't say I am rich but things are better than before and I have been thinking of something that I can do to help create opportunities for the young ones coming and I think opening something like this will help me to create employment opportunity for the youth. At the moment 18 people now have jobs because of this place”*

(Chris, a 37-year old US-based Ghanaian investor in a restaurant business. 20<sup>th</sup> July, 2022)

Supporting the views expressed by other participants, a 39-year-old restaurant owner said this.

*“I invested here in Ghana because this is home, and I also see it as a way of creating job opportunities for other people. Because I am a recipe creator, I come up with new recipes now and then and I feel it would be a great opportunity to share my skills, especially with the young ones coming up”* (Anne, a 39-year old UK-based Ghanaian investor in a restaurant business. 30<sup>th</sup> July, 2022)

These responses from the participants indicate that they were motivated to invest in the industry because they wanted to contribute to the development of Ghana by creating jobs for the Ghanaian people through their investments. This finding supports a previous study by Royle and Hall (2012), who found that the defining factor for Diasporas to invest is the drive for social recognition and to create employment opportunities for people in their COO.

### ***The Benefit of Tax Holidays on the Importation of Equipment for the Business***

Tax holidays were some of the incentives that motivated some of the participants to invest in the Ghanaian hospitality and tourism industry. Some participants said the time they were thinking of investing, the government of Ghana was giving tax exemptions to investors for the items that they needed

to import for their business, and that was what motivated them to invest.

Some excerpts of these responses are seen below.

*“Even though we were in 1997 and the governance system was in some way the motivating factors were that in those days, the government was giving five years of tax holidays for new investors and duty-free importation of materials for the business such as air conditioners and other equipment which encouraged me to invest”* (Paul, a 58-year old Japan-based Ghanaian investor with over 20 years of experience in the hotel business. 27<sup>th</sup> June, 2022).

The participant’s response showed that although Ghana was coming out of military rule as a nation, there were motivating factors in the form of tax holidays and duty-free imports which attracted him to invest.

Similarly, another investor also said she was motivated to invest because she was given a duty-free on her imports to start the business. This was what she said

*“I had the benefit of enjoying tax exemptions on the equipment and everything that I needed to import in support of my business and that was motivating enough to invest and even expand”* (Edna, a 47-year old UK-based Ghanaian restaurant owner with four years in operation. 29<sup>th</sup> June, 2022)

### *Fulfillment of Dreams*

Additionally, some of the participants of the study said they were motivated to invest in the Ghanaian hospitality and tourism industry in fulfillment of their dreams. For instance, an investor with 13 years of experience investing in the hotel business, said this

*“Hmmm! Talking about my motivation, I will tie it to two main things. The first reason or motivation is that when I was a child, I had always dreamt of being rich and owning a very tall building, I remember telling my grandmother I would build a very tall building when I grew up, and so building this seven-story building was more of fulfilling a lifetime dream. The second motivation for doing this is that my father’s dream was to own a hotel and he actually built one in Achimota but unfortunately, the year he finished building it and was about to commission it, he passed on and so I was motivated to open an even bigger hotel in fulfillment of my dad’s dream. That is where the name of the hotel Mensvic came about, a combination of my parents’ names, Mensah and Victoria.”* (Jack, a 58-year old Japan-based Ghanaian investor with 13 years of experience investing in the hotel business. 20<sup>th</sup> July, 2022).

In support of the view expressed by Jack, another investor in a restaurant also expressed this view as her motivation for investing in the Ghanaian industry.

*“My motivation to start this restaurant business primarily came from my background in hotel and catering and the dream to be an owner of a business like this since my secondary school days when I was in the home economics class.” (Edna, a 47-year old UK-based Ghanaian restaurant owner with four years in operation. 29<sup>th</sup> June, 2022)*

These responses by the participants indicate that it has been their lifelong dream to have businesses within the industry, and that was the driving force that led them to invest.

#### ***Investing in Ventures towards Retirement***

Continuing with what is the motivation for participants to invest in the Ghanaian hospitality and tourism industry, a retirement plan was one of the themes that emerged from the results of the study as a motivation for investment. Some of the participants in the study said this.

*“Okay, I have lived in Hamburg for 31 years now, and I will say the motivation to invest in this subsector is that at a certain point in life when you have lived overseas for a longer time you would want to be making plans in your home country for retirement. So basically, I invested in this as part of my retirement plans because I don’t want to retire and come and be idle and die early so, I did this thing to keep me busy and happy when I return home to Ghana because I don’t intend to live all my life in Europe” (Ray a 57-year old*



Hamburg-based Ghanaian investor with 9 years of experience in the pub business. 17<sup>th</sup> July, 2022).

Affirming the view of Ray, another investor also said this

*“My motivating factor for investing was that I was born and raised in the UK, and have worked all my lifetime there, but upon visiting Ghana, I realized that there are a lot of untapped opportunities so I decided to start this investment and return home when I retire there will be something for me to fall on by then”* (Mark, a 31-year old UK-based Ghanaian investor in a hotel business. 19<sup>th</sup> July, 2022)

The above responses among many others according to the results show that some of the participants invested in the industry as a haven against retirement from their current jobs and that was their motivation for investing in the Ghanaian hospitality and tourism industry.

#### ***Investing in Businesses that are Easy to Monitor***

One of the motivating themes that emerged from the study's result was that some participants were motivated to invest in business ventures that they could easily monitor even from afar. The response according to participants is due to the issue of a lack of trustworthy people to do business with in Ghana. Most of the participants indicated that they had previous issues of trust and were therefore looking at ventures in that they could easily monitor the progress or failures of their investments. This finding supports previous studies (Chrysostome 2014; McGregor 2014) which found that it is difficult finding a reliable partner or agent to do business within Africa. A pub owner

had this to say when he was asked about his motivation for investing in the Ghanaian hospitality and tourism industry.

*“Okay at first, I was into transport operation or business, but the drivers were not being honest with me so I collapsed that business and shifted my attention towards the drinking spot business since with that one I can easily monitor my sales because when they finish selling, I’m here so I will know what sales have been made in a day”* (Joe, a 30-year old UK-based Ghanaian investor with 10 years of investment experience in a pub business. 28<sup>th</sup> June, 2022)

Another participant also said this.

*“I am still living in the United States and so, when I think of any investment, one of the things I look out for is a business I can monitor the progress even when I am not here in Ghana and the hotel business seems like something that I could monitor while in overseas and that motivated me to invest in it because these days there is little trust when dealing with people so when I am investing, I am very careful.* (Don, a 54-year-old US-based Ghanaian investor in the hotel business with a decade of experience in the industry. 18<sup>th</sup> July, 2022)

This finding shows that the investors do not want to put their money into an investment and that when they move back overseas; they may not be able to monitor the progress of such an investment. Thus, they saw some of the

subsectors within the Ghanaian hospitality and tourism industry as investments that they could easily monitor hence they were motivated to invest.

### ***The Safe Business Environment Due to the Political Stability***

Finally, participants' motivation for investing in the Ghanaian hospitality and tourism industry was the safety of their investments due to the political stability in Ghana. The majority said they were motivated to invest in Ghana because of the political stability in Ghana where they know that their investments are safe. Some excerpts of these responses by participants are seen below.

*“I was motivated to invest because we are in a democratic dispensation it was no longer a military rule whereby someone will come and ask you where you got your money and all that. The political stability was one of the motivating factors that convinced me to invest in the Ghanaian hospitality and tourism industry because I know that my investment will be safe”* (Paul, a 58-year old Japan-based Ghanaian investor with over 20 years of experience in the hotel business. 27<sup>th</sup> June, 2022).

In support of this view expressed by Paul, another investor had this say.

*“The motivation is that Ghana is a very peaceful country and when you invest here, you don't sit at home and worry that political instability or unrest will cause you to lose your investment or something like that. I*

*could have chosen to invest anywhere but I invested in Ghana because of the political stability which gave me confidence that I will not lose my investment” (Macho, a 46-year old UK- based Ghanaian restaurant owner with more than a decade of experience. 20<sup>th</sup> July, 2022)*

On that same political stability as a motivation for investing in the industry, another Participant who invested in the hotel business said this

*“The external motivating factor was the peace and political stability that is in Ghana. when I was planning to invest, I was looking at the possible places I could invest and Ghana came up strongly not necessarily because I am Ghanaian but because of the political stability and how peaceful the country has been over the years as compared to other African countries and that was the motivation for me” (Regi, a 61-year old US-based Ghanaian investor in a hotel business with more than a decade experience investing in the industry. 19<sup>th</sup> July, 2022)*

This finding affirms previous studies by (Zweig 2006; Logan, 2009; Lu & Zhang, 2015), who found political stability, economic prosperity policies, and programmes that support talent promotion to have encouraged entrepreneurial activities and investments by Diasporas in African countries. This finding thus implies that governments across the continent should ensure that there is peace and political stability in their states since that is one of the strong indicators that investors look out for when they think of investing. Being

rational as they (investors) are, they will not invest their money in any nation suffering from political unrest.

### Chapter Summary

Generally, several reasons motivate people to do things or engage in an economic activity such as investment. This part of the study sought to find the motivation for the African Diaspora investors to invest in the hospitality and tourism industry. Several motivating factors were given by the participants of the study as their motivation for investment which were further categorized into two mains, (Push motivational factors and Pull motivational factors). Under each of these factors, take for instance the Push motivational factors, the study found generation of income, fulfillment of dreams, the love for the country (patriotism), the desire to create jobs for the unemployed, investing in ventures towards retirement, and investing in businesses that are easy to monitor as intrinsic motivation factors for the investors while the Pull motivational factors were identification of a business opportunity, the benefit of tax holidays on importation of equipment for the business, and safe business environment due to political stability being the extrinsic motivation factors for investors to invest. Some findings of this study thus support previous studies (Chrysostome, 2014; McGregor, 2014) which found that it is difficult finding a reliable partner or agent to do business within Africa (Zweig, 2006; Logan, 2009; Lu & Zhang, 2015) found political stability to have encouraged entrepreneurial activities and investments by Diasporas in African countries. This finding thus implies that governments across the continent should ensure that there is peace and

political stability in their states since that is one of the strong indicators that investors look out for when they think of investment.

### **Challenges of Investing in Ghana's Hospitality and Tourism Industry**

The study further analyzed the challenges that African Diaspora Investors faced at the inception of their investments and the current challenges they were facing at the time of the study. Challenges for this study are termed as anything that threatens or hinders the progress of an investment or a business pursuit. Out of that, several themes emerged from the results as the challenges encountered by the investors. These challenges were further categorized into two main pre-investment and post-investment challenges.

#### **Pre-investment Challenges**

The study divided the investors' challenges into two main, pre-investment challenges, which sought to understand some of the difficulties or hindrances that the African Diaspora investors encountered at the beginning or earlier days of their investment, and their post-investment challenges, which sought to understand the current challenges as at the time the research was being conducted, the problems the investors were encountering. This was to help explain the issues properly and to also help readers appreciate the issue under investigation better. The themes that emerged under pre-investment challenges were: difficulty getting a good location to start a business, difficulty in raising initial capital, dishonesty of employees and artisans, lack of requisite managerial skills of investors, and facing community resistance. These themes are further discussed below.

### Difficulty Getting a Good Location to Start a Business

To begin with, one of the major challenges that most of the participants of the study mentioned as their initial or pre-investment challenge was finding a good location to start their businesses. Location is considered very important in businesses because it can significantly affect the demand and profitability of businesses according to previous research (Lockyer, 2005; Vivel-Búa, & Martorell-Cunill, 2016). Finding a good location was therefore a very big challenge for some of the investors. For instance, one participant said this when he was asked about his pre-investment challenges

*"I will say one of the challenges I had at the beginning was getting a good location to start. You know the restaurant business is such that location is very important to the success of the business. So, I didn't find it easy getting this location at Kanda it took me time and a lot of money to have a location like this" (Chris, a 37-year-old UK-based Ghanaian restaurateur with more than a decade of experience investing in the industry. 29th June, 2022)*

On the same point of location as a pre-investment challenge, another investor in the restaurant business said this

*"Finding a good location to operate was my biggest challenge. I told you that I started from my mom's kitchen, right? So, moving out and finding a good location to start this restaurant business was the problem. And as you may be aware, location*

*is very important in the restaurant business"* (Joyce, a 34-year old UK based Ghanaian restaurateur with 5 years of experience investing in the industry. 20th July, 2022)

This finding concurs with previous studies (Lockyer, 2005; Vivel-Búa, & Martorell-Cunill, 2016), which found a location very important in businesses because it can significantly affect the demand and profitability of businesses.

### **Dishonesty of Employees and Artisans**

Another theme that emerged from the study's finding on what were the initial challenges of investors was the issue of the dishonesty of some of the employees and the artisans they hire to work for them, i.e., masons, and carpenters. Many of them said that they encountered a lot of acts of dishonesty and untrustworthy people when setting up their businesses. This is also in line with previous research (Chrysostom, 2014; McGregor, 2014) which found that it is very difficult to get a reliable partner or agent to do business within Africa. Some excerpts of these responses are seen below. For instance, an investor in the hotel business for over two decades had this to say

*"The challenge we faced at the beginning was the dishonesty of Ghanaian workers. People in Ghana steal everything and anything, I remember when we first started the business, there was one weekend, on Sunday that I decided to visit the hotel, and I met one of the staff who had come to the hotel and stolen onions that filled a polythene bag and when he saw me, he was trying to hide it by covering it with his clothes and I confronted*



*him and asked what was in the bag and he told a lie that he came to wash something meanwhile he had stolen onions"* (Paul, a 58-year old Japan-based Ghanaian investor with over 20 years of experience in the hotel business. 27th June, 2022).

Another investor also said this when the question about her initial challenges investing in the Ghanaian hospitality and tourism industry was asked, she said.

*"One of the challenges was the issue of theft. The employees often stole from us and we didn't know especially the kitchen and housekeeping staff. They were taking food items and towels home which we later discovered"* (Lina, a 38-year old US-based Ghanaian hotel owner with 5 years of investment experience. 28th June, 2022)

Concluding on dishonesty as one of the pre-investment challenges for African Diaspora Investors in the Ghanaian hospitality and tourism industry, one investor also said this.

*"I remember at the beginning my wife and I were not around to supervise the project ourselves, people and the workers took advantage of that and were redirecting funds meant for our project to personal use. So, I will say one major challenge is that people you think you could trust turn out to be dishonest a lot in this country"* (Jack, a 58-year-old Japan-based Ghanaian investor with 13 years of experience investing in the hotel business. 20th July, 2022).

This finding supports earlier studies (Chrysostom, 2014; McGregor, 2014) which found that it is very difficult to get a reliable partner or agent to do business within Africa. This indicates that Diaspora investors have little trust in the people they work with, which supports the earlier point expressed by some investors that they prefer businesses that they can easily monitor even if they are not around.

### **Difficulty in Raising Initial Capital**

Additionally, one of the themes that were generated from the participant's responses regarding their investment challenges was the issue of the difficulty of raising initial capital to start the business. Some said even though they came back home with money, investing within the hospitality and tourism industry is a capital-intensive investment and so, raising enough money for such investments was very challenging. For instance, a pub owner had this to say when he was asked about his pre-investment challenges in the Ghanaian hospitality and tourism industry.

*"Okay, let me put it this way, raising capital was the initial challenge for me because it requires a lot of money to start this sort of business. If I were to tell you the amount of money that went into establishing this small place, you would be shocked. Take the shades, for instance, it costs 12,000 cedis to put up these small shades. But I sailed through because I have been saving for this purpose over the years"* (Ray, a 57-year-old Hamburg-based Ghanaian investor with 9 years of experience in the pub business. 17th July, 2022)

Also, another investor said this when the researcher asked him about his pre-investment challenges in the Ghanaian hospitality and tourism industry.

*"Initially, I did not have most of the things I needed to operate the business like a sound system, and a freezer, the place was just a small container. So, I will say finance was my biggest challenge from the beginning because I had to go for credit to buy sound systems and freezers but fortunately when I started, business was good so I was able to pay off my debts within a short while"* (Jude, a 57-year old US-based Ghanaian restaurant owner with 26 years of investment experience. 21st July, 2022)

Similarly, Lina said this.

*"Another challenge that I faced at the beginning was the issue of raising the initial capital to start the business. I thought I had enough money to invest but I later realized that it was not as easy as I had imagined hahaha, all the money was vanishing into getting equipment and other things, and even getting the space to operate was so expensive"* (Lina, a 38-year old US-based Ghanaian hotel owner with 5 years of investment experience. 28th June, 2022)

These responses by the participants indicate that investing in the Ghanaian hospitality and tourism industry comes with huge capital requirements just like other capital-intensive industries; therefore potential investors in the industry should not underestimate the industry in terms of its capital requirement for investing. They should also do extensive research into the specific subsector

that they want to invest in and the capital required to operate before starting to invest to avoid being stuck on the way in their investments as could be seen from some participant's responses that they underestimated the amount of capital required to operate within the industry. Potential investors could then take a clue from it to do proper research before investing.

### **Lack of Requisite Managerial Skills of Investors**

The lack of requisite managerial skills by the investors was one of the main challenges bemoaned by the participants. Most of the participants said they did not have the required managerial skills or industry-specific skills to manage their investment. Below are some excerpts of some participants' responses. For instance, a participant who invested in the hotel subsector had this to say.

*'In the beginning, my biggest challenge was the difficulty in managing the business. My initial idea was to open the business and go back to Japan but I realized that it was not easy like that, especially after investing so much money. I came from dealing in spare parts and automobiles, so the hospitality industry was something entirely new to me and I did not have the requisite knowledge and skills to manage it'* (Paul, a 58-year-old Japan-based Ghanaian investor with over 20 years of experience in the hotel business. 27th June, 2022).

Similarly, one of the participants had this to say.

*"The thing I considered a challenge at the beginning would be my inexperience within the industry (lack of the required*

*managerial skills). I had to ask a lot of questions and also read a lot about how to get things right because I did not want to hire someone to run the place, I wanted to do it myself and learn in the process. Although I am a marketing graduate, there is a difference in the dynamics of managing a facility" (Anne, a 39-year-old UK-based Ghanaian investor in a restaurant business. 30th July, 2022)*

These responses by participants indicate that some of them did not have the industry-required skills or the management skills to manage the businesses and that was very challenging for them at the beginning.

### **Post-investment Challenges**

The second leg of the African Diaspora investment challenges as divided by the researcher in this study was post-investment challenges, which sought to understand the current challenges at the time the research was being carried out and the problems the investors were encountering, under the post-investment challenges, several themes were generated from results of the study. Such as the cost of running the business, the negative impact of the pandemic on the business, facing competition, frequent power outages, too many government regulations, and bad work attitudes of employees.

### **Cost of Running the Business**

The hospitality and tourism industry is a labour-intensive industry, as such; one of the themes that emerged from the responses of the participants on their investment challenges was the cost of running the business. Several investors

bemoaned the costs of operating their businesses. One of the participants said this

*"Now the major challenge is the cost of managing the business such as electricity cost, water cost, salaries, and all the other costs. This is because almost everything in Ghana is imported and when the dollar goes up just like it is now, it affects our operation. Also, the hotel business requires regular maintenance of the facility which is a very huge cost"* (Paul, a 58-year-old Japan-based Ghanaian investor with over 20 years of experience in the hotel business. 27th June, 2022).

In support of the views of Paul, another investor said this.

*"My current challenges would have to do with the continuous increase in prices of drinks and the cost of things in general. For instance, the price of Vody from January to February was 147.00 fast forward to March, the price went to 210.00 and the price of a crate of Guinness was 70 cedis, which has moved to 100.00 Club Beer too has shot up and it is affecting our market because we operate with prices. For instance, when a customer comes to buy a drink today at a certain amount or price and the next day comes back with the same amount to buy and it has increased, he or she may not understand why. This is something we are currently facing because of the frequent changes in the price of products which means we have to make up the differences to keep our customers which makes our cost of*

*operation high. (Joe, a 30-year-old UK-based Ghanaian investor with 10 years of investment experience in a pub business. 28th June, 2022)*

Affirming the views expressed by Paul and Joe, Joyce also had this say.

*"One major challenge that we are facing right now is the cost of running the business. If I were to tell you how much I pay for rent here at Osu, you would be surprised by the price. I think rent control and the government have to step in to control some of these things. How can we be in Ghana and the landlords and ladies will be charging rent in dollars? And because the place is a good location if you relax someone will take it away from you" (Joyce, a 34-year old UK-based Ghanaian restaurant owner with 5 years of investment experience 20th July, 2022).*

Similarly, one of the participants also said this when the researcher asked about the challenges they faced in their investment.

*"The present challenges I will say have to do with the cost of operation. The cost of operating a restaurant has become very expensive these days because almost every day, the prices of goods and services keep increasing and that makes it difficult to operate. For instance, the price of gas, electricity, and transportation has been increasing in recent times meanwhile, as a business you are not expected to also constantly be increasing your prices because your customers may think you are not serious". (Chris, a 37-year-old UK-based Ghanaian*

restaurateur with more than a decade of experience investing in the industry. 29th June, 2022)

These responses from the participants showed that one of the major challenges for them has to do with the cost of operation which according to most of them is due to rental fees, and continuous general increases in the prices of goods and services which put much pressure on their operation.

### **Negative Effects of the Pandemic on Businesses**

In the year 2019, the world suffered a catastrophic effect from the outbreak of a pandemic known as COVID-19, which began in Wuhan City in China. The effects of this pandemic affected people from all walks of life and almost all sectors of the world's economy. The effects were felt much by the hospitality and tourism industry according to numerous studies. It was thus not surprising when it emerged in this study as one of the major challenges investors faced. According to the results of this study, many investors said that the pandemic was major especially when it was at its peak. This is because virtually everything came to a standstill and that was a challenge for them particularly those who were renting the properties for their operation since they were still paying rent. Excerpts of some of the responses by participants are seen below. For instance, an investor in the hotel business said this.

*"COVID-19 affected us, especially in our revenue generation among others. First, we had 45 employees but the pandemic forced us to cut the number down to 15 staff"* (Lina, a 38 years



old US-based Ghanaian hotel owner with 5 years of investment experience. 28th June, 2022)

On the same issue of the pandemic as a challenge for the Ghanaian Diaspora investors, one of the investors bemoaned.

*"COVID brought everything to a halt, there were restrictions on international travel, and that had an impact on us because most of our clients are foreigners so, the closing of the borders affected our business operation".* (Disney, a 48-year-old UK-based Ghanaian investor in the hotel business with more than a decade of experience in the industry. 19th July, 2022)

These responses indicate that the pandemic was a big challenge for investors because most businesses came to a standstill as a result of the closure of borders and lockdown which further led to the folding up of some businesses, particularly those that depend on a foreign clientele. This finding supports previous studies which found the closure of several hospitality and tourism businesses resulting from the impact of the COVID-19 pandemic. (UNWTO, 2020; Bartik et al., 2020)

### **Too Many Government Regulations (Taxes)**

The study found too many government regulations, particularly taxes as a very big investment challenge the investors were engulfed with, several of them complained bitterly that there were too many regulations, such as taxes and other government requirements. Excerpts of these responses are given below.

*"My challenge is government regulations, particularly taxes are a huge thing, as you can see we are merely a mom-and-pop thing we do not need some of the regulations being put on us. They require you to have a fire permit, GRA registration, tourism permit, and so many other regulations and the worst thing is even that when you go to the offices to do these things, they frustrate you the more but in places where the systems work, when you walk into the office to do something the people make sure they simplify your task for you by explaining everything to you in a simple language but here in Ghana they will frustrate you and will be acting as if they are in the office to show you their powers"* (Santa, a 55-year old US-based Ghanaian investor in a restaurant business. 20th July, 2022)

In support of Santa's view, another investor in the hotel business also said.

*"Taxes and other government regulations are major challenges that affect us a lot. currently, if I am to give you a list of taxes, we will not finish now but I know of 11 that we have to pay and is like you make the money and end up giving it out to the government through the numerous taxes and regulations"* (Lina, a 38-years old US-based Ghanaian hotel owner with 5 years of investment experience. 28th June, 2022)

One of the investors also had this to say.

*"The taxes and government regulations are too much and it is difficult to survive as a small business in this condition"* (Don,

a 54-year-old US-based Ghanaian investor in the hotel business. 18th July, 2022)

These Responses by the participants indicate that one of their major challenges in investing in the Ghanaian hospitality and tourism industry is the issue of too many government regulations, such as permits, registrations, taxes, and many others, which the participants alluded to as being one of their major hindrances in their investment within the Ghanaian hospitality and tourism industry.

### **Frequent Power Outages**

The issue of unannounced power cuts/outages is a thing in many African countries, according to previous findings (IFC, 2014) and Ghana is no exception to some extent. This phenomenon emerged from the results as one of the main investment challenges to some investors. They said the nature of the hospitality and tourism business requires constant use of electricity however, in this country, the electricity company can sometimes take off the power without prior announcement and that is very challenging for them because even those that have generators or plants to power their facilities during that period I have to bear with the cost of diesel which is very expensive. This was what one of the investors said when he was asked about his investment challenges.

*"One of the challenges I have encountered is the unstable power supply in this country. I also think it is not right for businesses to be using prepaid for electricity and even when you buy the prepaid the next day you check and it is gone. In*

*the UK all businesses operate on postpaid, and things work very well so when you are paying bills, you know there is value for money not what is happening here. (Macho, a 46 year-old UK-based Ghanaian restaurant owner with more than a decade of experience. 20th July, 2022)*

Similarly, another investor bemoaned.

*"The unannounced power outage is a very big challenge for us business owners especially if you do not have the means to purchase a power plant that could take over in the event of these outages. Your customers may get disappointed and may never come back. (Edna, a 47 year-old UK-based Ghanaian restaurant owner with four years in operation. 29th June, 2022)*

This finding affirms a previous study which found Power cuts and interruptions as major challenges diaspora investors encounter (IFC, 2014).

The results showed that it is a challenge for investors within the hospitality and tourism businesses because the consequences of frequent power outages to businesses are enormous and could create a situation of discomfort for customers or even cause easily perishable items to be spoiled, particularly in restaurants.

### **Chapter Summary**

The study found two main investment challenges faced by African Diaspora Investors in the hospitality and tourism industry. Pre-investment challenges, which were the difficulties or hindrances that the Ghanaian diaspora investors

encountered at the beginning of their investment such as, (getting a good location to start a business, difficulty in raising initial capital, dishonesty of employees and artisans, lack of requisite managerial skills of investors, and facing community resistance) and post-investment challenges which were the challenges that the investors were facing as at the time the research was being conducted, such as (the cost of running the business, the negative impact of the pandemic on the business, facing competition, frequent power outages, too many government regulations, and bad work attitudes of employees). The finding supports earlier studies by Chrysostom, (2014) and McGregor, (2014) who found that it was very difficult to get a reliable partner or agent to do business within Africa and brought to light the issue of too many government regulations particularly taxes among others, which are a disincentive to investors.

### **Negotiation Strategies of African Diaspora Investors in Ghana's Hospitality and Tourism Industry**

This part of the study looked at how the African Diaspora Investors negotiated challenges that they encountered in their investment within the Ghanaian hospitality and tourism industry. We sought to understand what strategies or interventions the investors employed to negotiate their challenges. Several themes were generated from the participants' responses to this research question, they were; the adoption of appropriate technology, support from family and friends, intensifying marketing campaigns, seeking advice from major industry players, collaboration with stakeholders, and innovation. These themes are elaborated on below.

## The Adoption of Appropriate Technology

The adoption of appropriate technology emerged as one of the negotiation strategies used by the African Diaspora Investors to negotiate their challenges of investing in Ghana's hospitality and tourism industry. Most of the participants said they employed technology in their operation which helped them to overcome some of their investment challenges. Examples of some of the technology they mentioned were the installation of CCTV cameras to curb the challenge of theft and other losses, the installation of energy-saving technology like swipe cards to reduce the waste and cost of electricity, and the use of energy-saving equipment, among others. Some excerpts of their responses are below. For instance, a participant who owns a hotel had this to say when he was asked a question about how he negotiated his investment challenges.

*"Some of the challenges when they come, we try to put measures in place. For instance, we realized that we were incurring too much cost on power and electricity so we introduced the keycard system which when a guest leaves the room and removes the card, switches off all lights and electrical gadgets. This strategy helped us save a lot of energy by reducing waste and saving money. Besides that, on the issue of theft, we installed CCTV cameras at all the necessary places like the hotel reception and the kitchen areas to ensure that people do the right things at all times. These strategies helped us avoid wastage and reduce costs because people are scared*

*of doing the wrong thing and getting caught by the camera"*

(Paul, a 58 year-old Japan-based Ghanaian investor with over 20 years of experience in the hotel business. 27th June 2022).

This view was supported by another hotel owner; she said this about her investment challenges.

*"We were losing a lot from theft but we have installed CCTV cameras which helped us to reduce the theft incidence which was a major issue for us"* (Lina, a 38 year-old US-based Ghanaian hotel owner with 5 years of investment experience. 28th June 2022)

Continuing on the adoption of appropriate technology as a negotiation strategy by the Ghanaian diaspora investors in the Ghanaian hospitality and tourism industry, another participant had this to say.

*"Technology has allowed me to tackle dishonesty at my facility which was one of my challenges, specifically theft. This is because I can monitor or see what is happening here even though I am far away"* (Don, a 54 year-old US-based Ghanaian investor with 10 years of experience investing in the hotel business. 18th July, 2022)

This study thus found the adoption of appropriate technology to be one of the effective negotiation strategies that were used by the investors to curb issues of theft, reduce the cost of operation, etc. The results also indicate that some of

the participants mitigated their investment challenges by simply employing the right technology as a strategy.

### Support from Family and Friends

The issue of family and friends came up in the study as many of the participants said they had support from their family and friends. It thus emerged as one of the negotiation strategies in this study as many investors mentioned it as a source that provided a solution to their investment challenge. For instance, a restaurant owner had this to say when she was asked how she negotiated her investment challenges.

*"One of my initial challenges was how to raise the seed capital, but I got loans from some friends and family to add to what I already had as my seed capital. (Joyce, a 34 year-old UK-based Ghanaian restaurateur with 5 years of investment experience in the industry. 20th July, 2022)*

Another participant also said this.

*"Theft was one of our biggest challenges, so I had to bring on board some of my family members, particularly my wife, and brother to assist me in ensuring that things were not stolen"*  
(Edna, a 47-year UK-based Ghanaian restaurant owner with four years in operation. 29th June, 2022)

Similarly, an investor in the restaurant business bemoaned.



*"Location is everything in this business, so when I was thinking of this investment and I had difficulty in finding a good location, I relied heavily on my family and friends back in Ghana to find a place for me, and finally they got me this location"* (John, a 27 year-old Germany-based Ghanaian restaurant investor with 6 years of investment experience. 20th July, 2022)

This finding affirms previous studies which found Diaspora Investors or Entrepreneurs make use of the social networks of their family and friends to overcome some of the obstacles they face when investing in their home country (Brinkerhoff, 2016; Peng, 2014; Riddle, and Brinkerhoff, 2011). This implies that although the investors may not permanently be living in their country of origin, they get support from their family and friends through their social networks, advice, and other times financial assistance during times of need as has been found by this study.

### **Intensifying Marketing Campaigns**

The study found low patronage or difficulty in getting customers as well as facing competition from major industry players as some of the challenges faced by the investors. In mitigating those challenges, some of the investors according to the results employed marketing campaigns as their negotiation strategy to overcome these challenges. Most of the investors said they had a big challenge getting customers to patronize their facilities, but they mitigated that challenge by intensifying their marketing campaigns. Some excerpts of these responses from the participants are below.

*"Hmmm! Most of these things unfortunately are not easy to overcome in the beginning. So, the strategy I used was to do extensive marketing to reach a certain sales target every month to be able to cover some of the expenses, and with time, people got to know the brand. (Edna, a 47 year-old UK-based Ghanaian restaurant owner with four years in operation. 29th June, 2022)*

Same on intensifying marketing as a negotiation strategy, one investor had this to say.

*"About getting customers, we have made arrangements with people to constantly advertise and hype our products on various social media platforms. We have also printed flyers and other advertisements; the patronage is quite okay now. Another strategy we adopted to deal with the issue of low patronage was that we exploited our location advantage by doing door-to-door marketing with the corporate offices in our midst" (Santa, a 55 year-old US-based Ghanaian investor in a restaurant business. 20th July, 2022)*

Also, Don said this about how he used marketing as a negotiation strategy for his investment challenges in the Ghanaian hospitality and tourism industry.

*"We intensified our marketing campaign and were able to get customers to start patronizing our services. Regarding the room rates, for instance, we had to reduce them and take some of the services out, like breakfast, for example, to be able to*

*provide or accept some rates that some guests may be able to afford.* (Don, a 54 year-old US-based Ghanaian investor with 10 years of experience investing in the hotel business. 18th July, 2022)

This finding indicates that with a good marketing strategy, investors were able to overcome the issue of low patronage or low demand for their goods and services which was a challenge for them.

### **Seeking Advice from Experts and Major Industry Players**

Another negotiation strategy the study found was that investors sought advice from experts and major industry players on how to go about things. This is because most of the investors did not have a hospitality or tourism background and for that matter, had to rely heavily on expert advice to get out of any challenges that they find themselves in. This was what one investor said.

*"We had consultations with our sisters who are in the bigger hotels. We put our problems before them and listened to their advice and then knowing our system we were able to make the necessary decisions to address our challenges"* (Lina, a 38-year old US-based Ghanaian hotel owner with 5 years of investment experience. 28th June, 2022)

Similarly, one participant shared their opinion on the issue of seeking advice from experts and major industry players on how to deal with challenges confronting their businesses. Below is what the participant had to say.

*"Through it all, I would say I seek advice from people that I think understand how things work within the industry. It requires a lot of work and dedication as I always say, you have to learn, unlearn, and relearn to perfect in whatever you are passionate about". (Disney, a 48 year-old UK-based Ghanaian restaurant owner with 11 years of experience in operation. 20th July, 2022)*

Affirming the views of Disney, another investor said this too.

*"I have not overcome all of the challenges yet but the few ones that I did were through a learning curve and also asking questions from experts in the industry. Since I did not have experience working in the industry, I made a lot of appointments with people to guide me on how to operate successfully within the industry" (Anne, a 39 year-old UK-based Ghanaian investor in a restaurant business. 30th July, 2022)*

The participant's response showed that, as an investor or a business person, you should be able to identify experts or people within your industry of operation to seek counsel when the need arises, as in the event of an investment challenge. Since those people have gathered experience over the years, they could guide you out of that challenge. This is evident from the responses of the participants of this study who acknowledged the contribution of experts and major industry players in solving their investment challenges through their guidance and advice. This finding thus adds a new perspective to

the body of knowledge on Diaspora investors' negotiation strategies for their investment challenges in the Ghanaian hospitality and tourism industry.

### Collaboration with Stakeholders

Collaboration with stakeholders also emerged as one of the negotiation strategies that the investors used to mitigate their challenges.

Most of the participants said they collaborated with the necessary stakeholders to overcome some of their challenges. Below are some excerpts.

*"Whenever there is any challenge facing the business, the various heads of departments and management sit together to jaw-jaw and find a solution or put our thoughts together and find a way"* (Paul, a 58 year-old Japan-based Ghanaian investor with over 20 years of experience in the hotel business. 27th June, 2022).

In a similar view, Ray also had this to say.

*"Regarding the other challenge of the Muslims resisting my operation in the area, I had to collaborate with their leadership for us to resolve the matter amicably and on how to deal with the common challenges in the area moving forward. We agreed to reduce the volume of our sound system when it is 10:00 pm in order not to inconvenience the residents"* (Ray, a 57 year-old Hamburg-based Ghanaian investor with 9 years of experience in the pub business. 17th July, 2022).

Continuing with collaboration as a strategy used by the African Diaspora investors, one participant also said this.

*"We collaborated with the government and used our hotel as one of the COVID-19 holding facilities and that helped us to reduce our financial losses during that period"* (Don, a 54 year-old US-based Ghanaian investor with 10 years of experience investing in the hotel business. 18th July, 2022)

Concluding on collaboration with stakeholders as a strategy for negotiating investment challenges by the African Diaspora Investors in the Ghanaian hospitality and tourism industry, one of the participants said this.

*"Well, one thing we do is that I have sisters who operate restaurants as well, so we put our resources together to execute or purchase things that we all need in bulk to save cost or when it comes to the training of the staff, we put our money together and hire the resource person to train the employees and this saves cost as compared to doing that all by yourself"* (Edna, a 47 year-old UK-based Ghanaian restaurant owner with four years in operation. 29th June, 2022)

The responses showed that it is very important as an investor to identify people whom you could collaborate with when it becomes necessary to achieve a common goal or success as has been demonstrated by some of the investors who participated in this study.

## Chapter Summary

Six main strategies were used by the African Diaspora Investors to negotiate their investment challenges in the Ghanaian hospitality and tourism industry. These strategies were; the adoption of appropriate technology such as the installation of CCTV cameras, swipe keycard systems, etc., support from family and friends, intensifying marketing campaigns, seeking advice from major industry players, collaboration with stakeholders, and innovation. This finding affirms previous studies which found diaspora investors or entrepreneurs make use of the social networks of their family and friends to overcome some of the obstacles they face when investing in their home country while adding a new perspective to the literature on how challenges were negotiated by the African Diaspora Investors in the industry (Brinkerhoff, 2016; Peng, 2014; Riddle, and Brinkerhoff, 2011).

### Investors' Satisfaction with Investment Experiences

The last research question of the study sought to examine how satisfied or not the African Diaspora Investors are with their investment in the Ghanaian hospitality and tourism industry. The result showed that more than half (70.6%) of the study participants admitted that they did not have regrets and were satisfied with their investments in the country. The reasons that accounted for their satisfaction with investing in the industry were the joy of doing what they love, rapid growth in their businesses, and fulfillment of their life dreams. These points are put into themes and discussed in detail below.

### The Joy of Doing What They Love

One of the main reasons that accounted for the investor's satisfaction with investing in the hospitality and tourism industry in Ghana was the joy of doing what they love. Some of them said they were satisfied with their investments because it is something they love doing. They admitted although they have encountered some challenges in their investments, their passion for what they were doing was more satisfying than regret. For instance, one of the investors said this.

*"I love cooking and being around food and that alone is so satisfying for me"* (Edna, a 47 year-old UK-based Ghanaian restaurant owner with four years in operation. 29th June, 2022)

Similarly, a hotel owner said this when contacted on what accounted for his satisfaction with the experience of investing in the Ghanaian hospitality and tourism industry.

*"The thing is that I love doing this business because it is fulfilling to know that because of you, I stranger in a different land can get a place to comfortably stay safe. The thought of that keeps driving me and it is fulfilling enough for me"* (Don, a 54 year US-based Ghanaian investor in the hotel business with a decade of experience in the industry. 18th July, 2022)

The views expressed by the participants showed that their satisfaction with experiences investing in the Ghanaian hospitality and tourism industry was mainly because they love or enjoy what they do. This accounts for their



positive investment experiences despite some of the challenges that they have faced and are still facing in their investments, the passion and joy of doing what they love to do make them have positive satisfying experiences.

### **Rapid Business Growth**

The next thing that was said to have accounted for the satisfaction with experiences of investing in the industry according to some of the African Diaspora Investors was the rapid growth of their businesses. For instance, one investor in the restaurant business said this.

*"Business has been very good and I am glad about the way Ghanaians have accepted our brand. We have expanded massively considering where and how we started small like a coffee shop with 50 seating spaces at East Legon in 2011; we now have 11 branches in Accra, Tema, and Kumasi in 11 years of operation. I feel proud and glad knowing that I and my wife have created a brand that makes people happy and also provides jobs for people. That alone is enough to create a positive experience for me hahaha"* (Disney, a 48 year-old UK-based Ghanaian restaurant owner with 11 years of experience in operation. 20th July, 2022)

Continuing on rapid growth in business as a reason accounting for the positive investment experiences of some of the investors, one of them said this.

*"Oh! I have had positive experiences. This is because I have been able to put up a nice structure somewhere and I have expanded the business because it was a container that I started with but now it is a concrete structure, I started with one counter/lounge but I have six now, and finally, I started with two workers but now I can boast of 39 and more so it is all about positivity nothing like regrets". (Jude, a 57 year-old US-based Ghanaian restaurant owner with 26 years of investment experience. 21st July, 2022)*

Similarly, another investor also said this.

*"Business is moving on well and I am planning to expand my investment. (Don, a 54 year-old US-based Ghanaian investor in the hotel business with a decade of experience in the industry. 18th July, 2022)*

This finding indicates that there is potential for growth and expansion within the Ghanaian hospitality and tourism industry. The finding is more of a testimony by some of the investors themselves thus, could be used for marketing purposes by the government and all concerned bodies interested in the Ghanaian hospitality and tourism industry. Again, it adds new knowledge to the literature on the subject under study.

### **Fulfillment of Life Dreams**

The last reason given by many of the participants for their positive experiences investing in the industry was that their investments are things that they have long dreamt of and have finally fulfilled those dreams. According to some of

them, investing in the industry was a way of fulfilling their dreams and that is satisfying enough for them. For example, an investor in the restaurant business said this.

*"It has always been my dream to be able to create an opportunity for the less privileged in society and I have a great feeling to know that because of me some people are working and can feed their families through that, which means that I fulfilled one of my life dreams"* (Chris, a 37 year-old UK-based Ghanaian restaurateur with more than a decade of experience investing in the industry. 29th June, 2022)

Also, an investor in the hotel business who participated in the research had this to say.

*"The commitment and the time required in this business and other frustrations make me feel like I am regretting but on the flip side, I don't regret that I have invested because it is a fulfillment of both myself and my father's dreams. That alone makes me feel satisfied with my investment.* (Jack, a 58 year-old Japan-based Ghanaian investor with 13 years of experience investing in the hotel business. 20th July, 2022).

This implies that 70.6% of the African Diaspora Investors who participated in this study were satisfied with their experiences investing within the Ghanaian hospitality and tourism industry with the above reasons accounting for it.

On the other hand, 29.4% of Investors also expressed mixed feelings about the experience. They said that they were neither satisfied nor dissatisfied with investing in the Ghanaian hospitality and tourism industry. They admitted that despite the advantages of their investments, the challenges make them have mixed experiences. They said they were neither satisfied nor dissatisfied with investing in the Ghanaian hospitality and tourism industry. The following reasons accounted for the mixed feelings of satisfaction with investment such as; the bad attitude of employees, the high cost of operations, too much time and energy required for work, high returns, and fulfillment of dreams, just to mention a few. Some excerpts of these points are expressed below.

For instance, one of them said this.

*"Well, I will say it is a mixed experience. The challenges particularly the rent and the attitude of some of the employees that you spend your hard-earned money to train and they will just get up one day and stop work without proper notification are some of the things that created some bad experiences for me whereas the joy of doing what I love is also making me happy. The business is also thriving and that is giving me a positive experience (Joyce, a 34 year-old UK-based Ghanaian restaurant owner with 5 years of investment experience 20th July, 2022).*

Another participant also said this.

*"I have mixed experience because it is like you are making money and not knowing where the money is going due to the*

*cost of operation. I think the government should do something to support the growth of small businesses like tax exemptions and all that but on the other hand, I love that I have finally established a business I have always wanted to own and is satisfying" (Anne, a 39 year-old UK-based Ghanaian investor in a restaurant business. 30th July, 2022)*

Again, one of the participants shared a similar view below.

*"Well, it is a good business if you have a love for it. My experience is mixed because it requires a lot of time if you want to succeed, I think the problem is partly because hospitality is still a growing industry in Ghana and it requires a lot of time and commitment. But apart from that, it is a good business and the returns are great too" (Santa, a 55 year-old American-based Ghanaian restaurant owner who has operated for 8 months. 24th July, 2022).*

Continuing on that same issue, one of them said this

*"I have mixed experience because is like you are making money and not knowing where it is going due to the cost of operation. I think the government should do something to support the growth of small businesses like tax exemptions and all that" (Disney, a 47 year-old UK-based Ghanaian restaurateur with more than a decade of experience investing in the industry. 29th June, 2022)*

Finally, on the issue of mixed experiences, one of the participants had this to say.

*"No regret totally, but it is not advisable for one person to have facilities everywhere. You will lose a lot of money because Ghanaian workers are not trustworthy and honest and that is what happened to me. So, I have mixed feelings about this investment". (Joe, a 30 year-old UK-based Ghanaian investor with 10 years of investment experience in a pub business. 28th June, 2022)*

This finding indicates that even though some participants are satisfied with their investment experiences in the industry, some of them share a mixture of feelings, they bemoaned that they were not satisfied nor regretted investing in the industry.

### **Chapter Summary**

On the issue of investor experiences, the study found that more than half (70.6%) of the study participants were satisfied with their investments in the Ghanaian hospitality and tourism industry. The reasons that accounted for their satisfaction were: the joy of doing what they love, rapid growth in their businesses, and fulfillment of their life dreams. On the other hand, however, 29.4% of Investors also expressed mixed feelings about the experience. They said that they were neither satisfied nor dissatisfied investing in the Ghanaian hospitality and tourism industry, citing the following reasons, bad attitude of employees, the high cost of operations, too much time and energy required for work, high returns, fulfillment of dreams, just to mention a few for their mixed feelings of investing. They admitted that despite the advantages of their investments, the challenges made them have mixed experiences.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

#### Introduction

This chapter presents a summary of the study. The issues covered include methodology, findings, conclusions and recommendations of the study.

#### Summary of the study

The main objective of the study was to examine African Diaspora investors' experiences in the Ghanaian hospitality and tourism industry, as a result of little empirical research in the subject area despite the invaluable contribution of the African Diaspora to development efforts of the continent. Specifically, the study sought to:

1. Identify which hospitality and tourism subsectors African Diasporas invest in.
2. Explore African Diasporas' motivations for investing in Ghana's hospitality and tourism industry.
3. Analyze African Diasporas' challenges of investing in Ghana's hospitality and tourism industry.
4. Examine how African Diasporas negotiate their challenges of investing in Ghana's hospitality and tourism industry.
5. Examine African Diaspora investors' satisfaction with experiences of investing in Ghana's hospitality and tourism

The Push and Pull Theory of Entrepreneurship (Hakim, 1989) and the Expected utility theory guided the study. Using an exploratory research design and a snowball sampling technique, 17 Participants were engaged in face-to-face in-depth interviews. The data were transcribed manually and

analyzed using the inductive content analysis technique with Nvivo 12 plus in organizing the data into codes and the various themes.

### **Summary of Key Findings**

The study found that two sub-sectors in the hospitality and tourism industry attracted investment from the study participants, these were; the Food and Beverage (F&B) subsector, with 65% of investors. Specifically, 53% invested in restaurants and 12% in pubs. Also, 35% of the remaining participants of the study invested in the lodging (accommodation) subsector, particularly in the hotel business. Three reasons accounted for the choice of the subsectors that participants invested in. They were; the identification of a business opportunity, investing in things they love doing (hobby), and perceived high returns on investments.

Regarding the second objective of the study, it was found that Nine (9) themes emerged as motivation for investment in the Ghanaian H&T industry by Diasporas. These themes were: the identification of a business opportunity, generation of income, love for the country (patriotism), desire to create jobs for the unemployed (altruism), the benefit of tax holidays on the importation of equipment for the business, fulfillment of dreams, investing in ventures towards retirement, investing in businesses that are easy to monitor, and safe business environment due to the political stability. These themes were further categorized into two mains, (Push and Pull motivation factors)

The study further found that the African Diaspora investors faced several challenges, which were categorized into pre-investment and post-investment challenges for the study. Pre-investment challenges found were: difficulty getting a good location to start a business, difficulty in raising



initial capital, dishonesty of employees and artisans, lack of requisite managerial skills of investors, and dealing with the issue of community resistance.

Also, the study found the high cost of running the business, the negative impact of the pandemic on businesses, competition from multinational companies, frequent power outages, too many government regulations (taxes), and bad work attitudes of employees as the post-investment challenges of the investors.

Additionally, adoption of appropriate technology, support from family and friends, intensifying marketing campaigns, seeking advice from major industry players, collaboration with stakeholders, and Innovation were found to be the strategies employed by the African Diaspora investors in negotiating their investment challenges.

Finally, the last objective of the study sought to examine how satisfied or not the African Diaspora investors were with their investment in the Ghanaian hospitality and tourism industry. The finding showed more than half (70.6%) of the study participants were satisfied with their investments in the Ghanaian hospitality and tourism industry. The study found three main reasons to have accounted for their satisfaction with experience investing in the industry, which were: the joy of doing what they love, rapid growth in their businesses, and fulfillment of their dreams.

On the other hand, 29.4% of investors also expressed mixed feelings about the experience. They said that they were neither satisfied nor dissatisfied with investing in the Ghanaian hospitality and tourism industry.

They admitted that despite the advantages of their investments, the challenges make them have mixed experiences.

### Conclusions

Based on the objectives of the study and the corresponding findings, the following conclusions were made in the study.

1. The study concluded that the African Diaspora investors preferred two main H&T subsectors. The Food and Beverage (F&B) subsector 65% and the Lodging (hotels) subsector with 35% investment. It further concluded that three reasons accounted for the choice of subsectors, such as the identification of a business opportunity, investing in things they love doing (hobby), and perceived high returns on investments.
2. The study further concludes that nine factors, further categorized into two mains, Push and Pull factors motivated the African Diaspora to invest in Ghana's H&T industry. These factors were the generation of income, fulfillment of dreams, the love for the country (patriotism), desire to create jobs for the unemployed, investing in ventures towards retirement, and investing in businesses that were easy to monitor as the Push factors and the identification of a business opportunity, the benefit of tax holidays on importation of equipment for the business, and safe business environment due to political stability as the Pull factors.
3. It is also concluded in the study that challenges were categorized into two mains, pre-investment and post-investment challenges.
4. Based on the findings, the study further concluded that the adoption of appropriate technology, support from family and friends, intensifying

marketing campaigns, seeking advice from major industry players, collaboration with stakeholders, and innovation were found to be the strategies used by the investors to negotiate their investment challenges.

5. Finally, the study concluded that, African Diaspora investors are satisfied with their investment experiences with about (70.6%) affirming their satisfaction whereas 29.4% expressed mixed feelings about their investment experience.

### **Recommendations**

Based on the findings and conclusions of the study, the following recommendations have been proposed to enhance positive investment experiences of the Diaspora investors and to mitigate the challenges of investing in the Ghanaian hospitality and tourism industry at large.

1. The study recommends that the government should partner with stakeholders in the financial sector to make funds available to support small-scale businesses in the hospitality and tourism industry. Most of the investors complained about the lack of readily accessible loans for them to expand or venture into some of the subsectors which require huge capital investments e.g. transport and lodging subsectors among others.
2. Based on the findings, the study also recommends that Ghana Tourism Authority (GTA), Ghana Revenue Authority (GRA), Ghana Investment Promotion Center (GIPC), Accra Metropolitan Assembly (AMA), and Ghana Fire Service Department (GFS) should work together to provide a one-stop-shop or agency where all the necessary

documentation required operating as a business within the industry can be obtained. For example, they should all come together to provide a common platform, a place where a person can walk in and out with complete documentation to operate as a business within the Ghanaian tourism and hospitality industry. This will save investors and potential investors' money and time of going through the bureaucratic processes of each of these institutions to obtain the required documents to operate in the industry, thereby improving practice and enhancing positive investment experiences since the majority of the participants complained about it as a big impediment.

3. Again, the study recommends that the government should reduce the number of regulations, particularly taxes on the businesses within the hospitality and tourism industry. One of the main challenges that was mentioned by all the participants of the study had to do with the number of taxes on the H&T businesses, which puts too much burden on investors and thus affects their positive investment experiences. Therefore, the government should reduce these taxes to encourage expansion and attract new investors into the industry.
4. Another recommendation made in the study was that there should be regular stakeholder engagements and collaborations. For instance, the government and its concerned agencies like GTA and GIPC should partner with academia to frequently organize workshop training and short-term professional courses for the investors and their employees. This will equip them with relevant contemporary skills on how to navigate the industry professionally and profitably, especially for those

investors without any background in the industry, this will bring about professionalism and face out some of the challenges that bring about dissatisfaction to investors.

5. The last recommendation drawn in this study was that the government should come up with need-based investment incentives such as collateral-free loans for investors, and tax holidays on importation of materials just to mention a few. This will bring about expansion and also creation of more jobs as well as positive investment experience in Ghana.

#### **Suggestion for Further Studies**

The study examined the African Diaspora investors' experiences of investing in Ghana's hospitality and tourism industry, specifically, identifying which subsectors Ghanaian Diasporas prefer to invest in, the motivation for investing, their challenges as well as how they negotiated those challenges and finally their culminated experiences investing in Ghana's hospitality and tourism industry. Further studies could look at Non-Diaspora investors in Ghana's hospitality and tourism industry to compare their experiences against those of the Diaspora investors for a wider picture of the situation.

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**APPENDIX: INTERVIEW GUIDE****UNIVERSITY OF CAPE COAST****COLLEGE OF HUMANITIES AND LEGAL STUDIES****DEPARTMENT OF HOSPITALITY AND TOURISM MANAGEMENT****TOPIC****AFRICAN DIASPORA INVESTORS' EXPERIENCES IN GHANA'S  
HOSPITALITY AND TOURISM INDUSTRY****Consent form**

Dear sir/madam.

My name is David Akazire Anandene and I am a second-year Master of Philosophy (MPhil) Tourism Management student from the Department of Hospitality and Tourism Management of the University of Cape Coast. I am researching **African Diaspora Investors' Experiences in Ghana's Hospitality and Tourism Industry**. Your participation in this interview is very important for the success of this project.

This interview will last approximately 40-50 minutes to complete, should you accept to participate, you will be free to withdraw from participation or refuse to answer any question(s) that makes you feel uncomfortable. Also, the information you provide is solely for academic purposes and will be handled with a high level of confidentiality and anonymity. Thank you.

**Consent: Do you agree to participate in this study? Yes.....No ...**

**INTERVIEW GUIDE FOR AFRICAN DIASPORA INVESTORS IN  
GHANA'S HOSPITALITY AND TOURISM INDUSTRY.**

**SECTION A: BUSINESS CHARACTERISTICS**

A1. How long have you operated your business?

Probe:

- i. Is your business a partnership, limited liability company, franchise, or sole proprietorship?
- ii. How many employees do you have?
- iii. Are they full-time or casual employees?
- iv. What is the gender composition of your employees?
- v. Are they, family members, or hired employees?
- vi. Are all the employees Ghanaians?

A2. Probe for subsector

- i. May I please know why you prefer this subsector(s) to others?
- ii. What specific things or features about this subsector(s) attracted you to it?

A3. Did your employees have prior industry knowledge before you hired them or not?

Probe:

- i. Do you have on-the-job training programs for people without industry knowledge?
- ii. Does your company have career enhancement/development programs for your employees?
- iii. If yes, what are they? And if not why not?



- iv. What method of hiring employees did you use in selecting your employees and why?

## **SECTION B: MOTIVATION**

B1. What motivated you to choose to invest in the hospitality and tourism industry over other industries?

Probe:

- i. Please why did you choose to invest in Ghana?
- ii. What attracted you specifically to invest in this subsector(s)?
- iii. Are there personal reasons/factors that motivated you to invest in this subsector(s)?
- iv. What are these reasons/factors if any?
- v. Where are there any destination/external motivating factors that attracted you to invest in this subsector(s)?
- vi. What are these factors if any?

## **SECTION C: CHALLENGES**

C1. Probe for (**Pre-investment challenges**)

- i. What are the challenges you face at the beginning/early days of your investment in Ghana's H&T industry?

Probe for (**Post-investment challenges**)

- ii. What are the current challenges that you are facing in operating your investment in Ghana's H&T industry?
- iii. How do these challenges affect your business operation?

## **SECTION D: NEGOTIATION STRATEGIES**

1. How did you overcome your investment challenges in the H&T industry?

Probe:

- i. What approaches did you use to mitigate your challenges?
- ii. Did you negotiate your challenges using official/formal or unofficial/informal networks?
- iii. Were there any special/innovative strategies you employed to mitigate the challenges of your investment if you had any?
- iv. What are they?
- v. Who negotiates challenges that confront the business?
- vi. Are there formal laid-down procedures for negotiating challenges facing the business?
- vii. Is it a collaborative activity or the sole responsibility of one person to negotiate challenges confronting your organization?

#### **SECTION E: INVESTORS' EXPERIENCES**

1. What are your experiences of investing in Ghana's H&T industry?

Probe:

- viii. Do you have positive experiences or negative experiences?
  - ix. What specific things/reasons made up your positive experiences if any?
  - x. What specific things or reasons can you give that accounted for your negative experiences if you had any?
2. Do you have any regrets about investing in Ghana's H&T industry?  
Why?

xi. Do you have any suggestions/recommendations that can enhance Ghanaian Diaspora investors' positive experiences of investing in Ghana's H&T industry?

**SECTION F: SOCIO-DEMOGRAPHIC CHARACTERISTICS**

Sex:

Age:

Marital status:

Level of education:

Years stayed overseas

Country of residence

**Thank you very much for your time I am much grateful**

